

# Anti-Money Laundering and Counter Terrorism Financing Policy

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## THE AIM OF THIS POLICY

Insight Investment Partners ("Insight Investments") is required by law to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Act"), and the Anti-Money Laundering and Counter- Terrorism Financing Rules Instrument 2007 ("AML/CTF Rules").

Money Laundering is the process of hiding or disguising the source of illegally obtained funds to make them appear legitimate, e.g. by filtering them through the financial system.

Money laundering reduces the risk of detection and confiscation by authorities. It is just as serious as the criminal activity behind it.

Terrorism Financing differs from money laundering in 3 main ways:

1. Its primary purpose is to disguise the ultimate use of the funds, as opposed to their origin
2. It can involve relatively small sums of money, which can have a huge impact in terms of death, destruction and disruption; an
3. Although terrorists may finance their activities through crime, legitimate funds can also be misappropriated to finance terrorism.

## WHAT THIS POLICY COVERS

- Customer Due Diligence
- Identification of Suspicious Transactions
- Reporting of Suspicious Transactions
- Maintaining Records
- Training
- Monitoring and Review of Money Laundering Deterrence

## YOU MUST

The Insight Investments policy is to comply with high standards of anti-money laundering practice. This policy applies not only to money laundering related to terrorist financing but also the proceeds of crime

The following are the key principles of the policy:

### Customer Due Diligence

Before doing business with any prospective customer, appropriate Customer Due Diligence ("CDD") is required to be undertaken and recorded. The CDD process comprises:-

- a) the identification and appropriate verification of identity of the client. (and, where different, beneficial owner) and any other relevant parties. A prospective customer's identity should be obtained and verified using reliable, independent documentary and/or electronic source material. Without such, the business should be declined. Customer identification procedures for non-face-to-face business should include appropriate measures to mitigate the risks posed by such business.
- b) the information for identification and verification of the client is required to be obtained prior to commencing the relationship. The information should be updated on a regular basis during the course of the business relationship.
- c) the information required includes, but is not limited to:-
  - (i) personal, business, and financial details
  - (ii) details on the purpose and intended nature of the business relationship including anticipated transactional activity,
  - (iii) details as to the source of funds/wealth.
- d) Should suspicion be risen, the advisor should screen the client against lists of terrorist and sanctioned names issued by Australian Authorities such as AUSTRAC, ASIO and ASIC; and
- e) In no circumstances may accounts be operated or relationships established for anonymous customers or in obviously fictitious names or for a shell bank as defined by the FATF.

### Identification of Suspicious Transactions

It is a requirement that appropriate scrutiny and monitoring of transactions, account activity and customers are undertaken in order to identify unusual and potentially suspicious activity.

Monitoring of transactions and account activity are undertaken applying a risk-based approach and having regard to the size and nature and frequency of the transaction.

Transactions considered suspicious or involving clients that have been deemed suspicious should be regarded as high risk and be subject of enhanced monitoring.

### Reporting of Suspicious Transactions

Should a client or transaction be regarded as high risk or suspicious, the client or transaction should be the subject of an Executive Committee meeting where the appropriate action will be determined. This may include reporting to AUSTRAC, the Police or any other organisation deemed appropriate.

**Maintaining Records**

Adequate records are required to be maintained to demonstrate that appropriate and ongoing CDD procedures have been followed, and to reconstruct transactions.

These records are required to be maintained for at least 5 years after the relationship has ended or after the date of the transaction, or such longer period as required by regulatory authorities.

**Training**

Insight Investments is required to provide all staff including temporary or contract staff with timely induction training and refresher training to ensure that they understand Insight Investments approach to money laundering and terrorism financing.

**Monitoring and Review of Money Laundering Deterrence**

Regular monitoring is required to be undertaken by Insight Investments to ensure:-

- Compliance with AML/CTF rules and legislation.
- A functional review of monitoring processes
- Work in conjunction with the Australian Government and support their objectives in relation to the prevention, detection and control of money laundering and terrorism financing.