

**Non-Banking Financial Institution
(NBFI)**

**Third Party Payment Processor
(TPPP)**

AML Questionnaire





I. Overview

This questionnaire is designed to provide HSBC with information about your organisation's financial crime policies and procedures, as well as its products, services and client base. 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 Sections 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 the 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 ("Pre-Questionnaire Information"). The last part of the "Pre-Questionnaire Information" section allows you to indicate which of your entities are covered by your answer to the "Risk Management/Control framework section".

Additional Guidance – Terminology:

1. 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.

2. Trigger Events

Trigger Events are defined as changes in circumstances in-between periodic reviews which affect an existing client and therefore require their CDD Profile to be updated. Trigger Events take two forms: either client-specific (i.e. new information about an existing client) or policy-driven (i.e. changes that affect the framework used to assess client risk).

3. 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.

4. Anonymous Account

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



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 an 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

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 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	Main entity (same as "Client'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		
1) Does the Company have an Anti-Money Laundering (AML)/ Counter Terrorist Financing (CTF) compliance programme approved at board or senior level, or equivalent?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i. Does the board or senior management receive AML/CTF management information (MI)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
ii. If "Yes", how often does the board or senior management receive this MI?		
2) Does the Company have the following:		
i) A formal / independent financial crime compliance function? <input type="checkbox"/> Yes <input type="checkbox"/> No		
ii) Does this function have a designated officer who is responsible for coordinating and overseeing AML/CTF? <input type="checkbox"/> Yes <input type="checkbox"/> No		
iii) Does this function have a designated officer who is responsible for coordinating and overseeing AML/CTF? <input type="checkbox"/> Yes <input type="checkbox"/> No		
3) Does the Company have documented policies outlining the processes that have been implemented to prevent, detect and report suspicious transactions?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4) Does the Company have documented policies outlining the processes regarding escalation of financial crime risk issues?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5) Does the Company have an internal audit function or other independent third party, other than government supervisors/regulators, that assesses AML/CTF policies and practices on a regular basis?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

- 6) Does the Company have a policy regarding the length of time client records need to be retained?
 Yes No

If "Yes", please explain how long the records must be retained:

- 7) Does the Company have a formal exit process to deal with clients it deems to represent an unacceptable money laundering/terrorist financing/sanctions/bribery and/or corruption risk?
 Yes No

If "Yes", please briefly describe the exit process:

B) Risk Assessment

- 8) What type of clients does the Company serve?

- 9) Does the Company have any categories of clients that are prohibited?
 Yes No

If "Yes", please outline these categories:

C) Know Your Customer, Due Diligence and Enhanced Due Diligence

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|--|------------------------------|-----------------------------|
| 10) Does the Company use a risk based approach to conducting due diligence to identify clients and to verify their identity? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
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- 11) Does this risk based approach include the following:

- i) Identification of the Ultimate Beneficial Owners (UBOs) of its clients?
 Yes No

If Yes, please indicate whether the ownership structure is fully identified or whether thresholds are used:

- ii) The collection of information regarding its clients' business activities?
 Yes No

- iii) Review of the Source of Wealth of clients?
 Yes No

<p>If “No” to any of i) - iii), please provide details outlining why these are not obtained:</p>		
<p>12) Who in the Company is responsible for completing the above due diligence, and who signs off/ approves this due diligence?</p>		
<p>13) Is the due diligence reviewed and updated on a periodic basis? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>i) If “Yes”, what is the frequency of this periodic review?</p> <p>ii) If “Yes”, is there a mechanism to trigger a review off-cycle?</p> <p>Please describe what may typically trigger a due diligence review off-cycle:</p>		
<p>14) Does the Company complete a risk-based assessment to understand the normal and expected transactions of its clients? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If “No”, please provide details outlining why this is not completed:</p>		
<p>15) Does the Company operate any Enhanced Due Diligence (EDD) procedures for any categories of clients and transactions which pose a heightened risk of illicit activities? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If “Yes”, please describe these EDD procedures:</p>		
D) Politically Exposed Persons		
16) Do the Company's AML policies cover relationships with Politically Exposed Persons (PEPs), their family and their close associates?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
17) Does the Company's definition of a PEP align to the local regulatory definition where they operate?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
18) Are local PEPs treated the same as foreign PEPs?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

E) Sanctions & Customer Screening

19) Does the Company operate client and connected party screening against the following:

- i) Lists of sanctioned persons, entities or countries issued by applicable government/ competent authorities (e.g. OFAC, UN, EU, etc.)?
 Yes No
- ii) PEP lists?
 Yes No
- iii) Negative news engines?
 Yes No

20) Does the Company operate transaction screening against lists of sanctioned persons, entities or countries issued by applicable government/ competent authorities (e.g. OFAC, UN, EU, etc.)? (please mark all that apply):

- Domestic Transactions International Transactions None Conducted

21) Is the screening outlined in Q19) conducted at onboarding only, or continuously?

22) Is the screening outlined in Q20) done in real-time or retrospectively?

23) Is the screening outlined in Q19) and Q20) automated or manual?

F) Transaction Monitoring and Reporting

24) Does the Company operate a transaction monitoring program which identifies unusual and potentially suspicious activity?

- Yes No

i) If "Yes", please describe the alert review and escalation process:

ii) If "No", please outline why this is not required:

25) If “Yes” selected to Q24), please select the Company’s AML transaction monitoring process:

- i. Automated Manual
- ii. Rules/Scenarios based Threshold based Other

G) Reliance on Third Parties:

26) Does the Company employ third parties to carry out any of its AML related functions (including due diligence, transaction monitoring, screening)?

- Yes No

If “Yes”, how does the Company ensure that the third parties’ processes are robust?

H) AML Training:

27) Does the Company provide AML training to all employees and contractors?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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28) Does the Company provide targeted AML/CTF training to specific roles, responsibilities and activities that include:

- i) Identification and reporting of transactions that must be reported to government authorities?
 Yes No
- ii) Examples of different forms of money laundering involving the company's products and services?
 Yes No
- iii) Internal policies to prevent money laundering?
 Yes No

If “Yes” to any of the above i) to iii), please provide the frequency of the training provided:

29) Are new AML/CTF related laws or changes to existing policies or practices communicated to all relevant employees?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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I) Anti-Bribery and Corruption (ABC) Program

30) Does the Company have an ABC compliance program?

- Yes No

If “Yes”, please provide the details:

31) Does the Company have an individual(s) responsible for the implementation and compliance with the ABC program?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
32) Does the Company have a whistleblower policy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
J) Product/Services		
<p>33) Does the Company provide services to internet gambling companies? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Will payments made for internet gambling companies be processed via the Company's account(s) at HSBC? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Are the internet gambling companies' accounts denominated in USD? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
34) Does the Company offer anonymous accounts to its clients?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
35) Does the Company provide any services to non-clients?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
36) Is the Company aware of the Wolfsberg Group principles on Payment Transparency, including the requirements to not omit, delete or alter information in a payment order for the purpose of avoiding detection of information?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<p>37) What methods of payment does the Company process for its merchant clients (e.g. through pre-paid cards, online payments, telephone payments, etc)?</p> <p>i) Does the Company process payments for other third party payment processors? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>ii) Does the Company check the country of origin of payments made from clients? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>iii) Does the Company check the IP addresses of payments made by their clients? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		



K) Other

38) Does the Company use multiple financial institutions for making payments?

Yes No

If "Yes", what is the rationale behind having these multiple relationships?

39) Does the Company have any significant clients that account for 20% or more of the Company's revenue?

Yes No

If "Yes", please provide the following details on each significant client/merchant:

- Name:

- Principal business activity:

- Geographic location:

40) Does the Company provide the following products/services:

i) Remotely Created Checks (RCCs)

Yes No

ii) Automated Clearing House (ACH)

Yes No

If "Yes" to either of the above i) or ii), please outline the controls you have in place for these products/services:

41) Please describe the controls in place governing the receipt and use of client money and where they are held:

If "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: