



MODEL INTERNAL POLICIES, PROCEDURES AND CONTROLS FOR THE PREVENTION OF ACTIVITIES RELATED TO MONEY LAUNDERING AND THE FINANCING OF TERRORISM

1.1 Application of a risk-based approach, and identification and assessment of risks

1.1.1 GreenCurve will take reasonable steps to identify and assess its money laundering and financing of terrorism risks and applying a risk-based approach with regard the following areas:

(a) establishment of internal policies, procedures and controls in order to prevent activities related to money laundering and the financing of terrorism; (b) identification and verification of identity of beneficial owners; (c) extent of customer due diligence measures for existing customers, that is, enhanced, normal or simplified customer due diligence measures; (d) extent of customer due diligence measures for new customers, that is, enhanced, normal or simplified customer due diligence measures; (e) determining whether to perform enhanced customer due diligence measures or the extent of such measures to be performed for domestic politically exposed persons, politically exposed persons of international organizations, and politically exposed persons who have stepped down, including their immediate family members and close associates, except in cases where the business relationship or transactions with GreenCurve present a high risk for money laundering or the financing of terrorism; (f) understanding the risks of money laundering and the financing of terrorism in the countries or territories that a third party that GreenCurve wishes to rely on operates in; and (g) extent of on-going monitoring.

1.1.2 GreenCurve take the following steps in order to apply a risk-based approach:

(a) Identify the money laundering and financing of terrorism risks that are relevant to it; (b) Assess the risks identified according to different categories; (c) Develop different extent of controls to mitigate the assessed risks; (d) Monitor the implementation of these controls and enhance them if necessary; and (e) Document the risk assessment, keep it up to date and be able to provide it to ACRA if required.

1.1.3 GreenCurve will identify and assess its relevant money laundering and financing of terrorism financing risks that it potentially faces, and will implement appropriate extent of controls to manage and mitigate the assessed risks. This is subject to any variables in risks that GreenCurve may encounter.

1.2 Development of controls to mitigate money laundering and financing of terrorism risks

In developing controls to mitigate its risks, GreenCurve will perform different extent of customer due diligence measures, and perform different extent on-going monitoring. GreenCurve will have controls: (a) for the identification and scrutiny of complex or unusually large transactions, unusual patterns of transactions which have no apparent economic or visible lawful purpose and any other activity which GreenCurve regards as particularly likely by its nature to be related to money laundering or the financing of terrorism; (b) that specify the taking of additional measures, where appropriate, to prevent the development of new products and new business practices, including new delivery mechanisms, for money laundering and the financing of terrorism, and the use of new or developing technologies, for both new and pre-existing products, for money laundering and the financing of terrorism, paying special attention to those that favor anonymity; and (c) that determine whether a customer, beneficial owner or agent is a politically exposed person during the performance of customer due diligence measures.

1.3 Monitoring effectiveness and enhancement of controls

1.3.1 GreenCurve may consider one or more of the following indicators, or other relevant indicators, in monitoring whether its controls are effective and deciding whether enhancement is needed:

- (a) a sudden unaccounted increase in business from an existing customer.
- (b) uncharacteristic transactions which are not in keeping with the customer's known business activities and profile;
- (c) unaccounted peaks of activity at particular locations or at particular times; or (d) unaccountable or untypical types of customer transactions.

1.3.2 In monitoring the effectiveness of its controls, GreenCurve will consider whether the controls are able to identify any transactions or activities that are unusual or suspicious to GreenCurve.

1.4 Performance of customer due diligence measures

1.4.1 GreenCurve will perform customer due diligence for its customers, beneficial owners and agents by performing the following measures, before it enters into a business relationship with its customers:

- (a) identifying the customer and agent and verifying their identities by asking for reliable and independent documents, data or information; (b) identifying and verifying the identity of any beneficial owner using risk-based and reasonable measures; and (c) obtaining information on the purpose and intended nature of any business relationship.

1.4.2 GreenCurve will apply a risk-based approach as described in para. 1.1 to determine the extent of customer due diligence measures that he will perform, that is, normal, simplified or enhanced customer due diligence.

1.4.3 In performing customer due diligence measures, GreenCurve will also take measures to determine whether a customer, beneficial owner or agent is a politically exposed person.

1.4.4 GreenCurve may apply a risk-based approach as described in para. 1.1 to determine whether to perform enhanced customer due diligence measures or the extent of such measures to be applied for domestic politically exposed persons, politically exposed persons of international organizations, and politically exposed persons who have stepped down from their prominent public functions, including their immediate family members and close associates, unless the risk of money laundering and the financing of terrorism is high.

1.4.5 If GreenCurve proposes to have a business relationship with a politically exposed person it will perform enhanced customer due diligence measures before it establishes the business relationship.

1.4.6 GreenCurve which has established a business relationship with a politically exposed person will perform enhanced customer due diligence measures and enhanced on-going monitoring over the course of the business relationship.

1.4.7 GreenCurve will perform enhanced customer due diligence measures and enhanced on-going monitoring in other situations where the risk of money laundering and the financing of terrorism is high.

1.4.8 In performing customer due diligence measures, GreenCurve may require its customers and agents to provide their relevant details using a client acceptance form, and require for the provision of relevant documents and information for verification purposes.

1.4.9 If GreenCurve is unable to perform or complete customer due diligence measures, it will: (a) not carry out any transaction with or for the customer; (b) not establish a business relationship with the customer; (c) terminate any existing business relationship with the customer; or (d) consider whether it is required to file a suspicious transaction report under Art.14(1) Anti-Money Laundering and Countering the Financing of Terrorism Act, 2016 (Confiscation of Benefits) Act; and section 1 & 2 of the (preventive obligations) Act

1.5 Filing a suspicious transaction report

1.5.1 GreenCurve will ensure that its staff and employees are trained on its internal reporting procedures and made aware of the persons to whom they have to report, in the event that they detect suspicious activities or transactions concerning money laundering or the financing of terrorism and a suspicious transaction report may have to be filed.

1.5.2 A suspicious transaction report may be made in writing (addressed to Head, Suspicious Transaction Reporting Office), via email to info@mois.gov.so or via the Online Lodging System.

1.6 Performance of on-going monitoring of business relationships

1.6.1 GreenCurve will conduct on-going monitoring of a business relationship with a customer. "On-going monitoring" means:

(a) scrutiny of transactions undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with its knowledge of the customer, and its business and risk profile; and (b) keeping the documents, data or information obtained for the purpose of applying customer due diligence measures up to date.

1.6.2 GreenCurve will apply a risk-based approach as described in para. 1.1 to decide the extent of on-going monitoring, for example, whether a higher or lower frequency of on-going monitoring is required, and the timing of the on-going monitoring.

1.6.3 When GreenCurve is required to perform enhanced on-going monitoring, it is required to increase the frequency of on-going monitoring over the course of the business relationship concerned.

1.7 Record keeping

1.7.1 GreenCurve will keep the following records for the entire duration of its business relationship with a customer, and for at least 7 years starting from the date that it ends its business relationship with a customer: (a) a copy each of the information and evidence of the customer's and agent's identity (including that of any beneficial owner in relation to the customer).

These include: (i) copies of all documents used in establishing and verifying the customer's, beneficial owner's and agent's identity; (ii) documents used to verify the agent's authority enter into a business relationship on behalf of a customer; (iii) information on the purpose and intended nature of the business relationship; (iv) written records of the basis of GreenCurve's determination that a customer falls into the categories for which inquiry into the existence of beneficial owner is not required; (v) documents of GreenCurve's basis for being satisfied that a third party he is relying on to perform customer due diligence and the nature of the legal requirements; (vi) GreenCurve's risk assessment where GreenCurve simplified customer due diligence measures and the nature of the (vii) written records of GreenCurve's findings with regard to a politically exposed person; (viii) written records of GreenCurve's findings with regard to other high risk customers or transactions; (ix) written records of GreenCurve's measures taken in relation to the screening and training of its employees; and (b) supporting records which must be kept in a form such that a satisfactory audit trail may be made from them, and which may establish a financial profile of any customer.

1.7.2 GreenCurve has the discretion to keep these records in different formats.

1.8 Screening of employees and training

1.8.1 GreenCurve will: (a) implement screening procedures for the hiring of fit and proper persons as its employees; (b) ensure that its employees are trained on the laws for the prevention of money laundering and the financing of terrorism; (c) ensure that its employees are trained on prevailing methods of, and trends in, money laundering and the financing of terrorism; (d) ensure that its employees are trained on its internal policies, procedures and controls for the prevention of money laundering and financing of terrorism, including the roles and responsibilities of officers and employees with regard to the implementation of these internal policies, procedures and controls; and (e) ensure that all records of screening and training are documented



1.8.2 GreenCurve may consider the following factors when conducting screening of persons who it potentially wishes to hire as employees: (a) whether the person has been convicted in Somalia, of any offence involving fraud or dishonesty punishable with imprisonment for 3 months or more; (b) whether the person is an undischarged bankrupt in Somalia.

1.9 Audit function, compliance management internal and communication

(a) GreenCurve will implement and maintain an audit function that is independent, and able to regularly assess the effective of the internal policies, procedures and controls for the prevention of money laundering and the financing of terrorism. (b) GreenCurve will develop compliance management arrangements to continually review and update the internal policies, procedures and controls for the prevention of money laundering and financing of terrorism, and appoint an employer or officer in a management position as the compliance officer in relation to anti-money laundering and countering financing of terrorism. (c) GreenCurve will develop internal communication procedures so that its employees, officers and registered qualified individuals are aware of its internal policies, procedures and controls for the prevention of money laundering and financing of terrorism, and their roles in the prevention of money laundering and the financing of terrorism.

