

# **“Nurbank” JSC Policy in the field of prevention of incomes legalization obtained by illegal way, or by the way of terrorism financing and compliance-risk management**

## **I. General provisions**

- 1.1. The present Policy of “Nurbank” JSC (hereinafter referred to as the “Bank”) in the field of prevention of incomes legalization obtained by illegal way, terrorism financing and compliance-risk management (hereinafter referred to as the Policy) has been developed with the purpose to counteract the legalization (laundering) of incomes, obtained by illegal way, by the way of terrorism financing and compliance-risk management.
- 1.2. The present Policy has been developed in accordance with the following documents:
  - 1.2.1. The Law of the Republic of Kazakhstan “On struggle with terrorism” №416-1, dated 13.07.1999;
  - 1.2.2. Resolution of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations № 234 dated October 27, 2006 “On making changes and supplements to the Resolution of the Board of Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations № 359 dated September 30, 2005 “On approval of the Instruction on the requirements to availability of risks management system and internal control and supervision in the second tier Banks”;
  - 1.2.3. Draft of the Law of the Republic of Kazakhstan “On counteraction to legalization (laundering) of incomes, obtained by illegal way, by the way of terrorism financing and compliance-risk management”;
  - 1.2.4. 40 recommendation of FATF in the field of prevention of illegal incomes legalization and 8 special recommendations of FATF on struggle with terrorism financing;
  - 1.2.5. Agreement on sufficiency of the capital of the Basel Committee on the Bank supervision (Basel II).
- 1.3. Basic concepts and abbreviations, used in the present Policy:
  - 1.3.1. **Bank** – “Nurbank” JSC;
  - 1.3.2. **Governmental authorities** – the National Bank Republic of Kazakhstan, the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations and other state authorized bodies, specifying the requirements in respect of the actions of the Bank in the part of organization of counteraction to legalization (laundering) of incomes, obtained by illegal way, or to terrorism financing;
  - 1.3.3. **KYC inquiry form (Know Your Customer)** – inquiry form of the client to be filled in by an employee of the Bank on clients servicing; **(only after adoption of the appropriate law in the Republic of Kazakhstan);**
  - 1.3.4. **Compliance-risk management** – internal service of the Bank, consisting of compliance - controller and employees compliance – control Department, which exclusive competence includes accomplishment of internal control over the compliance of the Bank to the requirements of legislation of the Republic of Kazakhstan, including normative-legal acts of the Governmental authorities and internal rules and procedures, as well as carrying out of activities on prevention of legalization (laundering) of incomes, obtained by illegal way, or to terrorism financing;
  - 1.3.5. **Compliance - controller** – an employee of the Bank, which exclusive competence includes responsibility over the coordination of activity of the Compliance – control Department and accomplishment of control over implementation of the policy of “Nurbank” JSC in the field of prevention of legalization (laundering) of incomes, obtained by illegal way, or terrorism financing and compliance-risk management;
  - 1.3.6. **Compliance - risk** - risk of expenses (losses) occurrence, both financial losses, and negative impact on the business reputation of the Bank, due to the Bank’s failure to

- follow the requirements of the legislation of the Republic of Kazakhstan, including normative-legal acts of the Governmental authorities and internal rules and procedures of the Bank;
- 1.3.7. **FATF (FATF)** – a list of countries and territories, with which it is not recommended to carry out any financial or trading activity.
  - 1.3.8. **ICC-FIB (Commercial Crime Bureau – Financial Investigation Bureau, London)** – Bureau on financial crimes investigation (Great Britain, London).
- 1.4. The present Policy shall be approved by the Board of Directors of the Bank.
  - 1.5. The subject of the Policy shall be the relations in the fields of Bank transactions accomplishment by the order and instructions of the Client.
- 1.6. The purpose of the Policy of the Bank shall be:
    - 1.6.1. Prevention of possibility of bank transactions commitment which objective can be legalization (laundering) of incomes received by illegal way, and by terrorism financing;
    - 1.6.2. Revealing of suspicious bank transactions probably having the objective of legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
    - 1.6.3. Development of actions by the Bank in case of revealing unusual, suspicious activity of the Client, having the objective of legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
    - 1.6.4. provision of the Bank's Policy observance in the field of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management and adoption of remedial or disciplinary actions, in case of compliance - risk revealing;
    - 1.6.5. Accomplishment of control over the conformity of the Bank's activity, as well as the conformity of its employees' actions in the financial market to the legislation of the Republic of Kazakhstan on state regulation of the financial market and financial organizations and to the standards of the professional activity in the financial market;
    - 1.6.6. Accomplishment of control over the observance by the employees of the Bank of rules for realization of activity in the financial market and standards on carrying out of operations (transactions) in the financial market, established by the internal documents of the Bank, of by the decisions of the Bank's department on the issues concerning the activity of the Bank in the financial market;
    - 1.6.7. Identification and estimation of the problem of compliance - risk occurrence and approval of the Plan of measures on their elimination;
  - 1.7. Basic goals of the policy:
    - 1.7.1. development and systematization of measures and steps directed on counteraction to legalization (laundering) of incomes, received by illegal way, and by the way of terrorism financing and compliance – risk management;
    - 1.7.2. application of measures and procedures of control, provided for by the legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management;
    - 1.7.3. identification and analysis of the Bank's clients;
    - 1.7.4. revealing and suppression of transactions connected with legalization (laundering) of incomes, received by illegal way, and by the way of terrorism financing;
    - 1.7.5. regular training and improvement of professional skill of the Bank's employees, as well as provision participation of all employees of the Bank in the work on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
    - 1.7.6. realization of training and informing of the personnel to the problems related with compliance - risk occurrence, with necessity of counteraction in the solution of problems, related with compliance - risk occurrence c;
    - 1.7.7. Perfection of the software with the view of duly revealing of any suspicious transactions of the clients, as well as the operations which are subject to the obligatory control;
    - 1.7.8. documentary fixing of information, as well as storage of information and documents received as a result of implementation of measures on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;

- 1.7.9. Assistance to the state policy on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing.
- 1.7.10. Control over observance by the Bank of all effective external and internal norms and rules of the Bank activity regulation;
- 1.7.11. Realization of compliance - risk monitoring. Results of such monitoring shall be submitted in the form of the report according to the internal procedures of compliance – risk management.

## **II. Compliance-control division**

- 2.1. The structural division which is responsible for implementation of Policy of the Bank is the Compliance – control division. This independent structural division has its official status, powers and independence; the Manager of the given division is appointed by the Board of Directors of the Bank; the Manager is independent in its activity and shall be accountable directly to the Board of Directors of the Bank.
- 2.2. Specified division operates on the basis of Regulations of the given structural division approved according to the internal documents of the Bank.
- 2.3. Compliance – control division cooperates with other structural divisions of the Bank with a view of provision legal, information and organizational protection of financial and any other activity of the Bank, its safety, as well as counteraction to laundering of incomes received by illegal way, and by the way of terrorism financing.
- 2.4. Compliance-control division is independent in respect of the functions assigned to it on compliance - risks management. Compliance-control division fulfills the following functions:
  - 2.4.1. development and perfection of rules and other internal documents of the Bank, directed on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance - risk management;
  - 2.4.2. development of criteria of risk assessment in respect of realization by the client of legalization (laundering) of incomes, received by illegal way, and by the way of terrorism financing;
  - 2.4.3. conducting inspections and investigations in respect of the suspicious transactions, as well as revealing of the possible breaches of the Policy in the sphere of legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing revealed by the employees of the structural subdivisions of the Bank and Banks - correspondents;
  - 2.4.4. conducting of regular training, retraining and improvement of professional skill of the Bank's employees, involved in the activity on revealing of Bank transactions, related with legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
  - 2.4.5. providing consultations to the employees of the Bank on the issues of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
  - 2.4.6. making decisions on the messages and notices, transferred by the subdivisions of the Bank for availability or lack of any “suspiciousness” signs of transaction;
  - 2.4.7. not less often than once a year, provision of the written report to the Board of Directors of the Bank on the results of work directed on counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
  - 2.4.8. Jointly with the Board of the Bank to perform annual identification and assessment of the problem of compliance – risk occurrence and approval of the Plan of activities on their elimination. Plan of activities shall contain defects in compliance – risk management, need in revision of internal policies and practices for efficient compliance - risk management;
  - 2.4.9. Jointly with the Board of the Bank to ensure the compliance to the Policy of the Bank in the sphere counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management and to accept corrective or disciplinary actions, in case compliance – risk revealing;
  - 2.4.10. Jointly with the Board of the Bank to inform the Board of Directors on the efficiency of the compliance - risk management on the yearly basis;
  - 2.4.11. Jointly with the Board of the Bank immediately inform the Board of Directors on any Bank transactions, which can result in losses or loss of business reputation (as a result of failure of the

- Bank to follow the requirement of legislation of the Republic of Kazakhstan, including normative-legal acts of the Governmental authorities, as well as internal procedures and rules within the frameworks of prevention of legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management);
- 2.4.12. provision of systematic approach to accounting, recording and safe-keeping in the data base of all information related to the clients of the Bank, supposedly having any relation to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing;
  - 2.4.13. provision of full documenting of each fact of inspection, as well as provision of documents availability which enables to follow the course of inspections and audits conducting;
  - 2.4.14. submission of conclusions on the results of inspection and audits to the management and appropriate divisions of the Bank for taking measures on violations elimination;
  - 2.4.15. studying of international experience in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing with the purpose of efficient use of the Bank's activity;
  - 2.4.16. exchange of information and data on clients and/or the policy of the Bank in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing with the Banks-correspondents and foreign Banks;
  - 2.4.17. keeping of the Bank's clients list, in respect of which there exist any grounds and/or data on their involvement in legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing (the list of suspicious (doubtful) clients), and bringing of this list to the notice of appropriate divisions of the Bank;
  - 2.4.18. bringing of normative-legal acts, explanations of the Governmental authorities, instructive materials, recommendations, relating to the issues of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management to the notice of employees of the Bank;
  - 2.4.19. accomplishment of control over the compliance of the Bank's activity, as well as activities of its employees in the financial market to the legislation of the Republic of Kazakhstan on governmental regulation of the financial market and financial organization to the standards of the professional activity in the financial market;
  - 2.4.20. accomplishment of control over the observance of rules for accomplishment of activity in the financial market and standards for carrying out transactions (deals) in the financial market, established by internal instruments of the Bank, decisions of the managerial bodies of the Bank on the issues of the Bank activity in the financial market, by all employees of the Bank.
- 2.5. Independently or jointly with other subdivisions and officials of the Bank, Compliance-control division fulfills the following functions:
- 2.5.1. examination of clients and counteragents' claims on transactions (deals) presented to the Bank, or in respect of actions of its independent employees at fulfillment of their office duties on the issues of the Bank's activity in the in the financial market;
  - 2.5.2. investigation of the facts of violation by the employees of the Bank of legislation of the Republic of Kazakhstan on governmental regulation of the financial market and financial organization and standards of the professional activity in the financial market, internal instruments and documents of the Bank, regulating the activity of the Bank in the financial market;
  - 2.5.3. development and submission to the management those recommendations which relate to elimination of the revealed violations and defects in the work of separate employees and divisions of the Bank, which activity is related with transactions (deals) in the financial market, as well as recommendations on optimization of work of the specified divisions;
  - 2.5.4. control over organization of work in the Bank on acquaintance of all employees of the Bank with the requirements of internal documents of the Bank, regulating the activity of the Bank in the financial market, basing on the list of office duties of the employee;
  - 2.5.5. provision of consultations on requests, regarding compliance of any concrete transaction (deal) or any of its part to the requirements of effective legislation of the Republic of Kazakhstan on governmental regulation of the financial market and financial organization and standards of the professional activity in the financial market;
  - 2.5.6. accomplishment of compliance – risk management monitoring. The results of such monitoring shall be submitted in the form of the report in accordance with internal procedures of compliance – risk management;

- 2.5.7. training of the personnel to the problems, related with compliance – risk occurrence, necessity to counteract in the decision of problems, related with compliance – risk occurrence.
- 2.6. The Manager of the compliance control division shall inform the Board of the Bank:
  - 2.6.1 On the revealed cases of violation by the employees of effective legislation of the Republic of Kazakhstan on governmental regulation of the financial market and financial organization and standards of the professional activity in the financial market, internal documents of the Bank, regulating the activity of the Bank in the financial market;
  - 2.6.2 On measures, taken by the managers of the inspected divisions of the Bank, on elimination of the admitted violations and their results, or in failure to accept such measures;
  - 2.6.3 Submits the report on control over the compliance – risk to the Board of Directors of the Bank on the monthly basis.
- 2.7. At fulfillment of their functions the employees of the Compliance – control division shall:
  - 2.7.1. provide of full documenting of each fact of inspections and make up conclusions on the results of such inspections, reflecting the issues and matters, studied in the course of inspection, revealed facets and violations, recommendations on their elimination;
  - 2.7.2. provide the availability of documents (or information about the place of their keeping), enabling to follow the course of inspections and audits conducting, as well as become sure in the correctness of their results;
  - 2.7.3. provide the safe-keeping and return of documents received from appropriate divisions;
  - 2.7.4. comply to the confidentiality of the information received;
  - 2.7.5. provide the conclusions on the results of inspection and audits to the management and appropriate divisions of the Bank for taking measures on violations elimination, as well as for the purpose of analysis of activity of separate employees of the Bank;
  - 2.7.6. other functions in accordance with internal documents of the Bank in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance – risk management.
- 2.8. At fulfillment of their functions the employees of the Compliance – control division shall be entitled to:
  - 2.8.1. receive all required documents from the managers and employees of the Bank’s divisions;
  - 2.8.2. involve internal and external specialists for conducting inspections and investigations;
  - 2.8.3. freely express and disclose the results of such inspections and investigations to the Board, and if necessary to the Board of Directors as well;
  - 2.8.4. on their own initiative to cooperation with any other structural division of the Bank and to receive access to any files and reports, required for fulfillment of their duties and functions.
- 2.9. At fulfillment of their functions the employees of the Compliance – control division shall be obliged:
  - 2.9.1. provide the safe-keeping and return of documents received from appropriate divisions;
  - 2.9.2. comply to the confidentiality of the information received at fulfillment of their functions;
  - 2.9.3. fulfill other functions in accordance with internal documents of the Bank;
  - 2.9.4. improve their professional skills by regular and systematic training in external international trainings and conferences.
- 2.10. The Employee of the Compliance – control division shall follow the legislation of the Republic of Kazakhstan, the Articles of the Bank, the present Policy and other binding for execution internal documents of the Bank.
- 2.11. The Employee of the Compliance – control division shall be not entitled to sign on behalf of the Bank any payment (settlement) and accounting documents, as well as any other documents related with occurrence of rights and obligations of the Bank, their execution, except for the documents on the issues of his competence.
- 2.12. The Employees of the Bank shall be obliged to render Compliance – control division any assistance in fulfillment of functions in accordance with the present Regulations and internal documents of the Bank, as well as to notify on the facts which have become known to them regarding the involvement of the Client of the Bank or on conducted transactions in respect of legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing.
- 2.13. The employees of the Bank, who have become aware of the facts of violations by the employees of the Bank of the normative legal acts of the Republic of Kazakhstan and internal documents of

the Bank in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing, shall be obliged to notify thereof in writing to the Compliance – control division.

- 2.14. Internal audit service shall audit and assess the efficiency of activity of the Bank's employees responsible for the allotted work on revealing transactions, related with legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance - risk management, as well as shall carry out audit inspections.
- 2.15. Divisions of the Bank shall be obliged in a timely manner as far as the changes and alterations are made submit to the Compliance-control division all and any information related to the composition of the Board of Directors, the Board, members, independent divisions of the Bank, obtained licenses and other permissive and authorizing documents for the right to carry out Bank activity and accomplishment of transactions, provided for by the Bank legislation.
- 2.16. Compliance-control division and Security department together with Information Technologies department shall carry out the work on formation of the database with the purpose to prevent any Bank transactions, related with terrorism financing, in accordance with list of terrorists and terrorist organizations obtained according to the established procedure from the Governmental authorities.

### **III. Identification of the Client**

- 3.1. In its activity, the Bank will strive to have deal only with those of its Clients, which reasonable inspection of their welfare sources and means will confirm their lawfulness.
- 3.2. At studying of the Client, it is required to draw attention to a number of aspects, like the experience of the Clients, country of origin, social status, business activity or other indices for determination of risk.
- 3.3. Procedures of Clients inspection include several stages, depending on the degree of risk of the Clients, simultaneously making accent on the Clients with high incomes, whose source is not clearly determined.
- 3.4. Decisions on the start up of business relations with the Clients of increased risk level shall be made ex at the levels of the Bank's management. While identification of the new Client of the Bank is not established, the Bank will not establish any relation with the Client.
- 3.5. Identification of the Client enables to carry out inspection of the Bank's Client for probable involvement to the financing of the terrorist activity, observing the measures of confidentiality by the way of comparison of Full names of the Clients - individuals, is the Client – the legal entity – name of the legal entity, Full name of the first manager of the legal entity, with the names of the firms and names of the individuals, specified in the database (alphabet-based «List of terrorists and terrorist organizations») - (hereinafter referred to as the – «List»). Moreover, there will be an inspection of the composition of the legal entity members (founders) and their verification with the names, specified in the List.
- 3.6. If the Bank managed to establish that a representative is acting on behalf of the Client, the Bank shall identify the representative, shall check its powers and authorities, as well as shall identify and learn the represented Client.
- 3.7. In case if the Client opens the bank account (makes a deposit) to the name of the third person, the Bank shall receive from the Client information and documents, allowing to identify and study the specified third person.
- 3.8. If such bank accounts have been opened to the names of funds managers and similar intermediaries, the Bank shall duly check the intermediary and establish, whether the intermediary is also aware of the identity of its Clients.
- 3.9. Bank shall be entitled to refuse the Client in rendering any Bank services (transactions) in the following cases:
  - 3.9.1. provided for by the legislation of the Republic of Kazakhstan;
  - 3.9.2. failure of the Client to submit the documents, required in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Bank for rendering of Bank services;
  - 3.9.3. submission of documents not meeting the requirements of legislation of the Republic of Kazakhstan and internal documents of the Bank.
- 3.10. Special attention shall be paid to the following category of the Clients:

- 3.10.1. Clients-non-residents, as well as the Client - beneficiaries, who obtain the funds from abroad, and which source is doubtful and/or unknown;
- 3.10.2. Clients, whose funds sources is the activity subjected to high risk of accomplishment of legalization of incomes, received by illegal way;
- 3.10.3. governmental officials and employees, as well as the persons, occupying or occupied the positions, assuming public confidence (for instance: governmental officials, senior official persons of the state companies, politicians, outstanding figures of the political parties and etc., members of their families, people close to them);
- 3.10.4. Clients, being the residents or obtaining the funds from the countries, on which it is known from the from reliable sources, that they fail to follow any generally accepted standards on struggle with laundering of capitals or being the countries with the increased level of crime and corruption;
- 3.10.5. legal entities, incorporated in the offshore zones;
- 3.10.6. companies, operating with big turnover of cash funds (taxi, bus companies, casino and etc.).
- 3.11. With the purpose of identification and study by the Bank of its Clients, for each of the Clients the Bank registers and fills in the detailed *KYC Inquiry form* (corresponding enclosures №3, №4, №5, №6).
- 3.12. The Employee of the Bank on Clients servicing, basing o the documents submitted by the Client, shall be obliged to fill in *KYC Inquiry form* in full. Inquiry form of the Client shall be signed by the employee of the Bank on Clients servicing, as well as by the manger of the division on Clients servicing. Inquiry form filling in can be possible in electronic format.
- 3.13. If a representative acts on behalf of the Client, the employee of the Bank on servicing of the Clients identifies the representative and checks its powers and authorities.
- 3.14. In case, if the Client opens a savings bank account (makes a deposit) to the name of the third person, the employee of the Bank on servicing of the Client obtains from the Client information and documents, enabling to identify and study the indicated third person.
- 3.15. Assessment of the risk of accomplishment by the Client of legalization (laundering) of incomes received by illegal way, being the last point *KYC Inquiry form*, shall be made on the basis of criteria of risk assessment on accomplishment by the Client of legalization (laundering) of incomes received by illegal way (Assessment of the Client shall be made on the basis of the risk assessment criteria, specified in Enclosure №1 to the present Policy). This risk can be assessed as high, medium or low, according to the scale of risks level assessment.
- 3.16. Transactions on accounts of the Clients with high risk level of carrying out legalization (laundering) of incomes received by illegal way, shall be paid special attention. Information on the Clients with high risk level of carrying out legalization (laundering) of incomes received by illegal way, shall be informed by the manager of the Compliance – control division in writing to the Chairman of the Board of the Bank, and in case of his absence– to his deputy.
- 3.17. Compliance – control division shall carry out individual monitoring of transactions of the Bank Clients, attributed to the category of high risk level. According to the results of this monitoring it is required to make up an office memo to the name of the Board Chairman on the necessity of termination/continuation of business relations.
- 3.18. The Employee of the operations subdivision shall be obliged to, not less rare than once a year for the Clients with high and medium level of risk, and not less rare than once per three years for the Clients with low risk level, update the data and information, obtained as result of identification and study of the Client, as well as those specified in *KYC inquiry form* of the Client. The Employee of the operations subdivision shall inform about any changes as far as they are received to the Compliance – control division.

### **3.19. Client – individual person**

- 3.19.1. With the purpose of identification and analysis of the Client – individual person, the Bank basing on the document certifying the Client’s identity, shall clarify the following personal data:
  - Surname, name, as well as the patronymic name;
  - date and place of birth;
  - Place of residence (registration)
  - whereabouts;

- information about the document, certifying the identity (name, series and number, authority which issued the document, date of the document issue)- and on the basis of certificate of registration in the tax authority– taxpayer registration number (RNN) (if available).
- 3.19.2. All documents, allowing to identify and analyze the Client, shall be valid ***as of the date of their submission***. At analysis of the identity card or passport it is necessary to check the authenticity of these documents.

### **3.20. Client – the legal entity**

- 3.20.1. With the purpose of identification and analysis of the Client – the legal entity, the Bank, basing on the constituent documents, documents on state registration and other documents (valid ***as of the date of their submission***) Bank shall clarify the following data:
- Name of the legal person;
  - the seat (address) of the legal person;
  - taxpayer registration number;
  - date of state registration (re-registration) of the legal person, including data on making the last changes and alterations to the constituent documents;
  - decisions, duly executed, on appointment of executive bodies of the legal person.
- 3.20.2. At analysis of documents, in particular, constituent documents of the legal person and documents, certifying its state registration, the employees of the Bank on servicing of the Clients with the purpose of more thorough analysis and studying of its Client shall pay special attention to:
- Execution of the constituent documents (including all registered changes and supplements) of the Client and documents, certifying state registration of the Client as the legal person;
  - membership of founders (participants) of the legal person;
  - notary certification of documents (at availability of requirements, provided for by the legislation of the Republic of Kazakhstan).

If in the process of Client identification there appeared any suspicions in the fact that the Client is engaged in legalization (laundering) of incomes received by illegal way, and/or terrorism financing, the documents on the given Client shall be directed to the Compliance control division and to the Security department.

### **3.21. Client – financial organization**

In respect of the Client – financial organization it is required to apply the procedure of identification, similar to procedure of identification of the Clients – legal entities.

3.21.1. In addition the procedure of identification of the Client – financial organization includes reception of the following information and data:

- Approval of the financial organization in accordance with legislation of the country of its seat;
- Basic managers and owners of the financial organization;
- Basic direction of the financial organization activity;
- expected activity of the financial organization on the correspondent account;

categories of the Clients – financial organization;

type of the license and availability of any restrictions in it;

3.21.2 On a regular basis the Bank shall interchange with the Banks-correspondents with the required information (as well as on requests) with the purpose to carry out current assessment of the Bank-correspondent reliability and the policy carried out by it oriented on counteraction to legalization (laundering) of incomes received by illegal way, and terrorism financing.

## **IV. Revealing of unusual or suspicious activity of the Client**

4.1. Unusual or suspicious activity of the Client of the Bank can be revealed by the way of conducting own investigation by the Compliance – control division:

- Monitoring of transactions, carried out by the Clients;
- Sending of the request on the activity of the Client of the Bank in ICC-FIB;
- Analyses of the Client of the Bank (his contacts, meetings, talks, trips to other countries and etc.);

- analysis of information of independent sources (Mass media, Internet and etc.);
  - analysis of own (intra-bank) information about the circle of the Client of the Bank and etc.
- 4.2. The employees of the division on Clients servicing, Security department and Compliance – control division shall carry out the analysis of circumstances, any unusual or suspicious transactions. Compliance – control division shall inform the management of the Bank on the facts of revealing of any unusual operation (transaction) in the activity of the Client. The Management of the Bank can make a decision on execution by the people in charge:
- to address to the Client with the request on provision of the required explanations, including any additional data and information, explaining the economical sense of unusual transaction;
  - provide special attention to all operations (transactions) of the Client, carried out through the Bank;
  - to stop any relations with the Client (under different pretences);
  - to take any other measures and activities, which the Bank will deem reasonable with the purpose and under the condition of following the provisions of legislation of the Republic of Kazakhstan.

## **V. Transactions monitoring**

- 5.1. Transactions monitoring includes the system of supervision over the funds flow on accounts of the Client of the Bank. The Employee of the Clients servicing division, as well as Compliance – control division shall be aware of the huge transactions of the Client, frequent funds remittances on account and to understand the essence of unusual or suspicious operations (transactions).
- 5.2. Monitoring of the Client’s transactions shall be also carried out other divisions of the Bank in their related sphere in accordance with the approved internal documents.

## **VI. Storage of information and documents, obtained as a result of revealing any transactions related with legalization (laundering) of incomes, obtained by illegal way.**

- 6.1. Storage of information and documents shall be carried out in the following way:
- 6.1.1. keeping of the register of the identified Clients falling into category of suspicious for the period not less than 5 years (with indication of the following data: name of the Client, RNN, account number, date of opening, date of closing);
- 6.1.2. storage of all records on conducted financial activity of the given category of the Clients within not less than 5 years after transaction accomplishment;
- 6.1.3. storage of files on identification of the given category of the Clients (including legal files, correspondence, investigation materials and inquiries and etc.) within not less than five years after accounts closing;
- 6.1.4. other documents, including business correspondence, - within not less than five years after termination of any obligations between the credit organization and the Client.
- 6.2. Liability for keeping and storage of information shall be incurred on the Compliance – control division. All mentioned above documents shall be transferred to archive for storage. Access to these documents is restricted. The List of employees having access to such documents shall be executed in the form of the appropriate document.

## **VII. Personnel learning and training**

- 7.1. Training of the Bank employees on the issues of counteraction to legalization (laundering) of incomes received by illegal way shall be carried out by the Compliance – control division on the basis of the special methodology. Training programs are built basing on the fact that the basic condition of successful Bank’s activity on counteraction to legalization (laundering) of incomes received by illegal way is the direct participation of each employee of the Bank within the limits of his competence in the given process. Training of the Bank employees on the issues of counteraction to legalization (laundering) of incomes received by illegal way shall be carried out on a regular basis, not less rare than once a year.

- 7.2. The Bank shall organize the training of its employees, basing on their official duties, according to the following directions:
- 7.2.1. acquaintance of employees with normative and other acts in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance - risk management;
  - 7.2.2. acquaintance of employees with the rules and regulation of the Policy in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance - risk management;
  - 7.2.3. seminars and practical lessons on implementation of rules of internal Policy in the sphere of counteraction to legalization (laundering) of incomes received by illegal way, and by the way of terrorism financing and compliance - risk management;
  - 7.2.4. All newly employed employees shall be acquainted with the present Policy.

### **VIII. Final provisions**

- 8.1. Control and supervision over the work on prevention of legalization (laundering) of incomes received by illegal way, terrorism financing and compliance - risk management shall be carried out by independent structural division of the Bank - Compliance – control division.
- 8.2. With the purpose of control and supervision, Compliance – control division shall be entitled to request from the structural subdivisions any information, relating to the activity of the Bank prevention of legalization (laundering) of incomes received by illegal way and compliance - risk management.
- 8.3. Requirements of the Present Policy shall be binding for execution by all employees of the Bank.
- 8.4. The present Policy shall become effective from the date of its approval by the Board of Directors of the Bank.