



**Risk & Compliance  
Anti-Money Laundering  
Policy - 2022**  
Version 1.0

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## 1 Introduction

In exercising the power set out in the Section 69(c) of the Anti-Money Laundering Law (Pyi Htaung Su Hluttaw Law No 11/2014) and Section 40 of the Central Bank of Myanmar Law (Pyi Htaung Su Hluttaw Law No. 16/2013), the **Central Bank of Myanmar** has issued Directive on **Customer Due Diligence – Directive No 21/2015 dated 02 Oct 2015** related to the Anti-Money Laundering and Counter Financing of Terrorism to the Banks and financial institutions licensed and supervised by the Central Bank of Myanmar.

All banks and financial institutions are required to develop effective frameworks and practices to manage their Money Laundering / Terrorist financing (ML/TF) risks.

It is important for Asia Green Development Bank (AGD Bank) which is licensed to operate in Myanmar to have adequate controls and procedures in place so that they know the customers with whom they are dealing. Adequate Customer Due Diligence on New and Existing customers are key parts of these controls.

Without this, AGD Bank could become subject to Reputational, Operational, Legal Risks, which could result in significant financial costs and severe negative impact to its Brand Image. This Policy Document is being written to mitigate these risks and to be compliant to the directives of the Central Bank of Myanmar and the Laws of The Republic of the Union of Myanmar.

### 1.1 Policies and Procedures

This Policy Document aims to record in detail the internal policies, procedures, systems, and controls that AGD Bank will adopt and deploy to combat Money Laundering and Terrorism Financing. These internal policies, procedures, systems and controls are written to address the following requirements:

1. **Financial Crime Risk Assessments** of the Customer as well as their transactions.
2. **Identification and Verification** of the customer, including walk-in / occasional customers, beneficial owners.
3. Application of **Customer Due Diligence** measures to our customers.
  - a. **Standard Customer Due Diligence** measures
  - b. **Enhanced Customer Due Diligence** measures
4. **Maintaining Records** and Information of Customers and Transactions.
5. **Monitoring of Transactions** as set out in the Local Laws (Sec 21).
6. **Reporting to the Financial Intelligence Unit** of transactions (Sec 32 and 34) as set out in the Local Laws.
7. **Independent Audit Function** and Review.
8. Ensuring high standards of integrity while **Recruiting Employees**.
9. **On-going Training** on AML and CTF

These Policies and Procedures are being written taking into consideration the size and scope of the current operations of AGD Bank.

This is a Controlled Document with a Version Control. It will be subject to periodical review and amended as required basis guidance from the Central Bank of Myanmar and due to any change in internal or external circumstances of AGD Bank.

This Policy Document will have to be approved by the Audit Risk and Compliance Committee, which has been set up at the behest of the Board of Directors of AGD Bank.

## 2 Customer Due Diligence (CDD)

A sound Customer due diligence (CDD) program is essential for AGD Bank to prevent money laundering and other financial crimes. The more AGD Bank knows about its customers, the greater is our chance of our preventing money laundering offences.

In most cases, normal and basic CDD collected will be sufficient. In other cases, Enhanced Due Diligence (EDD) may be required. The objective of CDD is to enable AGD Bank predict with relative certainty the types of transactions in which the customer is likely to engage.

These processes assist the financial institution in determining when transactions are potentially suspicious.

CDD Measures are required to be undertaken when:

1. Establishing business relationships.
2. Renewing business relationships.
3. carrying out transactions under special circumstances.
4. there is a suspicion of money laundering or terrorist financing and AGD Bank doubts the veracity or adequacy of previously obtained customer data.

Customer Due Diligence involves

1. Identifying the customer and verifying the customer's identity using reliable independent source documents, data, or information
2. Identifying the beneficial owner and taking reasonable measures to verify the identity of the beneficial owner.
3. Understanding and, as appropriate, obtaining information on the purpose and intended nature of the business relationship
4. Conducting ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of the relationship to ensure that the transactions being conducted are consistent with AGD Bank's knowledge of the customer, their business, risk profile and, where necessary, the source of funds.



## 2.1 Main Elements of AGD Bank's CDD Programme

1. **Customer Identification-** Full identification of customer and business entities, including source of funds and wealth when appropriate. AGD Bank Business Teams should ensure there is a process in place to update and maintain current client information.
2. **Profiles-** Development of transaction and activity profiles for each customer. Profiles should contain sufficient information to allow for reviews of anticipated versus actual account activity or to otherwise enable AGD Bank identify suspicious activity based on comparing the activity to what we know about the customer.
3. **Customer Acceptance-** Definition and acceptance of the customer by appropriate authorities in the context of their use of specific products and services at AGD Bank
4. **Risk Rating-** Assessment and grading of risks presented by the customer's account relationship. Numerous factors should be considered when determining risk (e.g., client type, products and services, transactional activity and geographic locations). No single factor alone should be used to determine risk (except where such single factor constitutes an impermissible activity, such as violating economic sanctions or a business that is engaged in illegal activity).
5. **Monitoring-** Account and transaction monitoring based on the risks presented.
6. **Investigation-** Investigation and examination of unusual customer or account activity, which should be consistent with anticipated activity for each client based on his or her occupation or type of business.
7. **Documentation-** Documentation of findings as evidence or to provide a record of actions performed.

### **3 Financial Crime Risk Assessment**

This section aims to provide the Financial Crime Risk Methodology that AGD Bank will adopt to identify, assess, monitor, manage and mitigate money laundering and terrorism financing risks including the risks associated with new products or technologies.

The Risk Assessment undertaken by the Bank and any Underlying Information shall be documented in writing, be kept up-to-date and made readily available for Internal Audit Teams, External Auditors the CBM to review at its request.

AGD Bank will consider the following Risk Levers while arriving at the Overall Financial Crime Risk of the Customer.

1. Customer - Occupation / Sector Risk
2. Legal Entity Risk
3. Country Risk
4. Product or Services Risk

These are elaborated in more detail in the sections below:

#### **3.1 Customer – Occupation / Sector Risk**

AGD Bank will review the nature of the Customers Business and purpose for which the customer is establishing a relationship with the Bank.

Special attention is to be detailed to the following:

1. Are the Activities Cash Intensive or susceptible to Money Laundering or Terrorism Financing?
2. Are the Customers - Politically exposed persons ("PEP") or are the customers linked to a PEP?
3. Are the Customers High Net Worth (ie Net Assets are USD 1 million and above)?
4. Are these customers whose occupation & source of income or assets is unclear?

5. Are these Businesses/activities identified by the Financial Investigations Unit, the Central Board, the Central Bank of Myanmar, or the Financial Actions Task Force as of higher Money Laundering or Financing of Terrorism risk.

### **3.2 Legal Entity Risk**

The risk presented to AGD Bank by the simple or complex nature of the Legal Entity that proposes to establish a relationship with the Bank. A simple and transparent entity is considered a lower risk than an entity that is held in a complex manner where the identity of the true ownership is difficult to establish.

### **3.3 Country Risk**

Country or Geographic region risk brought about by areas in which customers operate or the place of origination or destination of transactions;

Country or geographic risk factors:

1. Countries classified by credible sources, such as mutual evaluation reports or published follow-up reports, as not having adequate AML/CFT systems.
2. Countries identified by the Central Board, Financial Intelligence Unit or CBM as high risk.
3. Countries subject to sanctions, embargos or similar measures issued by, for example, the United Nations.
4. Countries classified by credible sources as having significant levels of corruption or other criminal activity.
5. Countries or geographic areas classified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organizations operating within their country.

### **3.4 Products & Services Risk**

Products and services risks; (i.e., the risks that arise from the products and services offered) and Delivery channel risk: (i.e., the risks that arise from the channels used to deliver products and services) such as:

1. Private banking.
2. Anonymous transactions (which may include cash).
3. Accounts opened, business relationships or transactions conducted with customers that are not physically present for the purpose of identification.
4. Payment received from unknown or un-associated third parties.
5. Complex trade financing products.

### **3.5 Overall Risk Profile**

AGD Bank should develop a risk profile on customers and transactions should be established and documented based on the following: -

1. the purpose of an account or relationship.
2. the customer's anticipated business with AGD Bank.
3. the source of funds and source of wealth of the customer.
4. knowledge of the customer and the beneficial owners.

Mitigants based on the Risk Profile:

1. Apply enhanced customer due diligence to high-risk customers.
2. Update more regularly the information on all customers.
3. Monitor the amount, type, and frequency of customer transactions
4. Adopt other measures as may be prescribed by the Central Bank of Myanmar or the Myanmar Financial Intelligence Unit. (e.g.: Screening)

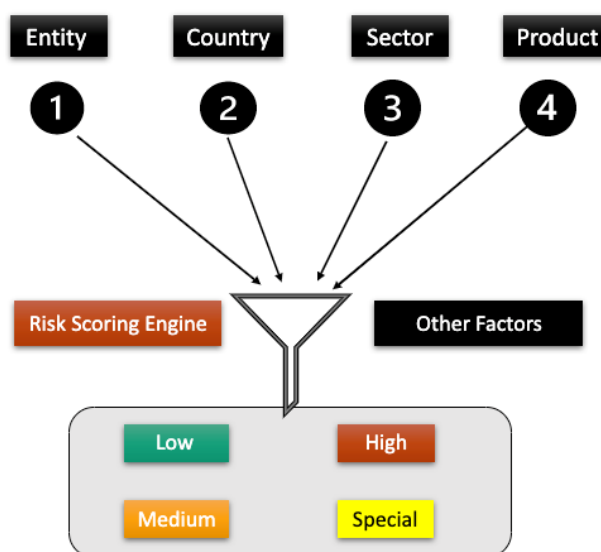
## 4 Financial Crime Risk Rating Methodology

### 4.1 Risk Levers

Risk Levers and Other Factors that will be used to determine a Customer's Risk Score and Risk Rating:

Entity Risk	Country Risk	Occupation / Sector Risk	Product / Services Risk	Other Factors
<ul style="list-style-type: none"> <li>Individual</li> <li>Sole Proprietor</li> <li>Partnership</li> <li>Trust</li> <li>Company – Listed</li> <li>Company - Unlisted</li> <li>Financial Institution</li> <li>Government Body</li> <li>NGO</li> </ul>	<ul style="list-style-type: none"> <li>Country of Nationality</li> <li>Country of Residence</li> <li>Country of Incorporation</li> <li>Country of Export</li> <li>Country of Import</li> <li>Country of Transshipment</li> </ul>	<ul style="list-style-type: none"> <li>Salaried Individual – Nature of Employment</li> <li>Self-Employed – Nature of Profession</li> <li>Manufacturing – Nature of Products</li> <li>Service Provider – Nature of Services</li> <li>Trading Company – Nature of Goods</li> </ul>	<ul style="list-style-type: none"> <li>Current Account</li> <li>Savings / Fixed Deposit Accounts</li> <li>Mortgage Loan</li> <li>Credit Card</li> <li>Cash Management Services</li> <li>Trade Finance/ Cross Border Remittances</li> <li>Sourcing Channels – Remote Acct Opening</li> </ul>	<ul style="list-style-type: none"> <li>Is the Customer a Special Category Customer?</li> <li>Is the Customer or Entity Connected to a Special Category Customer?</li> <li>Is the Customer a HNWI (Net Worth in excess of USD 1 mill)</li> </ul>

Risk Factors that will be determined basis the Customer's Overall Risk Score:



## 4.2 Risk Weightages

**Weightages** assigned to the Risk Factors that will determine the Customers Overall Risk Score:

Risk Level	Weightage	Low	Medium	High
Country Risk	25%	1.00	2.00	3.00
Product Risk	25%	1.00	2.00	3.00
Sector Risk	25%	1.00	2.00	3.00
Legal Entity Risk	25%	1.00	2.00	3.00
<b>Risk Score</b>	<b>100%</b>	<b>4.00</b>	<b>8.00</b>	<b>12.00</b>

## 4.3 Overall Risk Rating

**Overall Risk Scores** that will determine the Customers **Overall Risk Rating**:

Risk Rating	Low Score	High Score
Low Risk	4.00	6.00
Medium Risk	7.00	9.00
High Risk	10.00	12.00
Special Category	Any Score	

#### 4.4 Financial Crime Mitigants

Risk Mitigation Actions	Low Risk	Medium Risk	High Risk	Special Category of Customer
Undertake Sanctions Screening	Yes	Yes	Yes	Yes
Obtain Customer ID Documents	Yes	Yes	Yes	Yes
Obtain Residence Address Proof	Yes	Yes	Yes	Yes
Due Diligence Type	Standard	Standard	Enhanced	Enhanced
Ultimate Beneficial Owner Details (Mandatory as per CBM Directives)	20 %	20%	5%	5%
Onboarding & Renewal Approvals	Branch or Relationship Manager	DGM Grade in Business or Higher	Head of Business	MD & CEO
Periodic CDD Reviews	Every 10 years	Every 3 years	Every Year	Every Year
Transaction Monitoring	Yes	Yes	Yes	Yes
Suspicious Transactions Reported	Yes	Yes	Yes	Yes

#### 5 Identification & Verification

AGD Bank will not maintain or open an account or business relationship of unknown identity or in fictitious names. To ensure that they know the true identity of their customers, including beneficial owners AGD Bank will adopt the following Customer Identification Requirements:

1. **Natural persons** should be identified using reliable, independent source documents, data, or information as outlined below:
  - a. Full name, including any aliases
  - b. National Registration Card/Citizen Scrutiny Card/Passport
  - c. Permanent and Mailing address
  - d. Gender

- e. Date of birth
  - f. Nationality
  - g. Occupation
  - h. Photograph
  - i. Phone number (if any).
2. **Legal Entities** should be identified using reliable, independent source documents, data, or information as outlined below:
- a. Name of company
  - b. Address of head office.
  - c. Full address (including Postal Code, Phone, Email Address)
  - d. Certificate of Incorporation, Memorandum of Association, Article of Association
  - e. Partnership Agreement
  - f. Trust deed
  - g. Name and address of Board of directors (including Phone Numbers)
  - h. Identification documents of Directors/Shareholders/Partners.
  - i. Identification documents of Settlers, Trustees, Protectors, and beneficiaries with respect to trusts.
  - j. Board Resolution authorizing the Opening and Operation of the account
  - k. Authorization by Board of directors to Chief Executive Officer or other delegated officials for conducting financial transactions.
  - l. Identification documents to identify the person authorized to represent the company/business in its dealings with the bank/financial institution.

Where AGD Bank is unable to comply with these requirements it should refuse to establish a Banking Relationship and in the case of existing accounts it should terminate the Relationship and consider submitting a suspicious transaction report to the Myanmar Financial Investigations Unit.



Legible File copies of the relevant identification documents for all customers both Natural and Legal persons should be taken and held with the Bank. To mitigate the Risk of Money Laundering, AGD Bank should obtain for certain transactions additional information on the Customer, Beneficial owner, Beneficiary, and more details of the transaction.

The Head of Compliance should provide an exhaustive list of acceptable documents that could be submitted by customers to prove their existence, identity, address, occupation, registration etc. This list of **Eligible of ID and Verification Documents** should be reviewed and approved by the ARCC on an annual basis.

### **5.1 Determination of Beneficial Owner**

AGD Bank should determine if the Customer or Entity is acting on behalf of one or more beneficial owners, they should verify the identity of the beneficial owner by using relevant information or data obtained from a reliable source such that AGD Bank is satisfied that it knows the identity of the significant beneficial owners (Natural Persons).

AGD Bank should apply customer due diligence measures:

- a) **Beneficial Owners** to understand the extent of their ownership and the company's control structure. (Those who hold at least 20% stake in the entity either directly or indirectly)
- b) All **Key Management Personnel** of the Legal Entity e.g.: CEO, CFO, Chairman, etc. (Executives that will take decisions and are responsible for the Management of the Legal entity)
- c) **All settlors, trustees, protectors, beneficiaries** or of persons in similar positions and any other person exercising ultimate effective control including through a chain of control / ownership.

## **5.2 Politically Exposed Persons**

AGD Bank should try and determine through direct questioning and retrospective screening, whether a customer or beneficial owner is a **Politically Exposed Person** and apply the Enhanced Customer Due Diligence measures set out in in this policy:

Measures for determining who is a politically exposed person, whether a customer or beneficial owner, should include:

- a) Seeking relevant information from the customer.
- b) Screening information about the customer; and
- c) Referring to commercial electronic databases of PEPs where available.

## **5.3 Special Category of Customers (SCC)**

The following customers or Businesses should be considered as **Special Category Customers** and marked suitably on the AGD Bank's Core Banking Systems and subjected to Enhanced Due Diligence as applicable to High Risk Customers.

1. Arms & Ammunition Manufacturers / Dealers
2. Embassy / High Commission Offices of other Countries
3. High Ranking Military & Police Personnel
4. Casino / Gambling Houses
5. High Value Art or Antique Dealers
6. Money Service Bureaus / Currency Exchange Houses
7. Cross Border Money Transfer Agencies

## **5.4 Customer Due Diligence Information**

CDD Information that is proposed to be sought from our Customers under Standard and Enhanced Due Diligence Reviews

Know Your Customer Questions	Standard Due Diligence	Enhanced Due Diligence
Legal Entity Type	Yes	Yes
Country Exposure – Nationality, Residence, Trading	Yes	Yes
Occupation (Individuals) or Sector (Corporates)	Yes	Yes
Product or Services Availed @ AGD Bank	Yes	Yes
Full List of Key Personnel to be obtained (Corporates & Entities)	Only for Signatories	<b>Full List to be obtained</b>
Full list of all Beneficial Owners (Corporates & Entities)	20% and above	<b>5% and above to be obtained</b>
Details of Net Worth & Source of Funds	Not Required	<b>To be obtained</b>
Details of Proposed Transactions – including Cash and Cross Border Transaction values and volumes	Not Required	<b>To be obtained</b>

### 5.5 Delayed Customer Identification & Verification

AGD Bank may engage in the business relationship with the customer prior to the completion of the customer verification process outlined above provided all of the following circumstances are met:

1. when the verification can be completed within 3 working days.
2. when it is essential not to interrupt the normal conduct of business.
3. when the transaction value is below USD 2,000 or equivalent in other currencies.
4. when the Financial Crime risks are otherwise effectively managed - e.g.: name screening undertaken, customer of another reputed Bank etc.

### 5.6 Standard Due Diligence for Low-Risk Customers

AGD Bank shall perform a Simplified Due Diligence on the following customers:

1. Customers who are Natural Persons.
2. Customers who are Nationals and Resident in Myanmar.
3. Customers who have Low value cash transaction needs
4. Customers that have NO Cross Border Transaction needs.
5. Customers who are assessed to be LOW Risk as per AGD Banks Financial Crime Risk Assessment Methodology.

Simplified CDD measures should be commensurate with the risk factors listed in this Policy and should be reflected in

- a. KYC Information and documentation sought from Customers
- b. Reduce the frequency at which KYC and CDD should be refreshed.
- c. Reduce the degree of on-going monitoring and scrutiny of transactions.

Simplified Customer Due Diligence will not apply in cases where there is a suspicion of money laundering or terrorism financing or when the customer has a business relationship with or in countries not applying sufficient measures to prevent money laundering and terrorist financing or those who have been listed by the FATF or identified by the Myanmar Financial Investigations Unit as being High Risk.

A Suggested Format of the Simplified Due Diligence Questionnaire is available in Appendix 1.

### **5.7 Enhanced CDD for Higher Risk Customers**

AGD Bank should apply enhanced customer due diligence procedures to customers or transactions that have been identified as High Risk or Special Category Customer. This risk assessment should always be kept up to date.

The enhanced customer due diligence should include:

1. Examining, as far as reasonably possible, the background and purpose of all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose.
2. Increasing the degree and nature of monitoring of the business relationship regarding the transactions or activities
  - a. to determine whether those transactions or activities appear unusual or suspicious.
  - b. Obtaining additional information on the customer (e.g., occupation, volume of assets) and updating more regularly the identification data of customer and beneficial owners.
  - c. Obtaining additional information on the intended nature of the business relationship.
  - d. Obtaining information on the source of funds or source of assets of the customer.
  - e. Obtaining information on the reasons for intended or performed transactions.
  - f. Obtaining the approval of senior management to commence or continue the business relationship.
  - g. Conducting enhanced monitoring of the business relationship, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

## **5.8 Maintenance of Customer Information**

AGD Bank shall gather at the time of Customer Onboarding and maintain Customer and Beneficial Owner(s) information throughout the course of the business relationship. Documents, data, or information and business correspondence collected under the Customer Due Diligence process should be kept up to date and relevant by undertaking a full-scale KYC review of existing records in accordance with the Customer's Financial Crime Risk Rating.

Example: KYC Risk Review of High-Risk Customers will be undertaken annually and for Medium Risk Customers every three years.

KYC Refresh will also be required to be undertaken when

- a. A significant transaction is to take place.
- b. There is a material change in the way the account is operated.
- c. Information held on the customer is insufficient to enable AGD Bank understand the nature of the banking relationship or transactions being conducted.

## **6 Other AML Controls**

### **6.1 Shell Banks and Cross Border Correspondent Banking Relationships**

AGD Bank will not enter into or continue a Correspondent or Business Relationship with a Shell bank or a Correspondent Financial Institution in a foreign country that allows its accounts to be used by a shell bank.

Before entering into a cross-border Correspondent Banking Relationship or other similar relationships, in addition to performing normal Customer Due Diligence measures, AGD Bank should:

- a. Gather sufficient information about the Correspondent bank and understand the nature of the respondent's business as required by section 26(a) of the Law.
- b. Evaluate the anti-money laundering and combating the financing of terrorism controls measures implemented by the Correspondent bank.
- c. Evaluate the reputation of the Correspondent institution and the quality of supervision to which it is subject, including whether it has been subject to a money laundering or terrorist financing investigation or regulatory action.
- d. Obtain approval from the MD and CEO or the DCEO of AGD Bank before establishing new Correspondent Banking Relationships.
- e. Clearly understand and document the respective anti-money laundering and combating the financing of terrorism responsibilities of the Correspondent Bank.

### **6.2 New Products and Business Practices**

AGD Bank shall identify, assess and, take appropriate measures to manage and mitigate the Money Laundering or Terrorism Financing Risks that may arise in relation to:

1. the development of new products and new business practices including new delivery mechanisms for products and services; and
2. the use of new or developing technologies for both new and pre-existing products.

All Business, Operations and Technology Teams will have to have new Products and Services presented to the AGD Bank's **Product Approval Committee** and obtain the committee's approval ahead of launching these products or services.

### **6.3 Policies and Procedures on Wire Transfers**

Departments in AGD Bank that process cross border wire transfers shall include the following information on the wire transfers and ensure that the information remains with the wire transfer and related messages throughout the payment chain: -

1. Full Expanded Name and Address of the Remitter
  2. The Remitters Account Number
  3. Full Expanded Name and Address of the Beneficiary
  4. The Beneficiary's Account Number
  5. Full Names and Address of the Beneficiary Bank
  6. Full Name and Address of any Intermediary Bank
  7. Purpose of the Transfer – including a description of the services / goods.
- If our customer is unable to provide this information to AGD Bank or we are unable to provide this information on the outward transfer - AGD Bank shall not execute the wire transfer.
  - Likewise for inward Wire Transfers – AGD Bank should be able to sight full details of the Originator Information, Beneficiary Information, Unique Transaction Reference, Names of Originating Bank, Names of any Intermediary Banks, and the purpose of the transfer ahead of processing these wire transfers.

- If the Remitting Bank or Institution is unable to provide this information to AGD Bank or we are not satisfied with the information provided or its Bonafede - AGD Bank **shall not process** the wire transfer and should return funds to the Originating Bank.
- All names of the Wire Transfers – Inward and Outward – should be successfully screened on World Check – prior to the processing of the transaction - to ensure that we are not facilitating transactions for any Sanctioned Individuals or Entities or for parties connected with Sanctioned Geographies.
- If the Beneficiary is not a KYC verified customer of AGD Bank, we should obtain identity documents and process the transaction only upon successful identification. These ID documents should be held in the Banks record jointly with the wire transfer information for the prescribed retention period.
- Domestic wire transfer transactions should include the Originator and Beneficiary information and should be made available to the Beneficiary Institution along with AGD Bank’s unique transaction reference number. This will ensure that each transaction can be traced back to the either the originator or the beneficiary.
- AGD Bank should store information on all Inward and Outward Wire Transfers in a manner easily accessible so that any Information sought on wire transfers shall be made available by us within three business days of receiving the request either from the Beneficiary Financial Institution or from the Myanmar Financial Intelligence Unit.
- All information on Wire Transfers – Inward, Outward, Domestic, Cross Border should be maintained by AGD Bank for a minimum period of 5 (Five) years from the date of the transaction.
- In cases where funds have been returned unprocessed by AGD Bank due to a wire transfer lacking required originator or required beneficiary information – it should consider reporting to the Myanmar Financial Intelligence Unit and should do so within 2 days of freezing or returning the funds.
- AGD Bank should also take appropriate follow-up action which may include restricting or terminating the related business relationships.



- AGD Bank should report all Wire Transfers or Local Payments to the Central Bank of Myanmar in their reporting formats, for the reporting periods and threshold amounts as advised from time to time.

## **7 Transaction Monitoring & Suspicious Transaction Reporting**

### **7.1 Transaction Monitoring**

AGD Bank should deploy appropriate internal systems, to monitor all transactions undertaken by the customer, on an ongoing basis, to ensure that the transactions are:

- Not in violation of any local Myanmar Laws
- being conducted in accordance with the known customer's commercial activities, the customer risk profile and,
- where necessary, the source of funds and wealth have been checked and verified.

Criteria for Transaction Monitoring should be determined by the Risk & Compliance Team and approved by AGD Bank's Audit Risk and Compliance Committee.

Transaction Monitoring should be undertaken by trained executives in the Risk & Compliance Team that are not responsible for originating or performing these transactions.

### **7.2 Suspicious Transaction Reporting**

If AGD Bank has reasonable ground to believe that any transaction or attempted transaction is money or property obtained by illegal means or is related to money laundering or financing of terrorism, it should submit a report in the prescribed format and procedure to the Myanmar Financial Intelligence Unit (MFIU). Such transactions should be reported as soon as possible but no longer than 24 hours if it is situated in an urban centre or within 3 days if it is situated in a remote district.

### **7.3 Tipping-off Offences and Protection of Banks**

AGD Bank, their directors and employees and other responsible persons are prohibited from disclosing to a customer or any other person the fact that a report to the Financial Intelligence Unit. This shall not preclude disclosures or communications between and among directors and employees of the bank or financial institution, in addition to legal counsel.

## **8 Reliance on third parties**

AGD Bank may rely on third party intermediaries to perform the Customer Due Diligence requirements of this policy. The Head of Compliance and ARCC should review and approve such Third Party Profile ahead of entrusting such Customer Due Diligence work externally. The Entire End to End process and the Third Party Risk Profile should be assessed and approved on an annual basis by the Head of Compliance and the ARCC.

## **9 Customer Exit Management**

AGD Bank must assess all existing and prospective customers on a objective and non-discriminatory basis to ensure that the accounts and their operations are in compliance with all the policies of the Central Bank of Myanmar and to the Laws of Myanmar.

Where customers are not in compliance or are undertaking transactions outside the Risk Appetite of AGD Bank, we should stop the provision of such services and request the customer to terminate their accounts / stop transactions with AGD Bank.

Some examples of where AGD Bank may request customers to discontinue their relationships with AGD Bank are :

1. Financial Crime Risk Rating outside the Risk Appetite of AGD Bank.

2. Breach of Terms & Conditions of the Operations of the Account (including fraud)
3. Abusive or Threatening behavior of the customer to the staff of AGD Bank
4. Specific Directives of the Regulatory Authorities (CBM, Police, Tax Authorities, etc.)
5. Closure of a Branch or No Longer Commercially viable for AGD Bank (Higher Reserve Requirements, etc.)
6. Customer refuses to provide the required CDD Information or Documentation for their account.

After AGD Bank concludes that it is not in a position to continue a relationship, it should communicate this to the customer as soon as possible in a fairly simple and plain language assuring the customer that the decision to exit has been reviewed with the Management.

AGD Bank should ensure that it

1. considers the sensitivities of the customer (financial inclusion considerations, customer vulnerability, etc.) and treat the customer fairly.
2. considers the ability of the customer to make alternative financial arrangements outside AGD Bank.
3. Records these Customer Exits on a Central Register. (Bank initiated exits)
4. Blacklists the customer on our Core Banking Systems to prevent the re-establishment of accounts exited for Financial Crime Risk related concerns.

The Central Exit Register should be maintained by Risk & Compliance Department

## 10 Record Keeping Requirements

As per requirements of the local laws, AGD Bank should maintain records of the following information:

- a) Copies of all records obtained through the Customer Due Diligence process including documents evidencing the identities of customers and beneficial owners, account files and business correspondence, **for at least five years** after the business relationship

has ended or a transaction with a customer who does not have an established business relationship with the bank has been carried out.

- b) All records of transactions, both domestic and international, attempted or executed **for at least five years** following the attempt or execution of the transaction. Such records must be sufficiently detailed to permit the reconstruction of each individual transaction; and
- c) Copies of reports sent and related documents **for at least five years after the date the report** was made to the Myanmar Financial Intelligence Unit.

AGD Bank should document and issue a comprehensive **Records Management and Retention Guide** to Business Teams, Operational Teams and Branches to ensure compliance to these requirements.

## 11 Staff / Personnel at AGD Bank

### 11.1 Head of Compliance

AGD Bank should appoint a **Head of Compliance** – an executive with appropriate experience and qualifications in the field of AML/CFT. This position should and have the authority to act independently and should report to the MD & CEO of AGD Bank.

Once identified and appointed, AGD Bank should provide the details (profile and contact details) of the **Head of Compliance** to the Central Bank of Myanmar and the Financial Intelligence Unit. Any changes to this position (person or contact details) should be notified to both parties immediately.

The AGD Bank Board should receive periodic confirmation from the Head of Compliance that AGD Bank is adhering to all applicable Laws and the Directives of the Central Bank of Myanmar relating to AML/CFT.

The Head of Compliance should submit a quarterly statement covering the following to the MD & CEO and the AGD Bank Board of Directors:

- (a) all suspicious transactions detected, and implications for the AGD Bank.
- (b) measures taken by the Risk & Compliance Teams to strengthen AGD Bank's AML/CFT Policies, Procedures, Systems and Controls.
- (c) Findings of any independent audit conducted of our AML/CFT systems and procedures.
- (d) Reports of any onsite inspections conducted by the CBM or Financial Intelligence Unit.
- (e) Statement on remedial actions required to be implemented by AGD Bank.

### **11.2 Independent Internal Audit Team**

AGD Bank should have an adequately resourced and independent audit function as part of its Third Line of Defence to ensure that the Head of Compliance and all First and Second Line of Defence Staff are performing their duties in accordance with AGD Bank's AML/CFT internal policies, procedures, systems, and controls.

### **11.3 Employee Hiring Standards**

AGD Bank must establish screening procedures to ensure appropriate standards when hiring employees and such procedures shall be reviewed and approved by the AGD Board of Directors or the Audit, Risk and Compliance Committee (ARCC).

Employee screening procedures must ensure that:

- a) employees have the high level of competence necessary for performing their duties.
- b) employees have appropriate ability and integrity to conduct the business activities of AGD Bank.
- c) potential conflicts of interests are considered, including the financial background of the employee.

- 
- d) fit and proper and code of conduct requirements for all staff are defined.
  - e) persons charged or convicted of offences involving fraud, dishonesty or other similar offences are not employed by AGD Bank.

## **12 Independent Audit**

AGD Bank's AML/CFT Program should be assessed once in two years by the Internal Audit Function to ascertain their effectiveness and to look for new risk factors. If members of the Bank's Third Line of Defence are not able to conduct the review, the Board of Directors may entrust this activity to a third party. Those performing the audit must be sufficiently qualified to ensure that their findings and conclusions are reliable.

The independent audit should cover the following.

1. Assess the overall integrity and effectiveness of AGD Bank's AML/CFT compliance program, including policies, procedures, and processes
2. Assess the adequacy of the AGD Bank's Financial Crime Risk assessment methodology.
3. Examine the adequacy of CDD policies, procedures, and processes, and whether they comply with regulatory requirements
4. Determine adherence to AGD Bank's AML/CFT policies, procedures and processes
5. Perform appropriate transaction testing, with particular emphasis on high-risk operations (products, services, customers, and geographic locations)
6. Assess AGD Bank's AML training adequacy, including its comprehensiveness, accuracy of materials, training schedules, attendance tracking and escalation procedures for lack of attendance
7. Assess Adequacy of Screening and Transaction Monitoring Systems and Reporting undertaken with MFIU.
8. Assess Record Keeping and Retention Procedures and Practices.

### **12.1 Audit and Training Staff**

AGD Bank's Internal Auditors should have appropriate experience and qualifications in the field of AML/CFT and have the authority to act independently and to report to senior management. Appointment of the position of the Head of Internal Audit @ AGD Bank shall have to be approved by the AGD Bank Board

## **13 Training**

Training is one of the most important ways to stress the importance of our AML/CFT efforts, as well as educating our staff about what to do if they encounter potential money laundering. Training also acts as an important control in the mitigation of money laundering risks to which AGD Bank is exposed. Our training programs should not only explain applicable AML/CFT laws and regulations to our staff, but also cover AGD Bank's policies and procedures used to mitigate money laundering risks.

Training will include both formal training courses and ongoing communications that serve to educate employees and maintain their ongoing awareness about AML/CFT requirements, such as emails, newsletters, periodic team meetings, intranet sites and other means that facilitate the sharing of information.

### **13.1 Training Audience**

AGD Bank's AML/CFT training programme should mandatorily cover:

1. ALL Business Staff
2. ALL Operations & Support Staff
3. ALL AML / Compliance / Risk Staff
4. Independent Testing or Audit Staff
5. Senior Management & Board of Directors

### **13.2 Training Topics**

Several basic matters should be factored into AML/CFT training.

1. General background and history pertaining to money laundering controls, including the definitions of money laundering and terrorist financing, why criminals do it and why stopping them is important.
2. Legal framework on what AML/CFT laws apply to AGD Bank and our employees.



3. Penalties for AML/CFT violations, including criminal and civil penalties, fines, jail terms, as well as internal sanctions, such as disciplinary action up to and including termination of employment.
4. Internal policies, such as customer identification and verification procedures and policies, including customer due diligence (CDD), enhanced due diligence (EDD) and ongoing due diligence
5. Legal record-keeping requirements
6. Suspicious transaction monitoring and reporting requirements.
7. Currency transaction reporting requirements
8. Behaviour:
  - How to react when faced with a suspicious client or transaction.
  - How to respond to customers who want to circumvent reporting requirements.
  - Duties and accountability of employees
  - Maintaining confidentiality with AML-related matters
9. AML trends and emerging issues related to criminal activity, terrorist financing and regulatory requirements
10. Case Studies of Real-life money laundering schemes including how the pattern of activity was first detected, its impact to the institution and its ultimate resolution.

### **13.3 Training Medium & Frequency**

Training Content should be developed by AGD Banks Training Department and contents should be approved by the Financial Crime Compliance Officer ahead of roll-out.

Business and Operational Teams in consultation with Human Resources & Compliance Teams should chart out their respective employee training plans to devise the Medium of Training (Classroom, Online or Hand-outs) for their teams and frequency of training and refreshers.

All records of Employee Training and Test / Evaluation Scores should be maintained as evidence for at least 5 years. Basic AML Training is mandatory for all staff of AGD Bank.

## 14 Appendix - 1

### 14.1 AGD Bank – Simplified - Know Your Customer Application Form

Customer ID				Date	DD MMM YYYY		
Customer Name	Full Expanded Name as per the ID Document						
Date of Birth	DD	MMM	YYYY	Gender	Male	Female	Other
Nationality				Country of Residence			

Permanent Residential Address		Correspondence Address (if different)	
Address Line 1		Address Line 1	
Address Line 2		Address Line 2	
City		City	
Country		Country	
Post Code		Post Code	

NRC Number or Passport Number		Full Number of the ID Document provided to evidence identity	
Mobile Number	Dialling Code + Mobile Number	Email Address	
Type of Account Required	Current - Savings – Call	Currency of Account	MMK - USD - EUR

Occupation - Tick Appropriate Box			Name of the Employer or Business	Annual Income in MMK (Tick Box)	
Employed – Private Sector	Employed – Public Sector	Unemployed	Employers Name	Less than 5 million	Between 5 & 50 millions
Self Employed - Businessman	Self Employed – Professional	Diplomat or Politician	Designation	Between 50 & 100 millions	Between 100 and 200 million
Student / Home Maker	Retired	Army, Navy, Air Force	Official Designation if any	Between 200 and 500 million	Above 500 million
Will you be undertaking Foreign Currency Transactions through your Account at AGD Bank?				Yes	No
Will you be making Cash Deposits more than MMK 20 million annually through your Account with AGD Bank?				Yes	No

In the case of joint accounts, a bank/financial institution shall obtain the above information on all parties to the account.

#### **14.2 Customer Identification Requirements for Legal Entities**

1. Name of the Entity
2. Full Street Address of its Head Office (with Phone Numbers & Email Address)
3. Certificate of Incorporation, Memorandum of Association, Article of Association
4. Partnership Agreement
5. Trust deed
6. Name and address of all Board of Directors (with Phone Numbers & Email Address)
7. Identification Documents of Major Shareholders/Partners and Key Management Personnel.
8. Identification documents of Settlers, Trustees, Protectors, and beneficiaries with respect to trusts.
9. Board Resolution for Opening of the Bank Account & Operating Mandate
10. AGD Bank should authenticate information where possible via the Directorate of Investment and Company Administration.
11. For foreign incorporated or foreign registered business entities, comparable documents should be obtained. AGD Bank will request that the documents supplied be certified by the Office of Foreign Affairs and endorsed by the Embassy of Myanmar in the respective country.

#### **14.3 Customer Identification Requirements for Non-Government Organization (NGO)**

1. Name of Non-Government Organization & Address.
2. Certification of registration & Constitution of the NGO.
3. Name and address of Executive committee & their Telephone Numbers.
4. AGD Bank's Internal Approval to establish the account.
5. Identification documents of Major Beneficial Owners & Key Management Personnel of the NGO.
6. Authorization for the operation of accounts financial transactions.
7. Identification documents to identify the person authorized to represent the NGO in its dealings with the bank/financial institution.

## **15 Appendix 3 - List of Crimes / Categories**

Name Screening is a crucial part of the Customer, Staff or Vendor Due Diligence processes and gives AGD Bank the ability to uncover risks indicating their alleged involvement in criminal activity, which could give rise to Financial, Reputational or other types of risks to AGD Bank.

The following list is intended to provide guidance to AGD Bank Staff on various types of known Crimes and their categories. If our screening processes or Media Reports indicate that our customers, vendors, staff or potential customers are connected to or involved with any of these listed crimes / categories – the Business, Operational or Support Teams should report them in the first instance to the Head of Compliance and seek his / her guidance before progressing further. The Head of Compliance should provide written guidance on how AGD Bank should proceed with the transaction or account establishment after reviewing the facts of the case.

### **15.1 Human Trafficking**

Entities or persons accused of, investigated or arrested for, charged with or convicted of arranging or facilitating the travel of another person with a view for such person being exploited, where

- a. the person arranging or facilitating the trafficked person's travel intends to exploit such person during or after the travel or the person knows or ought to know that another person is likely to exploit the trafficked person during or after the travel; and
- b. "travel" means:
  1. arriving in, or entering, any country.
  2. departing from any country.
  3. travelling within any country.

### **15.2 Environmental Crime**

True Entities or persons accused of, investigated or arrested for, charged with or convicted of the intentional or negligent unlawful action of causing harm to the environment, substantial damage to the quality of air, the quality of soil or the quality of water, or to injury or death to humans, animals or plants in contravention of national or international environmental laws and regulations (e.g. pollution, dumping of industrial waste, dumping or illicit trade in hazardous waste and emissions, smuggling of Ozone depleting substances and illegal logging).

### **15.3 Sexual Exploitation**

Entities or persons accused of, investigated or arrested for, charged with or convicted of profiting from or otherwise exploiting a child or adult by forcing or coercing them to participate in, or recruiting them for the purposes of activities such as pornographic performances, creating pornographic images, distributing such images or illegal sexual activity

### **15.4 Wildlife Crime**

Entities or persons accused of, investigated or arrested for, charged with or convicted of intentionally killing, injuring, or taking any wild bird, wild animal or species protected by law or intentionally taking, damaging or destroying its nest, egg or habitat including unlawful poaching or trafficking of endangered or protected animals and trafficking in elephant ivory, rhino horns and tiger products and illegal, unreported and unregulated fishing.

### **15.5 Exploitation of Children**

Entities or persons accused of, investigated or arrested for, charged with or convicted of criminal acts relating to

- i. use or marketing of children for profit such as using children as child labour; child trafficking and child slavery, (including causing or recruiting a child to participate in pornographic performances or child prostitution);

- ii. engagement in distribution or marketing of children for child labour; trafficking or slavery.
- iii. engagement in sexual activities with a child by means of prostitution.

### **15.6 Forced and Slave Labour**

Persons or Entities accused of, investigated or arrested for, charged with or convicted of holding another person in slavery or servitude and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude, or requiring another person to perform forced or compulsory labour and the circumstances are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour.

### **15.7 Absconder or Fugitive**

A person who has been released on bail in criminal proceedings and is under a duty to surrender into the custody of a court and fails to surrender to custody when required to do so; or person who has escaped from prison or custody or has fled a jurisdiction to avoid arrest, prosecution or imprisonment, is in hiding or whose whereabouts are unknown to law enforcement, e.g., Interpol, Europol wanted notices.

### **15.8 Abuse of Office**

Public Office Abuse: a public officer, acting as such, wilfully neglects or is accused of wilfully neglecting to perform their duty and/or wilfully misconducts themselves to such a degree as to amount to an abuse of the public's trust in the office holder, without reasonable excuse or justification, e.g., financial mismanagement. Private Office Abuse: abusing or accused of abusing one's position in private office by acting in a manner inconsistent with the duties imposed by virtue of the position, such as the duties of directors set out in the UK Companies Act 2006.

### **15.9 Aiding and Abetting**

Where persons have committed an offence, any other person who, knowing or believing them to be guilty of the offence or some other offence, does (or is accused of doing) without lawful authority or reasonable excuse commit any act with intent to impede their apprehension or prosecution.

### **15.10 Aircraft Hijacking and Aviation Crime**

Aircraft Hijacking: persons accused of, investigated or arrested for, charged with or convicted of the unlawful seizing or exercising control of a moving or in-flight aircraft, by the use of force or by threats of any kind. Aviation Crime: persons accused of, investigated or arrested for, charged with or convicted of unlawfully and intentionally destroying an aircraft in service or otherwise damaging such an aircraft as to render it incapable of flight or as to be likely to endanger its safety in flight, committing any act of violence which is likely to endanger the safety of the aircraft, placing, or causing to be placed, on an aircraft in service any device or substance which is likely to destroy the aircraft, or is likely so to damage it as to render it incapable of flight or as to be likely to endanger its safety in flight or any other breach of applicable aviation security legislation which would pose a material threat to the safety of an aeroplane, aerodrome, airport or navigation facility.

### **15.11 Antitrust Violation or Unlawful Competition**

Antitrust Violation is the act of a firm, or group of firms, being found to be party to an agreement or involved in a concerted practice which may affect trade and which have as their object or effect the prevention, restriction, or distortion of competition or found to abuse a dominant position within a market, or in a substantial part of it such as unfair competition and business practices and anti-competitive behaviour, market manipulation, restraint of trade, monopoly and cartel formation, price fixing, price discrimination, market dividing

interlocking directorates and bid rigging. Unlawful Competition: Entities or persons accused of, investigated for or being found carrying out activities that prevent, restrict or distort competition within a market, through for example price fixing or obtaining exclusive purchase rights to raw materials needed to make a competing product (includes unfair competition).

#### **15.12 Arms and Ammunition Possession**

False Persons accused of, investigated or arrested for, charged with or convicted of the unlawful or unlicensed possession, purchase, acquisition, ownership or control of firearms, weapons, ammunitions or explosives without the requisite certificate in contravention of domestic laws or regulations.

#### **15.13 Arms and Ammunition Trafficking**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the unauthorised acquisition, sale, delivery, movement or transfers of weapons (including firearms, ammunitions, explosives or other destructive devices).

#### **15.14 Arson and Destruction of Property**

Persons accused of, investigated or arrested for, charged with or convicted of using fire to intentionally destroy one's own or another's property (e.g., buildings; wildlife areas; vehicles) or intentionally destroying or damaging public or private property other than by fire and being reckless as to whether the life of another would be endangered.

#### **15.15 Breach of Fiduciary Duty**

When persons who have undertaken to act on behalf of another in circumstances which give rise to a relationship and duty of trust and confidence has acted in any manner adverse or contrary to the interests of that party or acts for his own benefit or interest denoting



disloyalty or infidelity (e.g. a company's board member's duty to the shareholders, an attorney's duty to a client, a corporate officer or director to the corporation.)

#### **15.16 Conspiracy or Collusion**

Agreeing or accused of agreeing with any other person or persons that a course of conduct shall be pursued which, if the agreement is carried out in accordance with their intention, either will

- I. necessarily amount to or involve the commission of any offence or offences by one or more of the parties to the agreement or
- II. would do so but for the existence of facts which render the commission of the offence or any of the offences impossible.

#### **15.17 Consumer Protection Violation**

The alleged or actual transgression by individuals or entities of laws and regulations designed to protect the rights of consumers (who are individuals acting in a personal rather than a business capacity).

#### **15.18 Control or Regulation Violation**

The alleged or actual transgression or violation of (i) regulations issued and enforced by a statutory regulator (such as financial, insurance or banking regulations); or (ii) a corporate entity's internal controls or government department's internal rules, regulations or controls, which are required to be maintained by, or in order to comply with, such regulations.

#### **15.19 Counterfeiting or Piracy**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the unlawful possession, imitation, copying, duplication, alteration, manufacture or reproduction of a product or use of trademarks, copyright material and commercial media products or a

registered patent without the consent of the owner for financial gain (including pirated movie DVDs, music CDs, books, counterfeit documents, financial instruments, goods or medicines).

#### **15.20 Crimes Against the State**

Persons accused of, investigated or arrested for, charged with or convicted of offences designed to change the leadership or acts of the ruling institutions of a state (e.g. treason, rebellion, political assassination, coups, political sabotage, espionage, insurgency, subversion and sedition).

#### **15.21 Cybercrime**

Entities or persons accused of, investigated or arrested for, charged with or convicted of causing a computer to perform any function with intent to secure access to any program or data held in any computer or to enable any such access to be secured, with the access he intends to secure or to enable to be secured, being unauthorised, and knowing at the time when he causes the computer to perform the function that that is the case.

#### **15.22 Data Privacy Breach**

Entities or persons accused of, under investigation for, or subject to data protection enforcement action, including fines for breaches of applicable Data Protection laws, regulations or codes, whether through the judicial system or by the regulator.

#### **15.23 Deported or Exiled**

- Deported: a person who is subject to a deportation order and has been removed from a country.
- Exiled: being deprived of one's citizenship status by a government and thus being alienated, banished, or expelled from a country.

#### **15.24 Disciplinary Action**

Disciplined by a regulatory enforcement body with statutory powers as a result of violating a code, regulation or law, engaging in improper practices or unlawful business activities or not meeting expected or communicated performance standards in a regulated industry.

#### **15.25 Disqualified or Debarred**

- Disqualified: persons prevented by a court or regulator from acting in a capacity as
  - a director of a company,
  - as a receiver of a company's property,
  - an insolvency practitioner, or in any way, directly or indirectly, be concerned or take part in the promotion, formation, or management of a company unless he has the leave of the court or corporate entities temporarily or permanently declared ineligible to continue a specific action; and
- Debarred: persons subject to a prohibition order issued by a regulator with statutory powers, and thus being prohibited (i.e., barred, banned, or excluded) from performing a function specified by the regulator in question.

#### **15.26 Dissolved Company**

A company which has been struck off the corporate register and dissolved.

#### **15.27 Energy Crime**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the dishonest and unlawful use of, or dishonestly causing to be wasted or diverted, any electricity or fossil fuels (including smuggling, trafficking or trading fossil fuels).Explicit SanctionsM:2C8NoneFalseIndividuals, groups or entities listed on an international, supranational or national sanctions list as subject to restrictive measures such as an asset

freeze or block, an investment ban, restrictions on access to capital markets, to cease banking or business relationships and activities or related financial sanctions, as well as travel bans, arms or trade embargo, including counter terrorism sanctions, counter narcotic trafficking sanctions, nuclear proliferation sanctions and country specific sanction programs.

#### **15.28 Extortion**

Entities or persons accused of, investigated or arrested for, charged with or convicted of making any unwarranted demand with menaces with a view to gain for himself or another or with intent to cause loss to another.

#### **15.29 Financial Services Warning**

Entities or individuals who are the subject of an alert, warning or included on a list issued by relevant financial services regulators or authorities concerning entities or individuals under investigation for offering consumers and investors financial services or products without the requisite authorisation from the regulator or authority or official investor alerts or warnings issued by securities commissions or financial regulators responsible for the financial regulation of securities products within a particular country relating to unauthorised firms using names similar to those of authorised firms or unauthorised firms falsely claiming to be associated with authorised firms.

#### **15.30 Forgery and Uttering**

- Forgery: persons accused of, investigated, or arrested for, charged with or convicted of making a false instrument, with the intention that the person or another shall use it to induce somebody to accept it as genuine, and by reason of so accepting it to do or not to do some act to his own or any other person's prejudice.
- Uttering: knowingly using, tendering, or showing such false instruments to another with intent to cause prejudice.

### **15.31 Former Explicit Sanctions**

Individuals, groups or entities formerly listed on an international, supranational or national sanctions list as formerly subject to restrictive measures such as an asset freeze or block, an investment ban, restrictions on access to capital markets, to cease banking or business relationships and activities or related financial sanctions, as well as former travel bans, arms or trade embargo, including former counter terrorism sanctions, counternarcotic trafficking sanctions, nuclear proliferation sanctions and former country specific sanction programs.

### **15.32 Former Implicit Sanctions**

Entities currently or previously owned or controlled, connected, related, linked, affiliated or associated to formerly listed sanctioned entities or individuals. Inclusion in this criterion should not be construed as either indicating an entity or individual was automatically formerly subject to prohibited or restricted transactions and information on Sanctions related entities and individuals cannot be considered a comprehensive list of records owned or controlled, connected, related, linked, affiliated or associated to listed sanctioned entities or individuals.

### **15.33 Fraud**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the intention to make again, or cause someone else to make a loss, through

- dishonestly making a false representation.
- dishonestly failing to disclose to another person information which he is under a legal duty to disclose; or
- Dishonestly abusing a position which that person occupies pursuant to which they are expected to safeguard the financial positions of another.

#### **15.34 Frozen and Seized Assets**

- Asset Freeze: being subject to a freezing injunction restraining a party from removing from the jurisdiction assets located there or restraining a party from dealing with any assets whether located within the jurisdiction or not.
- Seized Assets: the seizure (including confiscation or forfeiture) of assets by an appropriate officer under a relevant seizure power.

#### **15.35 Hate Crime**

Persons accused of, investigated or arrested for, charged with or convicted of criminal offences which are perceived by the victim or any other person, to be motivated by hostility or prejudice, based on a person's disability or perceived disability; race or perceived race; or religion or perceived religion; or sexual orientation or perceived sexual orientation or transgender identity or perceived transgender identity.

#### **15.36 Healthcare Fraud**

Persons falling under the definition of 'Fraud' and their conviction relates to fraudulent activities relating to the procurement of healthcare or health insurance (e.g. knowingly claiming imbursement for medical services not rendered, medical supplies not provided, falsifying records to show delivery of such items, submitting duplicate claims, billing for non-existing appointments, billing for unnecessary health care services or medical services at a level of complexity higher than the service actually provided or required).

#### **15.37 Human Rights Violation**

Human Rights Violation occurs when basic human rights and freedoms that fundamentally and inherently belong to a person or groups of individuals are violated or accusations of violations by state or non-state actors by denying, abusing or ignoring basic civil, political, cultural, social and economic rights, as well as breaching other international human rights or humanitarian law.

### **15.38 Illegal Gambling**

Entities or persons accused of, investigated or arrested for, charged with or convicted of providing facilities for Gambling (including betting or wagering) without an operating licence authorising the activity or where a legislative exemption from the requirement for an operating licence does not apply.

### **15.39 Illegal Immigration**

Entities or persons accused of, investigated or arrested for, charged with or convicted of involvement in or knowingly entering a country without leave, or, if having only a limited leave to enter or remain in a country, knowingly

- i. remaining in a country beyond the time limited by the leave; or
- ii. failing to observe a condition of the leave (e.g. by entering a country in breach of an immigration/ deportation order).

### **15.40 Illegal Possession or Sale**

Entities or persons accused of, investigated or arrested for, charged with or convicted of knowingly acquiring, using or having possession of criminal property or, believing certain goods to be stolen or illegally imported/exported, dishonestly receiving, undertaking or assisting in the retention, removal, disposal or realisation of said goods for the benefit of oneself or another.

### **15.41 Illegal Restraint or Kidnapping**

Illegal restraint: the alleged or actual unlawful restraint of movement or unjust imprisonment of another person without lawful authority. Kidnapping: the alleged or actual taking or carrying away of one person by another by force or fraud without the consent of the person so taken and without lawful (e.g., to hold for ransom or reward or use as a hostage).

#### **15.42 Implicit Sanctions**

Entities currently or previously owned or controlled, connected, related, linked, affiliated or associated to listed sanctioned entities or individuals. Inclusion in these criteria should not be construed as either indicating an entity or individual is automatically subject to prohibited or restricted transactions and information on Sanctions related entities and individuals cannot be considered a comprehensive list of records owned or controlled, connected, related, linked, affiliated or associated to listed sanctioned entities or individuals.

#### **15.43 Insider Trading**

The alleged or actual using of inside information, which is information not generally available to the market, to deal in the securities of a listed company or encouraging another to do the same or disclosing inside information other than in the proper performance of duties.

#### **15.44 Insolvency, Liquidation or Bankruptcy**

Instances of Insolvency, Liquidation and Bankruptcy published by regulatory or law enforcement agencies regarding entities or persons who either

- i. fail to comply with the requirements relating to an insolvency, bankruptcy or liquidation procedure (e.g., fraudulently hiding or disposing of assets); or
- ii. are subject to a bankruptcy, liquidation, or insolvency order as a result of another World-Check crime.

#### **15.45 IP Rights Infringement**

Alleged or actual breaches or violations of intellectual property rights (whether registered or unregistered) including trademarks, patents or copyright by using, copying, or otherwise exploiting a protected work, product or creation without having the proper authorisation, permission or allowance from its owner/s.



#### **15.46 Labour Rights Violation**

The alleged or actual contravention of labour laws that implement measures to protect the rights of employees, such as minimum health and safety requirements, minimum wage requirements, working time requirements and the right for employees to form or become a member of any labour union.

#### **15.47 Licence Revocation**

The withdrawal, cancellation, revocation of a professional, trade or business licence by a regulatory or professional body for breach of relevant laws or regulations.

#### **15.48 Money Laundering**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's action, the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such an activity, the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such an activity, participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the aforesaid actions.

#### **15.49 Narcotics Trafficking**

Entities or persons accused of, investigated or arrested for, charged with or convicted of doing or being concerned in producing, supplying, distributing, transporting, storing, importing,

exporting, cultivating or manufacturing drugs (i.e. narcotics or psychotropic substances) and using any ship or vehicle to illicitly traffic in controlled drugs. This excludes cases of drug possession found to be below threshold amounts or for personal use.

#### **15.50 Obstruction of Justice**

Entities or persons accused of, investigated or arrested for, charged with or convicted of embarking upon a course of conduct which has a tendency to and is intended to pervert the course of public justice (e.g. perjury, witness or jury tampering, contempt of court, obstruction of investigations, tampering with or destroying evidence, hindering the discovery, arrest, conviction or punishment of anyone who has committed a crime).

#### **15.51 Organized Crime**

A group that has or allegedly has as its purpose, or as one of its purposes, the carrying on of criminal activities, and consists of three or more persons who act, or agree to act, together to further that purpose and participating in criminal activities that are arranged by an organized crime group.

#### **15.52 Other Crimes**

Persons or entities not included under any other special interest category but accused of, wanted, investigated, charged, convicted, or sentenced for a criminal offence, statutory offence, or regulatory breach where no current special interest category has been assigned.

#### **15.53 Pharmaceutical Trafficking**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the manufacture, trade, transport, distribution or smuggling of counterfeit, stolen or illicit medicines, medical products or its packaging and associated documentation, as well as medical devices in contravention of related laws and regulations.

#### **15.54 Sanctions Related**

Represents all the North Korea and Iran related data within World-Check, as well as sanctions related seaports and airports.

#### **15.55 Securities Violation**

Engaging in or attempting to engage in activities that give or are likely to give rise to misleading signals about or manipulation of the supply, demand or price of financial instruments or securities.

#### **15.56 Smuggling**

The alleged or actual cross border illegal and secret transportations of objects, substances or people by bringing into or removing from a country such objects, substances or people without declaring such to customs or custom officials or as prohibited by laws or regulations or goods upon which excise or customs taxes or duties have not been paid, including associated actions to avoid taxation or to obtain goods which are prohibited by a certain region or country.

#### **15.57 Tax and Customs Violation**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the transgression of tax or customs laws or being knowingly concerned in the fraudulent evasion of tax or customs duties.

#### **15.58 Tender Violation and Restrictions**

Alleged or actual instances of tender fraud, tender collusion or manipulation or tender irregularities committed during a tender or bidding process and Tender Restrictions refers to individuals or entities restricted by a government or enforcement body from participating in any private or public tenders or procurement.

### **15.59 Terror Related**

Entities or persons accused of, investigated or arrested for, allegedly connected to, charged with or convicted of an unlawful act or threat of action involving

- i. serious violence against a person or serious damage to property.
- ii. endangering a person's life, other than that of the person committing the action.
- iii. creating a serious risk to the health or safety of the public or a section of the public;  
or
- iv. an unlawful act or threat of action

that is designed to seriously interfere with or to seriously disrupt an electronic system; that is designed to influence the government or an international governmental organisation or to intimidate the public or a section of the public; involving the advancement of a political, religious, racial or ideological cause.

### **15.60 Theft and Embezzlement**

Entities or persons accused of, investigated or arrested for, charged with or convicted of the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it.

### **15.61 Trafficking in Stolen Goods**

Entities or persons accused of, investigated or arrested for, charged with or convicted of knowingly or believing goods to be stolen, a person dishonestly receives the goods, or dishonestly undertakes or assists in their retention, removal, disposal or realization by or for the benefit of another person, or themselves.

### **15.62 Travel or Visa Restriction**

A legal order that restricts the movement of a person or excludes a person from a country.

### **15.63 Unlawful Moneylending**

Entities or persons accused of, investigated or arrested for, charged with or convicted of carrying out a regulated money lending activity without the appropriate authorisations (e.g. loan sharking or usury).

### **15.64 Violent Crime**

Persons accused of, investigated or arrested for, charged with or convicted of unlawfully using deadly or non-deadly force, a weapon or a corrosive substance to kill, physically hurt, or threaten another which include murder, culpable homicide/ manslaughter, assault, rape, robbery and crimes involving guns and/or knives or acid attacks.

### **15.65 War Crime**

Entities or persons accused of, investigated or arrested for, charged with or convicted of breaching legal conventions by committing any of the following acts against persons or protected property:

- (i) willful killing.
- (ii) torturing or treating inhumanly including biological experiments.
- (iii) willfully causing great suffering, or serious injury to body or health.
- (iv) extensively destructing and appropriation of property, not justified by military necessity and carried out unlawfully and wantonly.
- (v) compelling a prisoner of war or other protected person to serve in the forces of a hostile Power.
- (vi) depriving a prisoner of war or other protected person of the rights off-air and regular trial.
- (vii) deporting or transferring or unlawful confinement.
- (viii) taking hostages/prisoners of war; and

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- (ix) committing other serious violations of the laws and customs applicable in international armed conflict, within the established framework of international law (including use of biological weapons/weapons of mass destruction).

An aerial photograph of a city, likely Manila, Philippines, featuring a prominent white wireframe box on the right side. The image is overlaid with a semi-transparent teal color. The text "End of Document" is centered on the left side of the image.

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