

**Policies for Prevention of Money Laundering
in AB DnB NORD Bankas**

In 1997 the Parliament of the Republic of Lithuania adopted the Law on Prevention of Money Laundering. On 17 January 2008 a new Law of the Republic of Lithuania on Prevention of Money Laundering and Terrorist Financing came into force (hereinafter – the “Law”). Referring to the Law, financial and credit institutions are obliged to implement certain preventive measures to combat the legalization of illegally acquired money. Banks are obliged to maintain a special register wherein the data on all financial operations, exceeding the amount of EUR 15 thousand, regardless of the operation nature (whether a cash payment or clearing in any currency) shall be recorded. The information on any cash exchange of one currency for another when the amount exceeds EUR 6 thousand shall be included in such register as well. According to the Law, banks are obliged to submit entries from such register to the Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania (hereinafter – “the FCIS”) on a regular basis, i.e. once a week. Furthermore, banks shall immediately report any suspicious customer-conducted transaction, regardless of the amount, to the FCIS.

The Register of AB DnB NORD Bankas (hereinafter – the “Bank”) is automated. The Bank has implemented the Banking Information System which integrates the money laundering prevention module software. Entries in the Register are made automatically when the transaction amount exceeds one of the above mentioned thresholds. The details of the customer conducting the transaction can be retrieved from the Banking Information System.

The Management Board of the Bank has approved the Procedure for Prevention of Money Laundering. The Procedure for Prevention of Money Laundering is in adherence with, but not limited to the following national requirements:

- To identify a customer before opening an account or concluding a customer service agreement;
- To identify a customer if a monetary transaction involves an amount exceeding EUR 15 thousand;
- To identify a customer if a cash exchange operation involves an amount exceeding EUR 6 thousand;
- To run the Register of Money Laundering Prevention when monetary transactions exceed EUR 15 thousand;
- To monitor banking transactions of and keep a close watch on Politically Exposed Persons;
- To keep copies the identification documents for 10 years after the end of relationship with a customer;
- To maintain the Register;
- To submit entries of the Register to the FCIS;
- To notify the FCIS of any suspicious monetary transactions irrespective of the amount;
- To appoint the persons responsible for the implementation of measures for the money laundering prevention and for the relationship with the FCIS;
- To identify beneficiaries;
- To carry out regular training of the Bank’s employees on the issues of money laundering prevention;
- To carry out regular reliability checks of the Bank’s employees at least every 2 years.

The Management Board of the Bank has also approved the criteria for determining whether a monetary transaction is regarded as suspicious. The criteria cover the following cases: a customer conducts transactions that are not typical for his/her activities, the source of money is unclear, a customer deliberately divides a transaction into several (chain) transactions in order to reduce the amount, etc. According to the procedures, the Bank’s employees shall immediately report any suspicious transaction to the Money Laundering Prevention and Vindication Department which is responsible for the money laundering prevention in the Bank.

Employees of the Money Laundering Prevention and Vindication Department maintain close relationship with the FCIS notifying them of suspicious transactions, submitting entries from the Register, applying for consultations. The FCIS Officers deliver lectures to the Bank’s employees, introduce the most common cases of money laundering and explain the schemes of financial offences. During the regular staff training on the money laundering prevention issues the audience is informed about the laws and decrees of the Republic of Lithuania regulating the money laundering prevention. Within the framework of practical training, the features of suspicious operations are analyzed and particular cases related to untypical operations in the banking practice are discussed, also the Bank’s Procedure for Prevention of Money Laundering is explained in detail. After the training the Bank’s employees have to pass a special examination.

The Bank maintains the list and updates the information about persons related to international terrorism. Should any person from such list wish to become the Bank’s customer, this would be immediately reported to the FCIS. Any inter-bank transactions are checked on-line for any possible relation to the persons from such list. Financial deals of the Bank’s customers with the persons from the aforementioned list are also regarded as suspicious.

The Compliance Officer for Money Laundering Prevention is Mr. Šarūnas Vaineikis, Manager of the Money Laundering Prevention and Vindication Department (tel. + 370 5 2393425; fax: + 370 5 2393736; e-mail: sarunas.vaineikis@dnbnord.lt).