

# Anti-Money Laundering (AML) Compliance Policy

This policy establishes the framework for detecting and preventing money laundering activities through systematic monitoring of financial transactions. All transactions must comply with the rules outlined in this document.

## Rule 1: High-Value Transaction Monitoring

**Requirement:** Any single transaction exceeding \$10,000 must be flagged for review. This threshold applies to all transaction types including transfers, cash withdrawals, and payments. Transactions at or above this amount require additional documentation and verification of the source of funds. **Severity: High**

## Rule 2: Suspicious Transaction Patterns

**Requirement:** Multiple transactions from the same account totaling more than \$50,000 within a 24-hour period must be investigated. This pattern may indicate structuring or smurfing activities designed to evade reporting requirements. The compliance team must review the business justification for such transaction patterns. **Severity: Critical**

## Rule 3: Cash Transaction Limits

**Requirement:** Cash withdrawals (CASH\_OUT transactions) exceeding \$5,000 require manager approval and customer identification verification. Large cash transactions pose higher money laundering risks and must be documented with the purpose of withdrawal. **Severity: Medium**

## Rule 4: Rapid Movement of Funds

**Requirement:** Funds transferred into an account and then immediately transferred out (within 1 hour) in amounts exceeding \$20,000 must be flagged as potentially suspicious. This behavior may indicate layering activities in money laundering schemes. **Severity: High**

## Compliance Monitoring

All transactions must be monitored continuously against these rules. Violations must be documented with clear justifications and remediation steps. The compliance team shall maintain an audit trail of all flagged transactions and their resolution status. Regular reports

must be generated showing compliance rates and violation trends.

## **Enforcement and Penalties**

Failure to comply with these rules may result in regulatory penalties, account suspension, or termination of banking relationships. All staff members are required to report suspicious activities immediately to the compliance department. Training on AML procedures is mandatory for all employees handling financial transactions.