

## Compliance Statement of Approach

Bank Legal Name	<b>Commercial Bank International PJSC</b>
Registered Address and Jurisdiction	Building, Al Rigga Street, Deira, Dubai - UAE
Central Bank of the United Arab Emirates License Number	13/1772/2001 (replaced BSD/1152/93 -Location Change)
Commercial Registration Number	1048
IGA Status	Reporting Model 1 FFI
GIIN	LS0MZK.99999.SL.784

### CBI Compliance Program

Commercial Bank International PJSC (CBI) (The Bank) was established in 1991 (initially established in 1975 under different name) in the Emirate of Ras Al Khaimah and is headquartered in the Emirate of Dubai and is a public joint shareholding company. Bank operates in the United Arab Emirates (UAE) which in turn is a member of GCC (Gulf Cooperation Council) that is in turn a member of the Middle East North Africa Financial Action Task Force (MENAFATF). The Bank is regulated and operates under the license from the Central Bank of the UAE (CBUAE) which is the main regulatory and supervisory authority for banks and financial institutions in the country. Bank's shares are listed on the Abu Dhabi Securities Exchange (ADX); therefore, Bank is regulated as well by the Securities and Commodities Authority of the UAE (SCA).

CBUAE has issued number of regulations to combat the money laundering activities that align with the applicable international regulations as well as the national level regulations, precisely the Federal Law No. (20) of 2018 on Anti Money Laundering (AML) and Combating the Financing of Terrorism (CTF) and Financing of Illegal Organizations and the subsequent Cabinet Decision No. (10) of 2019 concerning the implementation of the afore-mentioned law. The aim of this law is to combat money-laundering and establish a legal framework that supports and strengthens the efforts of the relevant authorities in the nation in countering money-laundering and related crimes. The law also counters financing of terrorist operations and suspicious organizations, which enhances the UAE's commitment to international recommendations and treaties.

Further, the UAE is a member of the United Nations and is required to comply with sanctions issued and passed by the United Nations Security Council ("UNSC"). CBI is required to establish and maintain effective controls to comply with the UNSC resolutions on targeted financial sanctions and proliferation financing. On the other hand, unilateral sanctions imposed in specific jurisdictions such as the European Union, the UK (HM Treasury) and the US Office of Foreign Assets Control ("OFAC") are considered by the Bank and compliance is ensured where required and/ or appropriate. If there is no legal obligation for CBI to comply with sanctions imposed in a non-UAE jurisdiction, the location and nature of the Bank's customer base and the jurisdictions in which the customers operate are taken into consideration to ensure compliance with the said sanctions.

Guided by these rules and regulations and as well as Basel Committee on Banking Supervision's guidelines on Customer Due Diligence, the Bank has reviewed, updated, developed, and implemented AML, CFT, KYC and Sanctions policies and procedures. The policies and procedures undergo constant review for improvement. Further, both compliance induction trainings and regular, bespoke training programs are in place to maintain on-going awareness of all concerned staff members on red flags, risks, suspicious transactions / activities reporting and preventive measures.

In conducting transactions, the Bank makes all reasonable efforts to ascertain and verify the identity of the parties and genuineness of the financial transactions. Suspicious transactions and/ or activities are dealt with appropriately in accordance with rules and regulations. Further, and in accordance with the policies, the Bank does generally not

conduct or consider account opening applicants for businesses engaged in multiple activities including but not limited to:

- Persons or entities subject to sanctions or listed as Specially Designated Nationals (SDNs) or located/ domiciled in sanctioned countries
- Foreign Political Exposed Persons (FPEPs) (unless approved by the Board Risk Committee)
- Unregulated, unlicensed or shell banks (As defined under the US PATRIOT Act)
- Shell companies and/ or companies with bearer shares
- Anonymous, fictitious or numbered accounts
- Individuals or entities that are known to be or are strongly suspected of being involved in money laundering or terrorist financing activities, payable through, down-streaming or nesting activities / accounts, proliferation financing, or trade based money laundering.
- Defense or weapons (other than relating to UAE defense and security)
- Unregulated consumer credit, money lending, charities / non-profit organizations
- Dating and escort services, as well as gambling, betting or casinos activities
- Facilitating remittance business for exchange houses/ Money Service Businesses
- Hawaladars
- Nuclear business (engineering/ power plant/fuel/technology/mining)

### **Correspondent Banking Relationships, FATCA and CRS**

Key regulations that impact our correspondent banking business are the Financial Action Task Force (FATF) and the US PATRIOT Act. Whilst CBI is regulated by local regulations first and foremost, it may increasingly be subject to relevant foreign regulations in cases where CBI deals with foreign counterparties or currencies, which as a result, could trigger foreign regulations to apply.

CBI maintains robust corresponding banking relationships with several financial institutions. CBI can either act in capacity of respondent bank to its international counterparts or as a correspondent bank for AED for some of its foreign counterparts. Ordinarily CBI would perform an enhanced due diligence on the correspondent bank at the time of entering into a relationship – whether through the exchange of RMA only or where concrete transactions are expected to occur on the account. Periodic risk assessments must take place on the existing banking relationship from an AML/CTF/sanctions risk perspective. In addition, ongoing due diligence on a transaction-basis is performed regarding correspondent banks.

CBI is compliant with FATCA regulations. It is furthermore committed to comply with the Common Reporting Standards (CRS), pursuant to the OECD guidelines. CBI has registered with the Internal Revenue Service (IRS) in accordance with the in-principal agreement between UAE & US Governments.

For further inquiries, please reach out to:

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