Noor Capital PSC Compliance - Embargoes, NCA and AML

Anti-Money Laundering Policy - Noor Capital PSC

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Introduction

Noor Capital PSC (Noor Capital) is committed to the highest standards of Anti-Money Laundering (AML) compliance and requires management and employees to adhere to these standards to prevent use of our products and services for Money Laundering purposes.

Noor Capital will examine its Anti-Money Laundering strategies, goals and objectives on an ongoing basis and maintains an effective Anti-Money Laundering program for the Organization’s business that reflects the best practices for a diversified, global financial services provider.

Adherence to the Noor Capital Anti-Money Laundering Program is the responsibility of all employees. The program is formulated and directed by the Global Legal Head in charge of Anti-Money Laundering. The program includes Client Screening and Monitoring requirements, “Know Your Customer” policies (including the requirement to establish the identity of beneficial owners), Embargo Policies, Record Keeping requirements, the reporting of suspicious circumstances in accordance with relevant laws, and AML Training.

Scope

Objectives

The standards set out in this Policy are minimum requirements based on applicable legal and regulatory requirements and apply for the entire Noor Capital. These requirements are intended to prevent Noor Capital, our employees and clients from being misused for Money Laundering, Terrorist Financing or other financial crime. This Policy establishes the general framework for the fight against money laundering and financing of terrorism.

Definition of Money Laundering and Anti-Money Laundering (AML)

Money Laundering is the process of transforming the profits of crime and corruption into ostensibly ‘legitimate’ assets. In a number of legal and regulatory systems, however, the term Money Laundering has become conflated with other forms of financial and business crime, and is sometimes used more generally to include misuse of the financial system (involving things such as securities, digital currencies, credit cards, and traditional currency), including terrorism financing and evasion of international sanctions.
Anti-Money Laundering (AML) refers to a set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions. Most Anti-Money Laundering laws openly conflate Money Laundering (which is concerned with source of funds) with terrorism financing (which is concerned with destination of funds) when regulating the financial system.

Predicate offence for Money Laundering are defined by local law. Generally speaking, the Money Laundering process consists of three "stages":

1. Placement – This is the movement of cash from its source. On occasion the source can be easily disguised or misrepresented. This is followed by placing it into circulation through financial institutions, casinos, shops, bureau de change and other businesses, both local and abroad. The process of placement can be carried out through many processes including: Currency Smuggling, Bank Complicity, Currency Exchanges, Securities Brokers, Blending of Funds, Asset Purchase.

2. Layering – The purpose of this stage is to make it more difficult to detect and uncover a laundering activity. It is meant to make the trailing of illegal proceeds difficult for the law enforcement agencies. The known methods are: Cash converted into Monetary Instruments and Material Assets bought with cash then sold.

3. Integration – This is the movement of previously laundered money into the economy mainly through the banking system and thus such monies appear to be normal business earnings. This is dissimilar to layering, for in the integration process detection and identification of laundered funds is provided through informants. The known methods used are: Property Dealing, Front Companies and False Loans, Foreign Bank Complicity, False Import/ Export Invoices.

These "stages" are not static and overlap broadly. Financial institutions may be misused at any point in the Money Laundering process.

Applicability

According to UAE Security Commodities Authority (SCA) Regulations No. 17-2010 concerning Anti-Money Laundering and Combating of Terrorist Financing, and the UAE Central Bank Circular No. 24/ 2000, and Notice 2922/ 2008, Noor Capital must ensure that the legal duties resulting from the regulations set out in this Regulations and the UAE Anti-Money Laundering Regulations are fulfilled by our subordinated enterprise, subsidiaries and affiliates in UAE and abroad, and will report any unusual transaction aiming at money laundering to Anti-Money Laundering Suspicious Cases Unit at the UAE Central Bank.
Wherever local regulations are stricter than the requirements set out in this Policy, the stricter standard has to be applied. If any applicable laws are in conflict with this Policy, Noor Capital as an entity must consult with the local legal department and the Global Head of Anti-Money Laundering to resolve the conflict.

If the minimum requirements set out in this Policy cannot be applied in a certain country because application would be against local law or cannot be enforced due to other than legal reasons, Noor Capital has to assure that it will not
- enter into a business relationship
- continue a business relationship or
- carry out any transactions.

If business relations already exist in that country, Noor Capital has to assure that the business relationship is terminated regardless of other contractual or legal obligations.

**Minimum Requirements**

Noor Capital and subsidiaries have to comply with the following basic principles:

1. **Ascertainment of customer identity:**
   - When entering into a lasting business relationship,
   - When performing a single transaction or deal,
   - Before accepting cash or physical values worth 20,000 AED (or equivalent) outside an existing business relationship, also when performing a number of smaller payments adding up to this amount (smurfing)
   - When performing transfer of funds outside an existing business relationship value worth 40,000 AED (or equivalent)

2. **Establishment of purpose of business relationship:** When entering into a lasting business relationship, Noor Capital must obtain information on kind and purpose thereof, if this is not clear from the business relationship itself.

3. **Identification of Ultimate Beneficial Owner:** Whenever Noor Capital is required to identify a customer, it must establish and verify the identity of the ultimate natural person,
   - who owns or
   - controls the customer or its assets or
   - on whose behalf the transaction is carried out or the business relationship is established

4. **Client account monitoring:** A permanent monitoring of clients’ accounts must be implemented to detect unusual/suspicious transactions. Monitoring must be effected for applicable business areas using adequate processes and systems.

5. **Reporting of suspicious circumstances/transactions:** Such circumstances/transactions must be reported to the competent authorities according to local law.
Group Anti-Money Laundering must be informed about all suspicious events, if not explicitly prohibited by local law.

6. Staff reliability: Noor Capital must not employ staff who are deemed not reliable.

7. Anti-Money Laundering controls: The responsible Anti-Money Laundering Officer must ensure by adequate customer and business related controls that all applicable AML requirements are being adhered to and security measures are properly functioning.

8. Anti-Money Laundering Training: All employees (including trainees and temporary personnel) responsible for carrying out transactions and/or for initiating and/or establishing business relationships must undergo Anti-Money Laundering training. Noor Capital has decided to extend the target audience for AML to cover all staff. Initial training must be attended within six months after an employee has joined Noor Capital and subsequently every two years. Minimum content training requirements defined by the Global Head of AML have to be adhered to.

9. Anti-Money Laundering Risk Analysis: Noor Capital has set up a system to assess the level of risk exposure considering product and client risk and derive appropriate security measures from this analysis.
10. Embargo Requirements: Noor Capital will adhere to all applicable embargo requirements and will check clients and transactions against applicable embargo lists.

Record Keeping

Records must be kept of all transaction data and data obtained for the purpose of identification, as well as of all documents related to Money Laundering topics (e.g. files on suspicious activity reports, documentation of AML account monitoring, etc.). Those records must be kept for a minimum of 6 years.