
ANTI MONEY LAUNDERING

Purpose

To ensure that company and its staff will not knowingly assist criminals to launder the proceeds of drug sales, terrorism or other serious crimes and to effectively cover the requirements of "Know your customer" programme.

To abide by the rules laid down by the Central Bank of UAE and to assist the country to combat money laundering.

Scope

This procedure applies to all transactions of foreign currency exchange, Travellers cheques Exchange, Demand drafts Issue, Fund transfers including IEFT and Instant Money transfer transactions.

Responsibilities

- Assistant Manager- Risk & Compliance
- Compliance Officers - Head Office
- Compliance Officer - Branch
- Branch Manager/ Supervisor
- Customer Service Representative
- Cashier
- FTD - To ensure that the TTs are scanned and checked for terrorist organisations before sending the TT.

Requirements

- 1 Federal Law No 4 of 2002 - Regarding Criminalization of Money Laundering
Regulation Concerning Procedures for Anti-Money Laundering
- 2 Central Bank of the UAE Circular No 24/2000 dated 14/11/2000
 - Form No 2/2000/9 - Form for Receipt of Transfer in cash
 - Form No 4/2000/9 - Form for encashment/deposit/transfer of the value of Life Insurance Endowment Clause.

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- Form No 3/2000/9 - Form for Exchange of Small Currency Denomination notes by larger ones.
 - Form No 6/2000/9 - STR - (Suspicious Transaction Report) Form of a report on Suspected Financial Transactions or those indicating possible Money Laundering.
3. Central Bank of the UAE Notice No: 1815/2001
 4. Central Bank of the UAE Notice No: 1400/2002
 5. Transaction records.
 6. Travellers cheques Encashment Declaration Form: TCDF/1/97/F
 7. Guidelines for establishing suspicious transactions/customers.
 8. Funds Transfer (TT/Door to Door) Application Form.
 9. Draft/MT & Draft Delivery Application Form.
 10. Instant Money products send and receive forms.

Reference Documents.

Anti-Money Laundering Manual.

Travellers cheques Encashment & Collection. (BOP)04

Telegraphic Transfer (BOP) 06

Money Gram (BOP) 17

Xpress Money (BOP) 29

Travelex & Xpress money AML compliance manual

Procedure

1 Product wise guidelines:

1.1 Outward Transfers: (Issue of DDs/MTs/TTs and Instant Money transfers).

1.1.1 Checking the Identity by Cashiers:

For all Funds Transfers, the cashier should check the identity of the remitter by verifying any of the following **original** documents listed below.

- The passport
- UAE ID Card for UAE Nationals

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- UAE Labour Card for non UAE Nationals or
 - Driving License (UAE)

Photocopies of ID's are required to be taken once at the time of application for the Introcard customer and also during expiry of the ID and this should be attached along with the Introcard application form. The copies of the ID's taken should be stamped with the "True copy of the original" seal. The staff who verified the original ID should affix his signature on the copy alongside the seal.

For walk in customers the ID details have to be entered in the system only after seeing the original ID document. The copy of ID should be taken and attached with the DD/TT application form and the transaction receipt signed by the customer. The "True copy of original" seal should be affixed on the copy and the staff who has verified the ID should affix his signature on the ID copy.

1.1.2 Recording of Basic Details for Walk In Customers and Introcard Holders by Cashiers

For all transactions, the following details are recorded in the application forms as applicable:

1. Transferred amount
2. Method of payment for transfer: Cash or Cheque.
3. Full Name of the Transferor.
4. ID Type and ID Number.
 - Place of Issue.
 - Date of Issue.
 - Expiry date.
5. Address, P.O Box, City (Emirate), State, Country and Telephone Number of Transferor.
6. Name of the Beneficiary.
7. Address of Beneficiary. (necessary for all Advice and Pay and Door to Door transactions)
8. Purpose of Transfer.
 - Personal Needs
 - Trade/Import
 - Investment in Financial Markets
 - Investment in Real Estate.

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9. Information pertaining to Source of funds should be obtained from the customer for amount in excess of AED 40,000. For Introcard customers the details are to be entered in the system and signature should be obtained from the customer on the transaction receipt. For walk in customers the application form or the transaction receipt should include the source of funds details and signed by the customer. For currency exchange in excess of AED 40,000 a declaration form should be filled and signed by the customer. This should be attached along with the transaction receipt.
 10. Signature of Transferor.
 11. Signature of Cashier.

1.1.3 Verifying of transaction details

1. The Cashier/CSR/Supervisor should ensure that the customer's name and beneficiary's name do not match with any blacklisted names provided by OFAC or any other regulatory body.
2. The Cashier/CSR/Supervisor should ensure that no details are entered in the payment details field while processing the transaction in FACTS. If the customer insists on entering details in the payments details field it should be done only with the approval of BM/Supervisor.
3. The BM/Supervisor should ensure that any data given in the payment details column do not match in full or in part with any individuals, entities or countries which have been blacklisted by OFAC or any other regulatory organization.
4. The BM/Supervisor should ensure that only Invoice Details are entered in the Payment Details field. The copy of the invoice should be available for our records . Capturing of the invoice details in the Payment details field should be with the approval of the BM/Supervisor.

1.1.4 Recording and documentation for Corporate Introcards:

- When a Corporate Customer approaches a branch for opening a new Corporate Introc card, the supervisor/ SCSR should ensure that the following documents are collected from the client before processing the Corporate Introc card.
 - Full name and address of the company including contact details.
 - Copy of the Trade License after sighting the original.
 - Name, ID details and signature of the owner/GM.
 - Letter of authorization from the senior management of the Corporate authorizing the representative to do transactions on the company's behalf. The authorization should be taken on the company's letterhead.
 - ID details of the Representative should be verified and copy to be taken as per para 1.1.1.
 - Specimen signatures of the persons authorized to sign cheques.
 - Company seal should be affixed on all pages of the Corporate Introc card application form.

Once all the details are complete and the documents are collected , the Corporate Introc card application form should be reviewed and scrutinized by the Branch Manager before authorizing the same.

1.2 Inward Transfers:

- 1.2.1 For all Inward Transactions in excess of AED 40000/- Form No 2/2000/9 - Form for Receipt of Transfer in cash is filled and signed by the encashing cashier.

1.3 Exchange of small denomination to higher denominations:

- 1.3.1 For customers who seek to exchange large quantities of low denomination bank notes if the value is AED Forty Thousand (Or Equivalent in other Currencies) or more for those of

high denomination bank notes form No. CB9/2000/3 should be filled in and maintained in a special file.

1.4 India - Rupee Drawing arrangements - Permissible Transactions.

Non- permissible transactions:

- 1.4.1 Donations/Contributions to charitable institutions should not be routed through TCARE.

Permissible Transactions.

- 1.4.2 Credit to Non-resident (External) Accounts maintained by Non - Resident Indians in Indian Rupees.
- 1.4.3 Payments to families of Non-resident Indians.
- 1.4.4 Payment in favour of the Life Insurance Corporation of India, Unit Trust of India and the Post Master for Premia/investments.
- 1.4.5 Payments in favour of bankers for investments in shares, debentures etc.
- 1.4.6 Payments to Co-op. Housing Societies, Govt. Housing Schemes or Estate Developers for acquisition of residential flats in India in individual names subject to compliance of regulations there-of by the Non-Resident Indians.
- 1.4.7 Payments of tuition/boarding, examination fee, etc to schools, colleges and other educational institutions.
- 1.4.8 Payments to medical institution and hospitals for medical treatment of NRIs/their dependants and nationals of Gulf Countries in India.
- 1.4.9 Payments to hotels by nationals of Gulf countries/NRIs for their stay.
- 1.4.10 Payment to travel agents for booking of passages of NRIs and their families residing in India towards their travel in India by domestic airlines/rail etc.
- 1.4.11 Trade transactions upto INR. 200,000/- per transaction. The Limit is per transaction /export bill and not per draft.

1.5 Foreign Currencies.

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- 1.5.1 Transactions above AED 25,000/-, customer's complete details are recorded in the system, wherever possible or otherwise on the computer receipt.
- 1.5.2 For all transactions , in excess of AED 40,000/- the Currency Exchange Declaration form should be filled and signed by the customer.

1.6 Travellers cheques encashment.

- 1.7.1 Procedure (BOP) 04, para 1.6.1. to be followed whereby, transaction for USD 20,000/= and above or equivalent in any other currency, form TCDF/1/97F is completed.

1.7 Instant Money.

- 1.8.1 For all the instant money products the Compliance Manual supplied by the service providers should be followed in addition to our local regulatory requirement.
- 1.8.2 The mandatory requirements are applicable for instant money also and these are mentioned in the concerned procedure and abstract is given in the annexure.

1.9 Saudi Arabia inward remittances:

- 1.9.1 Central Bank of UAE to be provided with details of entities wherein an aggregate of AED two million or more is received within a period of a maximum six months (Form No. 02-2/2001 to be used).
- 1.9.2 Central Bank of UAE to be provided with details of individuals wherein an aggregate of AED Five Hundred Thousand or more is received within a period of a maximum six months (Form No. 01-2/2001 to be used)
- 1.9.3 Central Bank of UAE to provided with Suspicious Transaction Report (STR) in each case where a transfer of AED 40,000/- or more is received from the Kingdom of Saudi Arabia to be paid to the beneficiary in cash.

1.9.4 Whenever a remittance or a demand draft is received from the Kingdom of Saudi Arabia for an amount of Saudi Riyals one hundred thousand or more a Certificate of Remittance from the remitting bank (or the Financial entity)/issuer of the demand draft in the Kingdom (as per the Annexure) should be obtained or otherwise the remittance should be returned and the demand draft should not be encashed. If items 4 or 5 are ticked on the certificate, the remittance must be returned and the demand draft should not be encashed.

2 Alterations on DD, TT, Moneygram & Introcard Application forms

2.1 Any alteration on the above mentioned forms to be authenticated by the customer's signatures in full.

3 Staff Knowledge of Anti-Money Laundering rules and regulations:

3.1 Branch Managers and Departmental Heads should ensure that their staff have read, understood and agree to follow the rules and regulations of the following:

- 3.1a. Federal Law No 4 of 2002 - Regarding Criminalization of Money Laundering Regulation Concerning Procedures for Anti-Money Laundering
- 3.1b. Circular No 24/2000 dated 14/11/2000
- 3.1c. Circular No. 1045/2001 dated 3/6/2001
- 3.1d. Central Bank of the UAE Notice No: 1815/2001
- 3.1e. Notice No: 1400/2002

4 Reporting of Suspicious Transactions:

4.1 It is the responsibility of the cashier to report to Branch Manager/ Branch Manager /Nominee/Branch Compliance Officer in case of any suspicion over a transaction/customer.

4.2 In case of any suspicious transaction, the transaction should be duly completed taking all details of the remitter including his physical appearance and the same should be reported to the Branch Manager/Compliance Officer of the branch for the necessary reporting to the Central Bank.

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- 4.3 In case of any suspicious transaction, the transaction should not be refused.
- 4.4 In case of suspected money laundering transaction, the identity of the customer must be verified at any rate and in the same way as described above, regardless of the amount.
- 4.5 The Branch Manager/Compliance Officer should report suspected Anti-Money Laundering transactions by using form No. CB9/2000/6 to the following address:
The Manager-in-charge
Anti-Money Laundering and suspicious Cases Unit
Abu Dhabi Tel: 02 6669437 Fax: 02 6669427
E-mail : cbuaeamlscu@cbuae.gov.ae

5 Compliance Officers:

- 5.1 The Manager - Risk & Compliance should nominate the Compliance Officers for each Branch and ensure that the Compliance Officers provide the training to the staff on Anti Money Laundering matters.

6 Training

- 6.1 The Manager -Risk & Compliance will co-ordinate the Manager - Customer Service & Quality Assurance for all the training to staff on Anti - Money Laundering conducted by the Central Bank of the UAE.
- 6.2 The Manager - Risk & Compliance will attend the Anti-Money Laundering Workshop and impart training to all compliance officers of each branch.
- 6.3 The Compliance Officers will in turn impart training to all staff of their branches and submit the training record to the Manager - Customer Service & Quality Assurance.

7. Responsibility of Cashier.

7.1 The Cashier is responsible for ensuring that the basic ID details are procured in the application forms and for capturing the same in the FACTS systems. Also it is the responsibility of the cashier to take the ID copy for all remittance transactions.

8. Records Keeping

8.1 All DD / TT application forms, customer signed transaction receipt, copy of ID and other records pertaining to the above mentioned procedure should be kept on record and made available for audit and inspections by both internal and external authorities.

END OF PROCEDURE