

Contents

- 1. Objectives
- 1.1 AML & CFT Mission Statement
- 1.2 AML and CFT Objectives
- 2. Policy Statement
- 2.1 Risk Assessment
- 2.2 Customer Due Diligence
- 2.3 Enhanced Due Diligence
- 2.4 Monitoring
- 2.5 Investigation & Reporting
- 2.6 Training
- 2.7 Record Keeping
- 3. General Responsibilities
- 3.1 Board of Directors
- 3.2 Management
- 3.3 Employees



**YOMA BANK**

**Anti-Money Laundering (AML) &  
Counter Financing of Terrorism (CFT) Policy**

Board Approval Date: 17<sup>th</sup> Oct. 2015





## Contents

<b>1.</b>	<b>Overview .....</b>	<b>2</b>
1.1.	AML & CFT Mission Statement .....	2
1.2.	AML and CFT Objectives .....	2
<b>2.</b>	<b>Policy Statements .....</b>	<b>3</b>
2.1.	Risk Assessment.....	3
2.2.	Customer Due Diligence.....	3
2.3.	Enhanced Due Diligence .....	3
2.4.	Monitoring .....	3
2.5.	Investigation & External Reporting .....	3
2.6.	Training & Awareness .....	4
2.7.	Relationships with other financial institutions .....	4
<b>3.</b>	<b>Special Considerations .....</b>	<b>5</b>
3.1.	Conflict between this Policy and Myanmar Law & Regulations .....	5
3.2.	Guidelines.....	5
3.3.	Exception Process .....	5



## 1. Overview

The purpose of this Policy is to outline the framework for the management of Money Laundering (ML) and Financing of Terrorist (FT) risk across Yoma Bank and to reduce the risk of Yoma Bank's products, services and reputation from facilitating ML or FT activities.

Each business division is responsible for ML and FT risks within its business operations and must establish appropriate procedures to implement this Policy and the AML/CFT Program. Processes and procedures for identifying, managing, reporting and escalating non-compliance with this Policy must be documented.

### 1.1. AML & CFT Mission Statement

Yoma Bank seeks to ensure that its products, services, and reputation are not used by those engaged in money laundering or terrorist financing activities. Yoma Bank will comply with all applicable laws and regulations in Myanmar, as well as international standards where relevant for its business, and will follow a risk-based approach in identifying and managing ML & FT risks.

### 1.2. AML and CFT Objectives

Yoma Bank's AML and CFT objectives are to:

- Ensure that Yoma Bank does everything reasonably possible to not accept financial assets or process transactions that involve proceeds of crime, or are likely to be used to finance terrorist activities or criminal activity;
- Ensure that it complies with applicable AML and CFT laws and regulations in Myanmar;
- Protect the Bank's reputation; and
- Retain the confidence of key internal and external stakeholders regarding the management of ML and FT risks across Yoma Bank.

The Objectives will be achieved by:

- Deterring and detecting money launderers and terrorist financiers using Yoma Bank's products and services;
- Developing and maintaining an AML/CFT Program which complies with all applicable AML & CFT laws and regulations and relevant international standards; and
- Adopting a risk based approach to identifying, mitigating and managing its ML & FT risks.



## 2. Policy Statements

### 2.1. Risk Assessment

Yoma Bank must complete an assessment of its ML and FT risk, which includes an assessment of the ML and FT risks posed by its:

- Customers;
- Products and services; and
- Business operations.

Yoma Bank must use the outcome of that assessment to establish its risk-based approach and manage the identified risks through the development of appropriate systems and controls.

Yoma Bank must not accept customers who are individuals or entities with an “unacceptable” risk rating. Business divisions must adopt the country risk developed by the Central AML Team.

Yoma Bank must identify customers that are Politically Exposed Persons (PEPs) or connected with PEPs and conduct appropriate customer due diligence, enhanced due diligence, and monitoring on these relationships.

### 2.2. Customer Due Diligence

Yoma Bank must properly establish a customers’ identity at the commencement of any business relationship, including verification of the customer’s identity where required by local laws. The level and nature of due diligence undertaken should be commensurate with the type of customer and level of risk identified.

### 2.3. Enhanced Due Diligence

Yoma Bank must establish enhanced due diligence measures for customers that are assessed as higher ML or FT risk, including additional due diligence on the purpose and nature of the intended relationship.

Yoma Bank should give consideration to periodically re-identifying:

- Existing high risk customers; and
- Customers where the adequacy or veracity of original information is in question.

### 2.4. Monitoring

Yoma Bank should undertake monitoring for AML & CFT purposes to the level and extent required by Myanmar law and regulation, and/or level of risk identified. Monitoring includes vigilance by employees in the course of normal business activities and systematic forms of monitoring.

Yoma Bank must gather sufficient knowledge of a customer and their activity, so that their use of products and services can be monitored to detect unusual activity, which may be suspicious and reportable under local law or regulation.

### 2.5. Investigation & External Reporting

All employees, including contractors must report all suspected or actual acts of ML and/or FT to the Compliance Officer.

The Compliance Officer must ensure that all relevant matters reported by employees and contractors are investigated and where necessary reported to the Financial Intelligence Unit (FIU).



**2.6. Training & Awareness**

Yoma Bank must undertake awareness and training for AML & CFT purposes to the level and extent required by local law and regulation, and/or level of risk identified.

**2.7. Relationships with other financial institutions**

Business divisions must adopt the Cross-Border Correspondent Banking requirements set out in the AML/CFT Program when undertaking due diligence on customers who are Financial Institutions (FIs).



### 3. Special Considerations

#### 3.1. Conflict between this Policy and Myanmar Law & Regulations

If there is conflict or inconsistency between this Policy and the laws and regulations of Myanmar, those laws and regulations take precedence to the extent of the conflict or inconsistency.

#### 3.2. Guidelines

AML & Sanctions Compliance have developed a series of guidelines relating to key AML & CFT areas which business divisions should consider when developing relevant processes and procedures.

#### 3.3. Exception Process

Business Divisions must fully comply with the requirements of this Policy or notify the Compliance Officer if they do not fully comply.

Where a business division does not fully comply with this Policy, details of the specific area(s) in which they do not fully comply and an anticipated timeframe for full compliance must be provided to the Compliance Officer. The Compliance Officer will document the non-compliance and monitor progress towards full compliance. The Compliance Officer will also assist the business divisions, where appropriate, to achieve full compliance.