



**PLATCORP**  
HOLDINGS LIMITED

## **Know Your Customer Anti-Money Laundering and Combating the Financing of Terrorism Policy**

### **Document History**

Version	Year	Description	Approval Date
<b>1.0</b>	2018	KYC, AML and CFT Policy	5 <sup>th</sup> March 2018
<b>2.0</b>	2021	KYC, AML and CFT Policy	27 <sup>th</sup> October 2021

## **1. INTRODUCTION**

- 1.1 Platcorp Holdings Limited and its subsidiaries, (hereinafter 'the Company') is committed to the compliance of recognized global standards on combating money laundering and terrorism financing.
- 1.2 Internationally, initiatives to prevent the misuse of financial systems by persons laundering money and financing terrorism led to the formation of the Financial Action Task Force (FATF). FATF is an intergovernmental policy making body which sets standards, develops and promotes policies to combat money laundering and terrorism financing. In 2012, FATF revised and issued 40 recommendations on combating money laundering and terrorism financing. These are recognized as the global standards on combating money laundering and terrorism financing and it has become basis for framing Anti Money Laundering and combating financing of terrorism policies, procedures and controls by the various governments both locally and regionally.
- 1.3 In addition to this, reference is also made to recommendations of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).
- 1.4 Compliance with these standards by the Company has become necessary for both local and regional financial relationships.
- 1.5 The guidelines also incorporate aspects covered in the Basel Committee document on customer due diligence which is a reflection of the International Financial Community's resolve to assist law enforcement authorities in combating financial crimes.
- 1.6 This policy document is therefore prepared in cognizance of the anti-money laundering and combating of terrorism laws and regulations across all jurisdictions that the company operates.

## **1. OBJECTIVE**

- 2.1 To lay down policy framework for abiding by Anti Money Laundering Measures, Know Your Customer norms and Counter Financing of Terrorism as set out in the act.
- 2.2 To comply with applicable anti-money laundering and combating financing of terrorism laws and regulations across all the jurisdictions that the company operates.
- 2.3 To set out procedures that prevent the Company from being used intentionally or unintentionally as a conduit by criminal elements for money laundering, terrorism financing activities.
- 2.4 Enabling the Company to know / understand its customers and their financial dealings better, which in turn would help it to manage its risks prudently.
- 2.5 Conducting due diligence in respect of customers and reporting of any suspicious transactions.
- 2.6 To ensure that all employees are aware of the existing legislations on AML/ CFT and any changes that have been made, their responsibilities regarding these changes and the consequences of non-compliance.

### **3. SCOPE OF THE POLICY**

- 3.1 This policy is applicable across all subsidiaries / business segments of the Company and is to be read in conjunction with related operational guidelines issued from time to time.
- 3.2 The contents of the policy shall always be read in tandem/auto-corrected with the changes / modifications which may be advised by the governments of jurisdictions where the Company operates from time to time.

### **4. DEFINITIONS**

#### **4.1 Customers**

For the purpose of this policy, a customer is defined as:

- a) A person or entity that maintains and /or has a business relationship with the Company
- b) Any person or entity connected with a financial transaction which can pose significant reputation or other risks to the Company

#### **4.2 Money Laundering**

Money Laundering means the act of a person who:

- a) Engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity
- b) Acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into Kenya proceeds of any unlawful activity or;
- c) Conceals, disguises or impedes the establishment of the true nature, origin, location, movement, deposition, title of rights with respect to, or ownership of proceeds of any unlawful activity where
  - i. As may be inferred from objective factual circumstances, the person knows or has reason to believe, that the property is proceeds from any unlawful activity or
  - ii. In respect of the conduct of a natural person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activity. (Persons means any natural or legal entity)

### **4.3 Beneficial Owner (BO)**

The term beneficial owner has been defined as the natural person who ultimately owns or effectively controls a client and /or the natural person on whose behalf a transaction is conducted.

### **4.4 Terrorism Financing**

Relates to the raising or holding of funds (directly or indirectly) with the intention that those funds should be used to carry out activities defined as acts of terrorism.

### **4.5 Suspicious Transaction**

Suspicious transaction means a transaction which includes exchange or transfer of funds in whatever currency, whether in cash or by cheque or other instruments or other non-physical means including an attempted transaction, whether or not made in cash, which to a person acting in good faith:

- a) Gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the schedule of AML Act regardless of value involved.
- b) Appears to be made in circumstances of unusual or unjustified complexity.
- c) Appears to have no economic rationale or bonafide purpose.
- d) Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism:

## **5. KNOW YOUR CUSTOMER STANDARDS**

- 5.1 Each Company shall document KYC procedures that will ensure that the Company know/understand customers and their financial dealings better
- 5.2 The procedures shall be based on the following eight pillars:
  - a) Customer Acceptance Policy (CAP)
  - b) Customer Identification Procedures (CIP)
  - c) Monitoring of Transactions;
  - d) Risk Management
  - e) Staff Training
  - f) Responsibilities, Accountability and Reporting
  - g) Records Retention
  - h) Suspicious Transaction Reporting

## 6. PILLARS OF AML / CFT POLICY

### 6.1 Customer Acceptance Policy (CAP)

a.) The following Customer Acceptance Policy indicating the criteria for acceptance of customers shall be followed. All subsidiaries shall accept customer strictly in accordance with this policy as outlined below:

- No account shall be opened in anonymous or fictitious name(s)
- Each subsidiary shall define documentation/information requirements to be obtained by branches from the customer depending on the perceived risk.

b.) Sanctions; The company shall apply necessary checks to ensure that the identity of the customers or entities does not match with any person with known criminal backgrounds or with banned entities in accordance with UN Sanction (1267) List, Office of Foreign Assets Control Sanction (OFAC) List, European Union (EU) Sanction List, and French Sanction List.

c.) Politically Exposed Persons- A politically exposed person (PEP) means a person who has been entrusted with a prominent public function in a country. PEPs are deemed to present high risk and the company shall apply enhanced due diligence when dealing with PEP and ongoing monitoring of business relationship.

### 6.2 Customer Identification Procedure (CIP)

- Customer identification means identifying the person and verifying his/her identity by using reliable, independent source documents, data or information. The Company shall obtain sufficient information necessary to establish, *to their satisfaction*, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of relationship.
- Being satisfied means that the organization is able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance with the respective laws and regulations.
- Besides risk perception, the nature of information/documents required would also depend on the type of the customer. For customers that are natural persons, sufficient identification data to verify the identity of the customer.
- For customers that are legal persons or entities:
  - ✓ Verify the legal status of the legal person/entity through proper and relevant documents.
  - ✓ Verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person.

- ✓ Understand the ownership and control structure of the customer and determine the natural persons who ultimately controls the legal person.

### **6.3 Monitoring of Transactions**

- Continuous monitoring is an essential ingredient of effective KYC procedures and the extent of monitoring should be according to the risk sensitivity of the account and the monitoring of transactions shall equally be done in line with all regulatory requirements.
- Special attention will be paid to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.
- All suspicious transactions shall be reported to the respective financial intelligent units within the set timelines as per the respective laws and regulations.

### **6.4 Risk Management**

- This AML & CFT policy and related procedures cover management oversight, systems and controls, segregation of duties, training and other related matters which ensure effective AML & CFT risk management and implementation of the Company's AML & CFT policy.
- To ensure effective AML and CFT risk management, the following tenets shall be observed
  - a) A customer's identity shall be verified at all times in the following circumstances:
    - When establishing initial business relations.
    - When undertaking occasional or one-off transactions.
    - When there is cause to be suspicious.
    - When there is doubt about veracity or adequacy of previously obtained customer information.
  - b) On-going due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of the client relationship shall be conducted to ensure that the transactions being conducted are consistent with the customer profile.
  - c) AML and CFT risk assessments shall be conducted for all new products, services and matters raised in the assessment shall be satisfactorily addressed prior to launch of the product/service.
  - d) Group Internal audit functions shall bear the important role of evaluating and ensuring adherence to the AML/CFT policies and procedures.
  - e) The compliance report in this regard shall be put up before the Audit and Risk Committee of the Board on quarterly intervals.

## **6.5 Staff Training**

- Risk & Compliance department shall ensure that all staff members are provided with relevant training periodically in phases on applicable Anti Money Laundering Laws and recent trends in money laundering activity as well as the bank's policies and procedures to combat money laundering
- Training shall be tailor made depending on the job role.

## **6.6 Responsibilities, Accountability and Reporting**

- The Company shall ensure adherence to the KYC, AML & CFT policies and procedures.
- Internal Audit function shall specifically review the application of KYC, AML and CFT Policy and Procedures and comment on the lapses if any observed in this regard.

## **6.7 Records Retention**

The Company shall at all times maintain records relating to clients account during the lifetime of the customer's relationship in accordance the Groups Data protection policy.

## **6.8 Suspicious Transaction Reporting**

The company shall nominate one person who will be undertake the below roles;

- All employees to report to that staff any information which comes to the employee's attention in the course of employment and which gives rise to knowledge or suspicion by the employee that another person is engaged in money laundering;
- That staff shall have reasonable access to information that may be relevant in determining whether a sufficient basis exists to report the matter
- That staff shall directly report the matter to the respective Financial Intelligent Units/ Authority in the event that he determines that sufficient basis exists.

## 7. POLICY UPDATE AND REVIEW

Updates or modifications to this policy shall be initiated by the business needs in line with regulatory requirements on AML and CFT or shall be put up for review to the Board of Directors annually.

## 8. BOARD APPROVAL

This policy is approved by the Board of Directors on 27<sup>th</sup> October 2021

Signed By:

Chairman: B. Fierwright Date: 27/10/2021