



**ГАЗПРОМБАНК**  
Joint Stock Bank of Gas Industry  
(Closed Joint Stock Company)

**APPROVED** by

**Resolution of the Executive  
Committee of JSB “Gazprombank” (CJSC)  
dated the 7<sup>th</sup> of February 2007**

**Minutes No.06**

**Policy of  
JSB “Gazprombank” (CJSC)  
on counteracting legalization (laundering) of proceeds from crime and  
financing of terrorism**

**Moscow  
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## 1. General Provisions

1.1. This Policy forms **principles, objectives and basic directions** of activity of JSB "Gazprombank" (CJSC) (hereinafter referred to as the Bank) at execution of activities aimed at counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

1.2. This Policy is developed in accordance with internal regulatory documents determining strategic objectives and directions of the Bank's activity as well as requirements of:

Federal Law dated 07.08.2001 No.115-FL "On counteracting legalization (laundering) of proceeds from crime and financing of terrorism";

Federal Law dated 25.07.2002 No.114-FL "On counteracting of extreme activity";

Federal Law dated 06.03.2006 No.35-FL "On counteracting terrorism";

Regulations of the Bank of Russian dated 20.12.2002 No.207-P "On the procedure for submission by credit organization to the authorized authority of data provided by the Federal Law "On counteracting legalization (laundering) of proceeds from crime and financing of terrorism";

Regulations of the Bank of Russian dated 19.08.2004 No.262-P "On identification by credit organizations of clients and beneficiaries for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism";

Instruction of the Bank of Russia dated 09.08.2004 No.1485-U "On requirements to preparation and training of personnel at credit organizations";

Instruction of the Bank of Russia dated 09.08.2004 No.1486-U "On qualified requirements to special officials responsible for observance of internal control rules for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism and programs for execution of the same at credit organizations";

Instruction of the Bank of Russia dated 26.11.2004 № 1519-U "On the procedure for submission by credit organizations to the authorized authority of data on cases of refusal to conclude a contract of bank account (deposit) with a natural person or legal entity and to execute transactions with monetary funds or other property";

Regulations on internal control of a professional participant of the securities market approved by Order of the Federal Service for Financial Markets dated 21.03.2006 No.06-29/pz-n as well as taking into account letters, recommendations of the Bank of Russia on development of internal control rules for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism (letter of the Bank of Russia dated 13.07.2005 No. 99-T), other recommendations as well as other regulatory and legal acts of the Russian Federation and Overall Directives on counteracting of proceeds in the private banking sector (Wolfsberg principles).

1.3. The principles and provisions of this Policy as well as norms of effective legislation are fundamental for development of internal regulatory documents of the Bank governing procedures for interaction and control of operation of the headquarters, branches of the Bank and additional offices in Moscow for counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

1.4. The complex of activities executed by the Bank within the framework of this Policy is provided for by the effective Rules of internal control of JSB "Gazprombank" (CJSC) for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

1.5. This Policy is compulsory for practical application by employees of the Bank who directly deal with clients and/or who participate in execution of transactions with clients by virtue of the nature of their activity.

## 2. List of Terms and Definitions

**JSB “Gazprombank” (CJSC)** – headquarters and branches of JSB “Gazprombank” (CJSC).

**Internal control for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism** – activity of the Bank aimed at identification of operations subject to compulsory control and other operations with monetary funds or other property which may be associated with legalization (laundering) of proceeds from crime and financing of terrorism.

**Proceeds from crime** – monetary funds or other property received as a result of commission of a crime.

**Client** – the natural person, individual entrepreneur or legal entity including a credit financial organization which has concluded a bank account (deposit) contract with the Bank and/or has addressed the Bank for execution of a transaction not requiring opening of any bank account (deposit) as well as concluding with the Bank civil legal transactions, in particular, for the purpose of provision of banking services and services in the securities market.

**Legalization (laundering) of proceeds from crime** – rendering a rightful form for possession, use or disposal of monetary funds or other property received as a result of commission of a crime other than crimes responsibility for which is prescribed by articles 193, 194, 198, 199, 199.1 and 199.2 of the Criminal Code of the Russian Federation.

**Transactions with monetary funds or other property** – actions of natural persons and legal entities with monetary funds or other property notwithstanding the form and method of execution thereof directed at establishment, modification or termination of civil rights and obligations related thereto.

**Responsible employee** – an official especially appointed by the Chairman of the Executive Committee (for the headquarters) and head of the branch (for a branch) responsible for coordination of a set of measures to be taken by the Bank for the purpose of legalization (laundering) of proceeds from crime and financing of terrorism and responsible for development of the Internal Control Rules of the Bank for the purpose of counteracting legalization of proceeds from crime.

**Subdivision** – a structural subdivision of the Bank which in the course of accomplishment of the functions imposed on it carries out (conducts, executes) transactions with clients.

**Program** – a set of activities aimed at counteracting use of the Bank and its capabilities as an instrument for legalization (laundering) of proceeds from crime and financing of terrorism.

**Rosfinmonitoring** – a federal executive body taking measures for counteracting legalization (laundering) of proceeds from crime and financing of terrorism in accordance with the

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Federal Law “On counteracting legalization (laundering) of proceeds from crime and financing of terrorism” .

**Regulatory authorities** – Bank of Russia, Rosfinmonitoring.

**Financing of terrorism** – provision or collection of funds for provision of financial services with understanding that they are designed for financing of organization, preparation and commission of at least one of the crimes specified in articles 205, 205.1, 205.2, 206, 208, 211, 277, 278, 279 and 360 of the Criminal Code of the Russian Federation or for provision of the organized group, illegal armed formation or criminal community (criminal organization) created or to be created for commission of at least one of the mentioned crimes.

### **3. Principles, objectives and basic directions of activity of the Bank at execution of internal control for the purpose of counteracting legalization of proceeds from crime and financing of terrorism**

#### **3.1. Principles of the present Policy:**

3.1.1. Observance of requirements of legislation of the Russian Federation in the area of counteracting legalization of proceeds from crime and financing of terrorism.

3.1.2. Execution of careful analysis of activity of potential clients, execution of an audit, fixation of documents provided by them and collection of additional data for the purpose of mitigation of involvement of the Bank into doubtful financial schemes exercised by individual clients. This principle “know you customer”:

- is based upon legal and fair conduct of commercial activity;
- improves circumspection of employees of the Bank in relation to any suspicious transactions, in particular, in relation to transactions which, taking into account available information about the client, are incompatible with activity of the Bank;
- is aimed at timely identification of suspicious transactions of clients.

3.1.3. Refusal of establishment of relations:

- with potential clients in relation to which there are data on their probable participation in extreme or terrorist activity;
- with credit and financial organizations taking in full measures for counteracting legalization of proceeds from crime and financing of terrorism;
- with potential clients and banks in relation to which there is information about their physical absence at the place of their registration;
- with potential clients not providing necessary documents or providing untrue documents (data).

3.1.4. Refusal to open accounts in the name of anonymous owners and bearer ones.

3.1.5. Suspension of transactions with participation of persons in relation to which there are data on their involvement in extremist activities and terrorism.

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3.1.6. Taking of legal measures aimed at termination of contractual relations with clients in relation to whom suspicions arise on their involvement in activities associated with laundering of proceeds from crime, financing of terrorism, illegal turnover of cash.

3.1.7. Activity of the Bank at execution of internal control for the purpose of legalization of proceeds from crime is established as follows:

- for the purpose of creation of an efficient system for counteracting legalization of proceeds from crime and financing of terrorism and creation of efficient barriers against involvement of the Bank into financial schemes by unfair clients the Chairman of the Executive Committee shall appoint an official responsible for development of Internal Control Rules of the Bank for the purpose of counteracting legalization of proceeds from crime and financing of terrorism responsible for coordination of a complex of measures taken by the Bank for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism and controlling implementation thereof;

- at the branches of the Bank officials shall be appointed – responsible employees ensuring fulfillment of the Internal Control Rules of the Bank for the purpose of counteracting legalization of proceeds from crime and financing of terrorism;

- on a periodical basis the responsible employee of the headquarters shall account to the Chairman of the Executive Committee of the Bank on results of fulfillment by the Bank of internal control programs for the purpose of counteracting legalization of proceeds from crime and financing of terrorism. The responsible employee of the branch shall account to the head of the branch and shall obligatorily inform the responsible employee of the headquarters on results of his/her work;

- the internal control service shall exercise on a periodical basis control over observance by the Bank of legislation in the area of counteracting legalization of proceeds from crime and financing of terrorism and shall estimate the degree of compliance of functioning of the internal control system for the purpose of counteracting legislation of proceeds from crime and financing of terrorism with objectives of the current activity of the Bank;

- control over organization at the Bank of activities associated with counteracting legalization of proceeds from crime and financing of terrorism shall be exercised by the Chairman of the Executive Committee of the Bank.

3.2. **The purpose** of this Policy is prevention of use of the Bank as an instrument for legalization (laundering) of proceeds from crime and financing of terrorism, execution of illegal turnover of cash.

3.3. **The basic directions** of the Bank's activity associated with counteracting legalization (laundering) of proceeds from crime and financing of terrorism shall include the following:

- permanent and target-oriented work aimed at prevention of use of services, products, personnel of the Bank as instruments and channels for legalization of proceeds from crime, financing of terrorism, execution of illegal turnover of cash;

- participation of the Bank's personnel in work associated with legalization of proceeds from crime and financing of terrorism, execution of illegal turnover of cash;

- improvement of the professional level of personnel, organization of training and check of knowledge of personnel in the area of counteracting legalization (laundering) of proceeds from crime and financing of terrorism;

- development of new and improvement of internal regulatory documents including the regulations on interaction of the Bank's branches with the responsible employee;

- regular update on the basis of the Internal control rules for the purpose of counteracting legalization of proceeds from crime and financing of terrorism taking into account amendments in legislative acts of the Russian Federation, requirements of regulatory authorities, implementation into the Bank's practice of new mechanisms for counteracting legalization (laundering) of proceeds from crime and financing of terrorism;

- creation of a unified information space to be controlled and analyzed by the structural subdivision dealing with issues associated with counteracting legalization (laundering) of proceeds from crime and financing of terrorism by means of software and hardware means implemented at the bank.

#### **4. Programs of internal control for the purpose of legalization of proceeds from crime and financing of terrorism**

For the purpose of counteracting legalization of proceeds from crime and financing of terrorism the Bank develops the following programs:

4.1. The program for organization at the Bank of work for counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

4.2. The program for identification of clients, establishment and identification of beneficiaries.

4.3. The program for detection in activity of the client of operations subject to compulsory control and other transactions with cash or other property associated with legalization (laundering) of proceeds from crime or financing of terrorism.

4.4. The program for documentary statement of information about the operation (transaction) of the client and provision of relevant information to Rosfinmonitoring.

4.5. The program on refusal to conclude bank account (deposit) contracts with natural persons and legal entities and for suspension of individual types of transactions with cash or other property.

4.6. The program for storage of information and documents received as a result of implementation of programs for execution of internal control for the purpose of counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

4.8. The program for preparation and training of personnel of the Bank for counteracting legalization (laundering) of proceeds from crime and financing of terrorism.

#### **5. The place of the Bank in the system of counteracting legalization of proceeds from crime and financing of terrorism and its commitment to general principles of counteracting laundering of money applicable in Russia and global community**

5.1. Being an active member of the Russia banking community, the Association of Russian Banks, the Bank taking over and maintaining experience of international institutes builds up its

policy in the area of counteracting laundering of proceeds from crime and financing of terrorism in accordance with legislation of the Russian Federation, requirements of regulatory bodies, recommendations of the Special Financial Commission for problems of laundering money (FATF) and Wolfsberg principles. The Bank is a member of the general governmental process for creation of mechanisms for counteracting laundering of proceeds from crime and financing of terrorism.

5.2. Since bank products and services are used as one of the channels for laundering proceeds from crime and financing of terrorism activity of the Bank in the area of counteracting legalization (laundering) of proceeds from crime and financing of terrorism is aimed at avoidance of use of the Bank as an instrument for realization of criminal financial schemes by unfair clients, at mitigation of risks of financial losses and causing damage to reputation of the Bank, observance of interests of its shareholders, partners, clients and employees.

## **6. Priority measures taken by the Bank in the area of counteracting legalization of proceeds from crime and financing of terrorism**

6.1. The Bank investigating experience of foreign and international organizations and accumulating its own experience will continue its active participation in joint work of federal executive bodies, the Bank of Russia, Association of Russian Banks aimed at protection of economy of the state against penetration of criminal capitals and prevention of provision of financial support to terrorist organizations.

6.2. Before introduction into legislation of the Russian Federation of changes proposed by the Russian Bank Community the Bank deems it possible to realize a number of measures stated in the memorandum of the Association of Russian Banks "On measures for counteracting use of credit organizations for the purpose of withdrawal of large sums of money from legal cash flow into the "black economy", namely:

- to exercise in full the principle "know your client" in avoidance of involvement into the schemes associated with withdrawal of large sums of money from legal cash turnover, to take for control fulfillment of procedures for identification of each client at its first address to the Bank notwithstanding the type of bank products and services which it plans to use and in accordance with effective legislation;

- to address clients systematically executing transactions (with opening or without opening of accounts) for the purpose of "encashment" of large amounts of money with the recommendation to voluntarily terminate execution of such transactions or cease relations with the Bank, to take legal measures aimed at termination of contractual relations with such clients;

- to use the tariff policy for the purpose of mitigation of the probability of the Bank into schemes associated with withdrawal of large sums of money from the legal cash turnover.

## **7. Responsibility for Observance of this Policy**

7.1. Responsibility for implementation of activities provided for in this Policy is imposed on employees to the extent of matters covered by their competence.

7.2. Responsibility for development of the Bank's policy in the area of counteracting legalization of proceeds from crime and financing of terrorism shall be imposed on the Responsible employee.

## **8. Final Provisions**

8.1. This Policy is approved by the Executive Committee of the Bank.

8.2. All amendments and supplements to this Policy shall be entered on the basis of the resolution of the Executive Committee of the Bank.