

Deutsche Bank London Threatens to Terminate Business With Russia

By [Bloomberg](#)

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Deutsche Bank AG has frequently come under criticism for lax client oversight. It has now decided to crack down — on Russia.

The bank's London branch threatened in June to stop doing business with the Russian government if it fails to submit documents that the lender needs to refresh its know-your-customer information, according to a letter seen by Bloomberg News that was signed by investment-banking head Garth Ritchie and one of the bank's lawyers, Alex Scott-Gall.

“Deutsche Bank is currently undertaking a review of the products that Government of the Russian Federation has with Deutsche Bank AG, London Branch and of the Know Your Customer documentation that we hold on record,” the executives wrote in the June 27 letter to the government. “If we do not hear from you within 30 days of the date of this letter, we may issue a further notice” of our intention to terminate our business relationship as transactions

mature, they wrote.

Deutsche Bank's KYC procedures have long been a source of concern for international regulators, with the lender recently admitting that its processes are too complicated. Last year, the bank was fined by U.K. and U.S. authorities for compliance failures that saw the bank help wealthy Russians move about \$10 billion out of the country, using methods that the New York Department of Financial Services said could have facilitated money laundering.

The Russian newspaper Vedomosti [reported](#) on Deutsche Bank's letter earlier.

"Regular formal reviews are a standard part of the bank's KYC procedures with customers around the world," a spokesman for Deutsche Bank said Thursday, declining to comment further.

Chief Executive Officer Christian Sewing recently appointed a new chief operating officer, Frank Kuhnke, whose responsibilities include improving Deutsche Bank's KYC procedures.

He has changed the way the bank obtains this documentation from its clients, and the blunt way he sometimes goes about getting the paperwork — for example by threatening to end business relationships — has contributed to his moniker "Frank the Tank," according to two people familiar with the matter, who asked not to be identified.

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