



KYC AND AML REGULATIONS

CENTRAL RESERVE AUTHORITY OF WESTERN SAHARA

FEBRUARY 13, 2020

CENTRAL RESERVE AUTHORITY OF WESTERN SAHARA

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CENTRAL RESERVE AUTHORITY OF WESTERN SAHARA

KYC (Know Your Customer) and AML (Anti-Money Laundering) Policy

1. Introduction

1.1 Purpose of the Policy

This KYC and AML Policy outlines the procedures and guidelines that CENTRAL RESERVE AUTHORITY OF WESTERN SAHARA, hereinafter referred to as "the Company," adheres to in its efforts to prevent money laundering and terrorist financing activities. This policy is designed to ensure compliance with the following applicable legal frameworks: PCA 2002, MLR 2017, Banking Act 2017, Companies Act 2018, FATF (Financial Action Task Force), and CTF (Counter-Terrorist Financing) regulations.

2. Definitions

2.1 Key Terms

- *Customer Due Diligence (CDD): The process of identifying and verifying the identity of customers.*
- *Politically Exposed Person (PEP): Individuals who hold prominent public positions, posing a higher risk of corruption.*
- *Enhanced Due Diligence (EDD): Additional scrutiny and monitoring for high-risk customers.*
- *Suspicious Activity: Any transaction or behaviour that raises concerns regarding potential money laundering or terrorist financing.*

3. Customer Due Diligence (CDD)

3.1 CDD Process

The Company follows a comprehensive CDD process to identify and verify the identity of customers, including individuals, businesses, and politically exposed

persons. This process includes the collection and verification of relevant documentation and information as required by applicable regulations.

3.2 Levels of Due Diligence

Different levels of due diligence are applied based on the assessed risk associated with the customer. These levels may range from standard due diligence for low-risk customers to enhanced due diligence for high-risk customers.

4. Risk Assessment

4.1 Risk Determination

The Company conducts risk assessments to evaluate the level of due diligence required for each customer. Factors considered in this assessment include the customer's type, transaction volume, and jurisdictional risk.

5. Customer Identification Program

(CIP) 5.1 Verification Procedures

The Company has established procedures for verifying customer identities, which may include the use of acceptable identification documents and remote customer verification methods where applicable.

5.2 Enhanced Due Diligence

For high-risk customers, enhanced due diligence procedures are implemented, including additional documentation and ongoing monitoring.

6. Ongoing Monitoring

6.1 Monitoring Procedures

The Company maintains an ongoing monitoring process to detect and report suspicious activities. Red flags and suspicious activity reporting procedures are in place to promptly identify and address potential risks.

7. Record-Keeping

7.1 Requirements

The Company complies with record-keeping requirements, including the retention of customer information and transaction records for the period specified by relevant regulations.

8. Reporting to Regulatory Authorities

8.1 Reporting Process

The Company has established procedures for reporting suspicious transactions to the appropriate regulatory authorities in accordance with MLR 2017 and other applicable regulations.

9. Training and Awareness

9.1 Employee Training

The Company provides comprehensive training programs for employees to ensure awareness and understanding of KYC and AML procedures. Employees are regularly updated on evolving regulations.

10. Penalties for Non-Compliance

10.1 Consequences

Non-compliance with KYC and AML policies and procedures may result in disciplinary actions against employees and could lead to legal consequences for the Company.

11. Revision and Updates

11.1 Policy Review

This policy is subject to regular review and updates to ensure compliance with evolving regulations and best practices in AML and KYC procedures.

12. Contact Information

12.1 AML Compliance Officer

For inquiries related to KYC and AML, please contact our designated AML Compliance Officer.