

POLICY ON ANTI-MONEY LAUNDERING,  
COMBATING TERRORISM FINANCING

No: CSH-PC.RT.N/A/01



## POLICY

# ON ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM, COUNTERING THE FINANCING OF PROLIFERATION WEAPONS OF MASS DESTRUCTION, ECONOMIC AND TRADE SANCTIONS COMPLIANCE AT VIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK

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**POLICY**  
**ON ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF**  
**TERRORISM, COUNTERING THE FINANCING OF PROLIFERATION**  
**WEAPONS OF MASS DESTRUCTION, ECONOMIC AND SANCTIONS**  
**COMPLIANCE AT VIETNAM PROSPERITY JOINT STOCK**  
**COMMERCIAL BANK**

**CHAPTER I: GENERAL PROVISIONS**

**Article 1. Purpose of application**

The policy on anti-money laundering (AML), combating the financing of terrorism (CFT), countering the financing of proliferation weapons of mass destruction (CPF), economic and trade sanctions compliance (ETS) at Vietnam Prosperity Joint Stock Commercial Bank (hereinafter called “VPBank”) is issued for purposes as follows:

1. Provide clear rules to (i) comply with the provisions of Vietnamese law, international best practices and the Bank's commitments on anti-money laundering, combating the financing of terrorism, countering the financing of proliferation weapons of mass destruction, and trade sanctions compliance and (ii) effectively manage the risks of money laundering, terrorist financing, financing of proliferation of weapons of mass destruction and trade sanctions compliance in business process.
2. Establishing centralized mechanism of AML, CFT, CPF and ETS at Head Office of VPBank.
3. Regulating responsibility and authorization of departments and units of VPBank in implementing AML, CFT, CPF, and ETS.

**Article 2. Subject of adjustment and Scope of application**

**1. Subject of adjustment**

The policy stipulates the rules and mechanisms of VPBank for preventing, detecting and stopping the violations which related to money laundering, terrorist financing, financing the proliferation of weapons of mass destruction, and trade sanctions compliance, simultaneously regulates the responsibilities of VPBank’s units in anti-money laundering, countering terrorist financing, countering the financing of proliferation of weapons of mass destruction, and trade sanctions compliance.

**2. Scope of application**

The policy is applied for all Units and Officers in the entire VPBank system and Customers who wish to establish relationships with VPBank and/or are using

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products and services provided by VPBank.

**Article 3. Interpretation and Abbreviation**

1. **Board of Management (BOM)** includes Chief Executive Officer (CEO), Deputy CEOs, Heads of Divisions, Heads of Centers directly reporting to CEO;
2. **Officer in charge of AML activity in VPBank:** means the member of BOM who is authorized by the CEO and submitted to the Board of Directors for appointment, takes responsibility to decide matters related to AML, CFT, CPF, ETS in VPBank and his/her information on work place, telephone number, fax number, email will be registered with the State bank of Vietnam.
3. **Anti-money Laundering – Environmental & Social Department (AML – E&S Department)** means department under Legal and Compliance Division, established by the Board of Directors (BOD) in accordance with policy of VPBank from time to time, having responsibility and function of implementing AML, CFT, CPF, ETS related tasks at VPBank
4. **Officer** means staff/individual working in departments and/or units of VPBank
5. **Competent authority:** Depending on each case, is the Board of Directors/Chairman of the Board of Directors/CEO or Deputy CEO/Head of Division/Region/Center authorized or assigned by CEO according to VPBank's regulations from time to time.
6. **Warning list:** means the list of natural or legal persons compiled by the State Bank of Vietnam with a view to warn them of being exposed to high risk of money laundering.
7. **Blacklist:** comprises the list of entities or individuals involved in acts of terrorism or terrorist financing that is compiled under the control of the Ministry of Public Security, and the list of designated entities or individuals involved in proliferation and financing of proliferation of weapons of mass destruction that is compiled under the control of the Ministry of National Defence in accordance with law.
8. **Units:** means Division/Centre/Department/Team/Group under the Head Office/Branch/ Transaction Office and others established in accordance with VPBank regulations from time to time.
9. **Unit in charge of Know your customer:** are Business Units, Customer Service Department – Retail Banking Division, Account Processing Department - Operation Division or other assigned/appointed units which carry out Know Your Customer activities according to this Policy or other relevant internal regulations of VPBank from time to time.
10. **Reporting Units:** are the Unit conducting Know Your Customer, Unit directly dealing with customer and/or VPBank's Units assigned to implement one or several

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measures to anti-money laundering, countering terrorist financing, countering financing the proliferation of weapons of mass destruction, trade sanctions compliance, and in the process of conducting assigned tasks, the Unit detects cases that must be reported according to this Regulation.

11. **Must-be-reported high-value transaction:** refers to the transaction in domestic or foreign cash that is conducted one or several times a day, and total value of which is equal or exceeding the prescribed amount.
12. **Suspicious transaction:** means transaction having abnormal sign or reasonable basis to suspect the property in the transaction derived from criminal activity or relating to money laundering as prescribed by laws and this Policy.
13. **Customers:** refer to entities and individuals that are using or intend to use products and services provided by VPBank.
14. **Shell bank:** refers to the bank that has no physical presence within such country or territory in which it must be established and licensed and is not affiliated or controlled by any regulated and supervised financial institutions.
15. **Laws:** means current legal documents of Social Republic of Vietnam regarding to AML, CFT, CFP and sanctions established by other countries and international organizations applied by VPBank.
16. **Money Laundering:** means the activity of individual, organization to legalize the origin of property derived from criminal activities.
17. **Property derived from criminal activities:** refers to the property obtained directly or indirectly from criminal activities; part of the income, proceeds, gain or profits generated from the property obtained from any illegal act(s).
18. **Terrorism** means one, several or all of the following acts committed by organizations or individuals with the aim to oppose the people's authorities, to compel the people's authorities, foreign organizations and international organizations, cause difficulties to the international relations of the Socialist Republic of Vietnam or cause panic situation in the public:
  - a) Violating the lives, health, and body liberty or threatening to violate the lives or intimidating mental of others;
  - b) Appropriating, damaging, destroying or threatening to destroy assets; attacking, violating, contravening or causing disorder for operation of computer networks, telecommunication networks, Internet and digital equipment of agencies, organizations or individuals;
  - c) Guiding to manufacture, production and use of, or manufacturing, producing, storing, transporting, trading weapons, explosives, radioactive materials, poison, inflammables and other instruments and means in order to serve activities as

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defined at Point a and Point b of this Clause;

- d) Propagating, dragging into, inciting, forcing, hiring, or creating conditions for, or assisting for the commission of the acts as defined at Points a, b and c of this Clause;
  - e) Establishing, participating to organize, recruit, train and coach the objects with the aim to conduct the activities as defined at Points a, b, c and d of this Clause;
  - f) Other behaviors that are considered terrorism under the anti-terrorism international treaties of which the Socialist Republic of Vietnam is a member.
19. **Terrorist financing** means act of mobilizing, supporting with money and assets in any form for terrorist organizations and individuals.
20. **Anti-terrorism:** includes activities of prevention and combating terrorism and terrorist financing.
21. **Sanctions:** are restrictive measures that a powerful or influential nation or international organization imposed on individuals or entities violating human right violence, terrorism, threatening the world peace, national security, political violence, or violating other international commitments, ... in an effort to change their activities.
22. **AML, CFT, CPF, ETS:** means Anti Money Laundering, Counter Financing of Terrorism, Countering the proliferation of weapons of mass destruction, Economic and Trade Sanctions.
23. **Anti-money laundering system/AML system/ System:** is Oracle Financial Services Analytical Applications system of Oracle deployed by VPBank to perform measures on AML, CFT, CPF, ETS compliance at VPBank.
24. **Weapons of mass destruction:** refer to weapons that are developed or manufactured capable of inflicting serious damage on a large scale, capable of destroying or causing heavy casualties regarding humans, technical equipment, facilities, buildings, environment and ecosystem, and terrorizing humans mentally and psychologically, including: nuclear weapons, radiological weapons, chemical weapons, biological weapons and other weapons with functions and use similar to those of weapons of mass destruction.
25. **Financing the proliferation of weapons of mass destruction:** refer to provision or support of money and/or assets to state or non-state actors to proliferate weapons of mass destruction.
26. **Originator:** refers to the account holder, or where there is no account, the person that places the order with a financial institution to perform the wire transfer.
27. **Wire transfer:** refers to any transaction carried out on behalf of an originator through a financial institution by electronic means with a view to making an amount

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of funds available to a beneficiary person at a beneficiary financial institution, irrespective of whether the originator and the beneficiary are the same person.

28. Words, terms and concepts that have not been explained in this Policy shall be construed in accordance with other regulations of VPBank and/or provisions of law related to the field of AML, CFT, CPF, ETS.

**CHAPTER II: SPECIFIC PROVISIONS**

**Article 4. Declaration of compliance**

1. VPBank commits to comply with both the letter and spirit of the current laws on AML, CFT, CPF, ETS of Vietnam and all countries and territories where VPBank has business operations and international best practice on AML, CFT, CPF, ETS (from United Nations, FATF,...)
2. VPBank has zero tolerance towards customers, officers, partners or other third parties and all transactions related/suspected to be related with money laundering, terrorist financing, financing of proliferation weapons of mass destruction and sanction evasion, including failure to comply with the principles and requirements established in this Policy.
3. VPBank complies with AML, CFT, CPF, ETS consistently and comprehensively throughout the system on the basis of:
  - a) Ensuring normal operations and transactions of VPBank.
  - b) Protect the legitimate rights and interests of VPBank in transactions with Customers.
  - c) Protect the legitimate rights and interests of Customers.
  - d) Prevent taking advantage of performing AML, CFT, CPF, ETS activities to infringe on the legitimate rights and interests of VPBank or Customers.
4. Acts of conducting/participating/supporting/facilitating money laundering/terrorist financing/financing the proliferation of weapons of mass destruction by VPBank's units and officers will be handled in accordance with relevant laws and regulations of VPBank issued from time to time.

**Article 5. Roles and responsibility**

1. Responsibilities of the Board of Directors:
  - a) Take overall and ultimate responsibility for VPBank's AML, CFT, CPF, ETS compliance effectiveness;
  - b) Approve VPBank's AML, CFT, CPF, ETS policies
  - c) Appoint a member of the Board of Management to be the Officer in charge of AML, CFT, CPF, ETS activity in VPBank to coordinate and monitor VPBank's

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compliance with AML, CFT, CPF, ETS;

- d) Monitor the effectiveness of implementation of VPBank's AML, CFT, CPF, ETS activities.
2. Responsibilities of the CEO/Person authorized by the CEO and members of the Board of Management:
  - a) The CEO/person authorized by the CEO and members of the BOM are responsible for:
    - i) Organize the implementation of policies and directions of the Board of Directors in AML, CFT, CPF, ETS at VPBank;
    - ii) Assign and authorize relevant units and individuals to effectively implement compliance with AML, CFT, CPF, ETS at VPBank.
  - b) The CEO/person authorized by the CEO is responsible for: Issuing internal documents guiding the implementation of relevant provisions of the Law on AML, CFT, CPF, ETS and this policy for units throughout the system;
3. Responsibilities of the Officer in charge of AML activity at VPBank
  - a) Directly in charge of tasks related to AML, CFT, CPF, ETS of VPBank.
  - b) Direct AML Department and relevant units to develop, amend, supplement and review VPBank's AML, CFT, CPF, ETS regulations, policies and measures to ensure compliance with the law.
  - c) Report to the CEO and Board of Directors on the implementation of AML, CFT, CPF, ETS regulations, policies and measures at VPBank when requested.
  - d) Sign reports under authority related to AML, CFT, CPF, ETS and official dispatches of VPBank sent to competent state agencies or other relevant organizations.
  - e) Keep information and documents provided or reported related to AML, CFT, CPF, ETS confidential.
  - f) Other responsibilities according to VPBank's regulations issued from time to time.
4. Responsibilities of the Anti-Money Laundering - Environmental & Social Department – Legal and Compliance Division (AML Department)

AML Department is the focal unit co-ordinating with other units throughout the VPBank system to perform the following tasks:

  - a) Take Responsibility for developing internal regulations:
    - i) Act as the focal point to develop drafts of internal regulations related to AML, CFT, CPF, ETS policies in accordance with the provisions of law and submit



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them to competent authorities for promulgation.

- ii) Regularly update provisions of AML, CFT, CPF, ETS legislation to propose Competent authorities to amend and supplement this Policy and other regulations and guidance of VPBank related to AML, CFT, CPF, ETS.
  - iii) Review and provide opinion regarding internal regulations composed by other units to comply with the laws and regulations of VPBank from time to time on AML, CFT, CPF, ETS.
- b) Take responsibility for reporting and providing, exchanging and disseminating information and documents:
- i) Be the focal point for handling high-value transaction reports and electronic money transfer transactions of VPBank to the State Bank of Vietnam.
  - ii) Be the focal point for handling and reporting to the Competent authority the information and reports related to AML, CFT, CPF, ETS
  - iii) Be the focal point to synthesize and provide the Competent State Agency or other organizations with information and documents related to AML, CFT, CPF, ETS on the basis of approval from the Competent authority.
  - iv) Be the contact point for receiving and submitting black lists, warning list and/or other AML, CFT, CPF, ETS related lists issued by Competent State Agency and/or international organizations to Competent Authority of VPBank to decide to apply in VPBank;
  - v) Annually report to the Board of Directors and Board of Management on the results of VPBank's money laundering risk assessment.
- c) Take responsibilities related to internal training:
- i) Coordinate with Human Resources Division of VPBank, other units with training function or other agency and/or organization to implement internal training activities on AML, CFT, CPF, ETS.
  - ii) Actively or coordinate with other relevant units to design training materials on AML, CFT, CPF, ETS.
- d) Take responsibilities for administering AML System:
- i) Perform the administrations as the business admin of the AML System;
  - ii) Propose and coordinate with the Information Technology Division to implement amendments and upgrades to the AML System pursuant to the procedure on Information Technology product and service development No. 17/2020/QT-TGD and amending/supplementing/replacing documents from time to time.

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- iii) Actively develop and update rules and scenarios on suspicious transactions on the AML System.
- e) Take responsibility for providing advice, recommendations relating to AML, CFT, CPF, ETS to Units when being requested in accordance with VPBank regulations.
- f) Other responsibilities and duties related to AML, CFT, CPF, ETS as assigned or designated by the Competent authorities of VPBank from time to time.

5. Responsibility of Operation Division

- a) Responsibility of Wholesale Banking Operations and Transaction Banking Operation Center – Operation Division,

Within scope of their function and duty, Wholesale Banking Operations and PTT Center – Operation Division have responsibilities in implementing following tasks:

- i) Regularly monitor and review payment activity of the whole VPBank system through centralized payment portals, and ensure that all payment transactions are processed through these departments in compliance with applicable local and international laws as well as VPBank regulations on AML, CFT, CPF, ETS.
  - ii) Promptly report to competent authority the case detected as having suspicious signs or money laundering signs during working process.
  - iii) Implement or coordinate with relevant units to implement reporting periodically or ad-hoc as requested by State Bank of Vietnam, VPBank and other authorities.
  - iv) Coordinate with AML Department to compose internal regulations relating to AML, CFT, ETS and implement AML, CFT, CPF, ETS measures in accordance with provisions of law.
  - v) Implement and comply strictly and fully with laws, internal regulations or guidelines of VPBank on AML, CFT, CPF, ETS from time to time.
- b) Responsibility of Operational Risk Control Center – Operation Division:
    - i) Conduct inspection and review according to its functions and duties the compliance of all VPBank units with internal regulations on AML, CFT, CPS, CPF, ETS
    - ii) Report to the Officer in charge of AML activity in VPBank (via AML Department under Legal and Compliance Division) if the Unit detects cases of non-compliance or signs of suspicious/suspected related to AML, CFT, CPF, ETS arising during the process of conducting inspection and review according to the content in item i) of this point.

6. Responsibility of Information and Technology Division

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Information and Technology (IT) Division, within scope of its functions and duties, has responsibilities in implementing AML, CFT, CPF, ETS related tasks including:

- a) Research on technology and update to Competent Authority, AML Department and other units of VPBank about IT solutions used for AML, CFT, CPF, ETS purpose in finance and banking sector.
- b) Co-operate with Legal and Compliance Division and/or other relevant units to research, compose regulations, procedures and guidances for performing AML, CFT, CPF, ETS related tasks in IT field.
- c) Co-operate with AML Department and other relevant units to develop, select, implement and apply AML, CFT, CPF, ETS related IT solutions as directed by Competent Authority of VPBank.
- d) Responsibilities related to the Anti-Money Laundering System:
  - i) Coordinate with AML Department to perform information technology management tasks on the AML System according to VPBank internal policies and procedures from time to time.
  - ii) Coordinate with other relevant units to research and develop regulations, procedures and guidances on operation of the AML System in terms of information technology.
  - iii) Coordinate with AML Department to implement proposals for amendments and upgrades to the AML System.
  - iv) Coordinate with AML Department to develop and update rules and scenarios of suspicious transactions on the System.
  - v) Implement measures to ensure the system operates stably and handle requirements related to information technology for Units operating the AML System.
- e) Perform other AML, CFT, CPF, ETS related tasks and duties assigned and directed by VPBank's competent authorities from time to time.
- f) Ensure the available of audit trail for searching information about types and upload time of AML/CFT/ETS/ CPF lists uploaded on the system.

7. Responsibilities of the Internal Audit Division

Internal Audit Division, within scope of its functions and duties, has responsibilities in implementing AML, CFT, ETS related tasks including:

- a) Conduct AML, CFT, ETS audit when performing auditing process at Units in accordance with the provisions of the Law and this Policy.
- b) Timely report to Competent Authority about cases detected having suspicious or money laundering signs during the audit process at unit.

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- c) Prepare AML audit report at VPBank and deliver this report to the State Bank of Vietnam as specified and required by laws.
  - d) Perform other AML, CFT, ETS related tasks, duties assigned by Competent Authority of VPBank from time to time.
8. Responsibility of Human Resources Division

Human Resources Division, within scope of its functions and duties, has responsibilities in implementing AML, CFT, CPF, ETS related tasks including:

- a) Co-operate with AML Department and other relevant units to design training plan and program applied for VPBank staff to submit to Competent Authority of VPBank for approval.
- b) Be the contact point to organize training courses and implement AML training activities applied for VPBank staff according to the plans, programs approved by Competent Authority of VPBank.
- c) Co-operate with AML Department and other relevant units, if any, to examine, assess participants of AML, CFT, ETS training courses.
- d) Retain results of examination and assessment mentioned above which will be used as one basis to consider signing/re-signing labor contract and other personnel assessment or labor discipline handings in accordance with VPBank's regulation from time to time.
- e) Comply with AML related laws and regulations of VPBank when conducting employee recruitment activities at VPBank
- f) Implement other AML, CFT, CPF, ETS related tasks, duties assigned by Competent Authority of VPBank from time to time.

9. Responsibility of Unit in charge of Know Your Customer

Unit in charge of Know Your Customer, within scope of its functions and duties, has responsibilities in implementing AML, CFT, CPF, ETS related tasks including:

- a) Comply strictly and fully with laws and internal regulations on AML, CFT, CPF, ETS.
- b) Actively report and review, monitor transactions in compliance with and internal regulations on AML, CFT, CPF, ETS.
- c) Co-operate with relevant units during the process of AML, CFT, CPF, ETS audit and inspection at the unit.
- d) Actively provide information and documentation completely, promptly and within deadline as required by AML Department;
- e) To be prohibited from colluding and concealing when recognizing that the

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Customer provides inaccurate information, intentionally falsifying information and hiding suspicious information, signs of transaction or Customer;

- f) Head of Unit in charge of Know your Customer has responsibility to implement, organize, inspect and monitor the implementation of legal provisions of laws and internal regulations of VPBank and other tasks mentioned in this Article at the Unit he or she manages.
- g) Other responsibilities according to VPBank regulations from time to time.

**Article 6. Assessment of Money Laundering Risks of VPBank**

1. Annually, VPBank conducts a money-laundering and terrorist financing risk assessment based on the criteria and methods prescribed by law, and in conformity with international standards and practical conditions of Vietnam.
2. VPBank's risk assessment on money laundering and terrorist financing is required to identify the level of money laundering and terrorist financing risk of VPBank.
3. Results of assessment must:
  - a) be approved by VPBank's CEO
  - b) Be reported to the State Bank of Vietnam and relevant ministries or central authorities state management within 45 days or other deadline from the day of approval.
  - c) Be disseminated throughout the VPBank system.
4. VPBank's risk assessment on money laundering and terrorist financing is the basis for developing a post-assessment action plan and updating corresponding policies and strategies on anti-money laundering and counter terrorist financing and developing VPBank's money laundering risk management procedure from time to time.

**Article 7. Money laundering risk assessment for new products and services, existing products or services using innovative technologies**

1. VPBank establishes policies and procedures to identify and assess the risk level of money laundering, terrorist financing, and financing of proliferation weapons of mass destruction before issuing all new products and services; existing products or services using innovative technologies to:
  - a) Detect and prevent the use of new products and services; existing products or services using innovative technologies to launder money, finance terrorist, and finance the proliferation of weapons of mass destruction.
  - b) Manage risks of money laundering, terrorist financing, financing of proliferation of weapons of mass destruction when conducting transactions with customers using new products and services; existing products or services using innovative

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technologies.

2. VPBank applies measures in accordance with Vietnamese law and appropriate international practices when providing new products and services; existing products and services using innovative technologies to minimize risks of money laundering, terrorist financing, and financing of proliferation of weapons of mass destruction.

**Article 8. Customer Acceptance Policy**

VPBank's Customer Acceptance Policy is specified in each regulation and procedure on specific products and services of VPBank and ensures the following general principles when VPBank establishes relationships, maintains relationships, opens new account, and conduct transactions with Customers:

1. VPBank controls and only establishes relationships, opens new accounts, conducts transactions with the Customer on the basis of compliance with legal regulations and documents provided by Customers. Documents provided by Customers must ensure completeness, legality, validity, and consistency with reality.

Based on the provisions of the Law and VPBank's risk management strategy from time to time, The CEO/Person authorized by the CEO issues specific regulations on VPBank's customer acceptance policy, ensuring that:

- a) VPBank does not establish, maintain anonymous accounts or accounts using fake names.
- b) VPBank does not establish, maintain business relationships with shell banks and financial institutions that provide services to shell banks.
- c) VPBank does not establish relationships, open new accounts, conduct transactions with customers related to crime, money laundering, terrorist financing, financing the proliferation of weapons of mass destruction.
- d) VPBank could deny opening account, establishing business relationships, conducting transactions with customers in case VPBank fails to complete Know your Customer process due to the customers' refusal to provide their information or the customers' inadequate provision of information.
- e) VPBank does not establish relationship, open new account, maintain relationship or conduct transactions with customers if the establishment of a relationship, opening a new account, maintenance relationship or conduct of transactions with a customer violates sanctions imposed by:
  - (i) the United Nation
  - (ii) the European Union
  - (iii) the US
- f) VPBank does not establish relationship, open new account, maintain relationship

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or conduct transactions with customers if establishing relationships, opening new accounts to conduct transactions with customers may cause VPBank to violate regulations on anti-money laundering, anti-terrorist financing, sanctions of laws and regulations of international organizations and foreign organizations that VPBank has commitments/regulations to comply with.

2. Customers must fully satisfy the conditions of legal capacity and behavioral capacity in accordance with the laws and regulations of VPBank.

**Article 9. Regulation on Know your Customer**

1. VPBank collects Know your Customer Information in the following cases:
  - a) When Customer sets up relationship with VPBank for the first time in order to use product(s) or service(s) provided by VPBank.
  - b) When Customer conducts occasional high value transaction with a value equal to or exceeding the value as prescribed by law.
  - c) When Customer conducts a remittance transaction lacking originator's name, address, account number or transaction number in case the originator does not have an account at VPBank.
  - d) When VPBank suspects that the transaction or involved parties are relevant to money laundering, terrorism and weapon of mass destruction financing activity.
  - e) When VPBank suspects about the accuracy or completeness of Know your Customer Information collected previously.
2. In the cases of Know your Customer specified in Clause 1 this Article, VPBank will endeavor to collect full information on Customer Identification, information on Customer's Beneficial Owner, Purpose and the Nature of the customer's business relationship with VPBank.
3. Know your Customer information specified in Clause 2 of this Article must be verified on at least one of the following basis:
  - a) Original documents and data related to the Customers;
  - b) Information extracted from national databases in accordance the provisions of law;
  - c) Through competent state agencies, other organizations or third parties in accordance with the provisions of law;
4. Know your Customer information needs to be updated during the period of establishing and maintaining relationship between VPBank and its Customer to ensure that the transactions conducted at VPBank are consistent with the Know your Customer Information in existing records, known information about the Customer, business activities, money laundering risk level and origin of assets of customers. Updated information on Know your Customer must be stored in



accordance with Vietnamese laws and regulations of VPBank from time to time.

**Article 10. Classification of Customers by Levels of Money Laundering Risk**

VPBank classifies its Customers into low, medium, and high risk levels of money laundering, terrorist financing, and financing of proliferation of weapons of mass destruction and applies corresponding money laundering risk levels of customer:

1. For low risk Customer, VPBank collects, updates and verifies Know your Customer data at a lower degree after establishing a relationship with the Customer for the first time;
2. For medium risk Customer, VPBank may apply CDD measures specified in Clause 1 Article 9 herein to that Customer
3. For high risk Customer, in addition to the CDD measures applied as specified in Clause 2 of this clause, VPBank shall apply enhanced due diligence measures, including the intensified collection, updating and verification of Know your Customer information and enhanced monitoring of that customer's transactions.

**Article 11. Regulations on sanctions screening**

1. VPBank screens new Customers, existing Customer and Customer transactions against sanctions program applied in VPBank to ensure VPBank's compliance with these sanctions programs.
2. Frequency and method of screening is performed based on Customer's risk level or particular transaction.

**Article 12. Regulations on transaction monitoring**

1. VPBank establishes a risk-based approach transaction monitoring program to effectively detect suspicious transactions, accordingly, transactions of every customer will be monitored, and VPBank will also reinforce implementation for monitoring of transaction with high money-laundering risk, and monitoring of the following unusual transactions:
  - a) Complex or unusual large transactions subject to the Government's regulations
  - b) Transactions with organization or legal persons in the countries or territories on the FATF's list or the Warning lists.
2. VPBank conducts transaction monitoring both automatically with Anti-Money Laundering Information Technology system and manually with VPBank' officers.
3. To monitor transactions, VPBank could apply one or more of the following measures:
  - a) Enhance due diligence specified in Clause 3, Article 10 of this policy
  - b) Check transaction information and purpose
4. When detecting any suspicious signs of a Customer's transaction, VPBank may apply one or more of the following measures:
  - a) Update Know your Customer information.
  - b) Update Customer's risk rating and place the Customer into a higher risk category.





- c) Report suspicious transactions
- d) Refuse to carry out Customer transaction
- e) Other measures as prescribed by Law

**Article 13. Regulations on provisional measures**

1. VPBank shall promptly take measures on postponement of transactions when:
  - a) There are any reasonable grounds to suspect that parties involved in the transaction is on the Blacklist;
  - b) There are grounds to believe that the requested transaction is related to criminal activity including: the transaction is performed at the request of a person facing criminal prosecution defined the Criminal Procedure Code, and the property involved in the transaction is owned by that convictee, or stems from that convictee's ownership or control; the transaction is related to an entity or individual conducting an act of terrorism financing crime;
  - c) Requested by Competent authorities in accordance with relevant laws.
2. When implementing measures on postponement of transactions, VPBank will promptly report to Competent authorities and the State Bank of Vietnam.
3. The time limit for application of a transaction postponement measure shall not be more than 03 working days from the date on which it commences.
4. VPBank will block accounts, seal, freeze or temporarily seize property of entity and individual upon decisions of Competent authority prescribed by law.

**Article 14. Termination of relationship with customers**

1. VPBank can consider terminating relationship with Customer in the following circumstances:
  - a) Know your Customer cannot be completed because the Customer refuses to provide information or provides incomplete information.
  - b) Maintaining relationships with Customers violates sanction regulations issued by the United Nations, European Union, and the United States.
  - c) Maintaining relationships with Customers can cause VPBank to violate regulations on AML, CFT, CPF, ETS, regulations of international organizations and foreign organizations that VPBank has committed/regulated to complied with, or cause risks regarding AML, CFT, CPF, ETS for VPBank.
2. Terminating relationships with customers according to Clause 1 of this Article must ensure the following principles:
  - a) The time to terminate the relationship with the Customer needs to be determined in accordance with the risk level of the Customer and the transaction that the Customer performs.
  - b) Closing accounts, terminating contracts, handling rights and obligations between

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VPBank and customers should be conducted in accordance with relevant regulations of the Law and VPBank from time to time.

- c) All transactions that Customer conducts with VPBank before the time stated in Point a, this Clause should be closely monitored;
  - d) The method of communication and notification of termination of relationships to customers needs to be calculated carefully and skillfully to comply with the provisions of law and minimize complaints from customers.
  - e) Reporting to Competent authorities according to the provisions of law
3. Cases that VPBank's existing customers put on sanction list of United Nations, European Union, and United States will be reported to the Board of Directors immediately after detecting the case. Measures to stop performing transactions, close accounts, and terminate relationships with these Customers (if any) must be reported to the Board of Directors within 10 working days or another period as prescribed in regulations/ VPBank regulations from time to time - from the time the case was detected.

**Article 15. Regulations on internal audit**

1. Annually VPBank conducts internal audit. The AML, CFT, ETS internal audit could be conducted independently or in combination with other contents but must be a separate part in the audit report.
2. Internal auditing content includes review, assess independently and objectively internal control system, internal regulation compliance; and recommend, propose measures to improve the efficiency and effectiveness of AML, CFT, ETS implementation
3. Any violation detected in the controlling and internal auditing process must be reported to the Officer in charge of AML activity in VPBank, the General Director and at the same time inform the AML Department of VPBank for further handling.
4. VPBank must send the AML, CFT, ETS internal auditing report to AML Department of the Banking Inspection and Supervision Agency - State Bank of Vietnam no later than 60 (sixty) days from the end of the fiscal year.

**Article 16. Regulations on report**

1. VPBank complies with reporting obligations to the State Bank of Vietnam when conducting large value transactions that must be reported and electronic money transfer transactions according to the value prescribed by Law.
2. VPBank reports suspicious transactions in the following cases:
  - a) When acknowledged that the transaction is carried out at the request of a convictee defined the Criminal Procedure Code, and the property involved in the transaction is owned by that convictee, or stems from that convictee's ownership or control.

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Determining whether a person is a suspect, defendant or convictee shall be subject to the notices of competent state authorities

- b) When there is plausible ground to suspect that the property in transactions is related to money laundering offence, determined after examining, collecting and analyzing information when the customer or transaction demonstrates one or more signs of suspicious activity according to laws and VPBank's regulations from time to time
3. Regarding reporting form: Reporting in Clauses 1 and 2 of this Article is performed in a form consistent with the provisions of Law from time to time.

**Article 17. Ensuring confidentiality of information and reporting documents**

1. VPBank' units and officers are responsible for protecting State secrets and protecting Know your Customer information regarding information, records, documents, reports related to transactions that must be reported according to laws and VPBank internal regulations.
2. VPBank' units and officers do not disclose information to any other third party about reporting suspicious transactions or reporting information related to suspicious transactions to VPBank Competent authorities and the State Bank of Vietnam.

**Article 18. Retention of information, records, documents and reports**

1. Reporting Unit and AML Department are responsible for retention of the following information, records, documents, and reports:
  - a) Know your Customer information, and documents.
  - b) Results of analysis and evaluation of the Reporting Unit for the customer or transaction subject to report.
  - c) Information and other documents related to reported customers and transactions
  - d) Transaction report specified in Clauses 1 and 2, Article 16 of this policy and information, dossier and documents attached to the reported transaction.
2. Retention period is as follows:
  - e) At least 05 years from the transaction date/account closure date or report date for information, records and documents specified in Points a, b, c, Clause 1 of this Article (excluding transaction reports)
  - f) At least 05 years from the date of transaction for transaction reports specified in Point d, Clause 1 of this Article.

**Article 19. Training and communication**

1. VPBank requires all employees to be fully aware of the risks of money laundering, terrorist financing, financing of proliferation weapons of mass destruction, and sanction violations. All officers must have the appropriate level of knowledge to effectively implement assigned AML, CFT, CPF, ETS measures

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2. VPBank applies a risk-based approach related to AML, CFT, CPF, ETS training. All VPBank officers responsible for AML, CFT, CPF, ETS and other tasks related to money and property transactions with Customers are trained when recruited and through annual training courses. In-depth training courses are provided to officers working in compliance department and other key positions. Training method is selected suitable to the organizational scale and actual operating situation of VPBank.
3. Training content includes at least the followings:
  - a) Laws and VPBank internal regulation on AML, CFT, CPF, ETS.
  - b) Responsibility for non-compliance, non-implementation or incomplete implementation of law and VPBank's internal regulations on AML, CFT, CPF, ETS.
  - c) Methods, means and propensity of money laundering and terrorism financing
  - d) Money laundering risks related to the products, services, and tasks that VPBank officers and staff are assigned.
  - e) Several international practices related to the fields of AML, CFT, CPF, ETS.
4. Relevant units and individuals are responsible for fully complying with the AML, CFT, CPF, ETS. Any violations will be reviewed and handled according to VPBank's regulations from time to time.
5. In addition to training, VPBank will annually conduct propaganda activities to raise awareness about AML, CFT, CPF, ETS for all VPBank officers, including management levels.

**CHAPTER III: IMPLEMENTATION PROVISION**

**Article 20. Update legal regulations**

The Legal and Compliance Division reviews and evaluates the appropriateness and ensures compliance of this Policy to legal regulations and VPBank's business orientation annually or when there are changes in regulations of relevant laws.

**Article 21. Enforcement**

1. This Policy shall come into force on November 30<sup>th</sup> 2023 and replace:
  - a) Regulation No 16-2023-QĐi-HĐQT on implementing measures of anti money laundering, combating-the-financing-of-terrorism, countering the financing of proliferation weapons of mass destruction, economic and trade sanctions compliance at VPBank dated on March 1<sup>st</sup>, 2023
  - b) Policy No 174/2023/CSH-HĐQT on anti-money laundering, combating the financing of terrorism, countering the financing of proliferation weapons of mass destruction, economic and trade sanctions compliance at VPBank.
2. Based on Policy 216A/2023/CSH-HĐQT, the Chief Executive Officer promulgates

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*Văn bản này chứa các thông tin là tài sản của VPBank; Nghiêm cấm sao chép, in ấn dưới bất cứ hình thức nào nếu không được sự cho phép của cấp có thẩm quyền của VPBank.*

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regulations, procedures and instructions for implementation.

3. The Chief Executive Officer is authorized by the Board of Directors to regulate in details of and guide to implement this Policy. Any content in the VPBank's current internal documents contrary to this Regulation shall automatically cease to have effect.
4. The issues not included in this Policy shall be implemented in accordance with relevant provisions of Law and other regulations and institutional documents of VPBank. When the content in this Policy is contrary to the provisions of law and the General Meeting of Shareholders, that content automatically ceases to have effect.
5. Any amendment/supplementation/replacement in this Policy is determined by the Board of Directors. The Board of Management, units, relevant officers and units are supposed to implement this Policy.

**Recipients:**

- BOD, BOS (for reporting purpose);
- BOM;
- HO Managers;
- VPBank Staff;

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

Signed and Sealed

**NGÔ CHÍ DŨNG**