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POLITICALLY EXPOSED PERSONS (PEPS) POLICY & PROCEDURES – VERSION II

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Purpose

Based on the Three lines of defense Model, the business line as the first line of defense need adequate action to identify and classify Politically Exposed Persons (PEPs) as High-Risk customers. The Compliance Department has been requested for guidance on who is PEP and how to identify PEP, as such – this memorandum is issued for all staff as a guidance and reference purpose.

1.0 Politically Exposed Persons (PEPs)

1.1 PEP Definition

Individual PEP:

The FIU definition of a "Politically Exposed Person" or PEP means an individual who is entrusted with prominent public functions either domestically or by a foreign country, or in an international organization and includes a Head of a State or a Government, a politician, a senior government officer, judicial officer or military officer, a senior executive of a State-owned Corporation, Government or autonomous body **but does not include middle rank or junior rank individuals**.

The **ECDD Rule** is also applicable to family members and close associates of a PEP as well.

Corporate PEP:

If a PEP customer or his/her Close Associate is a shareholder of a corporate entity or having equity interest of more than 10% (ten percent) the specified corporate account should be categorized as a Corporate PEP account.

A Close Associates means:

- The Spouse, Siblings, Children and Parents
- A natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship
- A legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members

1.2 PEP Definition Method II

a) Domestic PEPs:

Individuals who are entrusted with prominent public functions in Sri Lanka.

b) Foreign PEPs:

Individuals who are entrusted with prominent public functions by a foreign country.

c) International organization PEPs:

persons who are entrusted with a prominent function by an international organization.

d) Immediate Family members:

individuals who are related to a PEP either directly (on grounds of consanguinity) or through marriage or similar (civil) forms of partnership.

e) Close associates:

individuals who are closely connected to PEP, either socially or professionally

1.3 Immediate family members of PEPs include any of the following relations:

- i. Spouse (current and past);
- ii. Siblings, (including half-siblings) and their spouses;
- iii. Children (including step-children and adopted children) and their spouses;
- iv. Parents (including step-parents);
- v. Grand children and their spouses.

1.4 Close associates of PEPs or their family members includes;

- i. A natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship with any person identified in above; and
- ii. A legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members.
- iii. A PEP's widely- and publicly-known close business colleagues or personal advisors, in particular, persons acting in a financial fiduciary capacity.

For the purposes of the PEP definition, "international organizations" are organizations established by formal political agreements between its member countries, where such agreement has the status of an international treaty, and the organization is recognized in the law of the member countries. The examples of international organizations provided by FATF include:

- a) the United Nations and its affiliates such as the International Maritime Organization;
- b) regional international organizations;
- c) international military organizations such as the North Atlantic Treaty Organization;
- d) economic organizations such as the World Trade Organization, International Monetary Fund, World Bank, Asian Development Bank, etc.

1.5 Beneficial owners

A natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes the person who exercises ultimate effective control over legal persons or arrangements whose ultimate beneficial owners or controllers are PEPs or their family members or associates.

If there are reasonable grounds to believe that a beneficial owner is a PEP, Branch required to verify if the beneficial owner is a PEP.

Branches are required to inquire the reason for a person purporting to act on behalf of a beneficial owner in order to determine whether the beneficial owner of the customer or client is a PEP and required to apply all the requirements applicable to a PEP for:

- a) A person who is acting on behalf of a PEP, or
- b) A customer or beneficial owner of a customer who is identified as a family member or close associate of a PEP.

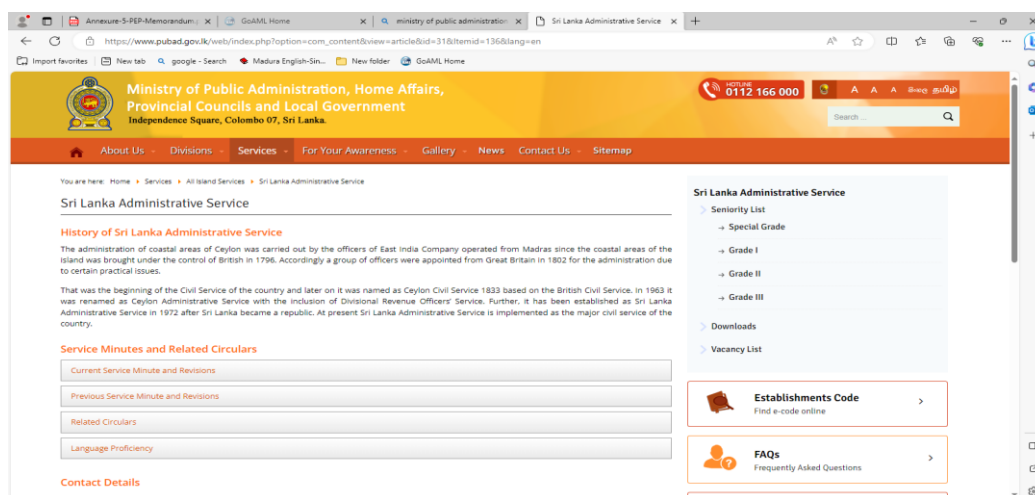
1.6 Duration of Treating a Person as a PEP

- Members of Parliament/ Provincial Councils/ Pradeshiya Sabas/ Municipal Councils immediate family members and close associates- **as PEPs for life time**
- Government/ Judicial/ Military officers, immediate family members and close associates - **as PEPs only during the time they hold their offices and for a further period of six months after removal from office.**
- Members, immediate family members and close associates of Government appointed Commissions/ Boards/ Corporations - **as PEPs only during the time they hold their offices and for a further period of six months after removal from office.**

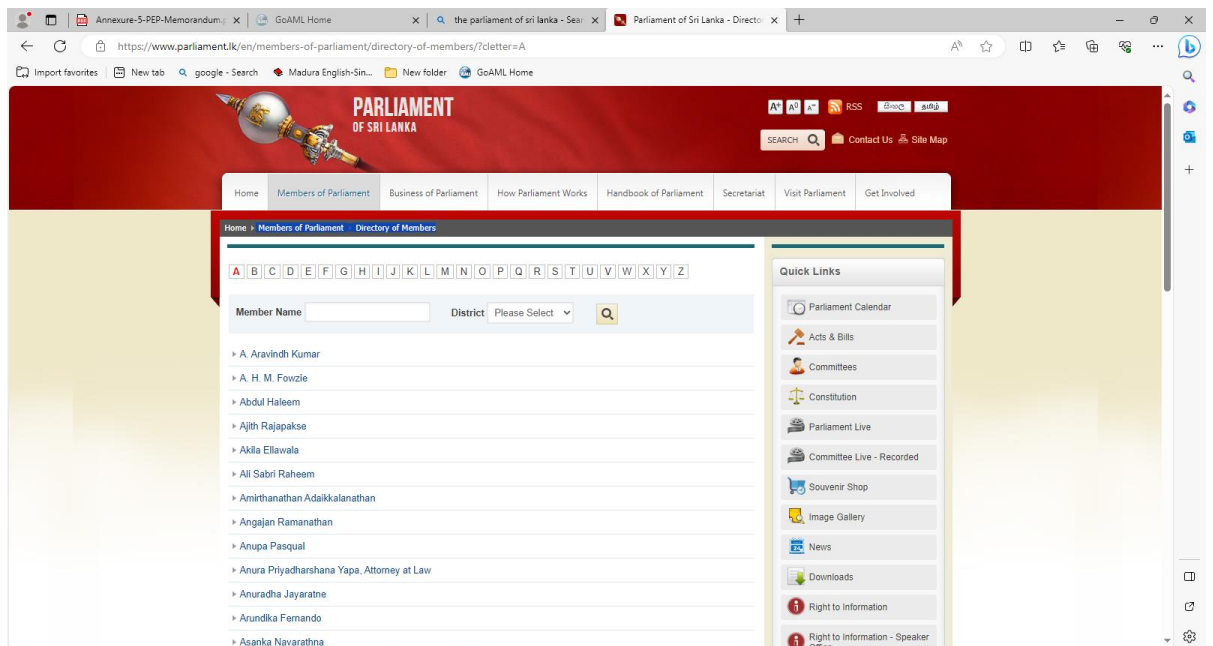
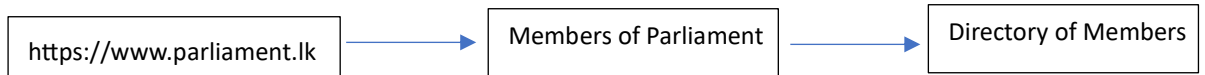
2.0 Identifying Local PEPs

2.1 Listed PEP Authorities

1. Administrative service



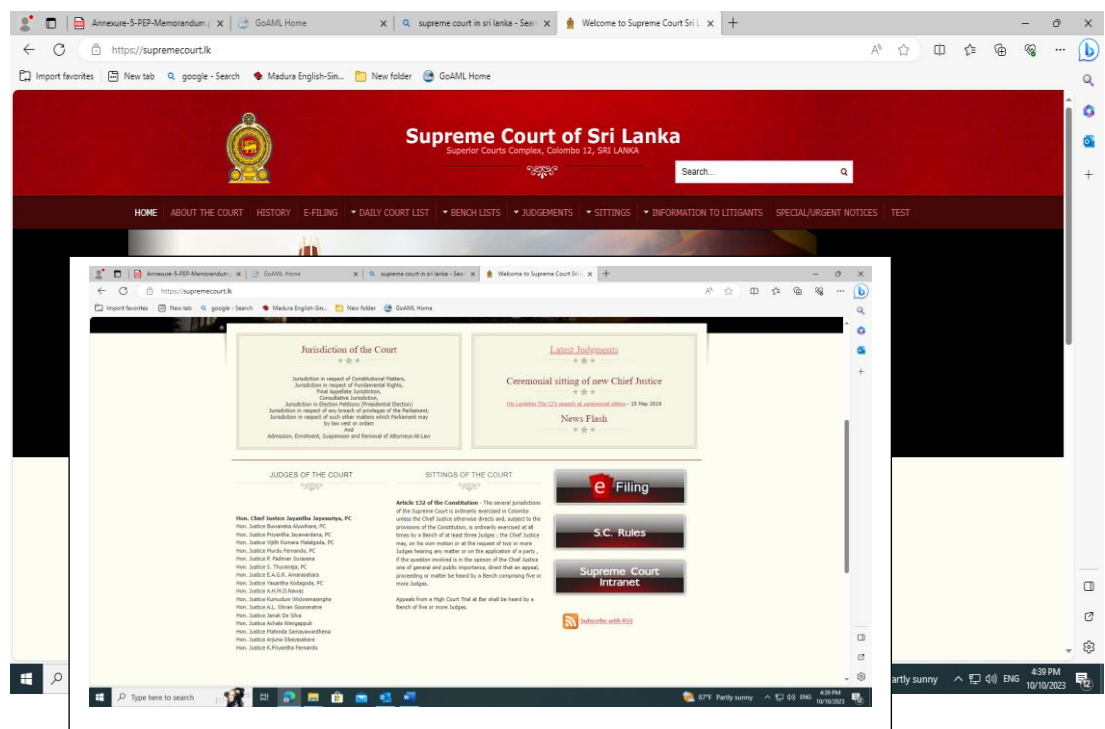
2. Members of Parliament



3. Judicial Service

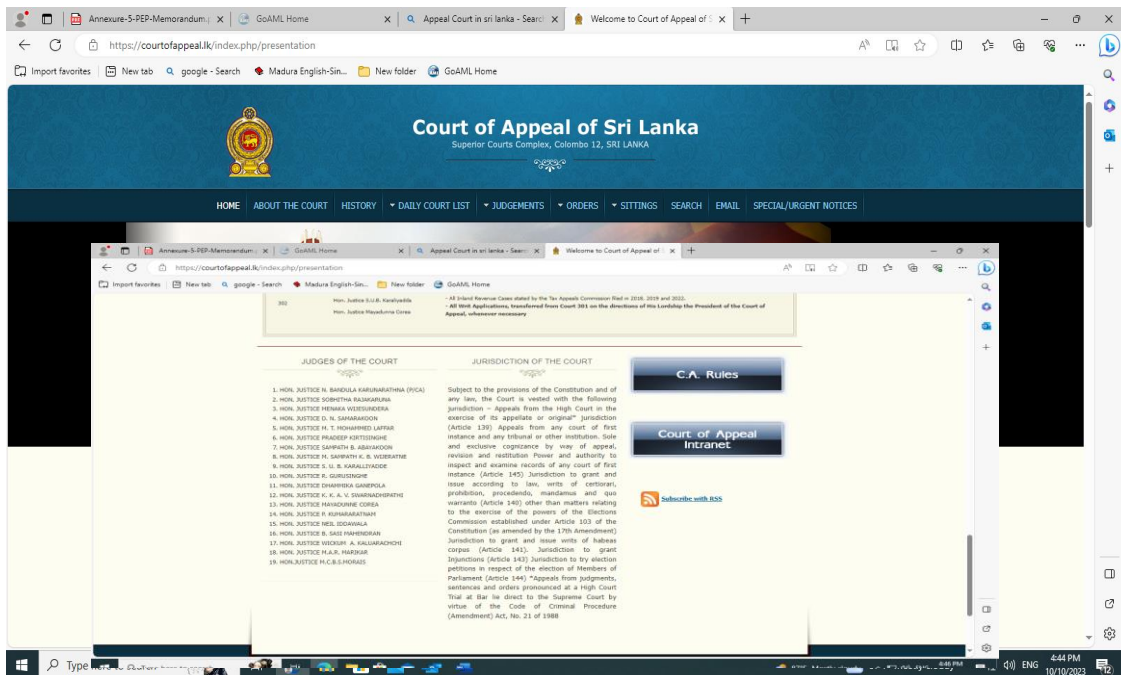
3.1 Supreme Court

<https://supremecourt.lk>



3.2 Appeal Court

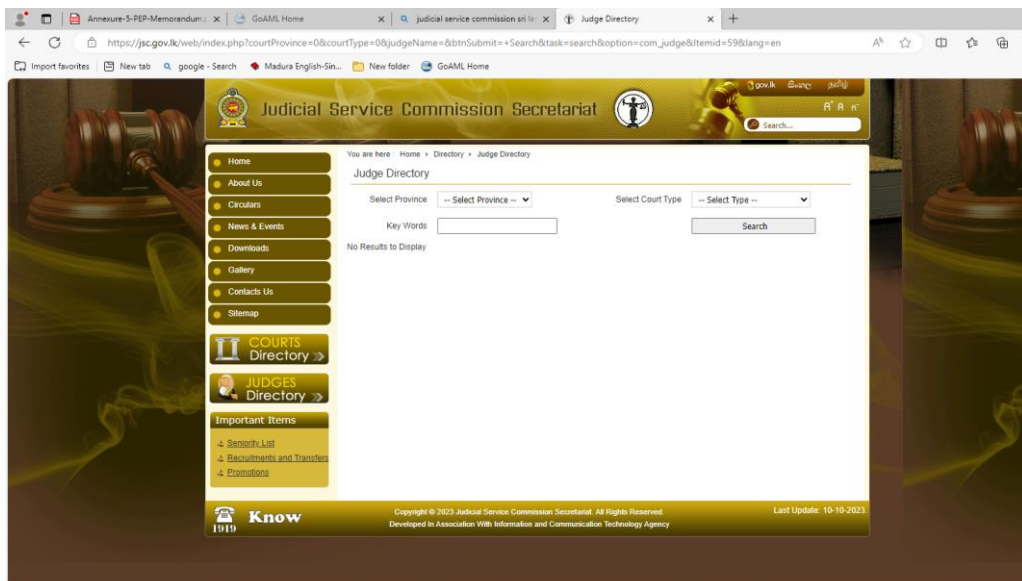
<https://courtsofappeal.lk>



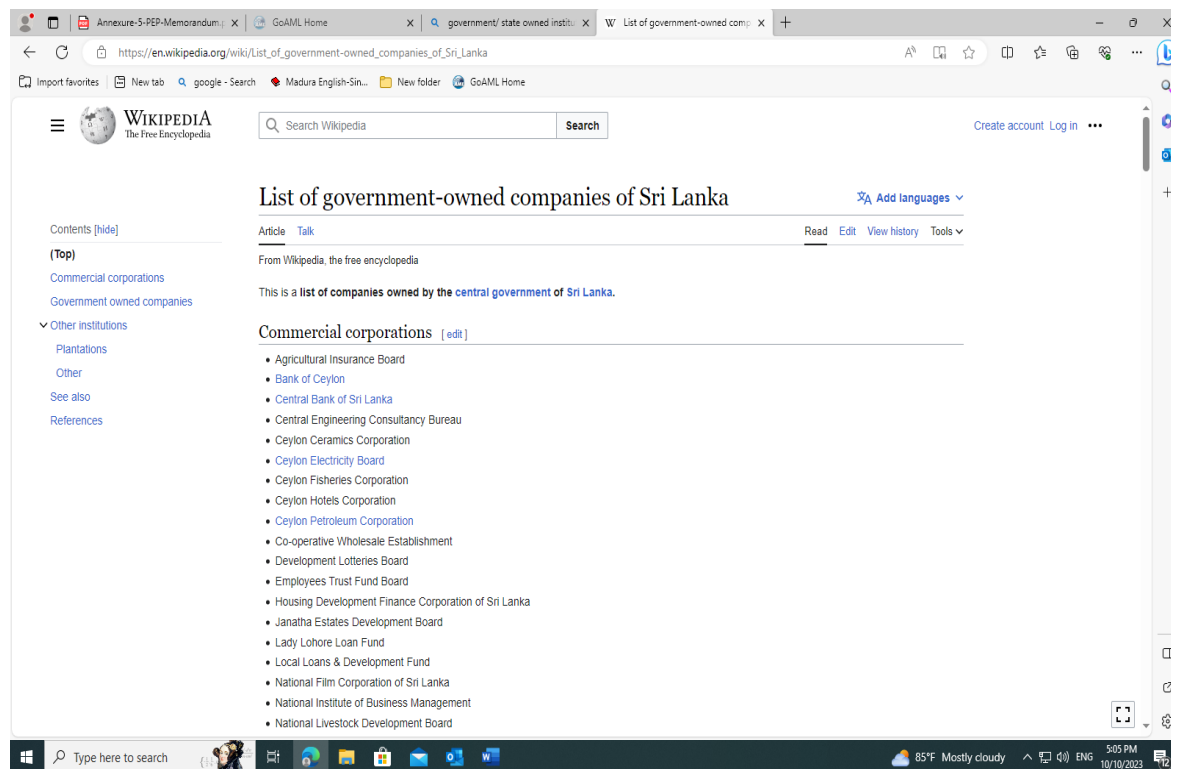
3.3 Other - Judicial Service Commission Secretariat

<https://jsc.gov.lk>

Judge Directory



4. Government/State Owned Institutions



5. Police Ranks Structure

- Inspector General of Police
- Senior Deputy Inspector General of Police
- Deputy Inspector General of Police
- Senior Superintendent of Police
- Superintendent of Police
- Assistant Superintendent of Police

6. Military Officers

- Sri Lanka Army – Lieutenant Colonel and above.
- Sri Lanka AirForce – Wing Commander and above.
- Sri Lanka Navy – Commander and above

Kindly note that this is a indicative list of Local PEPs only and is not exhaustive. But one to assist you in your daily routine of identifying PEPS in account opening and continuous monitoring for KYC and CDD purpose.

ARMY



Field
Marshal



General



Lieutenant
General



Major
General



Brigadier



Colonel



Lieutenant
Colonel

NAVY



Admiral
of the
Fleet



Admiral



Vice
Admiral



Rear
Admiral



Commodore



Captain



Commander

AIR FORCE



Marshal
of the
Air Force



Air
Chief
Marshal



Air
Marshal



Air
Vice
Marshal



Air
Commodore



Group
Captain



Wing
Commander

3.0 Relationships with PEP

This category of customers known as PEPs and are required to be categorized as **HIGH Risk** from an AML Compliance perspective. However regulatory guidelines do not prohibit dealings with PEPs. But Enhanced Due Diligence (EDD) is required to be carried out on such customers.

This is to check and confirm whether the PEP Match has negative information against the respective Individual. In all such events pertaining to PEPs, the branch/business team need to **obtain approval from Corporate Management if to proceed with the account relationship or not.**

It is to be noted that a negative EDD of the PEP exposes the Company to risks and therefore it is recommended to decline the request in order to mitigate AML risks. However, if the EDD is satisfactory, the branch/business team can proceed with the PEP classification subject to adequate **Enhanced Due Diligence measure.**

4.0 Obtain KYC for PEPs

Completion of KYC in the Account Opening Form Customers are required to complete the mandatory section made available in the Account Opening Application on PEPS.

| | | | | |
|--|--------------------------|-------------|--------------------------|------------|
| 29. இவ் வுள் இவ்வி பட்டியல் கீழே ஐக்கிய அரசுக்கு வுள் தேவையான கமிஷன் அமைப்பு உள்ளது? "இல்லை" எனில் கருத்துரைக்க வேண்டும். "ஆம்" எனில் விவரம் குறிப்பிடவும். Are you or your close relative a politically exposed person? If "yes", please specify. | <input type="checkbox"/> | இல்லை No | <input type="checkbox"/> | ஆம் Yes |
| 30. வேறு கருத்து பிற குறிப்பிடவும் Other remarks | | | | |

| | | | |
|-----------------------|--|---------------------|--|
| Signature / கையொப்பம் | | Date / தேதி / திகதி | |
| Name / பெயர் | | | |

| | |
|-----------------------------------|-------------|
| FOR OFFICE USE ONLY | |
| Details Checked by : Name : _____ | |
| Signature : _____ | Date: _____ |

Branch staff/account opening staff are required to check whether the customer has filled this section and in case of a "PEP" indication, to obtain accurate information as part of Enhanced Due Diligence.

5.0 PEP Classification has to be concluded as per the following procedure (Summary);

- Complete the Risk Profiling
- Obtain the Corporate Management Approval.
- The system to be updated - Categorization of PEP and as a High-Risk customer.
- Conduct Enhanced Due Diligence.

5.1 Risk Profiling

The account opening staff / Tab account opening staff need to complete a Risk Profile document. (Please refer Risk Profiling Process on our Savings & Term Deposit Policy & Procedure manual)

5.2 Obtain the Corporate Management Approval

The branch staff / account opening staff need to submit a fully completed mandate with a justification and recommendation to the Branch Manager shall submit it with his/her comments and approval to the Corporate management, who shall review same and circulate it to the **Executive Director/CEO**.

Refer Annexure - D

5.3 Core banking system to be updated- Categorization of PEP and as a High Risk customer.

The branch staff / account opening staff need to update Core banking System by **categorizing of PEP and as a High-Risk customer**

Step 1

Central eFinancials

Welcome "639 ", Logout (Sumudu Nisansala) 17/01/2025 16:20:35

MASTER REPORTS USER PRIVILEGES

NEW BUSINESS PARTNER

CUSTOMER TYPE

Customer Type: INDIVIDUALS [Save] [Cancel]

MAIN DETAILS

Residency Status: ☐ RESIDENT ☐ NON RESIDENT

Type: ☐ Minor ☒ Major

NIC Type: ☒ Old ☐ New

NIC No.: [V] [?]

Re-Enter NIC No.: [V]

Other ID Types: --NONE--

Title: --NONE--

Last Name: []

Other Names: []

Initials: []

Company Name: []

Gender: ☒ Male ☐ Female

Marital Status: --NONE--

DOB: []

Sector Code: --SELECT--

Occupation: --NONE--

Credit Period (In Days): []

Employee No.: []

Related Party: ☐ Yes ☒ No

Citizenship: ☒ Single ☐ Dual

Country 1: Sri Lanka

Income Tax Payer: ☐ Yes ☒ No

Tax File No.: []

WHT %: 5.0000

Auto Change WHT %: ☒

Preferred WHT %: 5.0000

Eligible for Insurance: ☒ Yes ☐ No

Other Attributes

☐ FATCA

☒ PEP

☐ SMS

☐ KYC

☐ Connected Party

Activate Windows
Go to Settings to activate Windows.

Click

Step 2

CONTACTS / ADDRESSES / DIRECTORS / CATEGORIES / RELATED PARTY DETAILS / CHECK LIST

Contact Numbers Address Details Director / Partner / Proprietor Details Categories Related Party Details FATCA Checklist Staff Details **PEP** Account Details Payee

Internal Account Details

Reason Description Remark
No records to display.

Reason --SELECT--
Remark
ADD

Add the details

Click

Step 3

Central

eFinancials

Welcome "541" - Logout (H.M. Hashini)

17/01/2025 16:55:20

MASTER REPORTS USER PRIVILEGES REFERENCES

CUSTOMER RISK PROFILING MODEL UPDATE

Customer Type INDIVIDUALS **SAVE** **CLEAR** **PRINT**

Customer Code

Customer Name :

Number of Years for Age :

| Category | Questions |
|---------------|--|
| CUSTOMER TYPE | |
| | Student/Housewife/Pensioner <input type="checkbox"/> |
| | Employee - Executive -Private <input type="checkbox"/> |
| | Employee Non executive -Government <input type="checkbox"/> |
| | Government Institution <input type="checkbox"/> |
| | Public Limited Liability Company <input type="checkbox"/> |
| | Lawyer & Accountant (Employed) <input type="checkbox"/> |
| | Club/Society/Association <input type="checkbox"/> |
| | Educational Institution <input type="checkbox"/> |
| | Self Employed - Professional <input type="checkbox"/> |
| | Self Employed - Business <input type="checkbox"/> |
| | Client type (Other) - L <input type="checkbox"/> |
| | Employee - appointments by Government <input type="checkbox"/> |
| | Private Limited Liability Company <input type="checkbox"/> |
| | Business - Propriety/Partnership <input type="checkbox"/> |
| | Lawyer & Accountant (self-employed) <input type="checkbox"/> |
| | Non resident <input type="checkbox"/> |
| | Politically Exposed Person(PEP)/ Close associate or family member of PEPs <input type="checkbox"/> |
| | NGOs/NPOs <input type="checkbox"/> |
| | Client type (Other) - M <input type="checkbox"/> |
| | Client type (Other) - H <input type="checkbox"/> |
| | Sanctioned countries/High Risk Countries <input type="checkbox"/> |
| | Employee - Non-Executive Private <input type="checkbox"/> |

Click

Step 4

| BUSINESS/USAGE | |
|--|--------------------------|
| Professional/Family Use | <input type="checkbox"/> |
| Finance/Insurance companies | <input type="checkbox"/> |
| Dealer in Petroleum Products | <input type="checkbox"/> |
| Professional Services | <input type="checkbox"/> |
| Dealer in Brand new vehicles | <input type="checkbox"/> |
| Retail Trade/Business | <input type="checkbox"/> |
| Service Provider | <input type="checkbox"/> |
| Printers & Publishers | <input type="checkbox"/> |
| Marketing & Advertising | <input type="checkbox"/> |
| Small/Medium work shop/repair | <input type="checkbox"/> |
| Nursing Homes/Health Care Centers | <input type="checkbox"/> |
| Manufacturing Industry | <input type="checkbox"/> |
| Transport operations | <input type="checkbox"/> |
| Social/Religious activities | <input type="checkbox"/> |
| Travel Agent | <input type="checkbox"/> |
| Importer & distributor of commercial goods | <input type="checkbox"/> |
| Entrepreneur trade | <input type="checkbox"/> |
| Exporter of local products | <input type="checkbox"/> |
| Commission Agent | <input type="checkbox"/> |
| Wholesale trader | <input type="checkbox"/> |
| Shipping airline and freight forwarding | <input type="checkbox"/> |
| Construction- Buildings/Roads | <input type="checkbox"/> |
| Share & stock brokers | <input type="checkbox"/> |
| Dealer / Trade in Gem and Jewellery | <input type="checkbox"/> |
| Money changers/remitters | <input type="checkbox"/> |
| Buying and selling of real estate | <input type="checkbox"/> |
| Investing/Administrating/Managing public funds | <input type="checkbox"/> |
| Restaurant/Bari/Casino/Gambling house/Night club | <input type="checkbox"/> |
| Importer/Dealer in second hand motor vehicle | <input type="checkbox"/> |
| Telephone/Communication Providers | <input type="checkbox"/> |
| Business (Other) - L | <input type="checkbox"/> |
| Business (Other) - M | <input type="checkbox"/> |
| Business (Other) - H | <input type="checkbox"/> |
| Agricultural / Forestry/ Fishing | <input type="checkbox"/> |
| Mining and Quarrying | <input type="checkbox"/> |
| Arts/ Entertainment and recreation | <input type="checkbox"/> |
| Client type as PEP | <input type="checkbox"/> |
| Client type as NGOs/NPOs/Charities | <input type="checkbox"/> |

Click

Step 5

| TURNOVER PER MONTH | |
|--|--------------------------|
| Less than (Rs) 5,000,000/- | <input type="checkbox"/> |
| From (Rs) 5,000,000/- to (Rs) 10,000,000/- | <input type="checkbox"/> |
| Above (Rs) 10,000,000/- | <input type="checkbox"/> |

Grand Total : 0.00

| Overall Rating | |
|----------------|-----------------------------|
| Description | Months For Review |
| Low | 24 <input type="checkbox"/> |
| Medium | 12 <input type="checkbox"/> |
| High | 6 <input type="checkbox"/> |

Click

5.4 Conduct Enhanced Due Diligence on an on-going basis.

For those classified as PEPs the Company should conduct, EDD on an on-going basis on the sources of funds and wealth or beneficial ownership of funds and wealth and be satisfied of the legitimacy of it by appropriate means.

If the Name Match found is for a PEP and the individual is no longer entrusted with a prominent public function/higher rank in Military or any other related function, it is required that the same steps be followed as an Existing PEP and the **“Once a PEP always a PEP”** rule applies.

5.5 PEP reviews

Preliminary check to be conducted by the Branch Manager at the time of on-boarding customer or upon a trigger event. As specified in Master Circular on Account Opening procedure manual, the required steps to be followed mandatorily. PEPs are subject to the Annual review by the Business/Branch.

ATTACHMENTS

- ❖ Non-Executive List Categories of Customers → Annexure – A
- ❖ Detecting Misuse of The Financial System → Annexure – B
- ❖ Enhanced Customer Due Diligence Form → Annexure - C
- ❖ Declaration to be made when lending to Or Accepting Deposits from Politically Exposed Persons (PEPs) → Annexure - D

ANNEX - A

NON-EXHAUSTIVE LIST CATEGORIES OF CUSTOMERS THAT CAN BE CONSIDERED AS PEPS**DOMESTIC PEPS**

| | | |
|----|---|---|
| A. | 1 | The President |
| | 2 | The Prime Minister |
| | 3 | The Speaker and the Deputy Speaker of the Parliament |
| | 4 | Cabinet Ministers, Non-Cabinet Ministers, State Ministers, Deputy Ministers |
| | 5 | Members of Parliament |
| | 6 | Leaders of Political Parties |

| | | |
|---|----|---|
| B | 7 | Governors of Provinces |
| | 8 | Chief Ministers of Provinces |
| | 9 | Mayor, Chairman of Municipal Councils |
| | 10 | Chairman of Provincial Councils |
| | 11 | Members of Municipal Councils/ Provincial Councils / Local Government Bodies |
| | 12 | Commissioners/ Secretaries to Municipal Councils/ Provincial Councils / Local Government Bodies |

| | | |
|---|----|--|
| C | 13 | Chief Justice |
| | 14 | Attorney General |
| | 15 | Judges of Supreme Court |
| | 16 | Judges of the Court of Appeal |
| | 17 | Solicitor General of the Attorney General's Department |
| | 18 | Judges of High Courts/Provincial High Courts |
| | 19 | Judges of District Courts |
| | 20 | Judges of Magistrate Courts |
| | 21 | Registrar of Supreme Court |
| | 22 | Registrar of the Court of Appeal |
| | 23 | Registrars of Judges of High Courts/Provincial High Courts |
| | 24 | Registrars of District Courts |
| | 25 | Registrars of Magistrate Courts |

| | | |
|---|----|---|
| D | 26 | Ambassadors /High Commissioners |
| | 27 | Consul-General/ Deputy Head of Mission/Charge d'affaires/Honorary Consul |
| | 28 | Ministers plenipotentiary and Envoys Extraordinary |
| | 29 | Representatives of UN agencies and Heads of other international organizations |

| | | |
|---|----|---|
| E | 30 | Secretary/ Senior Additional Secretaries/ Additional Secretaries to the President |
| | 31 | Secretary/ Senior Additional Secretaries/ Additional Secretaries to the Prime |

| | | |
|--|----|--|
| | | Minister |
| | 32 | Secretary /Senior Additional Secretaries/ Additional Secretaries to the Cabinet of Ministers, Non-Cabinet Ministers, State Ministers, Deputy Ministers |
| | 33 | Deputy Secretary to the Treasury |
| | 34 | Secretary/ Senior Additional Secretaries /Additional Secretaries/ Deputy Secretaries to Ministries |
| | 35 | Members of the Monetary Board |
| | 36 | Governor / Deputy Governors / Assistant Governors and Heads and Additional Heads of Department of the Central Bank of Sri Lanka |
| | 37 | Advisors to the President/ Prime Minister / Ministers/ Ministries |
| | 38 | Chief of staff of presidential secretariat |
| | 39 | Auditor General |
| | 40 | Secretary General of Parliament |
| | 41 | District Secretaries/ Government Agent and Secretaries |
| | 42 | Heads and Senior Officials of Government Departments |
| | 43 | Chairmen and Senior Officials of State Enterprises |
| | 44 | Chairmen and Senior Officials of State Corporations / Statutory Boards/ Authorities/ Public Corporations |

| | | |
|---|----|---|
| F | 45 | Field Marshall / Admiral of the Fleet/ Marshal of the Air Force |
| | 46 | Chief of Defence Staff |
| | 47 | General of Sri Lanka Army/Admiral of Sri Lanka Navy/ Air Chief Marshal of Sri Lanka Air Force |
| | 48 | Officers in the Rank of Lieutenant Colonel and above of Sri Lanka Army |
| | 49 | Officers in the Rank of Commander and above of Sri Lanka Navy |
| | 50 | Officers in the Rank of Wing Commander and above of Sri Lanka Air Force |
| | 51 | Inspector General of Police |
| | 52 | Police officers above the rank of Asst. Superintendent of Police |

| | | |
|---|----|---|
| G | 53 | Chairman/ members and senior officers of the Public Service Commission |
| | 54 | Chairman/ members and senior officers of the National Police Commission |
| | 55 | Chairman/ members and senior officers of the Human Right Commission |
| | 56 | Chairman/ members and senior officers of the Commission to Investigation Allegations of Bribery or Corruption |
| | 57 | Chairman/ members and senior officers of the Finance Commission |
| | 58 | Chairman/ members and senior officers of the Election Commission |
| | 59 | Members of Constitutional Council |
| | 60 | Chairman/ members and senior officers of the Audi Service Commission |
| | 61 | Chairman/ members and senior officers of the Delimitation Commission |
| | 62 | Chairman/ members and senior officers of the National Procurement Commission |
| | 63 | Members of Cabinet appointed committees |

| | | |
|---|----|--|
| H | 64 | Chairman, Members and senior officers of University Grant Commission |
| | 65 | Chairman, members of University Councils |
| | 66 | Chancellor |
| | 67 | Vice Chancellor |
| | 68 | Registrar of universities |

FOREIGN PEPS

| | | |
|---|----|--|
| I | 69 | Officials of international organizations who hold or have held, in the course of the last 5 years, management positions in such organizations (directors, heads of the boards or their deputies) |
| | 70 | Officials of international organization who perform or performed any other management functions on the highest level, particularly in international and intergovernmental organizations, |
| | 71 | Members of international parliamentary assemblies, |
| | 72 | Judges and management officials of international courts |

ANNEX B

DETECTING MISUSE OF THE FINANCIAL SYSTEM BY PEPs – RED FLAGS AND INDICATORS FOR SUSPICION

A. PEPs attempting to shield their identity:

1. Use of corporate vehicles (legal entities and legal arrangements) to obscure i) ownership, ii) involved industries or iii) countries.
2. Use of corporate vehicles without valid business reason.
3. Use of intermediaries when this does not match with normal business practices or when this seems to be used to shield identity of PEP.
4. Use of family members or close associates as legal owner.

B. Red flags and indicators relating to the PEP and his behavior

1. The PEP makes inquiries about the institution's AML policy or PEP policy.
2. The PEP seems generally uncomfortable to provide information about source of wealth or source of funds.
3. The information that is provided by the PEP is inconsistent with other (publicly available) information, such as asset declarations and published official salaries.
4. The PEP is unable or reluctant to explain the reason for doing business in the country of the FIs/DNFBs.
5. The PEP provides inaccurate or incomplete information.
6. The PEPs seeks to make use of the services of a FIs/ DNFBs that would normally not cater to foreign or high value clients.
7. Funds are repeatedly moved to and from countries to which the PEPs does not seem to have ties with.
8. The PEP is or has been denied entry to the country (visa denial).
9. The PEP is from a country that prohibits or restricts its/certain citizens to hold accounts or own certain property in a foreign country.

C. PEP's position or involvement in businesses:

1. The PEP has a substantial authority over or access to state assets and funds, policies and operations.
2. The PEP has control over regulatory approvals, including awarding licences and concessions.
3. The PEP has the formal or informal ability to control mechanisms established to prevent and detected ML/TF.
4. The PEP (actively) downplays importance of his/her public function, or the public function s/he is relates to associated with.
5. The PEP does not reveal all positions (including those that are *ex officio*).
6. The PEP has access to, control or influence over, government or corporate accounts.
7. The PEP (partially) owns or controls FIs/ DNFBs, either privately, or *ex officio*.

8. The PEP (partially) owns or controls the FIs/ DNFBP (either privately or *ex officio*) that is a counter part or a correspondent in a transaction.
9. The PEP is a director or beneficial owner of a legal entity that is a client of a FIs/DNFB.

D. Red flags and indicators relating to the industry/sector with which the PEP is involved:

1. Arms trade and Defence industry.
2. Banking and finance.
3. Businesses active in government procurement, *i.e.*, those whose business is selling to government or state agencies.
4. Construction and (large) infrastructure.
5. Development and other types of assistance.
6. Human health activities.
7. Privatization.
8. Provision of public goods, utilities.

| ENHANCED CUSTOMER DUE DILIGENCE FORM | | | |
|---|---|---|------------------|
| Branch | | Date:/...../..... | |
| FOR HIGH-RISK CUSTOMERS ONLY | | | |
| Account Opening Date (DD/MM/YYYY) | | Account/Loan Number | |
| Customer Name | | | |
| Title of Account | | | |
| Customer Type (Tick the appropriate box) { Customer Risk Factors} | Individual Entity | <input type="checkbox"/> Self Employed <input type="checkbox"/> Salary Employed <input type="checkbox"/> Student/Housewife/Pensioner <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Gem and Jewellery Dealer <input type="checkbox"/> Public Limited Company <input type="checkbox"/> Other, Please Specify..... | |
| | | <input type="checkbox"/> Club/Society/Association <input type="checkbox"/> Private Limited Company <input type="checkbox"/> Business - Propriety/Partnership <input type="checkbox"/> Money or Value Transfer Services <input type="checkbox"/> Government Institution <input type="checkbox"/> NGOs/NPOs..... | |
| Purpose of Account | <input type="checkbox"/> Business transactions <input type="checkbox"/> Employment/Professional income <input type="checkbox"/> Savings <input type="checkbox"/> Share transactions / Investment purposes | | |
| | <input type="checkbox"/> Remittances <input type="checkbox"/> Bill payment/ Loan repayment <input type="checkbox"/> Social & Charity work <input type="checkbox"/> | | |
| Mode of Transactions/ Delivery Channels: | <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Fund Transfers <input type="checkbox"/> All mode of forms | | |
| Anticipated Volumes: [Expected/Usual average volumes of deposits into the account in Rs per month] | <input type="checkbox"/> Less than Rs. 50,000 <input type="checkbox"/> Rs. 50,000 to Rs. 100,000 <input type="checkbox"/> Rs. 100,000 to Rs. 500,000 <input type="checkbox"/> Rs. 500,000 to Rs. 1,000,000 <input type="checkbox"/> Rs. 1,000,000 to Rs. 5,000,000 <input type="checkbox"/> Above Rs. 5,000,000 | | |
| Geographical Area | Customer is residing within a reasonable distance to the Branch? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| If not the Reason for opening an account at the branch | | | |
| Address | 1. 2. | | |
| Customer Profile | New Customer <input type="checkbox"/> Existing Customer <input type="checkbox"/> | | |
| Customer Resident Status | Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> | | |
| Nationality: | | Residence | |
| NIC No. | | Passport No. | Passport Country |
| Country of Birth: | | Date of Birth: (DD/MM/YYYY) | |

| If Entity | | | | | |
|---|-------------------------|---|-----------------------------|--|--------------------------|
| Incorporation /Reg. Number | | Incorporation / Reg. Date | | Incorporation Country | |
| Is the customer a politically exposed person (PEP) or a close associate/ family member of a PEP? | | Yes <input type="checkbox"/> | No <input type="checkbox"/> | *If yes, please complete the section otherwise skip it | |
| PEP Category (please tick as applicable) | | Currently hold any public position | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Politician <input type="checkbox"/> | | Hold any public position in the last 5 years? | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Civil Bureaucrat <input type="checkbox"/> | | Have or have you had any diplomatic immunity? | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Judiciary Personnel <input type="checkbox"/> | | Have you ever held any public position? | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Military Official <input type="checkbox"/> | | Any immediate family member(s) who held public position in the last 5 years | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Other, Please Specify Below | | Any close associates who held public position in the last 5 years? | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Space <input type="checkbox"/> | | Has there ever been a conviction against you and/or the organization as per Sri Lankan Law? | | | |
| | | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| PEP Summary and Background | | | | | |
| Occupation Details | | | | | |
| <input type="checkbox"/> Salaried | Company Name : _____ | | | | |
| | Designation : _____ | | | | |
| <input type="checkbox"/> Self Employed | Name of Business: _____ | | | | |
| | Shareholding (%): _____ | | | | |
| | Type of Business: _____ | | | | |
| <input type="checkbox"/> Retired | Past Occupation: _____ | | | | |
| <input type="checkbox"/> Others | Please specify _____ | | | | |
| Source of Funds Expected Source and Nature of Credits into the Account | | <input type="checkbox"/> Business Profits <input type="checkbox"/> Commission Income <input type="checkbox"/> Interest/Investment Income <input type="checkbox"/> Sale/ Business Turnover <input type="checkbox"/> Sale of property/assets <input type="checkbox"/> Others (Please specify) _____ | | | |
| Anticipated Monthly Cash Flows | | <input type="checkbox"/> Less than Rs. 500,000 <input type="checkbox"/> Rs. 500,001 to Rs. 1,000,000 <input type="checkbox"/> Rs. 1,000,001 to Rs.5,000,000 <input type="checkbox"/> Rs. 5,000,001 to Rs. 10,000,000 <input type="checkbox"/> Rs.10,000,001 to Rs. 25,000,000 <input type="checkbox"/> Rs. 25,000,001 and above | | | |
| Financial Information | | | | | |
| Note: If a new establishment, the projected financial data should be completed under the caption "Current Year" | | | | | |
| Are the Audited Financial Statements for last two years available? | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| Description | Current Year (LKR) | | Previous Year (LKR) | | |
| Annual Sales Turnover | | | | | |
| Net Profit/ Loss | | | | | |
| Paid-up Capital and Accumulated Profit | | | | | |

| Countries that you will receive or sending funds to | | | |
|---|--|---|--|
| 1.The account will be used only to execute payments within the Sri Lanka <input type="checkbox"/> | | | |
| 2.The account will be used to receive funds from abroad <input type="checkbox"/> | | | |
| 3.The account will be used to receive and sending funds abroad <input type="checkbox"/> | | | |
| If 2 or 3 is applicable, please provide below the name of related countries: | | | |
| 1. | 2. | 3. | 4. |
| 5. | 6. | 7. | 8. |
| Monthly Transaction Details | | | |
| Type of Transaction | Credit (Amount) | Debit (Amount) | |
| Cash: | | | |
| Cheques: | | | |
| Fund Transfer/Remittances: | | | |
| Other Bank/Financial Details | | | |
| Bank/Financial Institution name where salary is credited: | | | |
| Reason for Closing Account in the Other Bank (if applicable): | | | |
| Purpose of relationship with LCB Finance PLC: | | | |
| <input type="checkbox"/> Salary Transfer | | <input type="checkbox"/> Loan | |
| <input type="checkbox"/> Gold Loan | | <input type="checkbox"/> Lease | |
| <input type="checkbox"/> Savings | | <input type="checkbox"/> Fixed deposit | |
| <input type="checkbox"/> Locker facility | | <input type="checkbox"/> Investment purpose | |
| <input type="checkbox"/> Others _____ | | | |
| Customers Introduced by: | | | |
| <input type="checkbox"/> Branch Manager/Staff | | Name: | |
| <input type="checkbox"/> Existing LCBF's Customer | | Relationship Details: | |
| <input type="checkbox"/> Other LCBFP Customer/Member | | Customer/Member Name: | |
| <input type="checkbox"/> Reference Letter from Other Company | | Bank Name: | |
| <input type="checkbox"/> Walk In Customer | | Name : | |
| Documents To Be Submitted: | | | |
| Self-certification form <input type="checkbox"/> | Form 1 <input type="checkbox"/> | Form 40 <input type="checkbox"/> | FATCA Declaration <input type="checkbox"/> |
| Certified Business Registration copy <input type="checkbox"/> | Form 20 <input type="checkbox"/> | Form 44 <input type="checkbox"/> | W-9 <input type="checkbox"/> |
| Company Directors Details <input type="checkbox"/> | Form 45 <input type="checkbox"/> | KYC Form <input type="checkbox"/> | W-8 BEN <input type="checkbox"/> |
| Copy of Company Directors' IDs <input type="checkbox"/> | Passport/Driving License or Visa copy page (for expats) <input type="checkbox"/> | | |
| Verified ID copy <input type="checkbox"/> | Bank Statement <input type="checkbox"/> | W-8 BEN -E <input type="checkbox"/> | |
| Other <input type="checkbox"/> | Address verification document <input type="checkbox"/> | | |
| | | | |

| For Company Use Only (Internal Use) | | |
|--|--|-----------------------------|
| Branch Manager/Assistant Manager to complete | | |
| If Salaried, please obtain certified Salary slip copy | | |
| <input type="checkbox"/> Client Central Bank Screening | | |
| <input type="checkbox"/> Client World Check / Sanction Screening | | |
| <input type="checkbox"/> Customer Risk Profile Updated (System) | | |
| <input type="checkbox"/> I Confirm that the details provided above are accurate | | |
| Did you conduct the required due diligence on the customer? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Did you conduct any background screening on the customer? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| <i>If yes, please provide the Details</i> | | |
| | | |
| <u>In case of High-Risk Business Entity, Personal Visit to entity premises by Branch official.</u> | <input type="checkbox"/> Yes No <input type="checkbox"/> | |
| | If Yes, Please Attached Visit Report and specify detail in below space | |
| Branch Comments for performing EDD in terms of satisfaction (Recommendation/Remarks) | | |
| Declaration: It is hereby affirmed that the EDD measures are taken appropriately and above information has taken from customer during interview | | |

| Prepared by | | Reviewed & approved by (Branch Manager) | |
|--|--|---|--|
| Name | | Name | |
| ID No | | ID No | |
| Date | | Date | |
| Signature | | Signature | |
| | | | |
| <p>Note: Hard copy of this EDD Form (duly filled and signed) should invariably be retained at the Branch along with KYC/CDD Form & Account opening Form for Audit Trail purpose</p> | | | |

Part II - Entity

| Details of Entity | |
|---|----------------------------|
| Name of Company : | |
| Registered Address : | |
| Total No. of Directors : | Company Registration No. : |
| Details of all Directors/Owners/Members | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |
| Full Name | |
| ID No.(Passport No.) | |
| Address | |
| Position Held | |
| | |

Annexure - D

**DECLARATION TO BE MADE WHEN LENDING TO / OR ACCEPTING
DEPOSITS FROM POLITICALLY EXPOSED PERSONS (PEPs)**

(Loans / Lease / Gold Loans / SAVINGS / Fixed Deposits)

Date

1. Nature of the Business Relationship

| | | |
|--|-------------------------|---------|
| Branch | | |
| a) Name of Borrower / Depositor | | |
| b) Nature of Credit Facility | Loan / Lease/ Gold Loan | |
| c) Amount of facility | Rs | A/ C No |
| d) Nature of Deposit | Savings / Fixed Deposit | |
| e) Balance in (d) above | Rs | A/ c No |
| POSITION / OCCUPATION / PROFESSION OF THE ABOVE NAMED | | |
| | | |

2. Declaration

As per the list overleaf the above stated Borrower / depositor is considered as a PEP under item No..... (Please refer attachment which is an essential part of this format.)

We declare that when establishing the business relationship described under 1 above we have not granted any preferential treatment with regard to applicable rates of interest recovery of / fees/ charges violating, either the related rates of interest / fees/ charges structure and collateral requirements of our company or any regulatory or statutory requirement,

| | | | |
|---|------|--|------|
| <i>For Credit & all Deposit Relationships</i> | | <i>For Credit Facilities only</i> | |
| Branch Manager | Date | Senior Manager Credit (CCD) | Date |
| <i>For Lease Facilities only</i> | | | |
| Head of Leasing) | | Date | |
| <i>For Savings & Term Deposits only</i> | | <i>For all lending operations only</i> | |
| DGM (Business Development & FM) | Date | DGM (Credit) | Date |
| Reviewed BY | | | |
| CEO/ Executive Director | | Date | |

Note

This Declaration duly completed should be placed in the securities files or in the mandate file as applicable.

ATTACHMENT REFERRED TO IN THE DECLARATION FORMAT

| Politically Exposed Person (PEP) Check List | | | Check Box (X) | |
|--|-----------|--|----------------------|--|
| DOMESTIC PEPs | | | | |
| A. | 1 | The President | | |
| | 2 | The Prime Minister | | |
| | 3 | The Speaker and the Deputy Speaker of the Parliament | | |
| | 4 | Cabinet Ministers, Non-Cabinet Ministers, State Ministers, Deputy Ministers | | |
| | 5 | Members of Parliament | | |
| | 6 | Leaders of Political Parties | | |
| B | 7 | Governors of Provinces | | |
| | 8 | Chief Ministers of Provinces | | |
| | 9 | Mayor, Chairman of Municipal Councils | | |
| | 10 | Chairman of Provincial Councils | | |
| | 11 | Members of Municipal Councils/ Provincial Councils / Local Government Bodies | | |
| | 12 | Commissioners/ Secretaries to Municipal Councils/ Provincial Councils / Local Government Bodies | | |
| C | 13 | Chief Justice | | |
| | 14 | Attorney General | | |
| | 15 | Judges of Supreme Court | | |
| | 16 | Judges of the Court of Appeal | | |
| | 17 | Solicitor General of the Attorney General's Department | | |
| | 18 | Judges of High Courts/Provincial High Courts | | |
| | 19 | Judges of District Courts | | |
| | 20 | Judges of Magistrate Courts | | |
| | 21 | Registrar of Supreme Court | | |
| | 22 | Registrar of the Court of Appeal | | |
| | 23 | Registrars of Judges of High Courts/Provincial High Courts | | |
| | 24 | Registrars of District Courts | | |
| | 25 | Registrars of Magistrate Courts | | |
| D | 26 | Ambassadors /High Commissioners | | |
| | 27 | Consul-General/ Deputy Head of Mission/Charge d'affaires/Honorary Consul | | |
| | 28 | Ministers plenipotentiary and Envoys Extraordinary | | |
| | 29 | Representatives of UN agencies and Heads of other international organizations | | |
| E | 30 | Secretary/ Senior Additional Secretaries/ Additional Secretaries to the President | | |
| | 31 | Secretary/ Senior Additional Secretaries/ Additional Secretaries to the Prime Minister | | |
| | 32 | Secretary /Senior Additional Secretaries/ Additional Secretaries to the Cabinet of Ministers, Non-Cabinet Ministers, State Ministers, Deputy Ministers | | |
| | 33 | Deputy Secretary to the Treasury | | |

| | | | | |
|---|----|---|--|--|
| | 34 | Secretary/ Senior Additional Secretaries /Additional Secretaries/ Deputy Secretaries to Ministries | | |
| | 35 | Members of the Monetary Board | | |
| | 36 | Governor / Deputy Governors / Assistant Governors and Heads and Additional Heads of Department of the Central Bank of Sri Lanka | | |
| | 37 | Advisors to the President/ Prime Minister / Ministers/ Ministries | | |
| | 38 | Chief of staff of presidential secretariat | | |
| | 39 | Auditor General | | |
| | 40 | Secretary General of Parliament | | |
| | 41 | District Secretaries/ Government Agent and Secretaries | | |
| | 42 | Heads and Senior Officials of Government Departments | | |
| | 43 | Chairmen and Senior Officials of State Enterprises | | |
| | 44 | Chairmen and Senior Officials of State Corporations / Statutory Boards/ Authorities/ Public Corporations | | |
| F | 45 | Field Marshall / Admiral of the Fleet/ Marshal of the Air Force | | |
| | 46 | Chief of Defence Staff | | |
| | 47 | General of Sri Lanka Army/Admiral of Sri Lanka Navy/ Air Chief Marshal of Sri Lanka Air Force | | |
| | 48 | Officers in the Rank of Lieutenant Colonel and above of Sri Lanka Army | | |
| | 49 | Officers in the Rank of Commander and above of Sri Lanka Navy | | |
| | 50 | Officers in the Rank of Wing Commander and above of Sri Lanka Air Force | | |
| | 51 | Inspector General of Police | | |
| | 52 | Police officers above the rank of Asst. Superintendent of Police | | |
| G | 53 | Chairman/ members and senior officers of the Public Service Commission | | |
| | 54 | Chairman/ members and senior officers of the National Police Commission | | |
| | 55 | Chairman/ members and senior officers of the Human Right Commission | | |
| | 56 | Chairman/ members and senior officers of the Commission to Investigation Allegations of Bribery or Corruption | | |
| | 57 | Chairman/ members and senior officers of the Finance Commission | | |
| | 58 | Chairman/ members and senior officers of the Election Commission | | |
| | 59 | Members of Constitutional Council | | |
| | 60 | Chairman/ members and senior officers of the Audi Service Commission | | |
| | 61 | Chairman/ members and senior officers of the Delimitation Commission | | |
| | 62 | Chairman/ members and senior officers of the National Procurement Commission | | |
| | 63 | Members of Cabinet appointed committees | | |
| H | 64 | Chairman, Members and senior officers of University Grant Commission | | |
| | 65 | Chairman, members of University Councils | | |
| | 66 | Chancellor | | |
| | 67 | Vice Chancellor | | |
| | 68 | Registrar of universities | | |

| FOREIGN PEPS | | | |
|--------------|----|--|--|
| I | 69 | Officials of international organizations who hold or have held, in the course of the last 5 years, management positions in such organizations (directors, heads of the boards or their deputies) | |
| | 70 | Officials of international organization who perform or performed any other management functions on the highest level, particularly in international and intergovernmental organizations, | |
| | 71 | Members of international parliamentary assemblies, | |
| | 72 | Judges and management officials of international courts | |

GLOSSARY

Beneficiary

A person to whom or for whose benefit the funds are sent or deposited in or paid to a Financial Institution and may include a beneficiary Financial Institution.

Beneficiary Financial Institution

An institution which receives wire transfers from the ordering institution directly or through an intermediary institution and makes the funds available to the beneficiary customer.

Beneficial Owner

A natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes the person who exercises ultimate effective control over a legal person or a legal arrangement.

Board of Directors

In relation to a Financial Institution incorporated outside Sri Lanka means the senior management authority of such Financial Institution.

Close Associate Includes

- (a) A natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship; and
- (b) A legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members.

Controlling Interest

An interest acquired by providing more than ten percent (10%) of the capital of a Financial Institution.

Existing Customer

A customer who has commenced a business relationship on or before these rules come into force.

Financial Action Task Force

An independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing for proliferation of weapons of mass destruction.

Immediate Family Member

Includes the spouse, children and their spouses or partners, parents, siblings and their spouses and grandchildren and their spouses.

Intermediary Financial Institution

An institution in a payment chain that receives and transmits a wire transfer on behalf of the Ordering Financial Institution and the beneficiary institution, or another intermediary institution.

Legal Person

Any entity other than a natural person that is able to establish a permanent customer relationship with a financial institution or otherwise owns property and includes a company, a body corporate, a foundation, a partnership or an association

Approval Sought

We seek the approval of the Board of Directors to adopt this manual to meet the rules and regulations of the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka (Financial Transaction Reporting ACT No.06 of 2006)

Recommended

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Head of Compliance

.....

CEO/ Executive Director