

Introduction

Alinma Bank has defined clear operational roles, responsibilities and procedures for all business centers in combating money laundering and terrorism financing field, especially the responsibilities of Compliance employees and other relevant employees in various business centers through the policies and procedures related to Anti money laundering and combating terrorism financing.

An independent audit program has been developed to ensure that all staff of the bank comply with the policies, principles and instructions of Anti money laundering and Combating terrorism financing.

In its policy, the bank depends on Risk Based Approach, so that risks associated with customer base, services and products offered by the bank and geographical areas in which the bank operates are identified, evaluated and analyzed in order to develop controls, appropriate standards and key indicators for such risks based on customer's country of origin, nature of business or type of operations. High risk accounts should be monitored and the bank should pay more attention to management information systems. High risk private banking business, particularly affluent segment, should also be reviewed regularly.

As well as, policies, procedures, products and services are being reviewed regularly to assess and analyze the risks of non-compliance and money laundering.

Money Laundering Combatting Function

An independent unit has been established to combat money laundering and terrorism financing and will be responsible for all issues related to combatting money laundering and terrorism financing in the bank. This new unit has been provided with qualified resources and tools to perform its duties and responsibilities. These include the recruitment of staff who are qualified for anti-money laundering position and on ongoing training program to brief such staff on developments in combatting money laundering and terrorism financing field and to strengthen their capabilities in dealing with suspicious operations and activities.

Policies and Procedures

The Manual and Policies of anti-money laundering and terrorism financing has been developed and include “New Customers Acceptance” policy, which aims to prevent transacting with unknown and banned persons (natural and legal) and the establishment of banking relationship without meeting the customer personally .

The Manual and Policies also include “Know Your Customer” policy, which identify the procedures required to open an account or establish banking relationship. The main purpose of such procedures is to ensure the verification of customer ID.

The Unit’s daily work procedures specify its duties and responsibilities have been prepared in accordance with the tasks stipulated in combatting Money Laundering and Terrorism Financing Manual. These procedures include the details of the following tasks:

1. Monitoring bank operations;
2. Receiving reports from different departments of the banks;
3. Reporting suspicious activities to Financial Investigations Unit;
4. Following up with branch employees and other relevant departments in terms of instructions and procedures of monitoring accounts as well as providing them with training and enhancing their compliance level;
5. Preparing periodical reports to senior management.

As well as, automated systems and technical programs have been developed in order to monitor daily operations in the bank and detect suspicious transactions. Monitoring transactions system has also been adopted in order to suspend every transaction involving information that matches with any of the banned lists.

Training

- ❖ The Training Department, in collaboration with Compliance Group, has prepared the required training materials on compliance, combatting anti-money laundering and terrorism financing for newly hired employees. Front-line staff of business sectors should be trained they start their job duties.

- ❖ The Compliance Group has prepared an annual training program for staff. The bank also conducts E-Learning and awareness on ongoing basis training.
- ❖ An awareness program has been prepared for all employees through posting messages of “*Compliance is everybody responsibility*” continuously, in order to raise awareness level and develop staff ability to detect suspicious transactions.