

# BANK ALLIANCE

АКЦІОНЕРНЕ ТОВАРИСТВО «БАНК АЛЬЯНС»

**АКЦІОНЕРНЕ ТОВАРИСТВО «БАНК АЛЬЯНС»**  
вул. Січових Стрільців, буд.50, м. Київ, 04053, Україна  
Телефон: +38 (044) 224-66-70,  
E-mail: Alliancebank@alliancebank.org.ua  
Код Банку 300119, Код за ЄДРПОУ 14360506  
<https://bankalliance.ua/>

**JOINT STOCK COMPANY "BANK ALLIANCE"**  
50 Sichovyyh Striltsiv str., Kyiv, 04053, Ukraine  
Phone: +38 (044) 224-66-70,  
E-mail: Alliancebank@alliancebank.org.ua  
Code of the bank 300119, USREOU code 14360506  
<https://bankalliance.ua/>

January 9, 2020  
№16/41.

to Correspondent Banks  
to Counterparty Banks

**Dear colleagues!**

JSC "BANK ALLIANCE" (hereinafter - the Bank) was created and operates in accordance with the current legislation of Ukraine, as well as in accordance with generally accepted international rules and principles.

The Bank is guided by the main legislative regulatory acts of Ukraine aimed at combating the laundering of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, namely:

- The Law of Ukraine of 14 October 2014 №1702-UP "On preventing and counteracting to legalization (laundering) of the proceeds of crime, terrorist financing, and financing proliferation of weapons of mass destruction" as amended;
- The Law of Ukraine of 12 December 2000 № 2121-III "On Banks and Banking Activities" as amended;
- The Regulation on Conducting of Anti-Money Laundering by the Banks (Resolution of the Board of the National Bank of Ukraine of June 26, 2015, No. 417) as amended;
- The Instruction on the Procedure of Opening, Usage and Closing of Accounts in Domestic and Foreign Currencies approved by NBU Board Resolution No. 492 of 12 November as amended.

Basic international rules and principles concerning preventing and counteracting to legalization (laundering) of the proceeds of crime, terrorist financing, and financing proliferation of weapons of mass destruction (hereinafter - AML/FT), based on which the financial monitoring of internal regulations developed on the JSC "BANK ALLIANCE" includes the recommendations of The Financial Action Task Force (FATF), the Standards of the Wolfsberg Group and the Basel Committee on Banking supervision.

JSC "BANK ALLIANCE", for the purpose of execution the requirements of the national legislation, international standards and recommendations, with a view to taking measures to minimize the risks of banking and effective planning of banking products development areas the Bank has developed internal regulatory documents of the AML, namely:

- The Rules for financial monitoring of JSC "BANK ALLIANCE";
- The program of identification, verification and customer due diligence of JSC "BANK ALLIANCE";
- Identification and verification program for customers of JSC "BANK ALLIANCE" using agents;
- The training and continuing education program for employees of JSC "BANK ALLIANCE" on the issues of preventing and counteracting the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction;
- The program for the implementation of JSC "BANK ALLIANCE" of financial monitoring of financial transactions for the transfer of funds using the MASTERCARD international payment system;
- The program of compliance risk management at JSC "BANK ALLIANCE";
- The program for the implementation of JSC "BANK ALLIANCE" of financial monitoring of financial transactions for the transfer of funds using the MoneyGram payment system;
- The program for the implementation of JSC "BANK ALLIANCE" of financial monitoring of

- The implementation program of JSC "BANK ALLIANCE" for financial monitoring of financial transactions for the transfer of funds using the Welsend payment system;
- The implementation program of JSC "BANK ALLIANCE" for financial monitoring of financial transactions for the transfer of funds using the national payment system "Ukrainian Payment Space";
- The program for the implementation of financial monitoring in the areas of activity in the process of customer service at JSC "BANK ALLIANCE";
- Other.

The Bank pays special attention to the implementation of procedures' " Know your Client " ( hereinafter - KYC ), studies the structure of customer ownership of legal entities (for example, by determining the actual controllers and owners), ensures the functioning of an effective system for tracking suspicious transactions and implementing on a regular based training programs for Bank employees involved in activities to combat the legalization of criminal income (money laundering) and the financing of terrorism. The Bank has developed effective customer identification programs that incorporate KYC principles and rules and determine the procedure for obtaining information and documents regarding clients before establishing business (contractual) relations. The Bank does not open or maintain anonymous (numbered) accounts.

The Bank doesn't establish correspondent relations with banks and other non-resident financial institutions that don't have a permanent location and don't carry out entrepreneurial activities at the place of their registration and / or which aren't subject to appropriate supervision in the state (in the territory, as the case may be), according to their location, as well as with banks and other non-resident financial institutions that maintain such correspondent relations.

JSC "BANK ALLIANCE" assesses the risk of clients in the implementation of identification, as well as in the customer due diligence. The degree of risk is determined when collecting and updating KYC information on the client. Risk level assessment is carried out by automated calculation of risk criteria based on information provided by the client's manager.

All risk criteria are divided into three main risk groups, namely:

- Risk by customer type;
- The risk of services that the client receives at the Bank;
- Geographical risk.

The Bank distributes customers depending on the above criteria into 3 levels: customers with low, medium and high risk.

Internal rules and procedures are updated in accordance with national law and international best practices. The compliance of such documents and procedures with the current legislation is regularly checked for compliance with modern challenges in the fight against the legalization of proceeds of crime.

The Bank's controlling authority is the National Bank of Ukraine, which carries out state regulation and supervision in the field of AML / FT in relation to banks, payment institutions and members of payment systems that are banking institutions in accordance with the provisions of The Constitution of Ukraine, The Law of Ukraine "On Banks and Banking Activities", The Law of Ukraine "On the National Bank of Ukraine" and other legislative acts of Ukraine and regulatory acts of the National Bank of Ukraine.

In order to identify any suspicious transactions requiring increased attention, or those that may be related, related or intended to finance terrorist activities to ensure the ongoing analysis of financial transactions, the Bank has introduced a number of processes, in particular:

1) Suspicious Activity Report (SAR). Operational monitoring is carried out during the operation or before its implementation.

2) Analysis of transactions selected by a specialized system for the identification and analysis of suspicious transactions requiring increased attention, which allows you to effectively track potentially suspicious activities in order to combat money laundering. An automated approach to combating money laundering consists in the continuous identification and verification of the client's operational activities from the moment of opening an account, based on a specific set of criteria, signs and established limit values (thresholds / limits).

3) Monitoring to prevent the financing of terrorist activities or the proliferation of weapons of mass destruction. In order to ensure the timely stopping of transactions carried out in favor of or on behalf of a Bank client, if its participant or beneficiary is a person included in the list of persons associated with terrorist activities or who are subject to international sanctions, the Bank constantly monitors its operations. Monitoring is subject to all operations carried out on behalf of the Bank, with the participation of the Bank and in favor of or on behalf of customers. Operations include all operations related to crediting, transferring

or debiting funds in cash or non-cash, opening client accounts, letters of credit, providing guarantees, performing operations with securities and the like. Monitoring of operations is carried out immediately prior to their conduct. The object of monitoring is residents and non-residents, legal entities and individuals involved in the operation. For monitoring, the Bank uses a system in which operations are monitored and operations are suspended.

In order to ensure an appropriate level of qualification of employees, involved in AML / FT procedures, the Bank has developed and is constantly implementing programs in education and e-courses for employees of the Bank.

Sincerely,

Head of AML Department  
of JSC BANK ALLIANCE



Olha Laktionova