

CHAIRMAN OF THE BOARD

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## DECLARATION

### **on the measures aimed at combating legalization (laundering) of criminally gained income and financing of terrorism**

Combating to legalization (laundering) of criminally gained income and financing of terrorism is a key aspect of activity of International Bank for Economic Co-operation (IBEC) which is a multilateral development bank and international financial organization.

In accordance with above-mentioned measures the Bank elaborated and approved the Internal control rules for prevention of money laundering and terrorism financing (hereinafter – Internal control rules) which comply with applicable law, international standards, practices, recommendations of international organizations and associations.

The Bank applies the following programs aimed at combating legalization (laundering) of criminally gained income and financing of terrorism:

- program for setting up the anti-money laundering system and countermeasures against terrorism financing;
- program for identification of the customers, their representatives, beneficiaries and final beneficial owners;
- program for risk managing to AML/CTF;
- program for identification of client's deals and transactions for the subject of mandatory control or for purpose of suspicious activity reporting;
- program setting for the procedure of freezing (blockings) funds or other and suspension of operations with moneys or other assets;
- program setting for the procedure for rejecting the execution of bank (deposit) agreements with legal entities, rejecting to process the client instructions to conduct an operation, cancelation of banking account agreement in accordance with applicable law;

- program for verification of information confirmed suspicions nature of customers deals and transactions;
- program for collecting, checking, documenting and storing of information about customers, their deals and counterparties;
- program for storage of information and documents obtained according to Internal control rules;
- program for ensuring the confidentiality of information;
- program for training of employees in AML/CTF area.

As well mentioned Internal control rules manage FATCA / CRS processes and the policies for providing of banking services for the residents of offshore jurisdictions.

The Bank established the system of internal control over the organization of AML/CTF and monitoring the employee's compliance with the regulations governing this sphere.

The main principles of the system of internal control on AML/CTF at the Bank are:

- risk-based approach;
- participation of all the Bank's employees at the implementation of the Internal control rules;
- ensuring observance of confidentiality of information obtained in the course of work;
- keeping the confidential information about accounts and deposits of the customers, information about the customers and their operations;
- personal duties of each responsible officer for the fulfillment of his functions and etc.

In order to ensuring the implementation of the Internal control rules, an independent structural unit operates at the Bank – the Compliance-control Department, which is competent in the questions of AML/CTF and headed by Compliance officer which directly reported to the Chairman of the Board.

The Bank does not conclude the agreement of bank account (deposit) with a customer in case of non-providing by the customer, by the customer's representative the documents, necessary for the identification of the customer, its representative, beneficiary. The Bank takes reasonable and available in the current circumstances measures to identify final beneficial owners.

The Bank performs the Due Diligence procedures based on the principles and recommendations of FATF, Basel Committee on Banking Supervision, The Eurasian Group on prevention of money laundering and financing of terrorism and the Wolfsberg Group issuance.

The Bank does not establish or maintain relation with banks that do not have permanent representation in the countries where they are registered (shell banks) and does not establish correspondent relations with banks registered in countries not participating in global cooperation in the sphere of combating legalization (laundering) of criminally gained and financing of terrorism.

The Bank does not open accounts for anonymous owners and does not grant access to its correspondent accounts to the third parties (payable through accounts).

The Bank established a program for identification of Politically Exposed Persons (PEPs), their relatives and associated person among the new customers of the bank.

The Bank elaborated and implemented the automated monitoring system for carrying out the mandatory control procedures and identification of unusual client's activity based on money-laundering risk indicators.

All Bank's relationship with the customers, bank's counterparties or internal vendors based on compliance with stop-lists and sanctions or embargo programs adopted by the acts of state governmental bodies or resolutions of international organizations.



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