



Compliance Department

عضو صندوق ضمان الودائع المصرفية

الحائز على جائزة المسؤولية الاجتماعية من رئاسة الجمهورية والشبكة الإقليمية للمسؤولية المجتمعية بدولة قطر و الكويت



Farmer's Commercial Bank Policy on Anti-money Laundering and Combating the Financing of Terrorism





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Introduction:

The Farmer's Commercial Bank endeavors to provide comprehensive banking service that covers all sectors, focusing on the development, community service and enhancing its shareholders equity. The bank shall comply with the laws in practicing its banking business and the instructions related to the principle "Know Your Customer" and Anti-Money Laundering and Combating the Financing of Terrorism in practicing its banking business. The bank adopts methodology based on the risks assessment for the management of risks of non-compliance and for guaranteeing the application of appropriate supervisory systems to prevent, detect and notify about the operations that may be related to money laundering financing terrorism.

Definition: Offense of Money Laundering

The offense money laundering is defined by International Criminal Police Organization (Interpol) as "Any act aiming at concealing or disguising the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources".

It is defined in Sudan Anti-Money Laundering Law of 2014

There shall be deemed to commit the offence of money laundering any person who commits any of the following acts: -

- 1- Remittance or transfer of money with knowing that such money is derived from crime intending to disguise or concealment the unlawful source of such money.
- 2- Disguise or concealment of the actual nature of the money or its source, place , disposition, movement, ownership or the rights related to such money with knowing that the money is derived from a crime.
- 3- Gaining, possessing, using, managing , keeping, exchange or invest money with knowing , at the time of receiving such money, that it is derived from a crime.

For the purposes of this law, the money obtained from the crime mentioned hereinafter shall be considered money laundered and unlawful: -

- ✓ Trading in drugs and psychotropic substance
- ✓ Practicing prostitution, gambling and slavery.



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- ✓ Bribery, embezzlement, fraud, abuse of public fund or the public interest.
- ✓ Forgery, counterfeiting, charlatanism and superstition.
- ✓ Illicit trade in arms and ammunition.
- ✓ Damaging the environment.
- ✓ Kidnapping, piracy and terrorism.
- ✓ Tax and customs evasion.
- ✓ Theft or smuggling of antiquities.
- ✓ Any other related crimes stipulated in international or regional conventions, provided that Sudan is a party thereto.

Terrorism Financing Crime:

1. He is regarded as committing a terrorism financing crime any person who intentionally or embarks by any means, directly or indirectly, provides funds from a legitimate or unlawful source or collects them with the intention of using them or knowing that they will be used in whole or in part to commit a terrorist act, or through mediation of a terrorist organization or a terrorist person.
2. Any of the acts mentioned in Clause (1) shall be considered a crime of terrorism financing even if the terrorist act did not take place or the funds were not actually used to implement it or attempt to do it, or if the funds were not related to a specific terrorist act, regardless of the country in which the terrorist act occurred or the attempt to commit it.

Policy objectives:

Failure to comply with this policy may lead to disciplinary measures being taken, which may reach the point of dispensing with services in some cases, and may lead to the imposition of civil and criminal penalties against both the bank and its employees. For the safety of banking and the protection of the bank against risks of exploitation in money laundering and terrorism financing operations and based on the regulatory and supervisory duties of the Central Bank, particularly with regard to the implementation of the Anti-Money Laundering Act, 2004 and the Banking Works Regulatory Act, 2003. The policy aims at the following:

- Evaluating guidance and counseling to ensure compliance with instructions issued by the regulatory authorities.



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- Setting regulatory controls that help detect and report any attempt to use the bank's products and services in money laundering and terrorism financing operations.

Scope of application of the policy:

- This policy applies to all branches of the Farmer's Commercial Bank, whenever and wherever.
- Failure to comply with this policy may lead to disciplinary measures being taken, which may reach the point of dispensing with service in some cases, and may lead to the imposition of civil and criminal penalties against both the bank and its employees.

Anti-money laundering policies are based on adherence to the principle of "Know Your Customer", and combating money laundering and terrorism financing operations is a responsibility of all its employees and depends on the following elements: -

- Taking the necessary measures to determine the identity of the customer or the true beneficiary of the bank's products and services and not to deal with banned customers.
- Not to provide any banking services by the bank to customers whose funds are believed to be the result of criminal activity or terrorism financing.
- Reporting any suspected cases of money laundering or terrorism financing attempt.
- Training of bank employees and raising their cultural awareness in identifying and combating money laundering and terrorist financing risks.



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- Classify customers according to degree of risk and as well as setting a risk-based rating methodology.
- Auditing and reviewing the bank's anti-money laundering and terrorism financing program to ensure its effectiveness

Risk Rating Major Factors: -

1. The bank must identify, assess and monitor the risks of Money Laundering and Financing of Terrorism to which it may be exposed provided that the assessment level must be appropriate to the size and nature of the bank's business. Thus, the bank must update the assessment bi-annually. The bank shall document the risk assessment, its updates and all information related to these assessments, and has appropriate mechanisms in place to provide risk assessment information to competent authorities.

2. When identifying and assessing risks of Money Laundering and Financing of Terrorism, and setting a system to manage and control these risks, the bank shall take into account the following categories of risk:

- a. Customer risks.
- b. Risks related to specific geographical areas.
- c. Risks related to products and services.
- d. Risks related to products and services delivery channels.

A/ Customer risk factors:

Customer risks Include risks related to the identification of the customer or beneficial owner or their transactions or activities, examples include:

- ✓ Difficulties to identify the beneficial owner due to the complexity of the ownership structure of the legal persons.
- ✓ Non-resident customers.
- ✓ Legal persons issuing bearer shares.



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- ✓ Powerful persons, their close associates and family members.
- ✓ Customers engaged in cash-intensive economic activities.
- ✓ Senior depositors and customers whose source of wealth is unclear.
- ✓ Customers who do not deal face to face with the bank.
- ✓ Beneficial owners who control the legal person without control over its ownership.

B/ Geographical risks:

Geographical risks Include risks related to the country of nationality of the customer, his place of residence or work, or the source or destination of his transactions, in terms of the adequacy of Anti-Money Laundering and Combating Financing of Terrorism system in such country. Examples include:

- ✓ Countries that do not apply the recommendations of the Financial Action Task Force, or that do not apply them adequately.
- ✓ Countries subject to sanctions, embargos or similar measures issued by the United Nations.
- ✓ Countries classified as offshore financial centers or tax havens.
- ✓ Countries with a poor rating in terms of transparency.
- ✓ Countries classified as providing funding or support for terrorism, or suffering from drug or human trafficking and the areas of tribal or border wars and disputes.

C/ Risks related to products and services:

Risks related to products and services Include risks associated with the characteristics of products and services, which can be exploited for money laundering or financing of terrorism. Examples include:

- ✓ Cross-border wire transfers.
- ✓ Private Banking services.
- ✓ Stored-value cards.
- ✓ Services that do not allow the disclosure of most information concerning the identity of its users



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- ✓ Services that are identified by the Central Bank of the Sudan as high risk services.

D/ Risks related to services and products delivery channels:

Risks related to services and products delivery channels Include risks associated with the characteristics of the delivery of products and services, which are often associated with the use of modern techniques and technology that can be exploited for Money Laundering and Financing of Terrorism due to simplified procedures for Due Diligence , or to the fact that it allows the customer to transact remotely or execute a large number of transactions in a short period of time, as well as other advantages.

Examples include:

- ✓ Financial services provided via mobile phone or online.
- ✓ Non face to face business relationships.

3. The bank shall take the following actions to manage and mitigate any identified risks:

a. Assess risk factors, including:

- ✓ The purpose behind opening an account or establishing a business relationship.
- ✓ The size of deposits or transactions conducted by the customer.
- ✓ The nature of the customer's economic activity and source of his funds.
- ✓ The frequency of transactions or duration of the business relationship.

b. Obtain additional information about the customer, the beneficial owner, the intended nature of the business relationship and the transaction.

c. Prepare a risk profile on rating customers and transactions to include determining risk category (high - normal - low) for each customer. The profile must be updated periodically or whenever there are changes in the information available about the customer or their pattern of transactions. The customer profile should be based upon sufficient information of the customer and beneficial owner as



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applicable, including the customer's anticipated business with the bank, and -where necessary- the source of funds and wealth of the customer.

d. The implementation of the enhanced due diligence procedures on high risk customers.

e. Taking into account all relevant risk factors before identifying the overall level of risk and the appropriate level of risk mitigation measures to be applied.

f. Updating all customer information on a regular basis.

g. Documenting risk assessment processes.

Anti-money laundering and combating financing terrorism Requirements:

1- Customer due diligence requirements

Customer due diligence means (following the “Know Your Customer” (KYC) rule by identifying- :

The customer's identity from his valid (ID, passport, driving license , military card , court card, police card) as well as taking copies of these credentials signed by the competent employee informing that it is a true copy and the real beneficiary ,whether a he is a natural or legal personality, and verifying thereof besides continuous follow-up of operations.



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The nature of the future relationship between the bank, other banks and the customer:

a. Transient Customer:-

Transient customer means the customer who has an ongoing business relationship with the bank, for example (the customer who requests a cash transfer, receipt of a cash transfer, cash check, or cash exchange).

- 1- When carrying out an operation for a transient customer whose value exceeds SDG (100,000) or its equivalent in foreign currencies, the limit shall be one specified by the regulations, or if there is suspicion that the operation is related to money laundering or terrorism financing.
- 2- Sufficient information must be obtained about the transferor (name of the transferor, the address, the purpose of the transfer, the name of the beneficiary, his address and his account number, if any, and official documents and data about the customer. The bank must establish a system that gives the transferor a distinct reference number), and all the data referred to above must be included in the transfer information.
- 3- Before sending a transfer, the individual must verify all information related to the transferor through official documents and data.
- 4- In the case of transfers sent in one package, the branch must attach the transfer source, or its distinct reference number, and that the branch must keep full information about the transferor referred to above and the branch must have the ability to provide the recipient and the competent authorities with the information required within three working days from the date of receiving the request for information, and to respond immediately to any order issued by the competent law enforcement authorities to view this information.



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- 5- It must be ensured that non-routine transfers are not sent in a single package in cases that would increase the risks of money laundering and terrorism financing operations.
- 6- The branch must put in place effective systems to detect any deficiency in the information of the transferor referred to above, and to assess the degree of risk in dealing with transfers in which the information about the transferor has not been completed, including refusal of transfer and informing the Money Laundering and Anti-Terrorism Unit accordingly.
- 7- If it is not possible to keep the information attached to the transfer for technical reasons, all the attached information must be kept as it was received by the bank for a period of five years, regardless of the completeness or lack of information, so that they can provide the information to the recipient and the authorities concerned with the required information within three working days from the date of receiving the request to obtain the information.

B- Constant Customer:

A customer who has an ongoing relationship with the bank and has activity with the bank.

- 1- It is not permissible to deal with opening accounts or entering into continuous banking relationships with unknown persons or under fake or fictitious names.
- 2- Verification procedures may be postponed until after the establishment of the banking relationship if this is necessary for the normal course of transactions so that this does not entail money laundering or terrorism financing risks, and that verification procedures must be carried out as soon as possible, and necessary measures shall be taken for prudent management of the risks of money laundering and terrorism financing operations for the cases in which the postponement has occurred and that limits must be set for the type, number and



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- amounts of operations that can be carried out before completing the verification procedures.
- 3- If the branch could not meet the verification procedures, this relationship must be terminated and money-laundering unit must be notified about suspected operations.
 - 4- Making sure that the customer is not listed among the defaulter or blocked customers list before entering into an on-going relationship therewith. No any operation must be performed for a transient customer included in the ban list.
 - 5- The branch must complete the verification procedures by itself without relying on any third party to do so.
 - 6- Obtaining an acceptable recommendation for a customer who wishes to enter into an ongoing relationship with the bank from a bank that he has previously dealt with.
 - 7- The authority to certify entering into an ongoing relationship with the customer shall be the branch manager or his representative.
 - 8- Updating customer identification data every five years or upon the emergence of reasons, for example: if you doubt the availability of the validity or suitability of data and information obtained in advance, or if the degree of risk of money laundering and terrorism financing is estimated for a particular customer or a group of customers.
 - 9- Monitoring the customer's behavior and the pattern of his transactions on an ongoing basis, to detect any transactions inconsistent with this behavior and the pattern of his transactions.
 - 10- It is not permissible for any user in the bank to manage any proxy account or otherwise for any of the bank's customers.
 - 11- Verifying the identity of the natural person from the valid credentials (ID, passport, driver's license, military card, judicial card, police card), taking into account that the identification data includes the customer's full name,



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nationality, date of birth, address of permanent residence, phone numbers, if any, work address, type of activity, purpose of transaction, names and nationalities of those authorized to deal with the account, and any other information the branch deems necessary to obtain.

- 12- In the event that another person deals with the branch on behalf of the customer, it must be ensured that there is a legitimate power of attorney that allows him to do so, with the need to keep it or an authenticated copy thereof.
- 13- The need to identify the identity of the persons authorized to use the account and the proxy in accordance with the procedure of customer identification that has been mentioned above.
- 14- Necessary measures must be taken to verify the validity of the data and information obtained from the customer, including contacting the competent authorities issuing the credentials for these data if they have doubts about their validity.

Unusual operations:

- 1- Preparing reports on monetary transactions in large amounts (whose value exceeds SDG 100,000, or US\$15,000 or its equivalent in foreign currencies), Central Bank Circular No. 8/2014.
- 2- Special care must be taken with regard to unusual transactions and an investigation of their background and purpose, with the necessity to keep special records for that in the customer's operations file (the daily transactions portfolio) regardless of the decision taken in this regard.
- 3- Unusual large or complex operations, the identification and verification of the depositor must be made, as well as keeping a copy in the customer's file operations.
- 4- Any other unusual process that does not have a clear economic justification.



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Obligations to be observed when making a transfer to a constant customer

- 1- Adequate information must be obtained about the transferor (the transferor's name, account number, address, purpose of the transfer, the beneficiary's name, address and account number, if any. In the event that there is no account for the transferor, the bank must create a system that gives the transferor a distinct reference number. All the data referred to above must be included in the transfer data.
- 2- Before sending the transfer, the branch must verify all information related to the sender of the transfer through official documents and data.
- 3- In the case of transfers that are sent in one package, the branch must attach the source of the transfer to the account number of the transferor or his distinct reference number in the absence of an account number for him , and that the branch must maintains full information about the transferor referred to above, and that the branch must be able to provide the recipient the competent authorities with the required information within three working days from the date of receiving the request for information, and to respond immediately to any order issued by the competent law enforcement authorities to access such information.
- 4- It must be ensured that non-routine transfers are not sent in a single package in cases that would increase the risks of money laundering and terrorism financing operations.
- 5- The branch must put in place effective systems to detect any deficiency in the information requesting the issuance of the transfer referred to above, and assess the degree of risk in dealing with transfers, in which the information about the transferor has not been completed, including refusal to transfer and informing the Money Laundering and Anti-Terrorism Unit accordingly.



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- 6- If it is not possible to retain the information attached to transfer for technical reasons, all information must be kept attached as received by the bank for a period of five years , regardless of incompleteness or lack of the information in a manner that enables provision of information to the the recipient and the authorities concerned with the information required within three working days from the date of receipt of the request for Information.
- 7- Verifying the existence of natural persons who have on-going relations with the branch through the credentials specified in the circular of the Central Bank of Sudan and the information contained therein according to the following:

Joint Accounts:

- Providing the necessary identification papers for each partner.
- Identifying account management responsibility, whether individually or jointly.

Accounts of trustees and executors of wills:

- Providing the necessary identification papers for each of the trustees and executors of wills.
- Providing a statement of appointment as a trustee provided it is issued by the competent court.
- Providing the trusteeship or wardship and adherence to the conditions stipulated in any of them.

Account of inheritance managers:

- Providing the legal Notice “Decree of Distribution”.
- Providing the necessary identification papers for each of the inheritance managers.
- Providing the Sharia’a court decision or the Director General of Inheritance Affairs which has been designated as manager for the inheritance.

Employees' accounts:

- Providing a salary certificate from the employer.
- Providing the necessary identification papers for any employee.



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16. Upon opening accounts for legal persons, following shall be indentified -:

- Identify the legal form, the premises, type of activity, the capital, date of registration, its number, and that names of delegated persons and their nationalities, number of their phones, transaction and any other information that the branch thinks necessary to be obtained.
- Obtaining a copy of documents proving the authorization from the legal person to a person representing them or the commissioning of natural persons to manage the account, in addition to the need to identify the authorized persons in accordance with the customer identification procedures.
- Obtaining the names and addresses of partners. For public companies, a list of the names and addresses of shareholders whose shares exceed 10% of the share capital of the company must be obtained.
- verify the existence of the legal person that has continuous relationship with the branch trough identifying the existence of the legal person and its legal entity through the appropriate documents and the information contained therein as follow:

Partnership accounts:

- Providing registration certificate of the business name issued from the Business Registrar or partnership registration certificate if registered under the name of one or more of the partners.
- Providing partnership Contract authenticated and sealed by the Administration of Courts pointing out the names and addresses of partners, and identifying the persons authorized to sign on the account either jointly or individually.
- Specifying the persons authorized to sign jointly or severally within the limit of single signature.

Corporate Accounts:

- Certificate of registration of the company issued by Business Registrar and a certificate of business commencement for public companies.
- Memorandum & Articles of Association
- The company's address and headquarters.



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- The decision of the Board of Directors to open an account at the institution.
- The decision of the Board of Directors to appoint authorized persons to manage the company's accounts and limits of their powers.

17- The accounts of government units and public corporations:

- The approval of the competent authority to which the government unit is affiliated or of the general manager of the establishment or corporation, as the case may be, to open the account.

- Approval of the Federal or State-level Ministry of Finance as the case may be. Mandate specifying the names of the persons authorized to sign on the account and the limits of their powers signed by the head of the government unit or the Director General, as the case may be.

- Copy of the law under which the government corporation or unit was established.
- Accounts of Non-profit organizations and associations:

- Providing certificate of registration from the competent authority.

- A copy of the Constitution and the Regulations which govern and regulate the work of such entities.

- The decision to establish the Executive Committee and appoint the three officers certified by the Corporations' Registrar.

- A letter specifying the bank in which the checking (current) account is to be opened signed by the head or secretary and mentioning the names of the persons authorized to sign on behalf of the relevant party and the limits of their powers to use that account.

18. The branch shall request each customer when opening an account to sign an affidavit which discloses information about the beneficial owner of the continuous or relationship or the transit operation.

19. The branch shall identify the beneficial owners by referring to the information and data obtained from the official documents and data.



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20. In case the beneficial owner is a legal person, the ownership structure and controlling management should be known.

21. The branch shall pay special care for the following cases: -

a- The persons exposed to risks due to their positions and the beneficiary owners who belong to the same category.

- obtain approval from senior management before establishing a business relationship with such person;
- all measures shall be taken to ensure the sources of the wealth of the customers and beneficiary owners exposed to risks by virtue of their constitutional offices (political)
- apply enhanced ongoing monitoring to the business relationship with the customers exposed to risks by virtue of their offices and the beneficiary owners.

b- high risk customers who enjoy special banking treatment (big wealth owners)

c- Customers residing in countries where appropriate systems for anti-money laundering and combating financing terrorism are not available.

- the branch shall give special care to the operations conducted with persons residing in countries where appropriate systems for anti-money laundering and combating financing terrorism are not available.
- The branch shall take the necessary actions to understand the circumstances surrounding the operations and their objectives which do not base on clear economic justifications conducted with persons residing in countries where appropriate systems for anti-money laundering and combating financing terrorism are not available; and to register the findings in its records.

d- upon making local and international electronic remittance.

e- upon the existence of doubts about the accuracy and correctness of already registered identification data.

f- upon the existence of suspicion on money laundering and financing terrorism.



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The required procedures in the case of classification of high-risk customers :

1. The branch should classify all its customers and products according to the degree of risk related to money laundering and financing terrorism, taking into account the following :

- The nature of work and the quality of activity.
- The nature of banking service.
- The geographical location of the customer or banking operations.
- The means by which the service is provided, including means based on the use of modern technologies.

2. The unit of anti-money laundering and combating financing terrorism must be notified of transactions suspected of being related to the proceeds of money laundering or financing terrorism immediately, whether the transactions are done or not.

Examples of customers with high risk:

- ❖ Persons subject to risk due to their political ex officio.
- ❖ Non-resident and non-citizen natural Persons
- ❖ When the holder of the account is not the beneficiary owner of the account
- ❖ Exchange and money remittance companies
- ❖ Charitable organizations are non-profit institutions
- ❖ Jewelry traders
- ❖ Foreign consulates and embassies
- ❖ Tourism and travel agencies
- ❖ General export and import companies



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الحائز على جائزة المسؤولية الاجتماعية من رئاسة الجمهورية والشبكة الإقليمية للمسؤولية المجتمعية بدولة قطر و الكويت

d- Correspondent financial banks and institutions shall take the following measures when establishing banking relationship:

Dealing with the correspondent banks:

- Gather sufficient information about the respondent institution to evaluate to what extent the sufficiency of the anti-money laundering and combating financing terrorism controls (through the answer of the correspondent bank on the questionnaire of the Farmer's Commercial Bank related to operations of anti-money laundering and combating financing terrorism).
 - Prohibit providing Payable Through Accounts; and the establishment of correspondence banking contractual relationship with the financial institutions that provide such service without taking appropriate supervisory measures.
 - Understand the nature of activity and reputation in the field of anti-money laundering and combating financing terrorism.
 - obtain the approval of the board of directors when establishing business relationship with financial and non-financial institutions.
 - Ensure that the correspondent financial banks and institutions are subject to effective supervisory control by the supervisory power in the mother country.
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- Verifying the availability of comprehensive systems to combat money laundering and terrorism financing at banks and correspondent financial institutions
 - Ensuring that the correspondent banks and financial institutions have implemented adequate diligence for their customers who have the right to pay through the correspondent account and that they have the ability to provide information related to the customers of this process when necessary.
 - Dealing with fictitious banks and financial institutions is prohibited and it is prohibited to open a correspondent account for any bank or institution that provides correspondence services to fictitious banks.



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11. Other cases

The following should be observed

- When opening the account for a non-resident customer, it is necessary to present a valid residence, work permit, a copy of the work contract and a salary certificate from the employer, taking into account the circulars of the Central Bank regarding current accounts of non-residents and also obtaining a recommendation or certification of signature from well-known foreign banks or financial institutions.
 - When requesting financing against attachment of deposits.
 - When leasing funds of trusts.
 - When depositing cash sums and traveler's checks in an existing account by a person (s) whose names do not appear in the power of attorney contract pertaining to that account or if he is not one of the persons legally authorized by the account holder to deposit money in this account.
22. Bank transfers in any currency that the bank sends or receives must be subject to the controls of bank transfers with any obligations arising from the circular of Anti-money laundering and combating terrorism financing, and other supervisory laws and controls in force in Sudan.
23. There shall be excluded from the provisions related to bank transfers and transfers arising from transactions made by using payment or credit cards or any other similar means, provided that all transfers arising from these transactions are associated with a distinct reference number that allows the transaction to be traced back to the person requesting the issuance of the transfer.
24. The suspicious transactions must be notified by a person designated by the branch to report the suspicion to the bank's Anti-money laundering unit, according to the attached reporting form.
25. If any of the branch employees suspects an operation related to Anti-money laundering or combating terrorism financing, the person in charge of notification must be informed of the suspected operations, and he must attach all data and copies of documents related to the operation.



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26. The person responsible for notification must provide the data to the Anti-money laundering unit in the bank and facilitate its access to records and information in order to carry out its tasks

27. It is prohibited to disclose, directly or indirectly, the notification or investigative measures that are taken regarding suspected operations other than the authorities and the competent authorities.

requirements Record and documents keeping:

- Records and documents related to customer due diligence must be kept for at least five years from the date of executing the transaction or terminating the relationship.
- Records must be kept of evidence supporting ongoing relationships and banking operations, including the original supporting documents or copies thereof that are acceptable to the courts in accordance with the legislation in force in Sudan for a period of five years from the date of the operation or termination of the relationship.
- An integrated information system must be developed to preserve the records and documents referred to above in order to enable the Anti-money laundering unit in the bank to be provided with data and to facilitate its access to records and information to carry out its tasks.
- Records and data related to the notifications submitted to the unit and related documents for a period of at least five years from the date of the unit's notification, and those related to a criminal case until it is decided upon if it exceeds the legally specified period.
- Documented records for all of the special training programs for gas for the money and the financing of terrorism that took place during a period of not less than five years ago, and so that these records include the names of the trainees and their qualifications and the party that training , both at home or abroad.

28. The internal control regulations issued by the Central Bank must be followed and implemented to fill the loopholes with regard to Anti-money laundering and combating terrorism financing operations.



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29. Determining an appropriate mechanism to verify compliance with circulars, policies and procedures established to combat money laundering and terrorism financing operations, taking into account coordination between the internal auditor and the person responsible for notifying the suspected case.

30. A person responsible for notifying cases of suspicion and the name of his substitute must be identified in the event of his absence.

31. Establishing systems and procedures that enable the internal audit to perform his role in examining the control and internal control systems to ensure their effectiveness in combating money laundering and terrorism financing operations.

:Monitor financial operations to detect suspicious activities

-The bank's compliance officer is the one in charge of notification to report cases of suspicion to the unit under Article (6) of the law in accordance with the reporting form prepared by the unit for this purpose.

-If any of the bank's employee suspects that any operation is linked to the returns of a crime, money laundering, or terrorism financing, he and must inform the Compliance Officer, provided that he attaches all the data copies of documents related to that process.

-The Compliance Officer shall provide the unit with data and shall facilitate its access to records and information for the purpose of carrying out its tasks .

-The bank's compliance officer shall refer reports of suspected operations to the competent supervisory authorities in the country after discussion with the bank's management.

- It is not permitted under any circumstances to disclose to the customer or any third party any of the reporting procedures that are taken regarding suspicious transactions.

-The bank shall protect all employees who report suspected cases if they are in good will and a requirement for the exercise of their job duties.



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The formation of the bank's anti-money laundering and combating terrorism unit and definition of its tasks:

A unit for Anti-money laundering and combating terrorism financing must be formed in the bank, headed by a compliance officer. Its tasks include the following:

- Preparing reports on suspicious operations and activities and sending them to the competent authorities through the compliance officer.
- Ensuring that the processes of keeping and archiving the internal reports are carried out in accordance with the instructions, and placing of these reports in a safe place and under liability.
- Carrying out the tasks assigned to and specified by the Central Bank of Sudan.
- Keeping all information related to Anti-money laundering and terrorism financing operations.

Internal control system:

The bank shall establish an internal system for combating money laundering and terrorism financing that is corresponding to the size of the bank's activities and the risks of money laundering and terrorism financing to which it is exposed. It includes policies, procedures, internal controls, commitment, appointment, training, internal and external auditing tasks system for Anti-money laundering and terrorism financing.

a. Internal policy, procedures and controls:-

The Bank shall establish a clear policy, procedures and internal controls to combat money laundering and terrorism financing approved by the Board of Directors and focusing on the following updated continuously:

- Evaluating the risk at the institution level and defining its management system.

Evaluating customers' risks, classifying them, and defining the risk profile. Customer acceptance and termination of business relationship .

-Due diligence procedures, postponement controls, and the tightening conditions.

-Monitoring operations and business relationship



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- Considering influential people, correspondent relationships, and electronic transfers.
- Notification of suspicion and non-disclosure of taking the risks .
- Implementing policies, procedures, and controls as well as monitoring at the level of branches, subsidiaries and the group.
- Responding to the requests of the supervisory authorities, other authorities and the unit.

2 Appointment of a compliance officer :

A compliance manager shall be appointed in a senior administrative working under the supervision of the board of directors, and a person who position will act on his behalf in his absence shall be appointed from among those who have academic qualifications and reasonable practical experience, and the Central Bank of and he shall have . Sudan shall be informed in the event that any of them is changed the powers to review the records and data that are required to carry out examination and review the systems and procedures established by the bank to combat work money laundering and terrorism financing operations.

The Compliance Officer shall practice his powers independently and is accountable before the Board of Directors with the aim of verifying the extent of the application of the anti-money laundering and terrorism financing system in the bank.

Tasks of the bank's compliance officer:

- Ensuring that the bank adheres to all laws, regulations, directives, and professional and ethical standards issued by the bank and the supervisory and regulatory authority to reduce reputational risks and identify everything that may affect the bank's reputation and its deterioration.
- Identifying and evaluating the risks of non-compliance associated with the various activities of the bank.
- Providing advice to management on applicable laws, regulations and standards, while providing it with the latest developments in applicable laws, regulations and standards.
- Submitting a periodic report to the bank's board of directors.



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- Ensuring compliance with the established compliance policy through a permanent and comprehensive assessment of the risks of non-compliance.
- Documenting the relationship with the relevant external bodies, including the supervisory and regulatory authorities.
- Ensuring that compliance policies, standards, and that requirements are applied to fulfill the requirements of "Know Your Customer", as well as those of Anti-money laundering and combating terrorism financing, and create a risk-based approach to managing compliance.
- Managing the reviewing the bank's prohibited lists.
- Monitoring accounts and investigating transactions that do not match the nature of the customer's activity as well as reporting suspicious activities to the competent authority.
- Training and educating employees in the bank with regard to the compliance with applicable laws, regulations and standards, and in the field of combating money laundering and terrorism financing.

C:Ongoing training programs:-

Setting plans and continuous training programs for employees, members of the board of directors, members of the executive and supervisory management, and managers in and combating terrorism financing operations, in the field of Anti-money laundering cooperation with the manager of Compliance, taking due diligence that these programs include methods of Anti-money laundering and combating terrorism financing, how to discover and report them, as well as developments in terms of risks, their evaluation and addressing, and how to deal with suspicious customers.

d: Internal audit:-

The internal audit shall examine the internal control and control systems to ensure their effectiveness and verify that the employees and the compliance officer implement their responsibilities as well as the extent of compliance with the policies and procedures for Anti-money laundering and terrorism financing, and to include the results of that in its report submitted to the management.



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F:Procedures for appointing employees:-

Accurate examination and investigation procedures shall be place to ensure the availability of high standards of efficiency and integrity in selecting job applicants for the criminal sheet (Fiche) and to consider any other useful information to ensure that there is no conflict of interest, dishonesty, or fraud, and to ensure that their names are not on the banned lists.



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Sources of information: -

1. Decisions of Basel committee
2. Standards of Financial Action Task Force (FATF)
3. Sudan Anti-Money Laundering and Combating Financing Terrorism Law of 2014
4. Central Bank of Sudan Circular No. (8/2014)