NOVEMBER 2007

Statement by CMCEE – CIC ([1])

regarding

THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

In accordance with the French statutory and regulatory obligations, **CMCEE-CIC** has implemented procedures to combat money laundering and terrorist financing.

These procedures comply with the recommendations of the Financial Action Task Force (FATF), statutory and regulatory provisions and in particular the French Monetary and Financial Code, EC Regulations, and the European Directives that have been transposed into domestic law.

CMCEE-CIC complies with the general due diligence obligations which meet the following objectives.

- Know your customer:
  - the customer is identified, their identity is verified and the evidence retained;
  - the bank ascertains that the customer is not included on official lists of terrorists or persons identified as such;
  - the bank exercises vigilance in accordance with the customer's profile and the transactions that the customer carries out.

- Surveillance:
  - the origin of funds is checked;
  - unusual transactions are detected.

- Formalisation of due diligence obligations, more particularly:
  - unusual transactions which are either complex or which do not appear to have any economic justification or lawful purpose are analysed;
  - suspicious transaction reports are prepared and sent to the appropriate authorities (Tracfin).

- All staff are made aware of their responsibilities by:
  - being expected to be vigilant at all times and to apply the procedures correctly;
  - having permanent access to documentation;

[1] Crédit Mutuel Centre Est Europe, Crédit Mutuel Sud-Est, Crédit Mutuel Ile de France, Crédit Mutuel Savoie Mont-Blanc and the CIC Group.

- going through periodic awareness-raising exercises and specific training initiatives.

o Checks are carried out by:

- the permanent control team in each entity;
- checks on the compliance of the Tracfin Correspondents who have been appointed and authorised to deal with regulatory reports;
- periodic checks on the consistency of procedures and their application.

These provisions have been translated into procedures and processes. They are applied with the assistance of dedicated software, where appropriate. They form the framework for all the anti-money laundering initiatives taken by all **CMCEE-CIC** entities whether located in France or abroad.

In respect of the above, we can answer to the following questions based on the Wolfsberg questionnaire

	Yes	No
Does the FI's inform the Board or a senior committee thereof of AML compliance program?	☑	❑
Does the FI have a legal and regulatory compliance program that includes a designated Compliance officer that is responsible for coordinating and overseeing the AML program on a day-to-day basis, which has been approved by senior management of the FI?	☑	❑
Has the FI 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?	☑	❑
In addition to inspections by the government supervisors/regulators, does the FI client have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	☑	❑
Does the FI 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.)?	☑	❑
Is the FI implementing policies to cover relationships with politically exposed persons consistent with industry best practices?	☑	❑
Does the FI have appropriate record retention procedures pursuant to Applicable law?	☑	❑
Does the FI require that its AML policies and practices be applied to all branches and subsidiaries of the FI both in the home country and in locations outside of the home country?	☑	❑
Does the FI have a risk focused assessment of its customer base and transactions of its customers?	☑	❑
Does the FI determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI?	☑	❑
Has the FI implemented systems for the identification of its customers, including customer information in the case of recorded transactions, account opening, etc. *(for example; name, nationality, street address, telephone number, occupation, age/ date of birth, number and type of valid official identification, as well as the name of the country/state that issued it)*?	☑	❑

Does the FI have a requirement to collect information regarding its customers' business activities?	☑	❑
Does the FI collect information and assess its FI customers' AML policies or practices?	☑	❑
Does the FI have procedures to establish a record for each customer noting their respective identification documents and Know Your Customer Information collected at account opening?	☑	❑
Does the FI take steps to understand the normal and expected transactions of its customers based on its risk assessment of its customers?	☑	❑
Does the FI have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	☑	❑
Does the FI have policies or practices to identify transactions structured to avoid large cash reporting requirements?	☑	❑
Does the FI have policies or practices to screen transactions for customers or transactions the FI deems to be of significantly high risk (which may include persons, entities or countries that are contained on lists issued by government/international bodies) that special attention to such customers or transactions is necessary prior to completing any such transactions?	☑	❑
Does the FI have policies or practices to reasonably ensure that they will not conduct transactions with or on behalf of shell banks through any of its accounts or products?	☑	❑
Does the FI have policies or practices to reasonably ensure that it only operates with correspondent banks that properly licensed?	☑	❑
Does the FI have a monitoring program for suspicious or unusual activity that covers funds transfers and monetary instruments (such as travelers checks, money orders, etc.)?	☑	❑
Does the FI provide AML training to relevant employees that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the FI's products and services and internal policies to prevent money laundering?	☑	❑
Does the FI retain records of its training sessions including attendance records and relevant training materials used?	☑	❑
Does the FI have policies or practices to communicate new AML related laws or changes to existing AML related policies or practices to relevant employees?	☑	❑
Does the FI employ non FI employees to carry out some of the core AML functions of the FI ?	❑	☑

Officers in charge for any further question :

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