

## Legal Alert – March 2016 – No Valid ID, No Hotel Accommodation

### **Introduction**

Escalation in criminal activities, especially terrorism, kidnapping and armed robbery, has heightened security concerns and vigilance. This is especially as these criminal activities are carried out in contravention of International Criminal and Money Laundering Laws.

Some States have accordingly instructed all Hotels and other Hospitality Establishments carrying on business in their State to henceforth only admit and render services to Guests and other Customers who present valid National or International Identification Cards, or other forms of publicly verifiable identification documents (“ID”). Unbeknown to many of these States and Federal Authorities, the valid ID Pre-admission requirement is already a legal provision under the Money Laundering (Prohibition) Act (as amended) 2012.

### **Identification of Customers**

Financial Institutions and Designated Non-Financial Institutions, of which Hotels and Casinos are in the latter group, are required by *Section 3 of the Money Laundering (Prohibition) Amendment Act 2012*, to ensure that they Identify all their Customers, using verifiable public identification documents like a Driver’s License, National Identity Card, International Passport, etc, bearing the Customer’s name and address before rendering any service to the Customer.

Financial Institutions and Designated Non-Financial Institutions are further required to preserve and keep the record of their Customer’s Identification data for a period of at least five (5) years after the closure of the Customer’s accounts, or the cessation or severance of relations with any such customer.

### **Other Mandatory Disclosures**

Every Financial and Designated Non-Financial Institution must submit a Written Report to the Economic and Financial Crimes Commission (“EFCC”), of every single funds transfer, lodgment or payment in excess of ₦5,000,000 (Five Million Naira), in the case of an individual, or ₦10,000,000 (Ten Million Naira) in the case of a corporate body. Punitive fines for each day of not reporting such transactions to EFCC apply to this serious infraction.

**Personal Liability of Directors and Managers**

Where the identity of a customer is not independently verified, and the funds transferred is/are above the stipulated limit, the Directors and other key management personnel of the offending Institution who are culpable, or who conspired in promoting the infraction, shall be personally liable to submit to criminal prosecution and conviction if found guilty.

**Conclusion**

Recent Bomb Expulsions and other criminal activities in Hotels around the world can only place on the owners of these establishments a higher duty of care to ensure that their Hotel premises are secure and safe. Pre-obtaining and retaining customers' verifiable data must be one, among many other security measures, that must be applied to achieve this Security Protective objective.

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