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1	19.6.2017	AGD/LCD-Pol-AML/CTF-01	2.0	LCD	Updating



Anti-Money Laundering

And

Combating Terrorist Financing

Policy

Version 2.0

June 2017

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Document History

No	Approved Date	Doc No	Version	By Dept	Remark
1	8.8.2013	AGD/LCD-Pol-AML/CTF-01	1.0	Management	-
2	19.6.2017	AGD/LCD-Pol-AML/CTF-01	2.0	LCD	Updating

References

No	Year	Law/Regulation/Directive	By	Remark
1	2014	Anti-Money Laundering Law	Pyidaungsu Hluttaw	-
2	2015	Counter-Terrorism Law	Pyidaungsu Hluttaw	-
3	2015	Directive For CDD Measurers	Central Bank of Myanmar	-

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1. Introduction

Asia Green Development Bank is strongly aware that Money Laundering and Terrorist Financing will be highly damage to bank's image, reputation and the bank may suffer the legal risk. AGD Bank is committed to the highest standards of Anti-Money Laundering (AML) and Combating Terrorist Financing (CTF) compliance and requires management and employees to adhere to these standards to prevent use of our products and services for Money Laundering and Terror Financing purposes.

AML/CTF strategies, goals and objectives will be maintained an effective Anti-Money Laundering procedures manual for the bank's business that reflects the best practices for a financial institution.

AGD Bank AML/CTF policy is the responsibility of all staffs. The policy includes client screening and monitoring requirements, "Know Your Customer (KYC)" policies, Sanction Policies, record keeping requirements, the reporting requirements of threshold transactions and suspicious transactions and AML/CTF training.

2. Relevant Laws and Regulations

AGD Bank is practicing to comply with the following laws and regulations;

- The Anti-Money Laundering Law of Myanmar (The Pyidaungsu Hluttaw Law No.11/2014)
- The Anti-Money Laundering Rule of Myanmar
- The Counter Terrorism Law of Myanmar
- Directive for Customer Due Diligence Measures, Central Bank of Myanmar Directive No. (21/2015)
- Consolidated United Nations Security Council Sanction List
- Sanction Regulations by Office of Foreign Asset Control (OFAC), U.S. Department Of The Treasury.
- Myanmar Laws, Rules, Regulations, Directives and Instructions by local regulator from time to time

3. Definition of Money Laundering

Money Laundering is defined as the following in Section 3(n) of Anti-Money Laundering Law of Myanmar;

- Converting or transferring of money and property, knowing or having reason to know that it is money and property obtained by illegal means for the purpose of disguising or concealing the source or for the purpose of assisting before or after commission of the offence to any person who is involved in the commission of any offence to evade the legal action;

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- Changing the true nature, source, location and disposition of money and property, knowing or having reason to know that it is money and property obtained by illegal means and conceal or disguise of ownership or rights of such money and property;
- Acquiring, possessing or using of money and property, knowing or having reason to know at the time of receipt that it is money and property obtained by illegal means;
- Participating, facilitating, aiding, supporting, managing, counseling, being a member of an organized group in committing, attempting to commit or conspiring to commit any offences

4. Know Your Customer (KYC) Policy

Know Your Customer (KYC) policy helps to build our relationship with customers. It includes the following processes;

- Customer Acceptance Policy
- Customer Identification
- KYC reviewing process
- Specific KYC issue for Correspondent Banks and Inter-Bank Relationship
- KYC issue for Non-account Customer (Walk-in Customer)
- KYC issue for Wire Transfers

Customer Due Diligence shall be applied to customer, it base upon customer risk, product risk and geographical risk. Enhance Due Diligence shall be applied to high risk customer.

AGD bank would not do business with shell banks or adequate AML/CTF regime country and would not provide the products and services to those

5. Record Keeping

According to the Section 23 of Anti-Money Laundering Law of Myanmar, the bank shall maintain the records of the necessary information at least 5 years under local laws and regulations

6. Local Black List and International Sanctions

AGD Bank Sanctions procedure is designed to ensure that the bank complies with applicable local black list and international sanction regulations. International Banking Division (IBD) and local branches are required to screen with associate black list/sanction list (such as local black list, UN Consolidated list, OFAC Sanction list)

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7. Roles and Responsibilities of Chief Compliance Officer and Branch Compliance Officer

Chief Compliance Officer of Head Office shall be approved by the Board of Directors of the bank and roles and responsibilities of Chief Compliance Officer of Head Office are specified in the section 28 (b) of the Anti-Money Laundering Law of Myanmar.

Branch Compliance Officers shall be appointed to perform proper AML/CTF responsibilities of the branch by the approval of Chief Compliance Officer or Senior Management of the bank. Branch Compliance Officer shall organize the Branch Compliance Team with proper number of staffs and report to Head Office Legal and Compliance Department.

8. Reporting

The threshold transaction (equivalent or over 100 million MMK or 10,000USD) shall be reported as threshold transaction report and the suspicious transactions shall be reported to the competent authorities according to local law.

9. Training

All new staffs shall receive the AML/CTF awareness training within six months after an employee has joined AGD Bank. The advanced AML/CTF training and workshops will provide to specific level of staffs occasionally.