



Адкрытае акцыянернае таварыства  
«Парытэтбанк»

вул. Кісялёва, 61а  
220002, г. Мінск, Рэспубліка Беларусь  
171; 8 017 227 53 32 (факс)  
info@paritetbank.by    paritetbank.by

Open joint-stock company  
«Paritetbank»

Kiseleva str., 61a  
220002, Minsk, Belarus  
171; 8 017 227 53 32 (fax)  
info@paritetbank.by    paritetbank.by

\_\_\_\_\_ № \_\_\_\_\_  
На № \_\_\_\_\_ ад \_\_\_\_\_

**POLICIES TO PREVENT THE LEGALIZATION OF CRIMINAL PROFITS,  
THE FINANCING OF TERRORIST ACTIVITIES AND THE FINANCING OF  
THE PROLIFERATION OF WEAPONS OF MASS DAMAGE**

**PARITETBANK OJSC**

(approved by the Board of Paritetbank OJSC 03.09.2019 N 69; amended on  
09.12.2021)

Paritetbank OJSC (hereinafter Bank) takes measures to prevent legalization of proceeds from crime, financing of terrorist activities and financing the proliferation of weapons of mass destruction (AML/CFT) in accordance with the Law of the Republic of Belarus of June 30, 2014 N 165- 3 "On Measures to Prevent Money Laundering, Financing of Terrorist Activities and Financing the Proliferation of Weapons of Mass Destruction" (hereinafter - the Law) and "Internal Control Rules to Prevent Money Laundering, Financing Terrorist Activities and Financing the Proliferation of Weapons mass destruction" (hereinafter - the Rules) approved by the Management Board of the Bank.

The main objective of the internal control system for AML/CFT purposes in the Bank is to prevent the Bank from unintentionally or intentionally involving the Bank in the process of legalizing proceeds from crime, financing terrorist activities and financing the proliferation of weapons of mass destruction; risks minimization of the Bank's activities.

The supervisory authority for banks in the area of AML/CFT in the Republic of Belarus is the National Bank of the Republic of Belarus.

The internal control system for AML / CFT purposes in the Bank is based on a risk-oriented approach and is implemented in the following main areas:

implementation of the "Know your customer" principle: identification and verification of data in cases stipulated by law for all customers of the Bank, their representatives and beneficial owners. Customer identification data obtained on the basis of relevant questionnaires and / or in any other way that does not contradict the legislation is recorded in the electronic database of customer profiles;

identification, documentary recording of financial transactions subject to special control, and transfer of relevant information to the financial monitoring authority;

suspension and (or) refusal to carry out financial transactions, refusal to service clients in cases and in the manner provided for by legislation and the Rules;  
freezing funds and (or) blocking financial transactions in relation to persons involved in terrorist activities in cases and in the manner provided for by Law and the Rules;

storage of information and documents (their copies) for the period established by Law, but not less than 5 years;

appointment of officials responsible for coordinating implementation, development and updating of the Rules.

The main principle of organizing the Bank's internal control system for AML / CFT purposes is the participation of all employees of the Bank, within the framework of their official duties and competence, in the processes of identifying customers and their representatives, questioning customers and identifying financial transactions subject to special control. The Bank takes due diligence measures on clients based on an analysis of the risks associated with money laundering, terrorist financing and financing the proliferation of weapons of mass destruction, depending on the type of client, business relationship and types of transactions.

The internal control system for AML / CFT purposes in the Bank includes 3 types of control:

preliminary control - carried out by collecting and studying the necessary information and documents (their copies) and fixing the data in the client's questionnaire to form an idea about the client;

current control - is carried out by monitoring financial transactions carried out by the client, taking into account the information available to the Bank after preliminary control, in order to identify financial transactions subject to special control;

follow-up control - is carried out by analyzing the client's operations performed in the previous period in order to identify suspicious financial transactions that have a long-term nature and are not determined at the stage of current control as subject to special control

Based on the analysis of information about the client obtained at the stages of preliminary, current and follow-up control, the Bank assesses the risk of working with the client and assigns the appropriate final risk level: low, medium or high. To assign the final degree of risk, the Bank uses a 3-vector model of risk distribution with the following vectors:

- client profile risk;
- risk by geographic region;
- risk by type of operations.

In the process of risk management, the Bank implements procedures for identifying and assessing risks, monitoring and controlling risks, and also takes measures to limit (reduce) a high level of risk. At the same time, both the risk of the client performing transactions for AML / CFT purposes (the risk of the client) and the risk of involving the Bank and its employees (the risk of a banking service (product)).

The Bank assesses the risk of a client both before establishing business relations with him and in the process of his further servicing. At the same time,

special attention is paid to financial transactions performed by clients, classified as high degree risk clients.

As part of the implementation of a set of measures in the area of AML / CFT, the Bank:

takes measures to identify foreign public officials, officials of public international organizations, public officials of the Republic of Belarus (hereinafter - PEP) from among clients and their beneficial owners. Agreements with PEPs or with organizations, the beneficial owners of which they are, are concluded (or extended) in writing only with the written permission of the head of the Bank or persons authorized by him;

does not open and maintain bank accounts for anonymous owners (without the person opening the account submitting documents necessary for identification), and also does not open and maintain such accounts for owners using fictitious names (pseudonyms);

does not open bank accounts for individuals without the personal presence of the person who opens the account, or his representative, except for cases determined by law;

does not establish correspondent relations with "shell" banks and takes measures to prevent the establishment of relations with non-resident banks, in respect of which there is information that their accounts are being used by "shell" banks;

does not establish correspondent relations with banks that do not have a license to operate in the country of their registration;

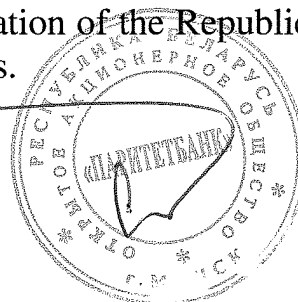
does not inform clients about the measures taken by the Bank in the area of AML / CFT (unless otherwise provided by the Law);

The internal control procedures established by the Rules are applied in all operational divisions of the Bank.

The Bank's employees are trained in accordance with the training and education program for employees on AML/CFT issues in the form of briefing (introductory, planned, targeted). Training of employees is carried out at least once a year and includes issues of identification of participants in financial transactions, registration of suspicious financial transactions, typology of detecting suspicious financial transactions, changes in the legislation governing the AML / CFT sphere. The facts of instructing and testing knowledge on AML / CFT issues are recorded in a special journal. The knowledge of the Bank's employees is checked at least once a year.

In order to further improve the internal control system for AML / CFT purposes, the Bank's internal procedures are constantly reviewed and updated in accordance with the requirements of the legislation of the Republic of Belarus and recommendations of international organizations.

Chairman of the Board



Sergey Karpov