

## Summary of JIB- AML/ CTF & Sanctions Policy

It is the policy of **JIB** to take all necessary steps to comply with the rules regarding financial crimes, money laundering and combating the financing of terrorism. The Bank has developed internal routines to detect and prevent any attempt of such economic crime and has established procedures of customer due diligence, reporting, internal control and record keeping.

The purpose of this policy is to set the high-level principles and standards of the financial crime risks management, including money laundering, terrorist financing and sanctions breaches, for AlJanoob Islamic Bank (**JIB**) and constitutes a part of the Board of Directors' Instructions to the Executive Board.

The objective of this policy is to ensure regulatory compliance and to establish an internal framework that minimizes the risk of sanctions breaches and abuse of the Bank's products and services for money laundering and terrorist financing purposes.

The aim of the **JIB** is not only to comply with relevant legal requirements, but also to mitigate and reduce the potential risk to the **JIB** customers using our products, services and delivery channels to launder the proceeds of illegal activity, fund terrorist activity or perform transactions in breach of financial sanctions.

This is in alignment with the **JIB** strategy, which sets the Bank's vision to be recognized as the most trusted financial institution in Iraq.

This Policy is relevant to all employees and persons in a comparable position in **JIB**.

**JIB** is undertaking several initiatives to strengthen its ability to ensure its compliance with the requirements outlined in this Policy. **JIB** will, therefore, continually assess its existing policies, procedures, controls and IT system and make necessary changes so as to be most effective in accordance with the risk-based approach.

Iraq is a member of the Middle East & North Africa- Financial Action Task Force (MENA-FATF) and Iraqi laws are in compliance with the USA, EU laws and regulations and Best practises.

**JIB** is regulated by the Central Bank of Iraq (CBI), ([www.cbi.iq](http://www.cbi.iq)).

### **The Bank's policy includes the following:**

- Iraqi laws & regulations are based on the 40 recommendations of FATF, and Iraqi AML/CFT law. Number 39/2015.
- **JIB** is following Iraqi laws and other directives provided by the Iraqi authorities in all areas of the Bank, specifically the compliance of:
  - Act No. 39 of 2015.
  - Regulation No. 302/13 March 2016
  - Circular no. 09/01/04/306 of 19/09/2016 “Guide to new anti-money laundering legislation and combating financing of terrorism”.

### **JIB - internal routines for preventing Money Laundering:**

The Bank has internal routines to detect and avoid attempts on Financial Crimes, money-laundering and terrorist financing:

- The Bank bases its customer services and anti-money laundering (AML) procedures on the Basel recommendations and the Know-Your-Customer principle.
- In establishing a new customer relationship, the Bank ascertains and verifies customer identity. The customer provides the Bank with an officially approved identification documents. The Bank takes a copy of the documents and keeps it in the customer's record.
- The Bank checks all its customers, including the senders and beneficiaries of the transactions, against the Iraqi's local black list, OFAC, EU, HM & U.N.'s list of individuals, organisations, countries or territories suspected of terrorism.
- The Bank does identity checks on customers for transactions of USD 10,000 or more.
- In relation to cash deposits of USD 10,000 or more, the Bank inquires the customers for the origin of these funds (source of fund).
- All customer transactions are monitored on a daily basis. The Bank's monitoring system is designed to identify suspicious transactions based on a set of criteria given by our AFC Department.
- The Bank reports any suspicious transactions to the Bank's AML Officer (MLRO). Suspicious transactions are notified to The National AML/CFT Office of Iraq for Investigation and Prosecution of Economic and Environmental Crime.

- The Bank provides AML/CFT/AFC training programmes to all new staff within our organisation and ongoing training for all employees dealing with customers. The Bank also makes sure that AML material and AML updates are available for all employees.
- The Banks Internal Audit provides periodical controls of the Banks handling of AML/CFT regulations.
- The Bank is not a shell-bank and does not establish customer relations to shell banks.
- The Executive Board must determine key performance indicators and develop management information requirements and processes to gain insight into, and satisfaction with, the effectiveness of the AML, CTF and sanctions compliance framework.

This Policy must be reviewed by **JIB** - Compliance & AFC Division at least annually. Any changes to the Policy must be endorsed by the Executive Board, the Audit Committee and approved by the Board of Directors.

A completed Wolfsburg Group AML Questionnaire (CBDDQ) is available at Bankers Almanac (bankersalmanac.com).

**Date: 16/11/2022**

**Signatures:**

**Dr. Mahmood Mohammad Dagher**

**Zuhair Abdulkareem Jabbar**

**Chairman/ Representative of BOD**

**Representative of Audit Committee**

**Oday Saadi Ibrahim**

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**CEO**

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