

Annual Message of the MD & CEO On Prevention and Combating Financing Terrorism Compliance of Strategic Finance & Investments Limited

January 01, 2023

Dear All Employees

Wishing you all a Happy New Year 2023.

All grace to the Almighty Allah for keeping us still alive with sound health in a stressful critical pandemic situation since last March 2020. An unprecedented challenging year with the best effort of all, we have successfully completed with a focus to make this year a vibrant and progressive one in a sustainable compliant manner.

Diverse risk has been created globally due to this new normal situation created due to pandemic and also regulatory policy change in our country which affects the whole economic and business activities. Whatsoever, we remind you all on our promises and commitments to make our company a Compliant one in all aspects and in terms of regulatory requirements especially on Anti-Money Laundering and Combating the Financing of Terrorism.

The Tone of the Top is very clear, Board of Directors who have clear indications to us strict adherence to all the statutory legislations, regulatory directives and company's own policies and procedures to ensure good corporate governance in the prevention of AML & CFT. I must convey the clear message of "**ZERO TOLERANCE**" on any lapses to the adherence to the standard policy and procedures related to AML & CFT.

Dear Colleagues,

We encourage comfortable and friendly, congenial environment for our customers, so train your officials to make questions or queries to the client in a very positive manner and delicate way to get the required correct information. No Customer would feel harassed or embarrassed.

Prioritize Customer's satisfaction with compliance manner ensuring Customer Due Diligence (CDD) segment following Customer Acceptance Policy. AML issues are not isolated topic or additional task; it's the part of regular responsibility of all officials.

At present, as per National Strategy and BFIU's guidelines, we have emphasized on effective implementation of all AML related Guidelines/Policies/Circulars in our organization. So undernoted policies, progress and procedures warrant your keen concentration for this year:

1. Guidelines on Prevention of Money Laundering and Terrorist Financing of Strategic Finance & Investments Limited (Version-2020).



2. BFIU Master Circular#12 dated June 29, 2015 and Recommendation of FATF.

I like to mention some related points you must ensure:

1. All members of Central Compliance Unit (CCU), Branch Compliance Unit (BCU) should be more dedicated and active in AML compliance issues and contribute for effective Anti-Money Laundering (AML) policy implementation;
2. Refresh AML related Knowledge and ideas through holding formal or in formal meeting in the branches and divisions and also provide requisition for required AML training to HRD and may inform CAMLCO and DCAMLCO also;
3. Ensure collection of accurate and complete information of customer with support documents at the time of Customer on boarding & to be updated as and when required;
4. Confirm NID verification and sanction screening and also preserve confirmation documents and false positive;
5. Ensure proper KYC (Know Your Customers) and KYE (Know Your Employees) so be vigilant about employees' activities;
6. Collect and stipulate beneficial Owner's information in the AOF and preserve supporting documents;
7. In most cases the launderer's use financial sectors to fulfill their purpose, so physical verification and on-site visit to collect additional information in necessary;
8. Ensure periodical review of KYC or conduct CDD/EDD profile and transaction profile and document it for High-Risk Account, PEPs/IPs accounts, High Risk Transaction Accounts or any alert generating accounts;
9. Ensure familiarity of all officials with RED flag indicators and alert generation to identify unusual activities/transactions promptly;
10. Ensure monitoring of Adverse News and transactions, if assume suspicious, escalate STR or SAR to CAMLCO/DCAMLCO/BAMLCO immediately for onward submission to BFIU;
11. Initiate Suspicious Transaction Report (STR) or Suspicious Activity Report (STR) promptly, as STR/SAR is often considered as the heart or output of an AML compliance program of a company by the regulator.
12. Ensure meticulous compliance of Audit Observations (internal/external) of last years and also give more emphasis on internal self-audit system/ mechanism development in branch. Ensure proper compliance activities as per quarterly Self-Assessment Report, Independent Testing Procedure (ITP) scoring.
13. Ensure Return Submission (data/accounts information) against queries of different empowered authorities in time; as any misreporting, wrong reporting, non-reporting or non-imposing of freezing instruction may cause imposition of penalty on the company which in turn will be borne by the respective officials and their supervisors.
14. Branch Managers are advised to discuss the above issues in their quarterly AML & CFT meeting and incorporate the themes in the minutes of the meeting.

CONSEQUENCES: As per Section 25(2) of the MLP Act 2012 and Section 15(8) ATA Act 2013 failure to comply with the above-mentioned responsibilities may cause cash penalty as well as



From the desk of
Irteza Ahmed Khan, Managing Director & CEO

cancellation of permission or license of the NBFI or any of its Branch. Additional penalty also for responsible Owner(s), Director(s), Employee(s) or Contractual(s).

Please Note: Ignorance of the rules and regulations is no excuse for non-compliance and every individual will be held liable for carrying out his/her compliance responsibilities and necessary disciplinary actions, if required, may be taken against the responsible person(s).

I finally believe that all of you are fully conversant with the laws, regulations and policies relating to AML & CFT and shall demonstrate desired responsibilities for the noble cause of fighting against Money Laundering and Terrorist Financing. Non-compliance of instructions, rules, regulations and laws will be treated as extending assistance to Money Launderers and Terrorist Financiers for which concerned person will be held responsible.

Your awareness, knowledge and appropriate action will safeguard the interest of the Company.

Please convey this message to each of our officials.

Thanking you,



Irteza Ahmed Khan
Managing Director & CEO