



**G·BANK**

Glory Farmer Development Bank Public Co., Ltd.

**Anti Money Laundering and Counter Financing of Terrorism  
Policy and Procedures**

## **Contents**

- (1) Preface
- (2) Objective
- (3) Laws and Regulations Complied
- (4) Definition of;
  - 4-1 Money Laundering
  - 4-2 Terrorism
- (5) Know your customer (KYC)
- (6) Appointment of Compliance Officer
- (7) Obligation for compliance and implementation
- (8) Customer due diligence (CDD)
- (9) Reporting of TTR/STR
- (10) Maintaining of records
- (11) Holding of training classes for bank staffs relating to AML/CFT

## **Anti-Money Laundering and Counter Financing of Terrorism Policy and Procedures**

### **1.0 Preface**

The procedure of anti-money Laundering and Counter Financing of Terrorism is an important matter in the banking and financial sector. Thus, Glory Farmer Development Bank Public Co., Ltd (G Bank) is actively co-operating in the combating of financial support to money laundering and terrorism, which is the objective of the Government of the Republic of the Union of Myanmar. In so doing, Laws and Regulations relating to the anti-money laundering and counter financing of terrorism, orders/directive promulgated by the Central Bank of Myanmar (CBM), Anti-Money Laundering Central Control Board (AMCCB) and the Anti-Terrorism Central Control Board (ATCCB) are being complied.

This policy and procedures have been issued for full compliance of the specific and promulgated Laws, Regulations and directives and verification of customers in the combating of financial support to money laundering and terrorism by the bank's branches and in charge of department.

### **2.0 Objective**

G Bank envisions to:

- (a) Effectively implement revealing of matters of monetary support to money laundering and terrorism and to reduce such risks by directives for scrutinization in accordance with procedures and regulations issued by the Central Bank of Myanmar for the elimination of monetary support to money laundering and terrorism.

- (b) Attentively comply and exercise scrutinization by directives relating to anti money Laundering and terrorism on informer vide notification issued on 2019 November 15, Risk Based Management Guidelines on countering to fight monetary support to money laundering and terrorism issued on 2<sup>nd</sup> January 2018, and the Anti Monetary Laundering Law promulgated by the Union Parliament on 2014 March 14.
- (c) In addition to co-ordinate comply and adopt scrutinization directives prescribed in relation to anti money laundering and terrorism laid down in the UN Resolution issued by the United Nations (UN) for Myanmar and in the Office of Foreign Assets Control (OFAC), sanction program issued by the Department of Treasury America.

### 3.0 **Laws and Regulations complied**

G Bank is complying with and implementing the under noted Laws and Regulations.

- The Anti-Money Laundering Law, 2014
- The Anti-Money Laundering Rules, 2015
- The Counter Terrorism Law, 2014
- The Counter Financing of Terrorism Rules, 2015
- AML-CFT Risk Based Management Guidance, 2015
- Office of the President – Anti-Money Laundering Order (45/2019)
- Central Bank of Myanmar – Directive for CDD measures in AML/CFT (18/2019)
- FATF (40) Recommendations

- UN Resolutions
- The Office of Foreign Assets Control (OFAC) Sanction Program and instruction (US Treasury Department)

#### 4.0 **Definition**

##### 4.1 Money Laundering

Money Laundering means commission of converting or transferring of money or property, knowing or having reason to know that it is money or property obtained by illegally for the purpose of disguising or concealing the source and any offence stated in the Section (3) sub-section(n) of the Anti-Money Laundering Law.

##### 4.2 Terrorism

Terrorism means an act or omission to act any offence with the intent to commit an act of terrorism, stated in the Section (3), sub-section(b) of the Counter Terrorism Law.

#### 5.0 **Know your customer (KYC)**

- (a) G Bank shall not open or maintain bank accounts of unknown identity or in fictitious names. In addition, G Bank shall obtain information, stated in the Anti-Money Laundering Rule (30) and (31), for verification of customer.

- (b) G Bank shall ensure to know the correct information and data of the customers including the beneficial owners, in accordance with Section (19) of the Anti-Money Laundering Law and para (9), (10) and (11) of the CBM's Directive for the CDD measures.

#### 6.0 **Appointment of Compliance Officer**

G Bank shall appoint a compliance officer for combating money laundering and terrorism financing, who shall be of a senior management grade of the bank, in accordance with Section (28) Sub-section (b) of the Anti-Money Laundering Law. A compliance officer shall have reasonable experience and qualification, in respect of anti-money laundering and counter financing of terrorism and has a right to perform independently his duties and report to the Senior Management.

#### 7.0 **Obligation for compliance and implementation**

- (a) G Bank shall retain and carry out not only the Union Parliament and Central Bank of Myanmar's promulgated Law, rules, order and directives for combating the money Laundering and financing terrorism, but also internationally prescribed standard "FATF 40 Recommendations" as AML/CFT's guidance.
- (b) For complying and implementation the combating of money laundering and financing terrorism, head office compliance department shall be established and carried out. In addition, all responsible officers of the G Bank's branches are "Operation Unit Compliance Officers (OUCO)" and responsible officers of

every department are “Business Unit Compliance Officer (BUCO)”. At the bank branches, a compliance team, comprising of (3) members, headed by the Branch Incharge and two officers/staff shall be formed with the responsibilities of complying and implementation in connection with AML/CFP.

- (c) The said compliance team shall continuously watch and verify the daily fund transfers and quickly report suspicious fund transfers and amount of fund transfer over the threshold amount to the FIU.
- (d) G Bank shall co-operate with the Central Bank of Myanmar, Central Board of Anti-Money Laundering, FIU and other authorized organizations for AML/CFT. The required instructions shall be issued for compliance respecting AML/CFT to all its staff. In addition, the enhancement of knowledge in respect of AML/CFT of compliance team and staff will always be attempted.

#### 8.0 **Customer due diligence (CDD)**

Regarding the customer due diligence, for the purpose of identification, whether the transaction of customer is related with money laundering and financing terrorism or not, continuous CDD measure shall be performed to get the information of such customer and transfer from the starting time of business and be reported to the authorities concerned.

- (a) When the results of risk assessment as per Section (7), sub section (c) of Anti-Money Laundering Law and informations provided by Central Board as per Section 8, Sub-section (a) are received, procedures for customer due diligence shall be carried out in accordance with Section (19) of Anti-Money Laundering Law.
- (b) Regarding the enhanced CDD measures, it shall be included the provisions as per Anti Money Laundering Rule (37).

#### 9.0 **Reporting of TTR/STR**

- (a) The compliance team of G Bank branch shall send TTR/STR report to the Myanmar Financial Intelligence Unit (MFIU), using the MFIU's reporting system, transfer of fund exceeding the threshold amount and suspicious transfer of fund.
- (b) Transfer of fund exceeding Myanmar Kyat (100) million and US\$ 10,000, prescribed by the AMLCCB shall be treated as transfer of fund exceeding the threshold amount and reported to the MFIU as early as possible within (24) hours.
- (c) In order to thoroughly check and expose suspicious cash deposits, cash withdrawals and cash transfer, it shall be checked with the CBM's directives and with respect to the following points and suspicious fund transfer be reported.
  - (i) Transfer of deposit with a bank to another in the same town within short period

- (ii) Similarly of names of fund transferor and transferee.
- (iii) Incomplete and incorrect furnishing of data for opening of bank account.
- (iv) Refusal to provide and fill the forms with the complete data and information.
- (v) Furnishing incomplete data and refusal to provide by a walk in customer, not being regular customers of the bank, in respect of domestic fund transfer.
- (vi) Withdrawal of transactions such as cash deposit/withdrawal/transfer due to requisite data.
- (vii) Deposit of cash not commensurate with the usual economic Businesses.
- (viii) There being suspicious that a regular customer of the bank is making transactions or is given instruction to carry out for a third individual/ organization, unknown to the bank.
- (ix) The fund transfer, not commensurate with the stated occupation.
- (x) Instruction by customer for remittance to oversea by Telegraphic Transfer after depositing cash to the domestic banks.
- (xi) Fund transfer to countries drawing attention (countries exempt from taxation, narcotics producing and trading countries)

- (xii) To avoid reporting to Large sums of money exceeding the specified threshold, segregation of depositors.
- (xiii) Paying in into one account from different places in a short period.
- (xiv) A customer transacting amounts significantly larger than those of usual transactions.
- (xv) Carrying out unconventionally transaction not business-like.
- (xvi) Instantaneous reuse of previously unused account.
- (xvii) The refusal of the bank customer to explain the relationship between them and the transferee.
- (xviii) Refusal to answer questions as to reasonableness of the fund transfer.
- (xix) Paying in of large sums of cash into a local account by a foreigner.
- (xx) Paying into an account within a short period large sum of money in installments by way of transactions.
- (xxi) Transfers in installments of funds to separate accounts in foreign countries.
- (xxii) Refusal by customers to reveal, other than for their own transactions, authentic supporting evidence of the beneficiary and for dealings on behalf of the beneficiary.
- (xxiii) The bank customers opening several accounts in a single bank, and though deposits on each of these accounts are not large amounts the total sum of accounts of a customer exceeding the threshold sum of kyat one hundred million.
- (xxiv) The customer using the bank accounts and making deposits and

withdrawals of several sums of money not typical for a commercial enterprise.

- (xxv) Escalation in customer using safe deposit boxes and more banking services at the same time.
- (xxvi) The customer buying of instruments relating to income and finance or accepting or deposits or transfer of funds, not appropriate for a commercial or vocational business.
- (xxvii) Transfer by telegraphic or other means to other region, town, cities or other country of capital funds immediately after receipt by means cheques and payment orders leaving only a small balance on the account.
- (xxviii) Bank/branch at which customer's accounts are officially opened and bank/branch where regular fund transfers are made differ.
- (xxix) Customer's large deposits of money without cogent evidence saying they are receipts from inheritance or winning lottery prize.
- (xxx) Inland/Overseas transfer in foreign currency into foreign currency account opened with the bank without grounds for carrying on a commercial enterprise.
- (xxxi) A customer having several accounts in a single bank, making transfers between these accounts every now and then or making withdrawals / deposits of large sums of money.
- (xxxii) Change in processing of deposits/withdrawals of large sums of money instead of the normal processing by cheque, transfer Memo, transfer certificate.
- (xxxiii) Regular transfer payments of large sums of money to and from foreign countries connected with narcotics production or trade.

- (xxxiv) Changes in behavior of bank staff without relevant reasons, for example spending money abundantly, dealing with those presumed to be trading in narcotics or doing business illegally, refusal to accept promotion, transfer or change of responsibility and duties and desire to tenaciously continue with the current duties.
  - (xxxv) Customers settling problem loans unexpectedly without any evidence of source of funds.
  - (xxxvi) Fund transfer documents without information and particulars in connection with export/import entrepreneurs not in conformity with the prescribed norms.
- (d) G bank branch's Compliance Team shall resubmit monthly to the Head Office Compliance Department, the monthly report of TTR/STR reports, submitted to MFIU.

#### 10.0 **Maintenance of records**

G Bank shall maintain,

- (a) copies of information/data obtained in identifying of beneficial and customers, records obtained from intensive scrutinization of information and data of customers and copies of correspondence regarding business transactions and bank account proceedings within at least (5) years after completion of transaction or for walk-in-customer within at least (5) years after transaction with bank.
- (b) All records of transactions carried out or endeavoured both within and outside the country within at least (5) years after dealing with the bank or endeavor

to do so,when transaction is revived for each of the individuals dealing with required details shall be included in such records.

- (c) Documents relative to report to MFIU and copies there of for at least (5) years from date of report.

11.0 **Conduct of training classes for bank staff relating to AML/CFT**

G Bank shall have effective plans for training of bank staff on all matters relative to AML/CFT field. For all bank staff to widen their conversancy and knowledge in complying and implementing AML/CFT and holding of such training courses when appointing new staff and all bank staff at work for their constant perception.

Arrangements shall also be made for holding of regular training courses for all staff, training courses according to rank and for members of the board of directors for the enhancement of their knowledge of AML/CFT.

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