

Non-Banking Financial Institution (NBFI)

Non-Equivalently Regulated Institution (NERFI)

AML Questionnaire



I. Overview

This questionnaire is designed to provide HSBC with information about your organisation's financial crime policies and procedures. The questionnaire is split into three parts:

- I. **Overview** (this section) – introduces the questionnaire, explaining how it should be filled out.
- II. **Pre-Questionnaire Information** – confirms the existence of a group wide AML standard in order to determine whether the answers to Section III apply to multiple entities within your group of companies.
- III. **Risk Management/Control Framework** – asks questions about your organisation's financial crime control framework. Because this section focuses on your policies, procedures, processes and systems it can be answered for the whole group where these are consistently applied and implemented. Where entities within the group have their own policies, procedures, processes and systems, they must answer this section separately (or have it answered for them). This is determined by your answer to the group wide AML standard" question in Section II, Pre-Questionnaire Information. The last part of Section II Pre-Questionnaire Information allows you to indicate which of your entities are covered by your answer to the "Risk Management/Control framework section".

Additional Guidance – Terminology:

1. Anonymous Account

An account that has no features identifying its owner is an Anonymous Account. For example, numbered or fictitious name accounts.

2. Politically Exposed Person (PEP)

A PEP, as an individual, is defined as a current or former senior official in the executive, legislative, administrative, military or judicial branches of a government, the head of a government agency, a member of a ruling royal family, whether or not elected, a senior official of a major political party, or a senior executive of a government-owned or government-funded corporation, institution or charity; for the purposes of this definition, the terms "senior official" or "senior executive" mean an individual with substantial authority over government policy, government operations, or the use of government-owned resources. The definition also includes the immediate/extended family members of a PEP and any close associates.

3. Enhance Due Diligence (EDD)

EDD is a more extensive and in-depth level of due diligence that reflects the increased risk level of the client. This includes increased requirements at on-boarding and subsequent monitoring and review.

4. Shell Bank

A "shell bank" is an entity that has no physical existence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision. Physical presence means mind and management located within a country.

II. Pre-Questionnaire Information

Contact Information

Customer's Legal Name ("the Company"):

Customer's Registered Address:

Where the Questionnaire is completed by the Customer

Customer contact name:

Customer contact's function:

Date of completion:

Where the Questionnaire is completed by a HSBC Employee (e.g. Relationship Manager)

Name of the customer contact providing the information:

Person's Role / Function within the Company:

Date of completion:

How the information was obtained (e.g. telephone call, meeting, email):

Group Wide AML Standard

GROUP WIDE AML STANDARD

Do the Company's AML/CTF policies and practices apply to all branches and subsidiaries, both in the Company's home country and in other jurisdictions?

Yes No

If "Yes", please provide details on how it is communicated and enforced:

If "Yes", please complete section III (once) on behalf of the whole group of companies and list all legal entities in Table A, below.



Table A: All entities for which responses are being provided (please add more rows as required):

No.	Entity Name
1	Parent entity (same as "Customer's name", above)
2	E.g., "Subsidiary 1"
3	E.g., "Subsidiary 2"
4	
5	
6	

III. Risk Management/Control Framework

A) General AML Policies, Practices and Procedures		
Does the Company:		
1) Have written procedures in place to conduct due diligence to identify clients, and on a risk basis, to verify their identity?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2) Offer anonymous accounts to their clients?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3) Conduct a review of clients' Source of Wealth and Source of Funds?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4) Collect information regarding clients' business activities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5) Conduct a risk-based assessment to understand the normal and expected transactions of its clients?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6) Operate Client Screening: <ul style="list-style-type: none"> against lists of sanctioned persons, entities or countries issued by applicable governments/competent authorities, and for Politically Exposed Persons (PEPs), initially at on-boarding and subsequently during a continuing relationship (e.g. ongoing batch screening or at periodic review)? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7) Have AML procedures that support the detection and reporting of suspicious activities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8) Operate a transaction monitoring program which identifies unusual and potentially suspicious activities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9) Provide ongoing AML training to relevant employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No



10) Have an AML policy that covers relationships with PEPs, their family and close associates?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11) Operate Enhanced Due Diligence (EDD) procedures for those categories of clients and transactions which pose a heightened risk of illicit activities at or through the Company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
B) Executive Accountability		
Does the Company:		
12) Ensure that their AML compliance program has been approved by the Company's board or at a senior committee level?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13) Have a designated officer who is responsible for the Company's AML programme?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
C) AML Policy and Procedure implementation and effectiveness		
Does the Company:		
14) Operate and support an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15) Ensure that their policy, procedures, and controls, are supported by an appropriately resourced control function?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
D) Client Money and Assets (where held by the NBF Customer)		
Does the Company:		
16) Operate controls governing the receipt and use of client money and assets?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
17) Ensure the client money and assets are kept separate (e.g. segregated) from the Company's own operating accounts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If a "No" answer has been provided to any of the questions above, please provide further details:

If you would like to provide any further information that has not been covered above, please do so here:

