永豐銀行
Bank SinoPac

AML Policy

Bank SinoPac (The Bank) should comply with laws, regulations, and policies of its parent company, as the minimum requirement for anti-money laundering and countering the financing of terrorism and proliferation (AML/CFT/CFP). All branches and subsidiaries, whether within or outside the jurisdiction, should implement the group-level AML/CFT/CFP program.

The Bank's AML/CFT/CFP program, including policies and internal control systems, should be approved by the Board of Directors; its amendment should also apply.

1. The Bank should establish policies and procedures for identifying, assessing, and managing the risk of money laundering, terrorism and proliferation financing.
2. The Bank's internal control systems should include standard operation procedures and internal management procedures to manage and mitigate the identified risks and implement enhanced control measures in higher risk categories.
3. Procedures for supervising the compliance of AML/CFT/CFP regulations and the execution of AML/CFT/CFP programs should be subject to self-assessment and internal audit.

The identification, assessment and management of ML/TF/PF risks should at least cover the aspect of customers, geographic areas, products and services, and transactions or delivery channels etc. The Bank should comply with the following:

1. Generating a risk assessment report.
2. Determining the Bank's level of risk and appropriate measures to mitigate risks.
3. Updating risk assessment report periodically to ensure its relevance to the Bank's risk profile.
4. The completed or updated assessment reports should be approved by the Board of Directors before filing to Financial Supervisory Commission (FSC).

The AML/CFT/CFP program should cover detailed policies and procedures in regard to:

1. Customer due diligence (CDD).
2. Name screening on customers and related transaction parties.
3. Ongoing monitoring of accounts and transactions.
4. Correspondent banking.
5. Record keeping.
6. Reporting currency transactions that reach a certain amount (CTR).
7. Reporting suspicious transactions.
8. Sanctions compliance and reports in accordance with "Counter-Terrorism Act".
9. Appointed responsible officers for coordinating AML/CFT/CFP compliance issues.
10. Procedures for screening and hiring employees.

11. An ongoing employee training program.
12. An independent audit function to test the effectiveness of AML/CFT/CFP systems.
13. Others required by the AML/CFT/CFP related regulations or by competent authorities.

The Bank's group-wide AML/CFT/CFP program should, on condition that the regulatory requirements on data confidentiality of ROC and jurisdictions where any foreign branch and subsidiary of the Bank are met, require:

1. Sharing information within the group for the purposes of CDD and ML/TF/PF risk management;
2. Foreign branches and subsidiaries to provide customer, account and transaction information, including analysis of abnormal transactions or activities for AML/CFT/CFP purposes, and, when necessary, to have accessibility to the aforesaid information through group management function;
3. Proper usage and safeguards of information exchanged.

Foreign branches and subsidiaries implement the AML/CFT/CFP measures of head office on condition that local regulatory requirements are met. In the case that regulatory requirements of the jurisdictions where head office, branches and subsidiaries are located differ, the branches (or subsidiaries) should comply with the stricter ones.

Roles and Responsibilities

1. Board of Directors and Senior Management: Board of Directors should take the final responsibility for ensuring the establishment and maintenance of an appropriate and effective AML/CFT/CFP internal control. The Board of Directors and Senior Management should understand the Bank's ML/TF/PF risks and the operation of its AML/CFT/CFP program.
2. Audit Division: Responsible for independent examinations to test the effectiveness of AML/CFT/CFP program.
3. AML Center: Responsible for establishing AML/CFT/CFP program, coordinating/overseeing AML/CFT/CFP practices, transaction monitoring and filing STRs.
4. Products Units: Responsible for assessing and reviewing ML/TF/PF risk of products or services in charge and taking measures necessary for risk control.
5. Business Units: Responsible for implementing CDD, reviewing transaction, CTR, STR etc.
6. IT Division: To provide system and information technology support for AML/CFT/CFP execution.
7. HR Division: To coordinate AML/CFT/CFP human resource allocation, ensure employment program comply with AML/CFT/CFP regulations and conduct training according to AML Center's planning.

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Risk Appetite

✓ Intolerable Risk

1. The Bank endeavors to improve and implement the AML/CFT/CFP mechanisms in accordance with home/overseas laws and regulations, and has zero tolerance to risks which are deliberately or systematically violating laws and regulations.
2. The Bank neither has business relations or transacts with the following nor provides the following business or service:
   (1) Individual, corporation, group or financial institution against which sanctions are imposed according to the laws and regulations or by the competent authorities of the jurisdiction where the head office operates;
   (2) Shell Bank;
   (3) Payable-Through Account (PTA);
   (4) Anonymous Account.
   (5) In addition to (1) ~ (4), foreign branches and subsidiaries should also comply with what the laws and regulations and the competent authorities require of in respective jurisdiction where it operates.

✓ Limited Tolerable Risk:

The Bank measures the residual risk of ML/TF/PF by identifying inherent risks and evaluating control measures using the World Bank's risk map. When inherent risks is "Medium High" or above, the control measures should reach to "Satisfactory" or above, the residual risk shall remain "Medium". No matter if the residual risk level meets the risk appetite or not, the Bank shall take risk-based approach to formulate an action plan to continuously improve its control measures for better effectiveness and efficiency.