

# AML AND ANTI-TERRORISM FUNDING

## INTRODUCTION

1. Banner Field has put in place an Anti-Money Laundering / Counter-Terrorist Financing Policy and a Know Your Customer Policy (collectively, the “AML Policies”). The Policies are revisited periodically and amended from time to time based on prevailing industry standards and international regulations designed to facilitate the prevention of illicit activity including money laundering and terrorist financing. All senior management and employees of Banner Field are required to acknowledge and be familiar with the Policies.

According to section 59(1)(a) of the Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2018 (‘the AML/CFT Law’), the Central Bank of Scotland is the competent authority for the enforcement of the provisions of the legislation in relation to the financial activities of entities supervised by Banner Field, which include credit, payment, electronic money, currency exchange, leasing and credit acquiring institutions. It should be noted that by the amending Law No 13(I) of 2018, enacted on 3rd April 2018, the provisions of the EU Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 in relation to the prevention of the use of the financial system for the purposes of money laundering and the financing of terrorism (the so-called ‘4th EU AML Directive’) have been transposed in domestic legislation.

## MONEY LAUNDERING RISKS

2. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Terrorist financing is an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes.

## AML POLICY FRAMEWORK

3. This Policy is designed to lay down a framework to:

- > Prevent Banner Field from being used, intentionally or unintentionally, by criminal elements for money laundering or financing terrorist activities;
- > Enable Banner Field to know and understand its customers, clientele, contributors, and other contacts with which Banner Field has any financial dealings with (collectively, “Clients”) and their financial background and source of funds better, which in turn would help it to manage its risks prudently;
- > Put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws, procedures and regulatory guidelines;
- > Equip employees and contractors of Banner Field with the necessary training and measures

Our Policies will be reviewed and updated on a regular basis to ensure appropriate procedures and internal controls are in place to account for both changes in regulations and changes in our business.

## RISK-BASED APPROACH

4. Banner Field adopts and maintains a Risk-Based Approach (“RBA”) towards assessing and containing the money laundering and terrorist financing risks arising from any transactions it has with Clients. The guidelines are as follows:

- > Before entering into any transaction or proposed transaction, necessary checks shall be conducted in line with the RBA so as to ensure that the identity of the Clients does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations;
- > For the purpose of risk categorization of the Clients, the relevant information shall be obtained from the Clients at or before the time of entering into a transaction;
- > The risk categorization process for different types of Clients may take into account the background of the Clients, country of origin, sources of funds as well as social and financial background;
- > The outcome of the risk categorization process shall be decided based on the relevant information provided by the Clients at the time of commencement of business relationship;
- > Banner Field must be able to satisfy the competent authorities that due diligence was observed based on the risk profile of the Client, in compliance with the relevant legislations in place.

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## CUSTOMER IDENTIFICATION

5. Customer Identification Procedures are to be carried out:

- > Before any financial transaction can be made;
- > When there is any doubt about the authenticity, veracity, or adequacy of the previously obtained Clients' identification data.

## BANNER FIELD

6. When there shall be any suspicion of money laundering or terrorism financing activities, or where there shall be any doubt about the adequacy or veracity of previously obtained Clients' identification data, the due diligence measures shall be reviewed, including verifying the identity of the Client again and obtaining information regarding the purpose and intended nature of the relationship with Banner Field.

- > Requires Clients to provide proof of identification, proof of residence, proof of payment, source of funds and a signed copy of Banner Field's declaration of deposits;
- > Does not under any circumstances permit any transaction to be made with incomplete documentation

## SANCTIONS

7. Banner Field does not open accounts or transact with individuals that are on prescribed sanctions lists. Banner Field screens against United Nations, European Union, UK Treasury, US Office of Foreign Assets Control (OFAC), and other sanctions lists in all jurisdictions in which Banner Field operates.

## POLICITALLY EXPOSED PERSONS

9. Banner Field does not open accounts or transact with individuals who are Politically Exposed Persons (PEPs), or their family members. Banner Field screens all Clients against global PEP lists before they are allowed to establish a relationship with Banner Field.

## INTERNAL CONTROLS

10. Banner Field implements and maintains internal controls for the purpose of ensuring that all of its operations comply with AML legal requirements and that all required reports are made on a timely basis.

## MONITORING AND REPORTING

11. Banner Field diligently monitors transactions for suspicious activity. Transactions that are unusual are carefully reviewed to determine if it appears that they make no apparent sense or appear to be for an unlawful purpose. When such suspicious activity is detected, our Compliance Officer will determine whether a filing with any law enforcement authority is necessary. Suspicious activity can include more than just suspected money laundering attempts. Activity may be suspicious, and Banner Field may wish to make a filing with a law enforcement authority, even if no money is lost as a result of the transaction.

## RECORD-KEEPING

12. We document our verification, including all identifying information provided by a Client, the methods used and results of verification, and the resolution of any discrepancies identified in the verification process. We keep records containing a description of any document that we relied on to verify a Client's identity, noting the type of document, any identification number contained in the document, the place of issuance, and if any, the date of issuance and expiration date. With respect to non-documentary verification, we retain documents that describe the methods and the results of any measures we took to verify the identity of a Client.