

# Due Diligence Report & Anti-Money Laundering Questionnaire



## Part I

### General Information

<b>1. Institution Name</b>	BMI Bank B.S.C. ©
<b>2. Institution Type</b>	B.S.C. (closed)
<b>3. Date and Country of Incorporation</b>	20 <sup>th</sup> October 2004 Kingdom of Bahrain
<b>4. Commercial Registration No. &amp; Banking License No.</b>	Commercial Registration No. 55436 Banking License No. RB/020
<b>6. Name/Website of the Regulator</b>	Central Bank of Bahrain <a href="http://www.cbb.gov.bh">www.cbb.gov.bh</a>
<b>7. Name of the Major Shareholders</b>	<ul style="list-style-type: none"> <li>▪ BankMuscat - Oman - 49%</li> <li>▪ Overseas Investments – Bahrain - 20%</li> <li>▪ Royal Court Affairs - Oman - 11%</li> <li>▪ Istithmar World - Dubai - 10%</li> <li>▪ Global Investment House – Kuwait - 0.01%</li> <li>▪ Financial Assets Bahrain – Bahrain – 9.99%</li> </ul>
<b>8. Registered Address</b>	18 <sup>th</sup> Floor, East Tower, Bahrain World Trade Center, Manama, Kingdom of Bahrain
<b>9. Mailing Address</b>	P. O. Box 350, Manama, Kingdom of Bahrain
<b>10. Contact Details</b>	Phone No. +973 17 508080 Fax No. +973 17 226 641 E-mail: <a href="mailto:complaints@bmi.com.bh">complaints@bmi.com.bh</a> Swift: BMUSBHBM
<b>11. Website</b>	<a href="http://www.bmi.com.bh">www.bmi.com.bh</a>
<b>12. Name/Address of the External Auditor</b>	Ernst & Young P. O. Box 140 , 14th Floor, The Tower, Bahrain Commercial Complex, Manama, Kingdom of Bahrain

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## Part II

### AML Questionnaire

<b>1 General AML Policies, Practices and Procedures</b>		
1.1	Does the F.I.'s AML policy program require Board or senior management approval?	Yes
1.2	Does the F.I. have a legal and regulatory compliance program that includes a designated Compliance officer who is responsible for co-ordinating and overseeing the AML program on a day-to-day basis, which has been approved by senior management of the F.I.?	Yes
1.3	Has the F.I. developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions that has been approved by senior management?	Yes
1.4	In addition to inspections by the government supervisors/regulators, does the F.I. Customer have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	Yes
1.5	Does the F.I. have policies covering relationships with politically exposed persons consistent with industry best practices?	Yes
1.6	Does the F.I. have appropriate record retention procedures pursuant to applicable law?	Yes
1.7	Does the F.I. require that its AML policies and practices be applied to all branches and subsidiaries of the F.I. both in the home country and in locations outside of the home country?	Yes
<b>2 Risk Assessment</b>		
2.1	Does the F.I. have a risk focused assessment of its customer base and transactions of its customers?	Yes
2.2	Does the F.I. determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the F.I. has reason to believe pose a heightened risk of illicit activities at or through the F.I.?	Yes
<b>3 Know Your Customer, Due Diligence and Enhanced Due Diligence</b>		
3.1	Has the F.I. implemented systems for the identification of any third party entities that will have direct access to the correspondent banks services without reference to the respondent bank ( in case of payable "through" accounts )?	Yes
3.2	Does the F.I. collect information regarding its customers' business activities?	Yes
3.3	Does the F.I. have procedures to establish a record for each customer noting their respective identification documents and Know Your Customer Information collected at account opening?	Yes

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4 Reportable Transactions and Prevention and Detection of Transactions with Illegally Obtained Funds		
4.1	Does the F.I. have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	Yes

5 Transaction Monitoring		
5.1	Does the F.I. have a monitoring program for suspicious or unusual activity that covers funds transfers and monetary instruments (such as traveller's checks, money orders, etc.)?	Yes

6 AML Training		
6.1	Does the F.I. provide AML training to relevant employees that include identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the F.I.'s products and services and internal policies to prevent money laundering?	Yes

7 Correspondent Banks		
7.1	Does the F.I. have a policy prohibiting accounts/relationships with shell banks (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.)?	Yes
7.2	Does the F.I. have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin?	Yes
7.3	Does the F.I. collect information and assess its F.I. customers' AML policies or practices?	Yes

8 Others		
8.1	Has the F.I. being subject to any investigation, conviction or regulatory action related to money laundering or terrorist financing?	No
8.2	Do the F.I. confirm to provide relevant customer identification data on request, whenever required?	Yes

9 MLRO Contact		
<b>Zubin Muriya</b> <b>MLRO</b> Phone No.: +973 17 133507 Fax No.: +973 17 131053 E-mail: <a href="mailto:Zubin.muriya@bmibank.com">Zubin.muriya@bmibank.com</a>	<b>Fatima Ashoor</b> <b>Dy. MLRO</b> Phone No.: +973 17 133508 Fax No.: +973 17 131053 E-mail: <a href="mailto:Fatima.ashoor@bmibank.com">Fatima.ashoor@bmibank.com</a>	

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## Part III

### AML Statement

#### **DOMICILE**

BMI Bank B.S.C.(c) is a Conventional Retail Bank licensed by the Central Bank of Bahrain. Established in December, 2004 as a Bahraini Joint Stock Closed Company. BMI Bank is located in the capital Manama, Kingdom of Bahrain.

#### **OWNERSHIP**

Our shareholders are amongst the strongest and most respected financial institutions in the GCC area (Gulf Cooperation Council).

They include Bank Muscat (Oman), Royal Court of Affairs (Oman), Overseas Investments (Bahrain), Istithmar World Capital (UAE), Financial Assets (Bahrain) and Global Investment House (Kuwait).

As such, BMI is built on very solid financial foundations.

#### **LAWS AND SUPERVISION**

BMI Bank is under the supervision of the Central Bank of Bahrain website [www.cbb.gov.bh](http://www.cbb.gov.bh) and complies with the CBB Decree Law No. (4) of 2001 with respect to the Prevention and Prohibition of the Laundering of Money. CBB has adopted and is compliant with the forty recommendations plus nine special recommendations issued by the Financial Action Task Force (FATF) which are the international standards, for effective anti-money laundering regimes.

#### **BMI's POLICIES**

- Since incorporation, the Bank has developed relevant anti-money laundering (AML) policies and procedures with the intention of deterring criminals from using the services for laundering the proceeds of crime.
- BMI Bank including all branches and subsidiaries, domestic as well as foreign take all necessary steps to comply with the AML policies and procedures laid down by the Bank's Board of Directors. Furthermore the implementation of such AML policies and procedures would be subject to independent internal and external audits and are inspected by the CBB.
- The Bank ensures that all employees are familiar with the AML policies and procedures, and conducts regular AML Trainings thereby ensuring best AML standards & practices.
- It is the objective of BMI Bank to prevent criminals from using the Bank's facilities, systems and services to conceal illegal activity.

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- BMI Bank has effective procedures for verifying client identification, source of funds and for retention of customer due diligence information
- BMI Bank has a system in place to detect transactions involving clients who are on the OFAC list and other similar key lists.
- BMI Bank confirms that it does not provide any kind of service to any shell bank.
- The Bank does not operate anonymous accounts
- BMI Bank will not ignore indications that a customer's money originated from unlawful activities or other money laundering activities, and will take appropriate actions consistent with all applicable laws.
- The Bank will report all identified instances of suspicious activity to the relevant authorities as provided under all applicable laws.
- BMI Bank will cooperate fully with law enforcement and regulatory authorities in executing their duties under all applicable laws.

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## **BMI Bank Policy Statement on Anti-Money Laundering and Combating Terrorist Financing**

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In compliance with Kingdom of Bahrain AML Law, subsequent by-laws, Central Bank of Bahrain (CBB) AML + CFT Guidelines and Financial Crime Module, we confirm our commitment towards applying all local and international standards. We are regulated by the CBB.

The Kingdom of Bahrain is a member of MENAFATF and as a member of Gulf Cooperation Council is a member of Financial Action Task Force (“FATF”). The Kingdom is committed to adopting international standard like FATF, Basel II Committee, Wolfsburg Principles, World Bank, UN Resolutions, etc; The Kingdom is also a member of the worldwide network of FIUs.

BMI has developed firm AML & CFT policies and procedures to prevent the use of the institution by criminal elements for illicit purposes. The policies and internal controls contemplate “Know Your Customer” monitoring, employee training, suspicious activity and regulatory reporting, and independent testing programmes. Developed compliance programmes are subject to internal auditor and external audits in addition to visits by Regulators.

### **Know Your Customer Guidelines**

BMI has a comprehensive KYC policy and procedures in place. The policy is designed to ensure that all customers are identified and that, the identity is verified fully. Customers are required to provide valid identity documentation. According to CBB rules, identity and account information are updated and reviewed from time-to-time. No anonymous or numbered accounts are permitted. No account is opened for a non-resident of the country and BMI does not offer correspondent banking relationships to shell banks.

### **Monitoring and Reporting Programme**

Our Funds Transfer systems comply with sanctions monitoring of suspicious names. Monitoring of customer accounts and suspicious activities is based on identification of unusual and large transactions (cash or non-cash) generated by our Suspicious Activity Monitoring System and internal procedures. Suspicious activities are reported to the Anti Money Laundering Unit, General Directorate of Criminal Investigation at the Ministry of Interior and copied to the Compliance Directorate at the CBB. The AML law of Bahrain imposes financial penalties and imprisonment for individuals and entities convicted of a money laundering offence.

### **Employee Training**

According to our policy and CBB Regulation, all bank employees are trained in anti-money laundering and prevention of terrorist financing, annually. Comprehensive training programmes are in place for all new recruits as well as regular training and knowledge updates for existing staff. Furthermore, employees with direct customer contact, operational and internal control areas and private banking relationship managers receive extra, specialized training.

- For more information about us, please refer to our website at [www.bmi.com.bh](http://www.bmi.com.bh). Our most recent Annual Report and Financial Statements can be found on the site.

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- For information pertaining to Central Bank of Bahrain, please refer to their website [www.cbb.gov.bh](http://www.cbb.gov.bh).