



Anti Money Laundering and Combating Financing of Terrorism Policy

Multinet Trust Exchange LLP

Confidentiality Statement

The information in this manual is confidential and is addressed only to the employees, senior management and Board of Multinet Trust Exchange and should not be disclosed and distributed externally.

The contents of this manual are the intellectual property of the Compliance Department of Multinet Trust Exchange and any form of reproduction, dissemination, copying, disclosure, modification, distribution, or publication of this material without seeking approval from the Compliance Department is strictly prohibited.

Document Approval Status

Document Title	Anti- Money Laundering and Combating Financing of Terrorism Policies and Procedures
Prepared By	Umair Abbasi
Designation	Chief Compliance Officer
Authorized Signature	
Reviewed By	Mr. Abdul Latif Syed
Designation	General Manager
Reviewer Signature	
Approved by	Mr. Khurshedul Alam
Designation	Managing Partner
Approval Signature	

Document Revision History

Revision No.	Date of Revision	Reason for Implementation	Next Review Date
1	20.09.2020	Full Policy	
2	13.06.2021	CBUAE Notice No.3091/2021 on STR	
3	10.07.2021	CBUAE Notice No.3551/2021 on Guidance for TFS	
4	18.12.2021	Amended Chapter 16 of the standards for the regulations regarding Licensing and Monitoring of Exchange Business CBUAE Notice No.5737/2021 on Guidance for TFS CBUAE Guidance for Exchange house	
5	26.05.2022	Guidance for Licensed FI on Transaction Monitoring and Sanction Screening -4368/2021	
6	30.08.2022	CBUAE Notice No. 3157/2022 on PEP CBUAE Notice No. 3354/2022 on STR CBUAE Notice on Semi Annual MLRO Report	
7	22.03.2023	Sanctions Policy removed and created a separate policy. Penalties updated as per recent guidelines. Transaction Monitoring system updated as per new Software system Customer Risk Assessment methodology updated as per new system	
8	01.08.2023	CBUAE Notice No. 3599/2023 updated guidelines on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations	
9	30.11.2024	CBUAE Notice no.1635/2023 Guidance for licensed financial institutions on risks related to virtual assets and virtual Asset service Providers (VASP). CBUAE Notice No. 1721/2024 Update the list of High-Risk Jurisdictions subject to a Call for Action and list of Jurisdictions under Increased Monitoring. Separate Policy created for Proliferation Financing. CBUAE Notice No. 3849/2024 on Agreed Upon Procedures (AUP).	Annually & whenever there are any changes
10	15.03.2025	Cash Intensive Business- Guidance for Licensed Financial Institutions providing services to Cash - Intensive Businesses	

10.1	15.03.2025	Process Of Conducting Public Domain Searches Under Paragraph 16.24 of standards - Separate Document created for the process of Public Domain Searches	Annually & whenever there are any changes
10.2	15.03.2025	Appointment of New Compliance Officer	
10.3	15.03.2025	Added international practices MENA FATF,EGMONT	Annually & whenever there are any changes

Table of Contents

1. Introduction	7
Preamble.....	8
Purpose.....	8
Objective.....	8
2. Scope of the Policy	9
Administration	9
Circulation of Policy	9
Amendments	10
Effective Date	10
Review and Approval	10
3. Statutory Prohibitions.....	10
4. Control of the Policy	11
5. Applicable laws and regulations & International initiatives on AML/CFT.....	11
6. Key Definitions.....	11
7. Money Laundering.....	11
8. Terrorist Financing (TF).....	12
9. Financing of Proliferation of weapons of mass destruction (WMD).....	13
10. Compliance Governance	14
Role of the Owner/Managing Partner	15
Role of Compliance Committee	16
Responsibilities of Manager In-charge	17
Compliance Officer	18
11. Structure of Compliance Department.....	21
12. AML Compliance Program.....	21
13. ML/FT Risk Assessment	23
14. Risk Tolerance and Risk Appetite.....	27
15. Client On-Boarding Process.....	27

16. Know Your Customer (KYC).....	30
-----------------------------------	----

17. Customer Identification Process (CID)	35
18. Customer Due Diligence (CDD)	35
19. Enhanced Customer Due Diligence (EDD).....	35
20. Trade Based Money Laundering (TBML).....	46
21. Additional Provisions on CDD and EDD	47
22. High Risk Countries & Jurisdictions	48
23. Know Your Customer's Customer (KYCC)	49
24. Third Party Transactions.....	50
25. Customer Risk Assessment & Methodology	53
26. Customs Declaration Forms (CDF).....	54
27. Politically Exposed Person (PEP)	54
28. Source of Funds & Purpose of Transactions.....	55
29. Inactive Customers/ Correspondent Relationships and Procedures of Handling:.....	57
30. Customer Relationship- Customer Retention and Client Exit Policy and Procedure.....	58
Customer Retention	58
Client Exit:	58
31. Transaction Monitoring and Control.....	59
Risk based Deployment of Transaction Monitoring controls	60
Data Identification and Management.....	60
Rule Definition and Pre-Implementation Testing	60
Alert Scoring and Prioritization	61
Outcome Analysis and Management Information System.....	61
Post Implementation Testing, Tuning and Validation	61
Quality Assurance	61
32. Red Flags and potential Risk indicator for transaction Monitoring	61
Currency Exchanges.....	61
Cross-Border Movement of Cash and Cash Couriers.....	61
Indicative Risk Factors Associated with Transactions.....	62
Red flags of Transactions Received.....	63
Customer Behavior - Potential Risk Indicators.....	63
Trade Transaction - Potential Risk Indicators.....	63
Potential Risk Indicators relevant to Exchange House based on Updated Typology	64
33. AML/CFT Typologies	64
34. Sanction Screening	66
35. Guidelines to identify unusual/ suspicious transactions	67
36. Suspicious Transaction Reporting	68
Reporting of Suspicious Transactions to the FIU	71

STR Reporting Timelines.....	72
Post STR and SAR Process.....	72
Reporting to Senior Management:	72
37. Tipping Off.....	73
38. Know Your Employee (KYE).....	73
Warning Signs	75
Employee Responsibility	76
39. AML/CFT Training	76
40. Continuous Professional Development (CPD).....	79
41. Semi-Annual Compliance Report	80
42. Independent Internal Audit & AML Audit Report	81
At a minimum, AUP reports are required to include adequate details of the following:.....	81
43. Reporting	82
List of Compulsory Reports and Forms	82
44. Record Retention.....	85
45. Communication/Enquiries	86
46. Handling Inquiries from Correspondent bank and enforcement agencies	86
Guidelines and procedures to handling query	86
47. Cancelled Transaction handling Procedures.....	86
48. No Retaliation Policy.....	87
49. Anti-Bribery and Corruption (ABC) and Anti-Fraud	87
50. Cash Intensive Business..... Guidance for Licensed Financial Institutions providing services to Cash - Intensive Businesses	
51. Penalties for Non-Compliance.....	88
CBUAE Guidelines on Non-Compliance Charges	90
52. Regulatory Authorities & International Bodies	91
Annexure-I.....	93
Annexure-II.....	96
Annexure-III	102
Annexure-IV	103
Annexure-V.....	103
Annexure- VI.....	104