



Takaful

شركة أبوظبي الوطنية للتكاful ش.م.ع

Abu Dhabi National Takaful Co. P.S.C

# **Anti-Money Laundering and Combating of Financing of Terrorism (AML&CFT) Policy**

**2023 V3**



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Takaful Abu Dhabi National Takaful Co. P.S.C

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AMENDMENT SHEET

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## 1. INTRODUCTION

- 1.1. Federal Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations and its implementing regulation Cabinet Decision No. 10 of 2018 requires all financial institutions including insurance companies to apply AML measures to fight against money laundering, terrorist financing and proliferation financing.
- 1.2. Abu Dhabi National Takaful Co. P.S.C. (herein referred to as “the Company” or “ADNT”) is fully committed to ensuring full compliance with relevant UAE laws, regulations and guidelines pertaining to Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (collectively referred as AML).

## 2. POLICY STATEMENT AND COMMITMENT

- 2.1. ADNT is conscious of the risks arising out of money laundering, terrorism financing, proliferation financing and dealing with a sanctioned person. The Board of Directors along with the Senior Management and employees commit and undertake to guard against insurance products, services, and operations (including internal and external distribution channels) being used to launder unlawfully derived funds or to finance terrorist acts or weapons of mass destruction.

## 3. POLICY APPLICABILITY

- 3.1. The Policy is applicable to the entire Company (including branches and agents) and its majority owned subsidiaries forming part of the audited financial statements.
- 3.2. The Policy shall govern all the internal stakeholders (Board of Directors, Senior Management, Employees) and provide guiding principles in dealing with the external stakeholders (Customers, Brokers, Banks, (Re) Insurance companies, Other Counterparties, and Suppliers). For simplicity purpose, Regulatory bodies wherever appropriate are mentioned separately.



#### **4. OBJECTIVE**

The objective of this document is to lay down the detailed AML Framework for ADNT to ensure-

- Compliance with AML laws and regulations in force from time to time.
- None of its products, services and operations are vulnerable to ML FT PF and sanctions risks.
- Protection of Company's reputation.
- Assistance to law enforcement agencies in their efforts to investigate and track money launderers.

#### **5. AML/CFT PROGRAM**

Our AML/CFT program consists of:

- AML business risk assessment
- Appointment of AML Senior Officer
- Know Your Employee
- Training & Awareness

##### **5.1. AML BUSINESS RISK ASSESSMENT**

The Company adopts a risk-based approach to mitigate ML/TF/PF risk, which means applying mitigating controls as per the risk identified.

Risk based approach involves identifying, assessing, and mitigating the risks associated with the Company's business operations, customers, products, jurisdictions, and delivery channels. Regular risk assessments will be conducted to identify and evaluate inherent money laundering and terrorism financing risks. The risk assessment shall be reviewed at least annually or more frequently if warranted by significant changes in the risk profile.

The risk assessment shall also be carried out before launching a new product/service or a new technology/ delivery channel.

### 5.2.Appointment Of AML Senior Officer

The Company has entrusted AML Senior Officer with the responsibility of monitoring AML and CFT measures and reporting suspicious transactions. AML Senior Officer is part of senior management and reports directly to the Board of Directors through Board Designated Committee. key roles & responsibilities include:

- Establishing the AML/CFT measures.
- Ensuring the Company's compliance with AML Laws and Regulation issued by the CBUAE.
- Verifying the internal reports and assessing CDD information.
- Making external reports to the Competent authorities.
- Maintaining record of internal reports received and external reports made.
- Arrangements for staff awareness and training by himself or someone else and keeping record of such training.
- Making annual reports for senior management.
- Having clear procedures for employees to immediately report cases suspicious as money laundering cases.
- Having clear verification methods and procedures for STR and reporting immediately and directly to the competent authority and competent supervisory authority without the need of any person's approval.
- Conducting formal reviews of the AML & CFT Policy, procedures, and risk assessment methodology on an annual basis or as necessitated by regulatory amendments, risk rating changes, or strategic shifts.
- Conducting ongoing training and mentorship for employees on AML/CFT measures and controls.

### 5.3.Know Your Employee

The Company has meticulous screening procedures during the recruitment of all employees, encompassing key roles such as Directors, Auditors, MLRO, and Executive Management. The



objective is to ascertain a notable level of proficiency essential for effectively discharging their respective responsibilities.

In line with our commitment to maintaining the highest standards of ethical conduct, we emphasize the meticulous consideration of potential conflicts of interest during the hiring process. This extends to evaluating the financial backgrounds of employees, directors, board members, executive or supervisory management, MLRO, and internal auditor. For this purpose, a comprehensive credit check is conducted to ensure transparency and adherence to ethical norms.

The screening procedures include the following at a minimum:

- Initial CV review
- Academic qualification verification
- Comprehensive testing and interview
- Employment history confirmation
- Police clearance certification
- Sanction screening and due diligence
- AML commitment undertaking

#### 5.4. TRAINING & AWARENESS

The company has below frequency for training:

- a) Induction training for new joiners within 30 days
- b) Refresher training for all existing employees once a year at minimum
- c) Ad hoc training for all employees in case of change in existing policies and procedures due to changes in laws & regulations.

Our training approach is tailored to various levels of staff within the organization:





- 5.4.1. Front-Line Staff: These employees, who directly interact with the customers, undergo comprehensive training on CDD measures, client acceptance policies, verification procedures, and effective record-keeping. Additionally, they receive specialized training on dealing with non-regular customers in high-value transactions, single premium policies, and investment-related life insurance policies. Their training also emphasizes their roles and responsibilities under our AML/CFT policies.
- 5.4.2. Supervisors, Managers, Senior Management, and Directors: This tier of training provides a higher level of understanding, covering the intricacies of money laundering offenses, related penalties, procedures for service of production and restraint orders, internal reporting protocols, and requirements for verification and record-keeping.
- 5.4.3. AML Team: AML Senior Officer and AML team receives in-depth training encompassing all aspects of the Money Laundering Law, regulations, and instructions issued by supervisory authorities. This specialized training equips the AML Senior Officer to handle validation and reporting of suspicious transactions and effectively manage feedback mechanisms.

## 6. AML/CFT Systems & Controls

The Company has AML-CFT Systems and controls comprise of policies, procedures, and processes around:

- Customer Due Diligence
- Risk Based Approach to Customer Due Diligence
- Targeted Financial Sanction (TFS) Screening
- Ongoing monitoring
- Identification and Reporting of Suspicious Transaction/Activity
- Record-Keeping



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#### 6.1. Customer Due Diligence

It is the Company's policy to identify and verify the customer's identity, its UBO in case of legal entities, its business activities and purpose of business relationship to ensure that the Company deals only with legitimate customers and does not aid a criminal in ML-TF by exploiting the Company's products and services.

The Company prohibits dealing with a customer whose identity cannot be established.

#### 6.2. Risk Based Approach to Customer Due Diligence

The Company applies enhanced level of scrutiny on business relationships with customers who pose high-risk of ML/TF/PF to the Company.

Establishing or continuing a business relationship with high-risk customers including Politically Exposed Person is subject to Senior Management approval.

#### 6.3. Targeted Financial Sanction (TFS) Screening

The Company screens all its customers, beneficiaries (at the time of payout) and related names such as UBO, Authorized person (in case of legal entities) against local UAE terrorist list and other international sanction lists such as United Nations, OFAC, EU, etc.

The Company prohibits dealing with an individual or entity whose name appears on local UAE terrorist list and UN list and apply freezing/unfreezing measures in line with Cabinet Decision No. 74 of 2020.

#### 6.4. Ongoing Monitoring

The company undertakes ongoing monitoring of customers' transactions to ensure those are in line with customer profile and to identify unusual transactions.

The company also performs ongoing CDD and periodic updation of customer profile as per risk-based approach or at the time of expiry of document or at the time of renewal of policy whichever occurs first.



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#### 6.5. Identification And Reporting of Suspicious Transaction/Activity

It is the policy to identify and report suspicious transaction/activity to the Financial Intelligence Unit (FIU) in order to assist competent authorities in UAE to track criminals involved in ML/TF/PF.

#### 6.6. Record Keeping

The Company shall keep records pertaining to customers, transactions, due diligence, and other key documents pertaining to AML matters for minimum statutory period of 5 years.

### **7. INDEPENDENT ASSURANCE**

AML compliance function shall be independently tested for its effectiveness in terms of compliance with applicable laws and regulations. Independent testing can be carried out by an independent internal audit or an external audit.

### **8. PROHIBITION OF TIPPING OFF**

Employees (permanent and temporary) are prohibited (should maintain strict confidentiality) from disclosing the fact that a Suspicious Transactions Report or related information of a policyholder / prospect is being reported or provided to the UAEFIU.