



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

APPROVED by

**Resolution of the Management Board of JSB “Gazprombank”
(CJSC)**

dated February 7, 2007

Minutes No.06

Policy of

JSB “Gazprombank” (CJSC)

**On Countering Legalization (Money 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 activities** of JSB “Gazprombank” (CJSC) (hereinafter referred to as the Bank) for actions aimed at countering legalization of Proceeds From Crime (money laundering) and financing of terrorism.

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

Federal Law No.115-FZ “On Countering Legalization of Proceeds From Crime (Money Laundering) and Financing of Terrorism” of August 7, 2001;

Federal Law No.114-FL “On Countering Extremist Activity” of July 25, 2002;

Federal Law No.35-FL “On Countering Terrorism” of March 06, 2006;

Regulations of the Bank of Russia No.207-P “On the Procedure For Submission by Credit Organizations To the Authorized Body of Information Specified Under the Federal Law “On Countering Legalization of Proceeds From Crime (Money Laundering) and Financing of Terrorism” dated December 20, 2002;

Regulations of the Bank of Russia No.262-P “On Identification By Credit Organizations of Customers and Beneficiaries For the Purpose of Countering Legalization of Proceeds From Crime (Money Laundering) and Financing of Terrorism” dated August 19, 2004;

Directive of the Bank of Russia No.1485-U “On Requirements To Instruction and Training of Personnel at Credit Organizations” dated August 09, 2004;

Directive of the Bank of Russia No.1486-U “On the Qualifying Requirements To Special Officials Responsible For Observance of Internal Control Rules For the Purpose of Countering Legalization of Proceeds From Crime (Money Laundering) and Financing of Terrorism and Programs of Exercise of Such Control At Credit Organizations” dated August 09, 2004;

Regulations of the Bank of Russia № 1519-U “On the Procedure of Submission by Credit Organizations to the Authorized Body of Data on Cases of Refusal to Conclude a Bank Account (Deposit) Contract with a Natural Person or Legal Entity and to Carry out a Transaction with Monetary Resources or Other Assets" dated November 26, 2004;

Regulations on Internal Control of a Professional Participant of the Securities Market approved by the Order of the Federal Financial Markets Service of March 21, 2006 No.06-29/pz-n as well as letters and recommendations of the Bank of Russia on development of internal control rules for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism (the Bank of Russia letter No. 99-T dated July 13, 2005), other recommendations, regulatory and legal acts of the Russian Federation and Global Guidelines on countering money-laundering in private banking (Wolfsberg principles).

1.3. The principles and provisions of this Policy as well as the norms of the effective legislation are fundamental for the development of the Bank’s internal regulatory documents which govern procedures of interaction and activities control in the headquarters, branches of the Bank and supplementary offices in Moscow with respect to countering legalization of proceeds from crime (money laundering) and financing of terrorism.

1.4. The activities executed by the Bank within the framework of this Policy are provided for by the effective Rules of Internal Control of JSB "Gazprombank” (CJSC) for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism.

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

2. TERMS AND DEFINITIONS

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

Internal control for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism – activity of the Bank aimed at identification of transactions subject to compulsory control or other transactions with monetary resources or other assets which may be associated with legalization of proceeds from crime (money laundering) and financing of terrorism.

Proceeds From Crime – monetary resources or other assets obtained as a result of committing a crime.

Client – a natural person, an individual entrepreneur or a legal entity, including a credit 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 a bank account (deposit) or concluding a deal ruled by civil law with the Bank, in particular, for the purpose of receiving banking services and/or services in the securities market.

Legalization of Proceeds From Crime (Money Laundering) – validation of legitimate status to possession, usage or disposition of money or other assets 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.

Operations with monetary funds or other assets – operations of natural persons and legal entities with monetary funds or other assets, notwithstanding of the form and way of execution, directed at establishment, alteration or termination of civil rights and obligations related thereto.

Responsible employee – a specially appointed by the Chairman of the Management Board (for the headquarters) or the head of the branch (for a branch) official responsible for coordination of a set of measures taken by the Bank for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism and responsible for the development of the Bank’s Internal Control Rules aimed at countering legalization of proceeds from crime (Money laundering).

Subdivision – a structural unit of the Bank which in the course of carrying-out the functions imposed on it performs (conducts, executes) transactions with the clients.

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

Rosfinmonitoring – a federal executive body aimed at combating legalization (laundering) of proceeds from crime and financing of terrorism in accordance with the Federal Law “On Countering Legalization of Proceeds From Crime (Money Laundering) and Financing of Terrorism”.

Regulatory authorities – the Bank of Russia, Rosfinmonitoring.

Financing of terrorism – provision or collection of funds or rendering financial services with perception that they are intended for financing of organization, preparation and perpetration 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 the support of an organized group, illegal armed formation or criminal community (criminal organization) established or to be established for committing of at least one of the indicated crimes.

3. PRINCIPLES, OBJECTIVES AND BASIC ACTIVITIES OF THE BANK IN EXECUTION OF THE INTERNAL CONTROL FOR THE PURPOSE OF COUNTERING LEGALIZATION OF PROCEEDS FROM CRIME (MONEY LAUNDERING) AND FINANCING OF TERRORISM

3.1. Principles of the present Policy:

3.1.1. Observance of the requirements of the Russian Federation legislation in the area of countering legalization of proceeds from crime (money laundering) and financing of terrorism.

3.1.2. Careful analysis of the potential clients' activities, auditing, documenting information provided by them and collection of additional data to minimize the involvement of the Bank in doubtful financial schemes exercised by singular clients. The principle of "know you customer":

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

3.1.3. Refusal to establish relations:

- with potential clients in relation to whom there are data on their probable participation in extremist or terrorist activities;
- with credit and financial organizations which are not implementing full measures for countering legalization of proceeds from crime (money laundering) 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 inauthentic documents (data).

3.1.4. Refusal to open accounts in the name of anonymous owners or payable to bearer.

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

3.1.6. Taking legal measures to terminate contractual relations with the clients in relation to whom suspicions arise on their involvement in activities associated with money laundering of proceeds from crime, financing of terrorism, illegal cash flow.

3.1.7. The activity of the Bank in implementation of internal control to counteract legalization of proceeds from crime (money laundering) is established as follows:

- to create an efficient system for countering legalization of proceeds from crime (money laundering) and financing of terrorism and create efficient barriers against involvement of the Bank into financial schemes by unfair clients the Chairman of the Management Board shall appoint an official responsible for working out the Internal Control Rules of the Bank for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism, responsible for coordination of a complex of measures taken by the Bank for the purpose of countering legalization of proceeds from crime (money laundering) and financing of terrorism and controlling its implementation;

- officials shall be appointed at the branches of the Bank with the responsibility of ensuring fulfillment of the Internal Control Rules of the Bank aimed at countering legalization of proceeds from crime (money laundering) and financing of terrorism;

- the responsible employee of the headquarters shall regularly report to the Chairman of the Management Board of the Bank on the results of fulfillment by the Bank of the internal control programs aimed at countering legalization of proceeds from crime (money laundering) and financing of terrorism. The responsible employee of the branch shall report to the head of the branch and shall as a matter of obligation inform the responsible employee of the headquarters of the results of his/her work;

- the internal control service shall exercise regular control over observance by the Bank of the legislation on countering legalization of proceeds from crime (money laundering) and financing of terrorism and shall estimate the degree of the internal control system compliance with for the purpose of countering legislation of proceeds from crime and financing of terrorism with objectives of the current activity of the Bank;

- control over organization by the Bank of activities associated with countering 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 countering 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 the 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 countering 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 countering 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 countering 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 countering 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 countering legalization of proceeds from crime and financing of terrorism the Bank develops the following programs:

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

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

5. The place of the Bank in the system of countering legalization of proceeds from crime and financing of terrorism and its commitment to the general principles of countering 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 countering legalization 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 countering legalization 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 countering 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 countering legalization of proceeds from crime and financing of terrorism

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

6.2. Prior to introduction of changes proposed by the Russian Bank Community into legislation of the Russian Federation the Bank deems it possible to realize a number of measures stated in the memorandum of the Association of Russian Banks "On measures for countering use of credit organizations for the purpose of transferring large sums of money from the 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 the clients who systematically execute 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 mitigating the probability of involving 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 of the matters within their competence.

7.2. Responsibility for development of the Bank's policy in the area of countering 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 Management Board of the Bank.

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