



Your Private Broker

**Doo Prime**

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## **Anti-Money Laundering And Counter-Terrorism Financing Policy**

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**Doo Prime Vanuatu Limited**

Updated on 18 September 2020

## 1. INTRODUCTION

- 1.1 Doo Prime Vanuatu Limited (referred as “Doo Prime”, “we”, “us” or “our” ) combats against any forms of money laundering, terrorism financing or criminal activities with a strong dedication by strictly comply with the laws and regulations on Anti-Money Laundering (“AML”), “the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014 (“Act”), Anti-Money Laundering and Counter-Terrorism Financing Regulation No. 122 of 2014 (“Regulation”), Proceeds of Crime Act [CAP 284], Counter Terrorism and Transactional Organised Crime Act [CAP 313], Terrorist Financing (United Nations (Anti-Terrorism Measures) Ordinance Cap. 575)(“UNATMO”) and other relevant applicable regulatory regulation as required by the Vanuatu government and the Vanuatu Financial Intelligence Unit (“VFIU”). We undertake to fulfil our role to maintain the integrity and stability of Vanuatu’s financial system.
- 1.2 Our Money Laundering Reporting Officer(“Officer”) and other compliance executives are employed to implement the appropriate Anti-Money Laundering and Counter-Terrorism Financing (“AML and CTF”) policies and procedures. This AML and CTF policy shall cover procedures and processes:
- (a) on the client due diligence requirements under Part 4 of the Act;
  - (b) to implement the record-keeping requirements under Part 5 of the Act;
  - (c) on the reporting requirements under Part 6 of the Act;
  - (d) to inform our officers and employees of the laws of Vanuatu about money laundering and financing of terrorism, of the policies, processes, procedures and systems adopted by us to deal with money laundering and financing of terrorism;
  - (e) to train our officers and employees to recognise and deal with money laundering and terrorism financing;
  - (f) to vet the officers and employees of Doo Prime to ensure that they are fit and proper persons to engage in anti-money laundering and counter-terrorism financing related duties;
  - (g) on the role and responsibility of the Officer;
  - (h) on the establishment of an independent audit function which can test its AML and CTF processes, procedures and systems; and
  - (i) on the adoption of systems by us in dealing with money laundering and terrorism financing.
- 1.3 Doo Prime has established a series of AML procedures for the compliance of Act and will apply our AML and Know-Your-Client (“KYC”) procedures in all securities transactions. We shall take all reasonable measures to ensure that proper protection exists to prevent a contravention of the Act in preventing and mitigating Money Laundering and Terrorism Financing (“ML and TF”) activities. Compliance with the AML and CTF system has always

been our utmost priority to preserve our business reputation in the global financial industry and regulatory authorities.

- 1.4 We adopt a risk-based approach in the implementations of our AML and CTF systems and for the purpose of detecting ML and TF risks. We shall update our AML and CTF systems and policies at least once annually to take into account new and emerging risks, considering:
- (a) the nature and level of money laundering and terrorism financing risk that we may reasonably expect to face in the course of our business;
  - (b) the nature, size and complexity of our business;
  - (c) development of new products and new business practices, including new delivery mechanisms; and
  - (d) use of new or developing technologies for both new and pre-existing products.

## **2. DEFINITIONS AND INTERPRETATIONS**

2.1 The following terms shall carry the following meaning:

- (a) "Money laundering" means the conduct which constitutes an offence of money laundering under section 11 of the Proceeds of Crime Act [CAP 284], i.e.
  - (i) the person engages, directly or indirectly, in a transaction that involves money, or other property, that the person knows, or ought reasonably to know, to be proceeds of crime; or
  - (ii) the person receives, possesses, conceals, disposes of or brings into Vanuatu money, or other property, that the person knows, or ought reasonably to know, to be proceeds of crime.
- (b) "Politically exposed person" or "PEP" means an individual who is or has been entrusted with prominent public functions such as the Head of State, the Prime Minister, Ministers, senior politicians, senior government officials, judicial or military officials, senior executive members of state-owned corporations or international organisations and officials of a political part.
- (c) "Proceeds of crime" means property derived or realised directly or indirectly from a serious offence, including:
  - (i) property into which any property derived or realised directly from the offence is later successively converted or transformed; and
  - (ii) income, capital or other economic gains derived or realised from that property since the offence.

If property that is proceeds of crime (the original proceeds) is intermingled with other property from which it cannot readily be separated, that proportion of the whole represented by the original proceeds is taken to be proceeds of crime.
- (d) "Proliferation financing" means the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use

of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

- (e) “Source of wealth” refers to the origin of an individual’s entire body of wealth (i.e. total assets).
- (f) “Source of funds” refers to the origin of the particular funds or other assets which are the subject of the business relationship between an individual and us (e.g. the amounts being invested, deposited, or wired as part of the business relationship).
- (g) “Terrorist financing” or “Terrorism financing” means—
  - (i) the provision or collection, by any means, directly or indirectly, of any property:
    - (aa) with the intention that the property be used; or
    - (ab) knowing that the property will be used, in whole or in part, to commit one or more terrorist acts (whether or not the property is so used);
  - (ii) the making available of any property or financial (or related) services, by any means, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether the person is a terrorist or terrorist associate; or
  - (iii) the collection of property or solicitation of financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether the person is a terrorist or terrorist associate.

### **3. MONEY LAUNDERING**

3.1 The stages of money laundering are as follows:

- (a) Placement - disposal of cash proceeds derived from illegal activities;
- (b) Layering - separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the source of the money, subvert the audit trail and provide anonymity; and
- (c) Integration - creating the impression of apparent legitimacy to criminally derived wealth. In situations where the layering process succeeds, integration schemes effectively return the laundered proceeds into the general financial system and the proceeds appear to be the result of, or connected to, legitimate business activities.

3.2 Some of the possible signs of money laundering includes, but is not limited to the following:

- (a) reluctance by clients to provide information;
- (b) incomplete or inconsistent information by clients;
- (c) irregular money transfers and transactions;
- (d) unexplained third-party investment;
- (e) transactions carried by unusually high volume;

- (f) source of funds from poorly-regulated sources;
- (g) transactions with no apparent legitimate or economic purpose;
- (h) transactions which are unnecessarily complex;
- (i) client's lifestyle appears in excess of known sources of income;
- (j) business structure is unnecessarily complicated;
- (k) use of bank accounts without valid reason;
- (l) the client appears to be acting as an agent for another entity or individual but is evasive about the identity of another identity;
- (m) the client has multiple accounts under a single name or multiple names, with a large number of inter-account transfers;
- (n) the client deposit funds followed by a request to withdraw the funds.

#### **4. CLIENT DUE DILIGENCE ("CDD")**

4.1. Doo Prime has established a KYC policy to verify the identities of all our clients and to conduct client due diligence ("CDD"). We perform on-going due diligence process to monitor our client's account, service or relationship with each of our clients to identify, mitigate and manage the risk it may reasonably face with its client that might involve money laundering, financing of terrorism or other serious offences.

4.2 We carry out CDD if a person:

- (a) opens an account with us;
- (b) engages our services; or
- (c) enters into a business relationship with us.

4.3 We carry out CDD on:

- (a) a person conducting a transaction;
- (b) a person on whose behalf a transaction is being conducted; and
- (c) a beneficial owner;

if we have reasonable grounds to believe that the person is undertaking a transaction on behalf of another person. We shall verify whether a person is authorised to undertake the transaction concerned on behalf of the other person.

4.4 Furthermore, we carry out CDD on the client:

- (a) before establishing a business relationship with the client;

- (b) before carrying out for the client or when the client conducts an occasional transaction that involves an amount equal to or exceeding an aggregate value of VT 1 million or its equivalent in foreign currency for a large cash transaction or international currency transfer, whether carried out in a single operation or several operations that appear if we reasonably think they are linked. In determining whether the transactions are linked, we will consider the factors in Clause 9.6 against the timeframe within which the transactions are conducted;
- (c) when we carry out an electronic currency transfer for the client;
- (d) when we suspect that the client is involved in proceeds of crime, financing of terrorism or a serious offence regardless of the levels of transaction of 4.4(b) above;
- (e) when we suspect that the transaction involves proceeds of crime, or may be used for financing terrorism or for committing a serious offence; or
- (f) when we have doubts on the veracity or adequacy of the client identification or information it had previously obtained.

## 4.5 Required document list

4.5.1 If the client is an individual, we shall collect the following information:

- (a) the client's full name;
- (b) the client's date of birth;
- (c) the client's residential address;
- (d) the client's occupation;
- (e) the client's country(ies) of citizenship;
- (f) the client's country(ies) of residence;
- (g) the client's occupation or business activities;
- (h) the nature and purpose of the client's proposed relationship with us, including:
  - (i) the purpose of specific transactions; or
  - (ii) the expected nature and level of transaction behaviour;
- (i) authorization of any person purporting to act for or on behalf of the client;
- (j) the income or assets available to the client;
- (k) the client's source of funds including the origin of funds;
- (l) the client's financial position;

- (m) the beneficial ownership of the funds used by the client; and
- (n) the beneficiaries of the transactions being facilitated by us on behalf of the client including the destination of funds.

4.5.2 If the client is a company incorporated in Vanuatu, we shall collect the following information:

- (a) the full name of the company as registered by VFSC;
- (b) the full address of the company's registered office;
- (c) the full address of the company's principal place of business (if any);
- (d) the VFSC, Business License and CT number issued to the company;
- (e) company structure;
- (f) the name of each director of the company;
- (g) the name of the company secretary;
- (h) the date upon which the company was registered by VFSC;
- (i) the nature of the business activities conducted by the company; and
- (j) the full name and address of each beneficial owner of the company;

4.5.3 If the client is a foreign registered body corporate, we shall collect the following information:

- (a) full name of the foreign company;
- (b) the country of registration and full registration detail of the client;
- (c) the full address of the company's principal place of business and registered address;
- (d) the company structure;
- (e) name of each company director and secretary;
- (f) nature of the business activities conducted by the company;
- (g) name and address of beneficial owners of the company and the control structure;
- (h) the country in which the company was formed, incorporated or registered;
- (i) the provisions regulating the power to bind the client;

- (j) the authorization of any person purporting to act for or on behalf of the client, and the identity of the persons; and
- (k) the purpose and intended nature of the business relationship with us.

- 4.6 We strictly prohibit establishing any business relationship with clients with false, fictitious or misleading names, and we shall make a record of if any of our client is using a different name from which the client is commonly known.
- 4.7 We will consider on a case by case basis any clients that cannot reasonably be expected to produce the standard evidence of identity and will seek to agree on the use of other confirmations of identity so that clients are not unreasonably denied access to the products and services. In the event it is reasonably proved that there is doubt on the identification and verification of the beneficial owners, we may carry out CDD on the senior management officials of the client in accordance with this AML and CTF policy.

## **5. CLIENT RISK ASSESSMENT (“CRA”)**

- 5.1 Doo Prime will perform CRA using the risk-based approach. We assess the risk for each client taking into account specific products, services, clients, entities, number of transactions, volume of transactions, nature of client relationships, geographic locations, the purpose of the account or relationship, the level of assets involved, the size of transactions to be undertaken and the regularity or duration of the business relationship.
- 5.2 We will not accept high-risk clients that are identified as follows:
- Clients with business that handles a large amount of cash or complex unusually large transactions, which could not be verified.
  - Clients with large one-off transactions, or several transactions carried out by the same account within a short time.
  - Clients based in or conducting business in or through, a high-risk jurisdiction, or a jurisdiction with known higher levels of corruption, organized crime, weapon or drug production, distribution, stockpiling or acquisition.
  - Clients falling under the definition of PEP.
  - Transactions with the source funds that cannot be verified.
  - Transactions with no apparent economic or legitimate purpose.
  - Transactions that might favour anonymity.
- 5.3 We will conduct a client risk assessment at the initial stage of CDD to determine the extent of CDD measures and ongoing monitoring measures to be applied. We subsequently take a risk-based approach and conduct ongoing monitoring of business relationships with clients to manage and mitigate money laundering and terrorism financing risks, and ensure all related information are updated. The client risk assessment framework shall be proportional to the nature and size of Doo Prime’s business with clients.



- 5.4 When we have any reasonable grounds of suspicion, the client will be required to identify and verify the source or destination of the transactions.
- 5.5 Our steps to conduct the institutional money laundering/terrorism financing risk assessment include:
- (a) documenting the risk assessment process which includes the identification and assessment of relevant risks supported by qualitative and quantitative analysis and information obtained from relevant internal and external sources;
  - (b) considering all the relevant risk factors before determining the level of overall risk, and the appropriate level and type of mitigation to be applied;
  - (c) obtaining the approval of senior management on the risk assessment results;
  - (d) having a process by which the risk assessment is kept up-to-date; and
  - (e) having appropriate mechanisms to provide the risk assessment to the VFIU when required to do so.
- 5.6 We also use the following matrix when we assess the ML and TF risks of our clients. The following matrix is inspired by a risk-based approach published by the Financial Action Task Force (FATF).

Low	Moderate	High
Stable, known client base.	Client base increasing due to branching, merger, or acquisition.	A large and growing client base in diverse geographic area.
No electronic transaction services or the Web site is informational or non-transactional.	We begin electronic transaction services and offer limited products and services.	We offer a wide array of electronic transaction services (i.e., account transfers, or accounts opened via the Internet).
There are few or no large currency transactions.	There is a moderate volume of large currency or structured transactions.	There is a significant volume of large currency or structured transactions.
Identified a few high-risk clients and businesses.	Identified a moderate number of high-risk clients and businesses.	Identified a large number of high-risk clients and businesses.

Low	Moderate	High
Few international accounts or very low volume of currency activity in the accounts.	Moderate level of international accounts with unexplained currency activity.	Large number of international accounts with unexplained currency activity.
A limited number of fund transfers for clients, non-clients, limited third-party transactions, and no foreign funds transfers.	A moderate number of fund transfers, a few international fund transfers from personal or business accounts with typically low-risk countries.	Frequent funds from personal or business accounts to or from high-risk jurisdictions, and financial secrecy havens or jurisdictions.
The Client business is located in an area known to have a low crime rate.	The Client business is located in an area known to have a moderate crime rate.	The Client business is located in an area known to have a high crime rate.
No transactions with high-risk geographic locations.	Minimal transactions with high-risk geographic locations.	Significant volume of transactions with high-risk geographic locations.
Low turnover of key anti-money laundering personnel and frontline personnel (i.e., client service representatives, tellers, or other personnel).	Low turnover of key anti-money laundering personnel, but frontline personnel may have changed.	High turnover, especially in key anti-money laundering personnel positions.

- 5.7 When we have created a thorough list of the risk categories at our company, the next step is to determine the risk each category presents. A good way to do this is to create an excel spreadsheet, write the expanded risk factors in one column, and include another column to rate each one as low, moderate, or high. To get an overall rating for each category, average out each category. We use the following risk rating:



## 6. SIMPLIFIED DUE DILIGENCE (“SDD”)

6.1 If Doo Prime has determined that ML and TF risks are low, Doo Prime may adopt a simplified due diligence (“SDD”) approach.

6.2 Clients to whom SDD may be applied are:

- (a) a financial institution;
- (b) an institution that:
  - (i) is incorporated or established in an equivalent jurisdiction;
  - (ii) carries on a business similar to that carried on by a financial institution;
  - (iii) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the regulatory authorities;
- (c) a corporation listed on any stock exchange;
- (d) an investment vehicle where the person responsible for carrying out measures that are similar to the CDD measures in relation to all the investors of the investment vehicle is:
  - (i) a financial institution;
  - (ii) an institution incorporated or established in Vanuatu, or an equivalent jurisdiction that:
    - has measures in place to ensure compliance with requirements similar to those imposed the Act; and
    - is supervised for compliance with those requirements.
- (e) the Government or any public body in Vanuatu; or
- (f) the government of an equivalent jurisdiction or a body in an equivalent jurisdiction that performs functions similar to those of a public body.

6.3 In cases of SDD, we will

- (a) identify the client and verify the client’s identity;
- (b) if a business relationship is to be established and its purpose and intended nature are not obvious, obtain information on the purpose and intended nature of the business relationship with us; and
- (c) if a person purports to act on behalf of the client,
  - (i) identify the person and take reasonable measures to verify the person’s identity; and

- (ii) verify the person's authority to act on behalf of the client.

## **7. ENHANCED DUE DILIGENCE ("EDD")**

7.1 If Doo Prime has determined that ML and TF risks are high, Doo Prime shall adopt an enhanced due diligence ("EDD") approach and enhanced ongoing monitoring. Approval from Doo Prime's senior management will be required before engaging or continuing a business relationship and/or transaction with high risks clients.

7.2 High-risk situations for which EDD apply includes:

(a) client risk factor:

- (i) business relationship is conducted in unusual circumstances (e.g. significant unexplained geographic difference between us and the client);
- (ii) legal persons or legal arrangements that involve a shell vehicle without a clear and legitimate commercial purpose;
- (iii) companies that have nominee shareholders or shares in bearer form;
- (iv) cash-intensive business;
- (v) the ownership structure of the legal person or legal arrangement appears unusual or excessively complex given the nature of the legal person's or legal arrangement's business; or
- (vi) the client or the beneficial owner of the client is a PEP or foreign PEP.

(b) product, service, transaction or delivery channel risk factors:

- (i) anonymous transactions (which may involve cash); or
- (ii) frequent payments received from unknown or unassociated third parties.

(c) country risk factors. We strictly prohibit all dealings, bank transfers and transactions with clients from high risk countries, including but not limited to:

- (i) countries or jurisdictions identified by credible sources, such as mutual evaluation or detailed assessment reports, as not having effective AML and CTF systems;
- (ii) countries identified by the Financial Action Task Force;
- (iii) countries or jurisdictions identified by credible sources as having a significant level of corruption or other criminal activity;
- (iv) countries or jurisdictions subject to sanctions, embargoes or similar measures issued by, for example, the United Nations; or

- (v) countries, jurisdictions or geographical areas identified by credible sources as providing funding or support for terrorist activities, or that have designated terrorist organisations operation.

7.3 Doo Prime reserves the right to obtain information from our independent source for enhanced due diligence measures. This includes but is not limited to:

- (a) obtaining additional information on the client (e.g. occupation, volume of assets, ownership and control structure, client's or beneficial owner's reputation, information available through public databases, internet, etc.), and updating more regularly the identification data of the client and beneficial owner;
- (b) obtaining additional information on the intended nature, purpose and background of the business relationship and transactions;
- (c) obtaining information on the source of funds or source of wealth of the client;
- (d) obtaining information on the reasons for intended or performed transactions; and/or
- (e) requiring the first payment to be carried out through an account in the client's name with a bank subject to similar CDD standards.

7.4 Our EDD entails:

**7.4.1 Increasing the quantity of information obtained for client due diligence purposes:**

- (a) About the client's or beneficial owner's identity, or ownership and control structure, to be satisfied that the risk associated with the relationship is well known. This may include obtaining and assessing information about the client's or beneficial owner's reputation and assessing any negative allegations against the client or beneficial owner. Examples include: information about family members and close business partners; information about the client's or beneficial owner's past and present business activities; and adverse media searches;
- (b) About the intended nature of the business relationship, to ascertain whether that the nature and purpose of the business relationship is legitimate and to help firms obtain a more complete client risk profile. It includes obtaining information on:
  - (i) the number, size and frequency of transactions that are likely to pass through the account to be able to spot deviations that may give rise to suspicions, requesting evidence where appropriate;
  - (ii) the reason the client is looking for a specific product or service, in particular where it is unclear why the client's needs cannot be met better in another way, or in a different jurisdiction;
  - (iii) the destination of funds;

(iv) the nature of the client's or beneficial owner's business to understand the likely nature of the business relationship better.

#### 7.4.2 **Increasing the quality of information obtained for client due diligence purposes to confirm the client's or beneficial owner's identity including by:**

- (a) Requiring the first payment to be carried out through an account verifiable in the client's name with a bank;
- (b) Establishing that the client's source of wealth and source of funds that are used in the business relationship are not the proceeds from criminal activity and that they are consistent with our knowledge of the client and the nature of the business relationship. The sources of funds or wealth may be verified, among others, by reference to income tax returns, copies of audited accounts, payslips, public deeds or independent and credible media reports;
- (c) Increasing the frequency of reviews, to be satisfied that we continue to be able to manage the risk associated with the individual business relationship and to help identify any transactions that require further review, including by:
  - (i) Increasing the frequency of reviews of the business relationship, to ascertain whether the client's risk profile has changed and whether the risk remains manageable;
  - (ii) Obtaining the approval of the Officer/nominated officer to commence or continue the business relationship to ensure senior management are aware of the risk we are exposed to and can take an informed decision about the extent to which they are equipped to manage that risk;
  - (iii) Reviewing the business relationship on a more regular basis to ensure any changes to the client's risk profile are identified, assessed and, where necessary, acted upon;
  - (iv) Conducting more frequent or in-depth transaction monitoring to identify any unusual or unexpected transactions that may give rise to suspicion of money laundering or terrorism financing. This may include establishing the destination of funds or ascertaining the reason for certain transactions;
- (d) The Officer will need to provide approval, or refusal, to proceed with the client set up process before conducting any business with a client who has been through the enhanced due diligence process.

7.5 We will apply EDD measures on any situations, clients or transactions that are deemed to be high risk by us.

#### 7.6 **Source of Funds and Source of Wealth**

7.6.1 Source of wealth refers to the origin of an individual's entire body of wealth (i.e. total assets).

7.6.2. Source of funds refers to the origin of the particular funds or other assets which are the subject of the business relationship between an individual and us (e.g. the amounts being invested, deposited, or wired as part of the business relationship).

## **7.7 How Source of Funds and Source of Wealth measures are incorporated into our EDD Process**

7.7.1 Source of wealth will usually indicate the size of wealth the client would be expected to have, and a picture of how the individual acquired such wealth. Although we may not have specific information about assets not deposited with or processed by it, it may be possible to gather general information from the individual, commercial databases or other open sources.

7.7.2 Source of funds information should not simply be limited to knowing from which the funds may have been transferred, but also the activity that generates the funds. The information obtained should be substantive and establish a provenance or reason for the funds having been acquired.

7.7.3 Please refer to Schedule 5 on our source of wealth and origin of funds information and evidential guide.

7.8 It is Doo Prime's policy not to accept any funding from any third party, but in the event such exceptional circumstances occur, we shall conduct EDD to identify and verify its ultimate beneficial owner including legal person, partnership, trust and other legal arrangements.

## **8. VERIFICATION**

8.1 We shall verify the client's information above through our client service and risk management department, together with Refinitiv Limited's World-Check One systems. Our scope of CDD includes, but is not limited to our retail clients, business partners, the board members, shareholders and ultimate beneficial owner. We carry out the following CDD measures:

- (a) identifying the client and verifying the client's identity using documents, data or information provided by a reliable and independent source;
- (b) where there is a beneficial owner in relation to the client, identifying and taking reasonable measures to verify the beneficial owner's identity so that we are satisfied that we know who the beneficial owner is, including in the case where the client is a legal person or trust, measures to enable us to understand the ownership and control structure of the legal person or trust;
- (c) obtaining information on the purpose and intended nature of the business relationship (if any) established with us unless the purpose and intended nature are obvious; and
- (d) if a person purports to act on behalf of the client:
  - (i) identifying the person and taking reasonable measures to verify the person's identity using documents, data or information provided by reliable and independent source; and



(ii) verifying the person's authority to act on behalf of the client;

(e) if we deem the identity verification unsatisfactory or insufficient, we will not establish a business partnership or proceed with any further transaction. If the client either refuses to provide the required information, or provide false/misleading information, we will terminate the business partnership or reject the requested transactions.

8.2 In the identity verification process, we will request a copy of the original and a coloured scanned copy of the identification documents; we may also request more than one identity documents for cross-verification if we deem necessary.

8.3 When electronic verification is used or a client has not been physically present for identification purposes, we will carry out an additional verification check to manage the risk of impersonation fraud. This check may take the form of:

- (a) requiring the first payment to be carried out through an account in the client's name with a regulated credit institution;
- (b) telephone contact with the client on a home or business number that has been verified, before opening the account;
- (c) communicating with the client at the address that has been verified;
- (d) requiring copy documents to be certified by an appropriate person.

8.4 If we are unable to carry out the prescribed identification process on a person, we:

- (a) shall not open an account for the person;
- (b) shall not enter into a business relationship with the person; and
- (c) if a business relationship already exists with the person, we shall terminate the existing business relationship.

## **9. REPORT**

9.1 If satisfactory evidence of the identity or verification of a person is not produced to or obtained by us within 14 working days (2 working days if Clause 4.4(d) and (e) arise), we shall submit a suspicious activity report (as attached in Schedule 1) to the VFIU. We shall not proceed any further with the transaction unless directed to do so by the VFIU.

9.2 In the event we suspect on reasonable grounds that the client is not the person that he or she claims to be, we shall take one or more of the actions below within 3 working days commencing after the day on which the circumstance comes into existence:

- (i) collect the necessary client identification information in respect of the client; or
- (ii) verify, from a reliable and independent source, certain client information that has been obtained in respect of the client; to ensure it is reasonably satisfied that the client is the person that he or she claims to be.



- 9.3 Upon the VFIU's request, we shall carry out an AML and CTF Compliance Report and/or Money Laundering And Terrorism Financing Risk Assessment:
- (a) AML and CTF Compliance Report shall be made in the prescribed form (as attached in Schedule 3) not more than 21 working days from the date requested by the VFIU.
  - (b) Money Laundering And Terrorism Financing Risk Assessment:
    - (i) shall be made in the prescribed form (as attached in Schedule 4);
    - (ii) shall be reported setting out the results of the assessment; and
    - (iii) a copy of the assessment and report shall be provided to VFIU within the period requested by VFIU.
- 9.4 When determining and putting in place appropriate risk-based systems and controls, we shall consider the nature, size and complexity of the client's business and type of ML and TF risks that we might reasonably face, including but not limited to the following factors:
- (a) client types, including PEPs;
  - (b) the types of designated services provided;
  - (c) method by which we deliver designated services, including any development of new products, business practices and use of new or developing technologies;
  - (d) the foreign jurisdictions with which we deal, including high risk jurisdictions as identified by Financial Action Task Force.
- 9.5 If any of the following events occurs:
- (a) suspicious transaction;
  - (b) suspicious activity;
  - (c) transaction conducted by money laundering entities;
  - (d) transaction involving terrorist property;
  - (e) transaction with no legitimate purpose;
  - (f) our supervisory body or auditor has reasonable grounds to suspect that a transaction or an attempted transaction or information that it has in its possession involves proceeds of crime or is related to the financing of terrorism; or
  - (g) any transaction described in Clause 3.2;

the transaction should be suspended and should not proceed without the authorization of the Officer. Our frontline staff shall report any suspicious transaction or activity without delay to the Officer, who will then make a suspicious activity report (as

attached in Schedule 1) or suspicious transaction report (as attached in Schedule 2) to the VFIU in 2 working days if required.

9.6 If suspicious signals of money laundering are identified, the transaction should be suspended and should not proceed without the authorization of the Officer. After making appropriate investigations, the Officer will report the matter to VFIU if we believe there is any potential serious ML and TF risks. In the event we deem a person conducts 2 or more transactions with the intention to avoid the amount threshold as described in Clause 4.4(b), we shall submit a suspicious transaction report to the VFIU. We shall consider the following factors before submitting our report:

- (a) the manner and form in which the transactions were conducted;
- (b) the amount of the currency involved in each transaction;
- (c) the aggregate amount of the currency involved in the transactions;
- (d) the period over which the transactions occurred;
- (e) the interval of time between the transactions;
- (f) the locations at which the transactions were initiated or conducted;
- (g) any explanation made by the person concerned as to the manner or form in which the transactions were conducted.

## 9.7 **Procedure of handling suspicious activity report and suspicious transaction report**

9.7.1 After making appropriate investigations, the Officer will consider, if appropriate, reporting the matter to the VFIU. All records to the Officer and the relevant authorities, e.g., VFIU, shall be kept by the Officer for a term of no less than 6 years after the matter has been closed by the regulatory authority. The suspicious activity report or suspicious transaction report shall include:

- (a) personal particulars and contact details of the individuals or entities involved in the suspicious activity or transaction;
- (b) details of the suspicious activity or transaction;
- (c) the suspicious activity or transaction indicators observed; and
- (d) any explanation provided by the subject of the suspicious activity report or suspicious transaction report when questioned about the transaction or activity.

9.7.2 The filing of a suspicious activity report or suspicious transaction report to the VFIU provides us a statutory defence to the offence of ML and TF in respect of the acts disclosed in the report, provided that:

- (a) the suspicious activity report or suspicious transaction report is made before we undertake the disclosed acts and the acts or transactions are undertaken with the consent of the VFIU; or

- (b) the suspicious activity report or suspicious transaction report is made after we have performed the disclosed acts or transactions and the report is made on our initiative and as soon as it is reasonable for us to do so.

9.8 All notifications made will be handled with strict confidentiality. However, please note that there may be circumstances in which we are required to reveal an individual's identity, for example where we are compelled to do so by law and therefore anonymity cannot be guaranteed.

9.9 We are aware that it is an offence for a person, knowing or suspecting that a disclosure has been made to the VFIU, if he/she discloses to any other person any matter which is likely to prejudice any investigation which might be conducted following the disclosure (commonly referred to as "tipping-off"). The client's awareness of a possible suspicious activity report or suspicious transaction report or investigation could prejudice future efforts to investigate the suspected ML and TF operation. Therefore, if we form a suspicion that transactions related to ML and TF, we will take into account the risk of tipping-off when performing the CDD process. We shall ensure that our employees are aware of and sensitive to these issues when conducting CDD.

9.10 We shall not disclose any information to any other person:

- (a) that we, or our supervisory body or auditor or a person has formed a suspicion in relation to a transaction or an attempted transaction, or an activity or attempted activity; or
- (b) that a report under Act is made to VFIU; or
- (c) that information under the Act is given to VFIU; or
- (d) any other information from which a person to whom the information is disclosed may reasonably be expected to infer any circumstances in paragraph (a)-(c).

9.11 Clause 9.10 does not apply to a disclosure made to:

- (a) an officer, employee or agent of a Doo Prime who has made or is required to make a report or provide information under this Act for any purpose connected with the performance of that our duties; or
- (b) a lawyer for the purpose of obtaining legal advice or representation in relation to the disclosure; or
- (c) the supervisor of Doo Prime; or
- (d) a law enforcement agency or any other person assisting the VFIU under this Act.

9.12 The responsibilities of our Officer include, but is not limited to the following:

- (a) Review all internal reports of suspicious transactions and exception reports and, in the light of all available information, determine whether or not it is necessary to file a suspicious activity report or suspicious transaction report with the VFIU;
- (b) Maintain all records relating to such internal reviews;
- (c) Guide staff on how to avoid “tipping-off” if any suspicious activity report or suspicious transaction report is filed;
- (d) Act as the main point of contact with the VFIU, law enforcement agencies, and any other competent authorities in relation to ML and TF prevention and detection, investigation or compliance.

## **10. ONGOING CDD AND TRANSACTION MONITORING**

10.1 We shall conduct ongoing monitoring through ongoing CDD and transaction monitoring to ensure compliance with the AML and CTF Systems. We shall review the existing CDD records upon any trigger events and maintain adequate systems to monitor transactions in accordance with the risk-based approach adopted. The extent of monitoring shall be proportional to the ML and TF risk profile of a client.

### **10.2 Ongoing CDD**

10.2.1 We continuously monitor the activity of our clients by:

- (a) reviewing from time to time documents, data and information relating to the client that have been obtained to comply with CDD requirements to ensure that they are up-to-date and relevant;
- (b) conducting appropriate scrutiny of transactions carried out for the client to ensure that they are consistent with our knowledge of the client and the clients’ business, risk profile and source of funds; and
- (c) identifying transactions that are complex, unusually large in amount or of an unusual pattern or that have no apparent economic or lawful purpose and which may indicate ML and TF.

10.2.2 All clients that present high ML and TF risks should be subject to a minimum of an annual review, or more frequent reviews if deemed necessary by us, to ensure the CDD information retained is consistent with our knowledge of the client, the client’s business, source of funds and risk profile.

10.2.3 On an annual basis, all clients, who have been classed as high risk, will undergo a complete review. This will entail establishing the following:

- Re-confirmation of address
- Re-confirmation of corporate structure (if applicable)
- Re-confirmation of Source of Funds and Wealth
- Screening for adverse news

- Complete review of transaction profile, including new products requested

### 10.3 Transaction monitoring

10.3.1 We maintain adequate systems to monitor and review all transactions performed based on a risk-based approach, and we shall check and review whether the transactions are normal based on the following factors:

- (a) the size and complexity of its business;
- (b) the ML and TF risks arising from its business;
- (c) the nature of its systems and controls;
- (d) the monitoring procedures that already exist to satisfy other business needs; and
- (e) the nature of the products and services provided (which includes the means of delivery or communication)

10.3.2 We regularly review the adequacy and effectiveness of its transaction monitoring systems and processes, including parameters and thresholds adopted. The parameters and thresholds adopted include the following factors:

- (a) the nature and type of transactions (e.g. abnormal size or frequency);
- (b) the nature of a series of transactions (e.g. structuring a single transaction into several cash deposits);
- (c) the counterparties of transactions;
- (d) the geographical origin/destination of a payment or receipt;
- (e) the client's normal account activity or turnover;
- (f) the client's behaviour - sudden and/or significant changes in transaction activity by value, volume or nature, such as change in beneficiary or destination;
- (g) client's linked relationships – identifying common beneficiaries and remitters amongst apparently unconnected accounts or clients.

10.3.3 We will carry out retrospective reviews on the client to ensure the business being transacted is consistent with what was anticipated when the client was taken in. The frequency will depend on the risk classification of the client:

- high risk will be reviewed no less than weekly;
- medium risk will be reviewed no less than monthly;
- low risk will be reviewed on a real-time risk basis and may not need to undergo a retrospective check.

## 11. RECORD KEEPING

- 11.1 Records of all original and copy of identity verification documents, transaction records, CDD information, ML and TF reports made to Officer, all documents submitted in relation to suspicious activity report, suspicious transaction report, staff handling the suspicious transaction report, results of the suspicious transaction report and other documents necessary under the Officer will be complied and organized with confidentiality for at least 6 years after the end of the business relationship with clients.
- 11.2 The record-keeping requirements in respect of each client are as follows:
- (a) We must keep the original or a copy of:
    - (i) the documents, and a record of the data and information obtained in the course of identifying and verifying the identity of the client; beneficial owner of the client; and the person who purports to act on behalf of the client; and
    - (ii) the files relating to the client's business relationship and business correspondence with the client and any beneficial owner of the client; and
  - (b) The documents and records mentioned in sub-paragraph (a) above must be kept throughout the continuance of the business relationship with the client and for at least six years beginning on the date on which the business relationship ends.
- 11.3 The record keeping requirements in respect of each transaction are as follows:
- (a) We will keep the original or a copy of the documents, and a record of the data and information obtained in connection with the transaction, including but not limited to the following:
    - (i) nature of the transaction;
    - (ii) the amount of the transaction and the currency in which it was denominated;
    - (iii) the date on which the transaction was conducted;
    - (iv) the name, address and occupation, business or principal activity, as the case requires, of each person:
      - (aa) conducting the transaction; and
      - (ab) for whom, or for whose ultimate benefit, the transaction is being conducted, if we have reasonable grounds to believe that the person is undertaking the transaction on behalf of any other person;
    - (v) the type and identifying number of any accounts/services with us that were involved in the transaction;
    - (vi) if the transaction involves a negotiable instrument other than currency:
      - (aa) the drawer of the instrument;
      - (ab) the name of the institution on which it is drawn;
      - (ac) the name of the payee (if any);

- (ad) the amount and date of the instrument; and
  - (ae) the number (if any) of the instrument and details of any endorsements appearing on the instrument;
  - (vii) the name and address of Doo Prime, and of each officer, employee or agent of Doo Prime who prepared the relevant record or a part of the record;
  - (viii) any other information relating to that transaction.
- (b) Records required to be kept under subparagraph (a) must be kept for at least six years beginning on the date on which the transaction is completed, regardless of whether the business relationship ends during the period.

## 12. AML AND CTF SCREENING PROCESS

12.1 We strictly prohibit clients related to terrorism financing, proliferation financing, PEP and clients on the financial sanctions list decided by the UN Security Council. We shall not conduct any business relationship with them in any way.

### 12.2 Regulations

#### 12.2.1 Financial sanctions (United Nations Sanctions Ordinance Cap. 537)

It is an offence for any person to make available any funds or other financial assets or economic resources to or for the benefit of relevant persons or relevant entities; or to deal with any funds, other financial assets or economic resources belonging to, owned or controlled by, such persons or entities.

#### 12.2.2 Terrorist financing (United Nations (Anti-Terrorism Measures) Ordinance Cap. 575)(“UNATMO”)

Section 7 prohibits the provision or collection of property for use to commit terrorist acts; Section 8 prohibits any person from making available or collecting or soliciting property or financial services for terrorists and terrorist associates.

### 12.3 We screen:

- (a) clients and any beneficial owners of the clients against the current database at the establishment of the relationship;
- (b) clients and any beneficial owners of the clients against all new and any updated designations to the database as soon as practicable; and
- (c) all relevant parties in a cross-border wire transfer against the current database before executing the transfer;

against the latest list of designated individuals and entities extracted from <https://www.un.org/securitycouncil/>, <https://fiu.gov.vu/>, and Refinitiv Limited, UK.

12.4 We have engaged Refinitiv Limited to perform their World-Check One systems on our clients for sanction list filtering. Their screening systems also entails the following:



### 12.4.1 Clients and entities

- Foreign financial institutions, including banks and foreign money services providers (e.g., casas de cambio, currency exchanges, and money transmitters).
- Nonbank financial institutions (e.g., money services businesses; casinos and card clubs; brokers/dealers in securities; and dealers in precious metals, stones, or jewels).
- Senior foreign political figures and their immediate family members and close associates (collectively known as politically exposed persons (PEP)).
- Non-resident alien (NRA)
- Foreign corporations and domestic business entities, particularly offshore corporations (such as domestic shell companies and Private Investment Companies (PIC) and international business corporations (IBC)) located in higher-risk geographic locations.
- Deposit brokers, particularly foreign deposit brokers.
- Cash-intensive businesses (e.g., convenience stores, restaurants, retail stores, liquor stores, cigarette distributors, privately owned ATMs, vending machine operators, and parking garages).
- Nongovernmental organizations and charities (foreign and domestic).
- Professional service providers (e.g., attorneys, accountants, doctors, or real estate brokers).

### 12.4.2 Geographic locations

- Countries subject to Office of Foreign Assets Control (OFAC) sanctions, including state sponsors of terrorism.
- Countries identified as supporting international terrorism under Section 6(j) of the Export Administration Act of 1979, as determined by the Secretary of State.
- Jurisdictions determined to be “of primary money laundering concern” by the Secretary of the Treasury, and jurisdictions subject to special measures imposed by the Secretary of the Treasury, through FinCEN, pursuant to Section 311 of the USA PATRIOT Act.
- Jurisdictions or countries monitored for deficiencies in their regimes to combat money laundering and terrorism financing identified as non-cooperative by international entities such as the FATF.
- Major money laundering countries and jurisdictions identified in the U.S. Department of State’s annual International Narcotics Control Strategy Report (INCSR), in particular, countries which are identified as jurisdictions of primary concern.
- Offshore financial centres (OFC).
- Other countries identified by the bank as higher-risk because of its prior experiences or other factors (e.g., legal considerations, or allegations of official corruption).
- Domestic higher-risk geographic locations may include, but are not limited to, banking offices doing business within, or having clients located within, a U.S. government–designated higher-risk geographic location. Domestic higher-risk geographic locations include:
  - High Intensity Drug Trafficking Areas (HIDTA).
  - High Intensity Financial Crime Areas (HIFCA).



- 12.5 In case of any suspicions of terrorism financing, proliferation financing and sanctions violations, we will submit a suspicious activity or suspicious transaction report to the VFIU. We will report any asset frozen or actions taken in compliance with the financial sanctions requirements by way of filing a suspicious activity report or suspicious transaction report to the VFIU.
- 12.6 Refinitiv Limited will independently review our AML and CTF systems whereby the review will include:
- (a) adequacy and effectiveness of our AML and CTF Systems, ML and TF risk assessment framework and application of risk-based approach;
  - (b) effectiveness of suspicious transaction reporting systems;
  - (c) effectiveness of the compliance function; and
  - (d) level of awareness of staff having AML and CTF responsibilities.

### **13. AML AND CTF AUDIT FUNCTION**

- 13.1 The Officer and our compliance department conduct an internal audit on our AML and CTF policy annually to ensure our AML and CTF policy are updated. We are aware of our statutory liability to comply with the Act and we shall update and review our AML and CTF policy at least once annually.
- 13.2 We will regularly identify and assess ML and TF risks that may arise in relation to:
- (a) the nature and level of money laundering and terrorism financing risk that we may reasonably expect to face in the course of its business;
  - (b) the nature, size and complexity of our business;
  - (c) development of new products and new business practices, including new delivery mechanisms; and
  - (d) use of new or developing technologies for both new and pre-existing products.

### **14. TRAINING PROGRAMME**

- 14.1 All relevant staff in Doo Prime will be provided with relevant policy and knowledge training provided in this AML and CTF Policy. In addition, all relevant staff in Doo Prime will be briefed about their job descriptions and will be trained on their responsibilities concerning money laundering and financing of terrorism transactions. They will be guided on how to identify and deal with transactions that possibly involve money laundering and financing of terrorism.
- 14.2 Scope of training
- 14.2.1 Staff will be made aware of:

- (a) our statutory obligations and their statutory obligations and the possible consequences for failure to report suspicious transactions under the Act, Regulation and the UNATMO;
- (b) any other statutory and regulatory obligations that concern the us under the Act, Regulation and the UNATMO, and the possible consequences of breaches of these obligations;
- (c) our policies and procedures relating to AML and CTF, including suspicious activity and transaction identification and reporting; and
- (d) any new and emerging techniques, methods and trends in ML and TF to the extent that such information is needed by the staff to carry out their respective roles concerning AML and CTF;
- (e) escalation procedures, i.e. what to do once a ML and TF risk is identified;
- (f) what the employee's role is in our compliance's efforts and how to perform them;
- (g) record keeping and record retention policy;
- (h) disciplinary consequences (civil and criminal) for non-compliance with the Act.

14.2.2 Focused training for appropriate staff or groups of staff will enable Doo Prime and senior management to implement their AML and CTF systems effectively. The following areas of training may be appropriate for certain groups of staff:

- (a) All new staff (irrespective of seniority)
  - (i) an introduction to the background of ML and TF and the importance of AML and CTF to us; and
  - (ii) the need and obligation to identify and report suspicious transactions to the Officer, and the offence of "tipping-off".
- (b) Front-line staff (i.e. staff dealing with clients directly)
  - (i) the importance of their roles in the estate agency company's AML and CTF strategy being the first point of contact with potential money launderers and persons involved in TF;
  - (ii) the estate agency company's policies and procedures in relation to CDD and record-keeping requirements relevant to their job responsibilities;
  - (iii) guidance or tips for identifying unusual activities in different circumstances that may give rise to suspicion; and
  - (iv) the relevant policies and procedures for reporting unusual activities, including the line of reporting and the circumstances where extra vigilance might be required.
- (c) Back-office staff
  - (i) appropriate training on client verification and the relevant processing procedures; and
  - (ii) ways to recognise unusual activities including abnormal settlements, payments or delivery instructions.

- (d) Managerial staff (including internal audit staff)
  - (i) higher-level training covering all aspects of Vanuatu's AML and CTF regime;
  - (ii) specific training in the AML and CTF requirements applicable to us; and
  - (iii) specific training in relation to their responsibilities for supervising or managing staff, auditing the system and performing random checks as well as the reporting of suspicious transactions to the VFIU.
- (e) Officer
  - (i) specific training in relation to the Officer's responsibilities for assessing suspicious transaction reports submitted to them and reporting of suspicious transactions to the VFIU; and
  - (ii) training to keep abreast of AML and CTF requirements/developments generally;
  - (iii) receive reports of suspicious activity from firm personnel;
  - (iv) coordinate required AML reviews/meetings with appropriate staff.

14.3 We will monitor the effectiveness of the training. This may be achieved by:

- (a) testing staff's understanding of our policies and procedures to combat ML and TF, the understanding of their statutory and regulatory obligations, and also their ability to recognise suspicious transactions;
- (b) monitoring the compliance of staff with our AML and CTF systems as well as the quality and quantity of internal reports so that further training needs may be identified and appropriate action can be taken; and
- (c) monitoring attendance and following up with staff who miss such training without reasonable cause.

14.4 We conduct AML training, workshops and assessments on all related staff members at least once annually.

14.5 We shall observe and record our employees who have been adequately trained, when they are trained or last trained, and thereafter provide additional, necessary and adequate training to them.

## **15. COOPERATION WITH REGULATOR**

15.1 We will cooperate with the VFIU about their routine inspection or investigation. We will also cooperate with other law enforcement agencies wherever required under the laws of Vanuatu.

## **16. LANGUAGE AND AMENDMENTS**

16.1 The official language of this AML and CTF policy shall be English. Doo Prime may provide this AML and CTF policy in other languages for information purposes only and in the event of any inconsistency or discrepancy between the English version of this AML and CTF policy and any other language version, the English version shall prevail.

- 16.2 The Client acknowledges that Doo Prime reserves the right to amend or update this AML and CTF policy at any time without prior notice to the Client. The amendments to the AML and CTF policy shall become effective immediately and shall be legally binding on the Client upon publishing of the AML and CTF policy on Doo Prime's website. The Client undertakes to regularly review this AML and CTF policy on the Doo Prime's website.

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## Schedule 1 (Sample Suspicious Activity Report)

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## **VANUATU FINANCIAL INTELLIGENCE UNIT**

# **SUSPICIOUS ACTIVITY REPORT (SAR)**

PLEASE WRITE IN BLOCK LETTERS

Reporting of suspicious activity is required under section 21 of the AML&CTF Act No. 13 of 2014. Failure to report or reporting false or misleading information may result in fines of up to VT 25 million or 5 years imprisonment or both; or a fine of up to VT 100 million for a corporate body.

### **PART A – IDENTITY OF CUSTOMERS INVOLVED IN THE SUSPICIOUS ACTIVITY**

#### **Person(s) Conducting the Activity**

1. Full name (title, given name and surname)			
2. Date of Birth			
3. Occupation, Business or principal activity			
4. Business Address (physical and PO Box)	PO Box:		
	Country:	Phone:	
5. Residential Address (cannot be a PO Box)	Country:		
	Phone:		
6. Resident of Vanuatu	(Please circle the correct answer) Yes No		
7. Non-Resident- Vanuatu contact address			
8. How was the identity of the person confirmed	a) ID Type:		
	b) ID Number:		
	c) Issuer		
9. Is a photocopy of ID document attached? (please circle the correct answer)	Yes	No	

### **PART B – IDENTITY OF PERSON(S) ON WHOSE BEHALF THE ACTIVITY WAS CONDUCTED**

10. Full name (title, given name and surname)			
11. Date of Birth			
12. Occupation, Business or principal activity			
13. Business Address (physical and PO Box)	PO Box:		
	Country:	Phone:	
14. Residential Address (cannot be a PO Box)	Country:		
	Phone:		
15. Resident of Vanuatu	(Please circle the correct answer) Yes No		

16. Non-Resident- Vanuatu contact address

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## PART C – IDENTITY OF BENEFICIARY OF THE ACTIVITY

17. Full name (title, given name and surname)

18. Date of Birth

19. Occupation, Business or principal activity

20. Business Address (physical and PO Box)

PO Box:

Country:

Phone:

21. Residential Address (cannot be a PO Box)

Country:

Phone:

(Please circle the correct answer)

Yes

No

22. Resident of Vanuatu

23. Non-Resident- Vanuatu contact address

24. Is this Person a signatory to/ an account/service (s) affected by this transaction

(Please circle the correct answer)

Yes

No

## PART D – DETAIL OF ACTIVITY

12. Activity Type (eg. Deposit/Withdrawal, Purchase, Sale, Foreign Exchange, Telegraphic Transfer, EFTPOS, etc)

13. Activity Date(s)

14. Currency

15. Amount

16. Drawer / Ordering Name

17. Payee / Beneficiary Name


### Give Details of account, service or relationship affected by this activity

Account Title / Name

Relationship Name

Account Number

Relationship Number

Branch

Branch

Reporting Entity

Reporting Entity

Name of Signatories

Name Signatories

NOTE: FOR MULTIPLE TRANSACTIONS OR MULTIPLE FACILITIES PLEASE RECORD DETAILS ON A SEPARATE SHEET

## PART E – GROUNDS FOR SUSPICION

Give details of the nature of and circumstances surrounding the activity and the reason for suspicion






## Schedule 2 (Sample Suspicious Transaction Report)

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## **VANUATU FINANCIAL INTELLIGENCE UNIT**

# **SUSPICIOUS TRANSACTION REPORT (STR)**

**PLEASE WRITE IN BLOCK LETTERS**

**Reporting of suspicious transaction or attempted transaction is required under sections 20, 22, 23, 24 and 25 of the AML&CTF Act No. 13 of 2014. Failure to report or reporting false or misleading information may result in fines of up to VT 25 million or 5 years imprisonment or both; or a fine of up to VT 100 million for a corporate body.**

### **PART A – IDENTITY OF CUSTOMERS INVOLVED IN THE SUSPICIOUS TRANSACTION**

#### **Person(s) Conducting the Transaction**

1. Full name (title, given name and surname)		
2. Date of Birth		
3. Occupation, Business or principal activity		
4. Business Address (physical and PO Box)	PO Box:	
	Country:	Phone:
5. Residential Address (cannot be a PO Box)		
	Country:	Phone:
6. Resident of Vanuatu	(Please circle the correct answer) Yes No	
7. Non-Resident- Vanuatu contact address		
8. How was the identity of the person confirmed	a) ID Type:	b) ID Number:
	c) Issuer	
9. Is a photocopy of ID document attached? (please circle the correct answer)	Yes	No

### **PART B – IDENTITY OF PERSON(S) ON WHOSE BEHALF THE TRANSACTION WAS CONDUCTED**

10. Full name (title, given name and surname)		
11. Date of Birth		
12. Occupation, Business or principal activity		
13. Business Address (physical and PO Box)	PO Box:	
	Country:	Phone:
14. Residential Address (cannot be a PO Box)		
	Country:	Phone:
15. Resident of Vanuatu	(Please circle the correct answer) Yes No	

16. Non-Resident- Vanuatu contact address

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## PART C – IDENTITY OF BENEFICIARY OF THE TRANSACTION

17. Full name (title, given name and surname)

18. Date of Birth

19. Occupation, Business or principal activity

20. Business Address (physical and PO Box)

PO Box:

Country:

Phone:

21. Residential Address (cannot be a PO Box)

Country:

Phone:

(Please circle the correct answer)

Yes

No

22. Resident of Vanuatu

23. Non-Resident- Vanuatu contact address

24. Is this Person a signatory to/ an account/service (s) affected by this transaction

(Please circle the correct answer)

Yes

No

## PART D – DETAIL OF TRANSACTION

12. Transaction Type (eg. Deposit/Withdrawal, Purchase, Sale, Foreign Exchange, Telegraphic Transfer, EFTPOS, etc)

13. Transaction Date(s)

14. Currency

15. Amount

16. Drawer / Ordering Name

17. Payee / Beneficiary Name


Give Details of account, service or relationship affected by this transaction

Account Title / Name

Relationship Name

Account Number

Relationship Number

Branch

Branch

Reporting Entity

Reporting Entity

Name of Signatories

Name Signatories

NOTE: FOR MULTIPLE TRANSACTIONS OR MULTIPLE FACILITIES PLEASE RECORD DETAILS ON A SEPARATE SHEET

## PART E – GROUNDS FOR SUSPICION

Give details of the nature of and circumstances surrounding the transaction and the reason for suspicion




### **Schedule 3**

#### **(Sample AML and CTF Compliance Report)**

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# Vanuatu Financial Intelligence Unit

## COMPLIANCE REPORT

Pursuant to section 31 of the Anti-Money Laundering & Counter-Terrorism Financing Act No. 13 of 2014, persons carrying on a business stipulated under section 2 of the said Act are required to complete and submit this report to the Director.

### Division 1 – COMPLIANCE DIRECTION

#### Part A – AML&CTF compliance issue (identified by VFIU):

1.
2.

#### Part B – AML&CTF Compliance Direction (issued by VFIU):

1.
2.

#### Part C – Timeframe by which Compliance Direction be achieved (set by VFIU):

1.
2.

**Part D – Compliance Direction Implementation – Completion Update**

1.
2.

**Part E – Compliance Direction Implementation – Action Plan**

1.
2.

**Part F – Completion Direction Implementation – Anticipated timeframe of completion**

1.
2.

**Part G – Reporting Entity Sign Off**

Name of authorised Person	
Title/Position	
Name of Reporting Entity	
Address	

**Date:**

**Signature:**

## **DIVISION 2 - BUSINESS DETAIL**

### **Part A - OPERATION**

Business's legal name and Head Office address:

Type of services offered (bank, casino, CTSP etc...):

Contact information:

Business telephone:

Business fax:

E-mail:

**A.1** Does your business have branches, other than the head office, operating in Vanuatu?

**A.2** If you answered yes to A1, please list the locations of the branches (include address, town, province, etc.). If there is not enough space below, attach a separate sheet to provide all the relevant information. Make sure to indicate that this information belongs in answer A2

**A.3** Does your business have branches outside Vanuatu?

**A.4** If you answered yes to question A3, please list the other countries where the branches are located. If there is not enough space below, attach a separate



sheet to provide all the relevant information. Make sure to indicate that this information belongs in answer A4

**A.5** Does your business have its parent organization outside of Vanuatu?

**A.6** If you answered yes to A5, please list the name(s) and location(s) (include address) of the parent body(s) outside of Vanuatu. If there is not enough space below, attach a separate sheet to provide all the relevant information. Make sure to indicate that this information belongs in answer A6.

**A.7** Is your business a subsidiary of any other entity subject to the AML&CTF Act or equivalent AML/CTF laws (if the parent organization is in a foreign jurisdiction)? If so, please provide the title of these AML/CTF laws (foreign jurisdiction)?

**A.8** Does your business own any other entities that are subject to the AML&CTF Act? If so, what are the name and address of these entities? If there is not enough space here, attach a separate sheet to provide all the relevant information. Make sure to indicate that this information belongs in answer A8.

**A.9** Are you an agent of any other business (as captured under section 2 of the AML&CTF Act)?

**A.10** If you answered yes to question A9, please list the name(s) of the business(s) you are an agent for? If there is not enough space below, attach a separate sheet to provide all the relevant information. Make sure to indicate that this information belongs in answer A10.

**A.11** How many employees (staff, contractors, casual, permanent) are there in your business (at time of form completion)

## **Part B - TRANSACTIONAL**

**B.1** For the previous fiscal year, please indicate the approximate annual value of operational asset, liabilities, owner's equity, profit/turnover the business conducted. Submit with a copy of the audited financial report for the last 3 financial year

**B.2** For the same previous fiscal year, please indicate the approximate value of all deposits received by your business from customers and payouts to customers (in line with each type of service you offered).

**B.3** What is the average size of these transactions – customer deposits and withdrawal?

**B.4** What is your business's primary bank?

**B.5** What is your business's secondary bank?

**B.6** Mode of customer payments (deposit, transfer etc...) made to the business e.g. bank account deposit/transfer, cash/cheque acceptance

**B.7** Mode of business payments made to the customer e.g. cash/cheque, account transfer, transfer of value to other services provided by same business etc...

**B.8** Please provide a copy of your business' Business Name Certificate, Business Licence/Registration Certificate, Annual Returns (for previous 3 financial years) etc...

**Part C – REPORTING ENTITY DETAIL**

Name of authorised Person	
Title/Position	
Name of Reporting Entity	
Address	

**Date:**

**Signature:**

## **Schedule 4**

### **(Sample Money Laundering And Terrorism Financing Risk Assessment)**

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## Vanuatu Financial Intelligence Unit

### ML&TF RISK ASSESSMENT REPORT

Pursuant to section 35 of the Anti-Money Laundering & Counter-Terrorism Financing Act No. 13 of 2014, reporting entity must submit its ML & TF Risk Assessment Report to the Director if the Director requests the entity to do so.

#### **PART 1 – PREFACE**

***Section A – Background:***

***Section B – Scope:***

***Section C – Methodology:***

***Section D – Vanuatu National Risk Assessment:***

#### **PART 2 – IDENTIFICATION AND UNDERSTANDING OF ML & TF THREATS:**

***Section E – Customer Type:***

***Section F – Designated Products/Services:***

***Section G – Delivery Method/Channel:***

***Section H – Jurisdiction/Geography:***

***Section I – Organisational Structure:***

**Section J – Staff Structure:**

**PART 3 – MITIGATIVE MEASURES**

**Section K – Immediate Priority**

**Section L – Short-Term Measures**

**Section M – Long Term Preventive Measures**

**PART 4 – RECOMMENDATION/WAY FORWARD**

**PART 5 – SIGN OFF**

Name of authorised Person	
Title/Position	
Name of Reporting Entity	
Address	

**Date:**

**Signature:**

**CUSTOMER - INDIVIDUAL**

<i>CUSTOMER TYPE</i>	<i>VOLUME</i>	<i>VALUE</i>	<i>ACCEPTANCE POLICY</i>	<i>IDENTIFICATION</i>	<i>VERIFICATION</i>	<i>ONGOING CDD</i>	<i>THREAT ASSESSMENT</i>
Minor							
Local							
Expart Resident							
Non-resident							
Introduced							
PEP							
High Risk							
Etc...							

## Schedule 5

### (Source of wealth and origin of funds information and evidential guide)

Description of source of Wealth	Details required	Documentary Evidence required (original or fully certified copy)
<b>1. Income-savings from salary (basic and/or bonus)-</b> if self- employed or company share owner refer to 4 below	All of the following: <ul style="list-style-type: none"> <li>Salary per annum</li> <li>Employer's name and address</li> <li>Nature of Business</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Payslip (or bonus payment) from the last three months</li> <li>Letter from employer confirming salary on letter-headed paper</li> <li>Bank statement showing clearly showing receipt of most recent regular salary payments from named employer</li> </ul>
<b>2. Sale of investment /liquidation of investment portfolio</b>	All of the following: <ul style="list-style-type: none"> <li>Description of shares/units/deposits</li> <li>Name of seller</li> <li>How long held</li> <li>Sale amount</li> <li>Date funds received</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Investment/savings certificates, contract notes, or surrender statements</li> <li>Bank statements clearly showing receipt of funds and investment company name</li> <li>Signed letter detailing funds from a regulated accountant on letter –headed paper.</li> </ul>
<b>3. Sale of Property</b>	All of the following: <ul style="list-style-type: none"> <li>Sold property address</li> <li>Date of Sale</li> <li>Total sale amount</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Letter form a licenced solicitor or regulated accountant stating property address, date of sale, proceeds received, and name of purchaser</li> <li>Copy of Sale contract</li> </ul>
<b>4. Company Sale</b>	All of the following: <ul style="list-style-type: none"> <li>Name and nature of the company</li> <li>Date of Sale</li> <li>Total sale amount</li> <li>Customer's share</li> </ul>	<ul style="list-style-type: none"> <li>Letter detailing company sale signed by a licensed solicitor or regulated accountant on letter headed paper.</li> <li>Copy of contract of sale, plus bank statement showing proceeds</li> <li>Copies of media coverage (if applicable) supporting evidence</li> </ul>
<b>5. Inheritance</b>	All of the following: <ul style="list-style-type: none"> <li>Name of deceased</li> <li>Date of death</li> <li>Relationship customer to</li> <li>Date received</li> <li>Total amount</li> <li>Solicitors details</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Grant of probate (with a copy of the will) which must include the value of the estate</li> <li>Copy of will</li> <li>Letter from lawyer or trustee</li> </ul>
<b>6. Divorce settlement</b>	Date and total amount received Name of divorced partner	One of the following: <ul style="list-style-type: none"> <li>Copy of the court order</li> <li>Letter detailing divorce settlement signed by a licensed solicitor on letter headed paper</li> </ul>
<b>7. Company profits</b>	All of the following: <ul style="list-style-type: none"> <li>Name and address of the company</li> <li>Nature of company</li> <li>Amount of annual profit</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Copy of the latest audited company accounts</li> <li>Confirmation of the nature of the business activity and turnover detailed in a letter from a regulated accountant</li> </ul>
<b>8. Retirement income</b>	All of the following: <ul style="list-style-type: none"> <li>Retirement date</li> </ul>	One of the following: <ul style="list-style-type: none"> <li>Pension statement</li> <li>Letter from a regulated accountant</li> </ul>

Description of source of Wealth	Details required	Documentary Evidence required (original or fully certified copy)
	<ul style="list-style-type: none"> <li>Details of previous occupation/profession</li> <li>Name and address of the employer</li> <li>Details of pension income source</li> </ul>	<ul style="list-style-type: none"> <li>Bank statement showing receipt of the latest pension income and name of provider</li> <li>Savings account statement</li> </ul>
<b>9. Fixed Deposits/Savings</b>	<p>All of the following:</p> <ul style="list-style-type: none"> <li>Name and institution where savings account are held</li> <li>Date the account was established</li> <li>Details of how the savings were acquired</li> </ul>	<p>All of the following:</p> <ul style="list-style-type: none"> <li>Savings statement</li> <li>Evidence of account start (letter from the account provider)</li> <li>Additional evidential information can be requested in relation to the origin of the savings held.</li> </ul>
<b>10. Dividend payments</b>	<p>All of the following:</p> <ul style="list-style-type: none"> <li>Date of receipt of dividend</li> <li>Total amount received</li> <li>Name of company paying dividend</li> <li>Length of time the shares have been held in the company</li> </ul>	<p>One of the following:</p> <ul style="list-style-type: none"> <li>Dividend contract note</li> <li>Bank statement clearly showing receipt of funds and name of the company paying the dividend</li> </ul> <p>If dividend is payable from the customer's own company, one of the following;</p> <ul style="list-style-type: none"> <li>Letter detailing dividend details signed by a regulated accountant on letter headed paper</li> <li>Set of company accounts showing the dividend details</li> </ul>
<b>11. Gift</b>	<ul style="list-style-type: none"> <li>Details of date and amount of gift</li> <li>Details of person making gift – ID and occupation details for PEP/Sanctions screening</li> <li>Reason for gift and the nature of the relationship to the individual making the gift</li> </ul>	<ul style="list-style-type: none"> <li>Letter from donor confirming details of gift</li> <li>If PEP Documented evidence of donor's source of wealth as laid out in this table</li> </ul>
<b>12. Loan</b>	<ul style="list-style-type: none"> <li>Name of loan provider</li> <li>Date and amount of loan</li> </ul>	<ul style="list-style-type: none"> <li>Copy of the Loan Agreement and details of any security or,</li> <li>Copy of loan statements</li> </ul>
<b>13. Lottery/Gambling Win</b>	<ul style="list-style-type: none"> <li>Name of source</li> <li>Details of Windfall</li> </ul>	<ul style="list-style-type: none"> <li>Evidence from the lottery company</li> <li>Cheque</li> <li>Winnings' receipt</li> </ul>
<b>14. Compensation Pay-out</b>	<ul style="list-style-type: none"> <li>Details of events leading to claim</li> </ul>	<ul style="list-style-type: none"> <li>Letter/court order from compensating body or</li> <li>Solicitor's letter</li> </ul>
<b>15. Life Insurance/general insurance pay-out</b>	<ul style="list-style-type: none"> <li>Amount Received</li> <li>Policy Provider</li> <li>Policy Number/reference</li> <li>Date of pay-out</li> </ul>	<ul style="list-style-type: none"> <li>Pay-out statement</li> <li>Letter from insurance provider confirming pay-out</li> </ul>