



AML, CFT & KYC Policy Statement

Introduction

GFH Policy and Procedures are established in accordance with the requirements of the "Financial Crime Module" (FC) of the Central Bank of Bahrain (CBB) Rulebook Volume 2 which was first issued in April 2005 and is updated/ revised from time to time.

The FC Module is a comprehensive framework aimed at combating money laundering and terrorist financing via adoption of the Financial Action Task Force's (FATF) recommendations. The FC Module also incorporates those requirements from the Basel Committee's recommendations for "Customer Due Diligence for banks", which are relevant to Islamic Licensees.

The applicable Anti-Money Laundering laws and regulations in Bahrain includes (but not limited to) the following:

- 1) Decree Law No. 4 of 2001 with Respect to the Prevention and Prohibition of the Laundering of Money.
- 2) Decree Law No. 54 of 2006 with Respect to Amending Certain Provisions of Legislative Decree No. 4 of 2001 with Respect to the Prevention and Prohibition of the Laundering of Money.
- 3) Decree Law No. 58 of 2006 with Respect to the Protection of Society from Terrorism Activities.

Policy Statement

In order to meet the legal and regulatory requirements and to protect the bank's resources and reputation, Gulf Finance House B.S.C (GFH or the "Bank") has adopted policies and procedures to combat Money Laundering and Financing of Terrorism. The *AML/CFT* and *KYC* policy mandates of GFH are set to comply with the Anti-Money Laundering laws and regulations of the jurisdictions in which it undertakes business activities, such as:

- Basis for customer identification
- Verification of resources of funds
- Ongoing & monitoring of relationships
- Identifying & reporting of suspicious transactions.

In accordance with the Financial Crime Module of the Central Bank of Bahrain (CBB) Rulebook Volume 2, Gulf Finance House (GFH) is required to:

- a. Establish procedures for verifying the identity of clients 'Customer Due Diligence' (CDD), also known as ' Know Your Customer' (KYC).
- b. Establish risk based system to identify and monitor 'suspicious transactions'.



- c. Establish internal and external 'suspicious transactions' reporting procedures.
- d. Appoint Money Laundering Reporting Officer (MLRO) and a Deputy MLRO.
- e. Train employees on the procedures for recognizing and reporting suspicious transactions.
- f. Train employees on their legal obligations and responsibilities in this area.
- g. Establish record-keeping procedures to ensure evidences of client identity and transactions are maintained.

All Gulf Finance House employees, including members of the Board of Directors and Executive Management, are responsible for the implementation of this policy. In particular, GFH's *AML/CFT* and *KYC* policy mandates the following:

- Accounts shall only be opened for individuals whose identity has been verified in accordance with the *CDD/KYC* requirements set out in the *AML/CFT* and *KYC* policy mandates of GFH.
- Clients' personal information and evidence of identity and business relations shall be maintained for a minimum period of five years after the date of termination of the relationship with the Bank.
- All incoming Electronic Transfers shall include the name of the ordering customer and all outgoing transfers shall include the details of the beneficiary.
- The Bank shall check the entire details of ordering customers and beneficiaries against applicable sanctions databases.
- All employees shall be alert to large, complicated or otherwise exceptional transactions.
- Channels for reporting suspicious transactions shall be documented and communicated to all employees.
- All employees shall receive initial and continuous training to ensure awareness of anti-money laundering and counter financing of terrorism (*AML/CFT*).
- GFH shall not hire any individual previously suspected of involvement in money laundering activities, terrorist financing or is black listed by any authorities.
- Corresponding to CBB's requirement, periodic training is provided to all Staff members at least annually; relevant new employees are given *AML/CFT* training within three months of joining the bank.



- Beside CBB's periodic AML inspection conducted to review the extent of the bank's compliance with the Anti Money Laundering and KYC requirements of the CBB. Also, the bank is audited annually by external auditors to review its compliance with applicable *AML/CFT* laws and regulations and the FC module of the CBB rulebook (Volume 2).
- GFH does not establish business relationships with banks, which do not have a physical presence in the jurisdiction in which they are licensed ('Shell Banks').
- GFH has established a procedure to ensure that all potential clients' names are screened against identified lists issued by various regulatory bodies and organizations such as the United Nations, OFAC (US Department of Treasury).
- GFH has established procedures to report suspicious/unusual transactions internally to the MLRO (Money Laundering Reporting Officer), as well as external reporting by the MLRO to the Regulatory Authorities.

For any further queries, kindly contact:

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