

# Anti-Money Laundering (AML)

## Compliance Policy

Document Version: 2.0 | Effective Date: January 1, 2026

Classification: Internal - Mandatory Compliance

### 1. Purpose

This policy establishes the rules and procedures for detecting, preventing, and reporting money laundering activities across all financial transactions processed by Global Financial Services Inc. All employees, systems, and automated agents must enforce these rules without exception.

### 2. Transaction Monitoring Rules

#### Rule 2.1: Large Transaction Threshold

Any single transaction with an amount exceeding \$10,000 USD must be flagged for review. This applies to all transaction types including wire transfers, cash deposits, cash withdrawals, and electronic payments.

#### Rule 2.2: Structuring Detection

If a single account initiates more than 3 transactions within a 24-hour period where each transaction is between \$8,000 and \$10,000, this pattern must be flagged as potential structuring (smurfing) to avoid the \$10,000 reporting threshold.

#### Rule 2.3: Rapid Successive Transfers

Any account that sends more than 5 transfers to the same beneficiary within a 7-day period must be flagged for review, regardless of individual transaction amounts.

#### Rule 2.4: High-Risk Transaction Types

All transactions categorized as "cash-out" or "wire transfer" exceeding \$5,000 must undergo enhanced due diligence review.

### 3. Account Behavior Rules

#### Rule 3.1: Unusual Volume Spike

If an account's total transaction volume in any single day exceeds 200% of its average daily volume over the past 30 days, the account must be flagged for suspicious activity.

#### Rule 3.2: Round Amount Transactions

Transactions with perfectly round amounts (e.g., \$10,000.00, \$50,000.00, \$100,000.00) exceeding \$5,000 must be flagged, as round amounts are a common indicator of laundering activity.

#### Rule 3.3: New Account High Activity

Any account less than 30 days old that processes transactions totaling more than \$50,000 must be flagged for enhanced review.

## 4. Cross-Border Transaction Rules

### Rule 4.1: International Transfer Limits

Any international wire transfer exceeding \$3,000 must be reported and reviewed within 24 hours.

### Rule 4.2: Multiple Currency Transactions

If a single account transacts in more than 3 different currencies within a 48-hour window, the account must be flagged for review.

## 5. Known Fraud Indicators

### Rule 5.1: Labeled Suspicious Transactions

Any transaction that has been labeled or flagged as suspicious, fraudulent, or related to laundering by any internal or external system must be immediately escalated for human review. Zero tolerance policy applies.

### Rule 5.2: Layering Detection

Sequential transactions where funds are received and then immediately transferred out (within 1 hour) to a different account, with the outgoing amount being 90-100% of the incoming amount, must be flagged as potential layering.

## 6. Reporting and Escalation

All flagged transactions must be:

- Logged in the compliance monitoring system with full transaction details
- Assigned a severity level (Critical, High, Medium, Low)
- Reviewed by a compliance officer within 48 hours
- Reported to relevant authorities if confirmed as suspicious

### Severity Classification:

Critical: Transactions exceeding \$100,000 or confirmed laundering patterns

High: Transactions between \$50,000-\$100,000 or multiple rule violations

Medium: Transactions between \$10,000-\$50,000 or single rule violations

Low: Transactions flagged by pattern detection requiring routine review

## 7. Compliance

Failure to enforce these rules may result in regulatory penalties, fines up to \$1,000,000 per violation, and criminal prosecution under applicable anti-money laundering laws. This policy is reviewed and updated annually. All automated compliance systems must be configured to enforce these rules continuously.

**Approved by: Chief Compliance Officer**

**Review Date: January 1, 2027**