



MELLI BANK PLC

Anti-Money Laundering (“AML”) & Combatting the Finance of Terrorism (“CFT”) Statement

Corporate Details

1. Melli Bank Plc (‘the Bank’) is incorporated in England & Wales where it conducts its primary business operations. Melli Bank Plc has a branch in Hong Kong and a Representative Office in Iran. Melli Bank Plc is a wholly owned subsidiary of Bank Melli Iran.

2. The Registration Number of Melli Bank Plc is 04152338. Further details of Melli Bank Plc, including its registered address, details of its directors and shareholders as well as its financial statements are available at <http://www.companieshouse.gov.uk>.

Regulators

3. Melli Bank Plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The regulatory status of Melli Bank Plc can be viewed in the Financial Services Register, at <http://www.register.fca.org.uk>. Melli Bank’s Firm Reference Number is 207380.

Legal Framework

4. Melli Bank Plc is subject to and complies with the laws and regulations of the United Kingdom in respect of AML / CFT, including but not limited to, the Counter-Terrorism Act 2008, the Proceeds of Crime Act 2002, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (‘MLR2017’), the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (‘MLR2019’). The Bank also complies with Joint Money Laundering and Steering Committee guidance (‘JMLSG’).

Policies and Procedures

5. Melli Bank Plc has AML/CFT policies and procedures to comply with all the relevant AML/CFT regulations in the jurisdictions it operates. These policies and procedures are subject to regular internal reviews and approval by the Board of Directors of Melli Bank Plc. They are also subject to review by external independent consultants every three years.

Customer Due Diligence

6. The Know Your Customer (‘KYC’) and Customer Due Diligence (‘CDD’) must be carried out for all types of customers of the Bank before establishment of a new business relationship and at regular intervals thereafter.

7. The CDD measures involve: a) identifying and verifying of the customer; b) identifying and verifying of board directors, major shareholders and ultimate beneficial owners of the customer; c) assessing and understanding the purpose and intended nature of the business relationship or transaction.

8. Where the customer or beneficial owner is a legal person (other than a company listed on a regulated market), company, partnership or similar legal arrangement, the Bank takes a risk-based approach to understand the ownership and control structure of that legal person, company, partnership or legal arrangement.

9. Where the customer presents a high AML/CFT risk to the Bank, an Enhanced Due Diligence ('EDD') is carried out which will include (but not limited to) obtaining additional KYC/CDD information from the customer and approval of senior management for establishing and continuing the business relationship.

10. Each customer and its directors, major shareholders and signatories are screened against relevant data, including sanctions, PEP and adverse media information, before establishment of a business relationship and on a continuing basis.

Risk Assessment

11. The Bank's customers mainly consist of corporates, financial institutions and individuals. Risk Assessment is performed for every customer before establishment of a business relationship and during the regular/trigger review process.

12. The risk factors considered including (but not limited to) are as follows:

- Nature of customer's business
- Jurisdictions of the customer (and its parents)
- Products or services offered to customers
- Delivery channels
- Complexity of the transactions

13. Each customer must be assigned with a risk rating following the completion of a Risk Assessment during the onboarding and review process.

14. The risk rating of a customer determines the frequency of review cycle which is specified in the Bank's AML/CFT Policy and Procedures.

Monitoring of customer activities

15. The Bank takes a risk-based approach for conducting ongoing monitoring of the business relationship with its customers. Ongoing monitoring of a business relationship includes:

- Scrutiny of transactions undertaken throughout the course of the relationship to ensure the transactions are consistent with the Bank's knowledge of the customer, its business and risk profile.
- Ensuring that the documents or information obtained for the purpose of conducting customer due diligence are kept up to date.

16. All incoming and outgoing payments are sanction screened before being released or accepted by the Bank. Any suspicious transactions are escalated through the Bank's suspicious activities reporting channel.

Staff Awareness and Training

17. All staff members of the Bank are provided with AML / CFT training within two months of starting their employment, and annually thereafter to ensure they are alert to the risks of money laundering/terrorist financing and are fully aware of their obligations under the laws and regulations of the jurisdictions in which they work. Ad hoc and specific role related training are also provided as and when required.

Governance and Assurance

18. The Board of the Bank delegates the supervision of the Compliance Function to the Bank's Audit Committee.

19. The Compliance Function of the Bank is regularly audited by an independent auditor who reports its findings to the Audit Committee.

20 The Compliance Function assesses the effectiveness of implementation of the Bank's AML/CFT Policies and Procedures by conducting a second line checking of KYC/CDD documentation as well as provision of approval of establishing and continuing a business relationship.

21. The Money Laundering Reporting Officer of Melli Bank Plc is Abdi Zand who is the Chief Corporate Affairs Officer. The Head of Compliance of Melli Bank Plc is Helen Cai, who reports to the Chief Corporate Affairs Officer, and is the Deputy MLRO.

Hong Kong Branch

22. The Hong Kong branch of Melli Bank Plc is authorised and regulated by the Hong Kong Monetary Authority. The Compliance Function of Hong Kong branch reports to and is monitored by the Head of Compliance in London.

Contact Details

23. For further information please contact

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