

Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy Statement

OBJECTIVE

This statement represents a certification by Kuwait Finance House (KFH) to its correspondent banking customers regarding compliance with Anti Money Laundering and Combating Terrorist Financing (hereinafter collectively referred to as “AML/CFT”) regulations. KFH is strongly committed to prevent the use of its products and services for money laundering or terrorist financing. Accordingly, the Bank will comply with all applicable laws and regulations designed to combat money laundering and terrorist financing, and is committed to cooperate with the appropriate local authorities in that regard.

SCOPE

AML/CFT Policy is applicable to Head Office Departments and local branches only.

AML/CFT COMPLIANCE PROGRAMME

Key components of the AML/CFT Compliance program are as follows:

- BOD approved Policy and Procedures;
- Designated Money Laundering Reporting Officer (MLRO);
- AML/CFT Risk Assessment, System, Process & Controls;
- Ongoing AML/CFT training; and
- Independent testing.

KEY POLICY PRINCIPLES

Key Policy principles are as follows

- KFH has implemented a risk-based approach using policy, procedures, processes, system and controls to identify, manage and mitigate money laundering and terrorism financing risk;
- KFH has implemented customer identification and verification procedures in line with the legal and regulatory requirements;
- KFH will carry out the necessary procedures to determine and verify the identity of the Ultimate Beneficial Owner;
- KFH has implemented necessary Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) measures for customers flagged as High, Medium and Low risk;
- KFH has implemented Know Your Employee (KYE) program containing detailed screening, monitoring and Due Diligence requirements;
- KFH will monitor customer transactions to identify unusual activity and will report such activity to the competent authority;
- KFH has implemented technology system to comply with the sanctions compliance requirements relating to customers, linked persons and counterparties in case of transactions;
- KFH will treat customers and linked persons as High Risk Customers who are classified as “PEP” through PEP screening;
- KFH has implemented a comprehensive policy covering banking relationship with charitable organization customers;
- KFH will not accept to open an anonymous accounts or accounts in fictitious names;
- KFH will not accept /establish a correspondent banking relationship with a shell Bank;
- KFH will not deal with walk walk-in customers;
- KFH will comply with all legal and regulatory requirements relating to cross border transfers;
- KFH will arrange ongoing training of employees with regard to AML/CFT issues and their responsibilities;
- KFH will maintain and comply with the legal and regulatory requirements relating to record retention period.

In providing this information, KFH does not undertake any responsibility or liability with respect to AML/CFT compliance measures that your institution may be required to take under applicable legal and regulatory requirements.