

Deutsche Bank

DB Group: Anti Money Laundering Policy



Deutsche Bank



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Definition

Money Laundering is the participation in any transaction that seeks to conceal or disguise the nature or origin of funds derived from illegal activities including fraud, corruption, organized crime, terrorism, and many other crimes. Predicate offences for money laundering are defined by local law in the diverse jurisdictions.

Generally, the money laundering process consists of three stages:

Placement

Introduction of cash or other physical valuables originating from illegal / criminal activities into financial or non-financial institutions.

Layering

Separating the proceeds of criminal activity from their source through the use of layers of complex financial transactions. These layers are designed to hamper the audit trail, disguise the origin of funds and provide anonymity.

Integration

Placing the laundered proceeds back into the economy in such a way that they re-enter the financial system as apparently legitimate funds.

Financial institutions may be misused at any point in the money laundering process.

Objectives

In response to the international community's growing concern about the problem of money laundering and potential terrorist financing, many countries around the world are enacting or strengthening their laws and regulations regarding this subject. On 22 September 1992, section 261 German Penal Code, which makes money laundering a criminal offence, took effect in Germany. The Money Laundering Act (Geldwäschegesetz "GWG"), which subsequently entered into force on 20 November 1993, specifies statutory duties for credit institutions and other business. Compliance with these duties is intended to supplement the law enforcement authorities' activities, to detect proceeds derived from serious crimes and help to effectively prevent money laundering, terrorist financing, and recycling of illegally obtained money. The purpose of this policy is to establish the general framework for the fight against money laundering, financing of terrorism, financial crimes and corruption. Successful participation in this fight by the financial sector requires an unprecedented degree of global cooperation between governments and financial institutions.

Deutsche Bank Group is committed to examining its Anti - Money Laundering strategies, goals and objectives on an ongoing basis and maintaining an effective Anti - Money Laundering program for the Bank's business that reflects the best practices for a diversified, global financial services firm.

Deutsche Bank Group is committed to high standards of anti-money laundering compliance and requires management and employees to adhere to these standards in preventing the use of its products and services for money laundering purposes.

Adherence to this policy is absolutely fundamental for ensuring that all Deutsche Bank Group entities, regardless of geographic location, fully comply with applicable anti-money laundering legislation.

Deutsche Bank Group entities are required to adhere to minimum standards of anti-money laundering compliance based on the German Anti-Money Laundering Act and the current guidelines of the German Federal Banking Supervisory Office which clarify the main statutory duties imposed on credit institutions by the Money Laundering Act (§ 15 Geldwäschegesetz). A summary of these minimum standards is attached.

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In any country/jurisdiction where the requirements of applicable anti-money laundering laws establish a higher standard, Deutsche Bank Group entities must meet those standards. If any applicable laws are in conflict with this policy, the relevant Deutsche Bank Group entity must consult with the local Legal Department and the Group Anti-Money Laundering Officers to resolve the conflict. The BAFin must be informed whenever the law of the foreign country does not allow the extra-territorial application of the German Law and a branch, subsidiary or affiliate is opened in such a country. Failure to report such information could result in the BAFin imposing penalties on Deutsche Bank Group.

Adherence to the Deutsche Bank Group Anti-Money Laundering Program is the responsibility of all employees. The program is formulated and directed by the Group Anti Money Laundering Officers. The program includes [client screening and monitoring requirements](#), “know your customer” policies (including the requirement to establish the identity of beneficial owners), [Embargo policies](#), record keeping requirements, the reporting of suspicious circumstances in accordance with relevant laws, and training.

Global scope

Under section 15 of the German Money Laundering Act (§15 Geldwäschegesetz), Deutsche Bank AG must ensure that the statutory duties resulting from the regulations set out in this Act are fulfilled by its domestic and international branches, subsidiaries and affiliates.

The Deutsche Bank Anti-Money Laundering Group Policy has been approved by the Group Compliance Committee.

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Attachment: Minimum Standards and Duties According to the German Anti Money Laundering Act

The following standards and duties are to be understood as minimum requirements for Deutsche Bank Group **based on the legal and regulatory requirements.**

Ascertainment of customer identity

- Before a contract establishing a business relationship intended to operate on a lasting basis is concluded; in particular, when opening an account, accepting valuables for safe keeping, or letting of safe deposit boxes
- Before the acceptance of cash, physical securities, or precious metals worth 15,000 EUR or more
- In case of suspicious transactions

Establishment of ultimate economic beneficiary

- Whenever the Bank is required to identify a customer, the ultimate economic beneficiary (of the account / the cash transaction) must be established
- Particular care must be taken to identify the true owners of funds when accounts are opened for lawyers, notaries, certified public accountants, tax advisors and trustees

Record keeping

- Records must be kept of all transaction data and data obtained for the purpose of identification, as well as of all documents related to money laundering topics in accordance with the statutory duties imposed on credit institutions by the Money Laundering Act
- Those records must be kept for 6 years

Reporting of suspicious circumstances / transactions

- The reporting of suspicious circumstances / transactions must comply with the laws / regulations of the respective jurisdiction
- The Group Anti Money Laundering Officers must be informed about all suspicious events (in accordance with guidelines agreed between the Country [Anti Money Laundering Officer](#) and the Group [Anti Money Laundering Officers](#))

Internal security measures

- [Permanent monitoring of clients' accounts must be ensured by implementation of adequate systems](#)
- Deutsche Bank Group entities must confirm and document the reliability of employees first, when the person is employed and again within a period of every 24 months thereafter. The latter documentation may consist of an attestation by an appropriate supervisor which states that there is no reason to believe the person is not reliable in terms of the GwG
- [Adequate customer- and business-related controls must be developed and implemented to ensure that all applicable AML requirements are being adhered to](#)

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Training

- All staff with direct customer contact, staff who are authorized to execute cash and non-cash financial transactions, and employees in essential auxiliary functions (like, for example, Human Resources, Compliance, Internal Audit, or data processing centres) must be trained on the duties derived from the applicable legal and regulatory anti-money laundering requirements initially upon commencement of employment and later on regularly on a 24-months-basis. In addition, these staff must be informed on an ongoing basis about new methods and techniques of money laundering.