**Anti-Money Laundering (AML) Policy**

#### **1. Purpose**

The purpose of this Anti-Money Laundering (AML) Policy is to establish guidelines to prevent, detect, and report any activity related to money laundering or the financing of terrorism in compliance with applicable laws and regulations.

#### **2. Scope**

This policy applies to all employees, officers, and agents of **[Organization Name]**, including all branches and subsidiaries, both domestic and international.

#### **3. Definitions**

* **Money Laundering:** The process of concealing the origins of illegally obtained money, typically by passing it through a complex sequence of banking transfers or commercial transactions.
* **Know Your Customer (KYC):** The process of verifying the identity of clients to prevent fraud, money laundering, and terrorist financing.
* **Suspicious Activity Report (SAR):** A report that financial institutions and other regulated entities must file with the relevant authorities when they suspect money laundering or fraud.

#### **4. Legal Framework**

**[Organization Name]** is committed to complying with the following relevant legislation and regulations:

* The USA PATRIOT Act
* The Bank Secrecy Act (BSA)
* Financial Crimes Enforcement Network (FinCEN) regulations
* **[Insert relevant local regulations]**

#### **5. AML Compliance Program**

The AML Compliance Program consists of the following components:

##### **5.1. Risk Assessment**

* Conduct annual risk assessments to identify potential money laundering risks associated with the organization’s products, services, customers, and geographic locations.
* Maintain documentation of risk assessment results and updates.

##### **5.2. Customer Due Diligence (CDD)**

* Implement KYC procedures for customer identification and verification.
* Collect and verify the following information from clients:
	+ Full name
	+ Date of birth
	+ Address
	+ Government-issued identification (e.g., passport, driver’s license)
	+ Tax identification number
* Conduct Enhanced Due Diligence (EDD) for high-risk customers, including politically exposed persons (PEPs) and individuals from high-risk jurisdictions.

##### **5.3. Ongoing Monitoring**

* Establish systems to monitor transactions for unusual or suspicious activity.
* Define parameters for monitoring, including:
	+ Transaction size
	+ Geographic location
	+ Type of transaction
* Implement automated systems to flag suspicious transactions for review.

##### **5.4. Reporting Obligations**

* Train employees to recognize suspicious activity and report it promptly.
* Ensure that SARs are filed with FinCEN within **[insert number of days, typically 30 days]** of identifying suspicious activity.
* Maintain confidentiality regarding the reporting of SARs and prohibit retaliation against employees who report suspicious activities.

##### **5.5. Employee Training**

* Provide AML and KYC training to all employees upon hiring and at least annually thereafter.
* Document attendance and completion of training programs.

##### **5.6. Record Keeping**

* Maintain records of all customer identification information for at least **[insert duration, typically 5 years]** after the end of the customer relationship.
* Retain records of all transactions for a minimum of **[insert duration, typically 5 years]**.

#### **6. Roles and Responsibilities**

* **AML Compliance Officer:** **[Insert Name and Title]** is responsible for implementing and enforcing the AML Policy, conducting risk assessments, overseeing training programs, and serving as the point of contact for regulatory agencies.
* **All Employees:** Required to understand and comply with the AML Policy, report suspicious activities, and participate in training programs.

#### **7. Internal Controls**

Establish internal controls to mitigate risks associated with money laundering, including:

* Segregation of duties
* Regular audits of the AML program
* Compliance checks to ensure adherence to KYC procedures

#### **8. Enforcement and Disciplinary Action**

Violations of this AML Policy may result in disciplinary action, including termination of employment and legal action. All employees are expected to report suspected violations to the AML Compliance Officer.

#### **9. Policy Review and Updates**

This policy will be reviewed annually and updated as necessary to reflect changes in laws, regulations, and operational procedures.