

Interswitch Limited

Financial Crime Policy

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Financial Crime Policy

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Financial Crime Policy

1 INTRODUCTION

Interswitch is committed to comply with legislation, regulations, standards, and guidelines to combat financial crimes in business transactions. Consequently, Interswitch has developed the Financial Crime Policy to meet requirements for Anti-Bribery, Anti-Money Laundering, Know Your Customer (KYC), and Terrorist Financing.

1.1 Purpose

The purpose of this Financial Crime Policy is to provide guidance on Interswitch decisions specific to combating financial crime through the performance of due diligence activities.

1.2 Scope

This Policy will serve the Interswitch corporate enterprise, including all business processes and transactions for all lines of business.



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2 ROLES & RESPONSIBILITIES

The following describes roles and responsibilities of key participants involved in the implementation and operation of this Policy. The roles are specific to this Policy.

Chief Executive Officer

The Chief Executive Officer (CEO) has the overall responsibility to combat financial crime commensurate with the risk and magnitude of harm to the operations and assets, employees and contractors, customers and vendors, and other business associates and partners of Interswitch.

Chief Risk Officer

The Chief Risk Officer (CRO) provides an organization-wide approach to combating financial crime, and serves as the common resource to the Executive Management of Interswitch for combating financial crime. The Chief Risk Officer ensures that financial considerations and authorization decisions for individual business processes and transactions comply with this Policy.

Business Owner

The Business Owner is the revenue generating group or operational line of business with management or operational authority for specific business and the corresponding financial transactions, and with the responsibility for establishing the operating procedures governing the business in compliance with this Policy. Interswitch Business Owners include the management executives with authority to assume responsibility for operating the business. Examples of Business Owners are the CEO of Verve International, the Divisional Managing Director (DMD) of Switching and Processing, Chief Technology Officer (CTO), and Chief Operations Officer (COO) of SmartHealth.

Compliance Officer

The Compliance Officer is responsible for administering the responsibilities of the Chief Risk Officer under this Policy, and serving as the primary liaison for the Chief Risk Officer to the authorizing officials, information system owners, system security officers, and vendors and partners of Interswitch. The Compliance Officer heads an office with the mission and resources to assist Interswitch in achieving the objectives of this Policy, and may serve as an auditor or an assessor of this Policy.

Employee, Contractor, and Agent

The Employee, Contractor, or Agent is an individual, group, or organization that must comply with this Policy, and must report any violation of this Policy to the Compliance Officer and Chief Risk Officer.

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3 OBJECTIVES

To combat financial crime, Interswitch will comply with the safeguards and countermeasures defined in the following legislation, regulations, standards, or guidelines:

- Corrupt Practices & Other Related Offence Act 2000, Laws of the Federal Republic of Nigeria
- Money Laundering (Prohibition) Act of 2011, Laws of the Federal Republic of Nigeria
- Revised CBN Anti-Money Laundering/Counter Terrorism Financing Regulation, 2009
- Part 7, Proceeds of Crime Act 2002 of the Parliament of the United Kingdom
- U.K. Bribery Act 2010
- U.S. Foreign Corrupt Practices Act

Training

The Compliance Officer will train employees on the provisions of this Policy. Business Owners will verify that employees of financial and non-financial institution on its network receive training on combating financial crime.

Updates & Procedures

The CRO will develop, document, and disseminate this Policy to the Business Owners. In addition, the CRO will review and update the Policy annually.

The Business Owners will develop, document, and disseminate to the CRO the operating procedures to implement the objectives of this Policy. In addition, Business Owners will update the operating procedures annually, and the CRO will audit the operating procedures annually.

Requests for Information

The Business Owner must establish and enforce cooperation agreements with acquirers and issuers to the extent permitted by requirements of Law to cooperate in a timely fashion with requests for information on activity or event that may violate this Policy.

Sanctions

Interswitch will terminate the employment of any employee that fails to comply with this Policy. In the case of a contractor, agent, or representative, Interswitch will terminate its contract with the contractor, agent, or representative.



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3.1 ANTI-BRIBERY

Interswitch will not offer, give, or promise to give a financial or other advantage such as a gift to another entity in exchange for improperly performing a relevant function or activity. Improper performance will include performance that breaches the expectation of good faith or impartiality. Improper performance will also include performance in a way not expected of a person in a position of trust.

3.1.1 Financial Advantage

Employees, contractors, or agents of Interswitch must not request, accept, or receive a personal financial or other personal advantage in exchange for performing a business function or activity. In addition, Employees must declare family or any other personal relationship or personal interest the Employee may share with third party suppliers or vendors.

3.1.2 Facilitation Payment

Interswitch will not pay or obtain the payment of any facilitation payments, such as those payments made to Government officials to encourage or facilitate a routine action or duty. Interswitch actively discourages such acts.

3.1.3 Contractual Obligation

Interswitch will ensure that it mandates its customer, service provider or vendor to warrant that it shall not offer, promise or give bribe to any Interswitch employee or agent. In addition, Interswitch will ensure that its customers, service providers, or vendors warrant that it will not request, accept, or receive bribe from any Interswitch staff in order to induce the performance of any obligation by such customer, vendor, or service provider.

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3.2 ANTI-MONEY LAUNDERING

Interswitch will make or accept all financial payment only through a financial institution licensed by the Central Bank of Nigeria (CBN), or licensed by the CBN equivalent for foreign financial institutions. Interswitch will ensure that all customers on its network comply with this Policy. Interswitch will not obtain a financial benefit from any activity that is illegal or that violates any Interswitch Policy.

3.2.1 Financial Benefit

Employees, contractors, or agents of Interswitch must not obtain a financial benefit from any activity that is illegal or any activity that violates any Interswitch Policy.

3.2.2 Contractual Obligation

The Business Owner must ensure that every party to any business relationship that includes the Business Owner must abide by the laws included in this Policy. In addition, if any party to a business relationship that includes the Business Owner violates the laws included in this Policy, the Business Owner must ensure it receives notification from the violating party.



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3.3 Know Your Customer

To Know Your Customer (KYC), the Business Owner must conduct business only with customers of a licensed bank or a business registered with the Corporate Affairs Commission or the equivalent company registry for foreign businesses.

3.3.1 Customer Records

The Business Owner will keep records of due diligence activities for financial transactions for at least 5 years. The Business Owner must maintain strict confidentiality of the records from due diligence activities and investigations.

3.3.2 Customer Verification

The Business Owner must verify the authenticity of any identification document presented by the prospective customer or business associate; the Business Owner will not commence any business relationship or financial transaction with such entity unless it confirms that the identification documents are genuine.

For a corporate entity, the Business Owner must verify the identity of persons who represent the corporate entity. The Business Owner will ensure that its business partners develop, implement, and operate a Know Your Customer Programs before contracting such a partner. The Business Owner will verify that Interswitch Partners develop and implement a Know Your Customer program for their respective customers.

3.3.3 Customer Screening

The Business Owner will screen all its customers, partners, agents, and associates against lists individuals and organizations with whom the Central Bank of Nigeria prohibits or recognizes the prohibition from doing business.

3.3.4 Customer Monitoring

The Business Owner will conduct on-going monitoring of a business relationship. The Business Owner will keep the documents, data, or information obtained for applying customer due diligence measures up-to-date.

Financial Crime Policy**4 REFERENCES**

1. Money Laundering (Prohibition) Act 2011; Laws of the Federal Republic of Nigeria
2. Circular to Banks and Other Financial Institutions Revised CBN Anti-Money Laundering/Counter Terrorism Financing (AML/CFT) Manual, 2009
3. Proceeds of Crime Act 2002, Act of the Parliament of the United Kingdom.
4. The Criminal Code Act, Laws of the Federal Republic of Nigeria, 2004.
5. Corrupt Practices and Other Related Offence Act 2000.
6. Bribery Act Bribery Act 2010, Act of the Parliament of the United Kingdom