

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
PT. MITRA BISNIS KELUARGA VENTURA**

**SUBJECT: ANTI-MONEY LAUNDERING & COMBATING FINANCING OF  
TERRORISM POLICY (AMF/CFT)**

The following Commissioners of **PT. MITRA BISNIS KELUARGA VENTURA** (“The Company”), whose Articles of Association have been approved by the relevant authorities and domiciled in Tangerang, are signatories to this resolution of the Board of Commissioners:

Name: NAHRUDDIN ALIE  
KTP No.: 3216060704530001  
Position: Chief Commissioner  
Address: Jl. Cempedak IV Blk C No. 136, Jatimulya, Tambun Selatan, Bekasi

Name: BENNY STEFANUS KOSINDA  
KTP No.: 3175091710410001  
Position: Commissioner  
Alamat: Jl. Abang P.5 Bkt Permai RT 004/011, Cibubur, Ciracas, Jakarta Timur

Name: ABUZAR ASRA  
KTP No.: 09.5407.101153.0374  
Jabatan : Commissioner  
Address: Jl. Data No. 9 RT 013/007, Pondok Bambu, Duren Sawit, Jakarta Timur

**RESOLUTIONS**

Following a detailed review and discussions among Members of Board of Commissioners (BOC), the Commissioners have unanimously:

1. Approved **MBK’s ANTI-MONEY LAUNDERING & COMBATING FINANCING OF TERRORISM POLICY (AMF/CFT)** below. This is based primarily on the Ministry of Finance Ministerial Regulation no.30/PMK.010/2010
2. Accepted the responsibility to oversee the implementation of **MBK’s AMF/CFT Policy**

**COMMISSIONERS**

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Nahrudin Alie  
Chief Commissioner

Date:

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Benny Stefanus Kosinda  
Commissioner & Head,  
Audit & Risk Committee

Date:

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Abuzar Asra  
Commissioner

Date:

# ANTI-MONEY LAUNDERING & COMBATING FINANCING OF TERRORISM POLICY (AML/CFT)

## A. PRELIMINARY

In this policy, unless the context otherwise requires:

“**Working capital**” (WC) means the funds disbursed to a client by an Account Officer (AO) during the centre meeting in front of her peers on behalf of MBK

“**Beneficial owner**” means the client who receives WC from MBK and so becomes the owner of the funds/ WC and so responsible for that money

“**Financial transaction**” means:

(a) When the designated AO disburses/provides working capital to a client in the centre meeting in front of the client’s peers

(b) When the client repays part of her WC plus the profit sharing due at the weekly meeting to the AO appointed to that centre by MBK, and in front of her peers

“**Money laundering**” means engagement of a person or persons, direct or indirectly in conversion, transfer, concealment, disguising, use or acquisition of money or property known to be of illicit origin and in which such engagement intends to avoid the legal consequence of such action and includes offences.

“**Proceeds of crime**” means any property that is derived or realized, directly or indirectly, by any person from the commission of any serious offence, such as trafficking in illegal drugs, people smuggling or arms smuggling, political or other corruption, financing of terrorist or other criminal acts by either legitimate or illegitimate funds.

“**The institution**” means PT Mitra Bisnis Keluarga Ventura (MBK).

## B. INTRODUCTION

### Objectives of the AML/CFT Policy

The overall objectives of the AMT/CFT policy can be stated as follows:

- Reduce the likelihood of PT Mitra Bisnis Keluarga Ventura (MBK) becoming the tool or the victim of financial crimes
- Improve MBK’s knowledge of its clients and their business using a risk assessment approach dependent on the risk profile of the potential client

All financial institutions dealing with financial operations, including the ones working with the poor, should comply with the Anti-Money Laundering and Combating the Financing of Terrorism Policy (AML/CFT) regulation applying to their area of activity. The AML/CFT policy is a critical element for the safety and soundness of MBK, helping it to protect its reputation by reducing the likelihood of MBK becoming a vehicle for, or a victim of financial crime and as a consequence suffering damage to reputation along with possible penalties or fines which may include the closing of the institution.

The present AML/CFT policy defines methods to fight against the following mechanisms used for money laundering or terrorist financing:

- Deposit / placement: introduction of funds and illegal assets into the financial system;
- Layering: the relocation or alteration of funds or assets in order to disguise the illicit source or intent;
- Integration: the conversion of illicit funds, or legitimate funds intended for illicit activity, to seemingly legitimate assets.

The AML/CFT policy relies mainly on Customer knowledge (“Know Your Customer” or KYC) and uses a risk-based approach which links the level of controls to the risk profile of the customer and the transactions conducted by the customers.

### Principles of the AML/CFT Policy

This policy was developed on the basis of:

- The Government of Indonesia Law No 8, Anti-Money Laundering, 2010
- The Ministry of Finance, Centre for Reporting and Analyzing Financial Transactions
- The Bank of Indonesia Anti-Money Laundering Guideline for Banks, No 14/27/PBI/2012
- The recommendations of the Financial Action Task Force on Money Laundering (FATF), February, 2012
- The UN’s International Money Laundering Network (IMOLIN)
- The Basel committee’s instructions about customer knowledge requirements
- The Ministry of Finance Ministerial Regulation no.30/PMK.010/2010 regarding “Know your Customer for non-bank Financial Institutions”

All procedures stated in this AML/CFT document will be adjusted to reflect any new regulations or legislation.

### **C. KNOW YOUR CUSTOMER (KYC)**

A client (beneficial owner) is defined as the client who has been granted WORKING CAPITAL (WC) by MBK (i.e. she becomes the beneficial owner of the WC provided by MBK)

#### Client Identification

**Identification documents:** All prospective clients must show MBK an official original document which is up-to-date and has a recent passport picture to prove her identity and address. Acceptable documents are:

- a. Family identity card (kartu keluarga, KK)
- b. Indonesian identity card (KTP)
- c. Temporary KTP (RESI)

If accepted as a client by MBK, then the client must provide MBK with a photocopy of this official document which the AO checks against the original; the AO initials the copy as seen and verified.

If the document presented has expired, the client must renew it and provide the original and a photocopy for verification to MBK within the first 3 months of the disbursement of her WC. If she does not have a KTP, but a temporary one (RESI), she must make one before the renewal of her WC will be allowed; i.e. within the 12 months of her first WC. MBK AO will assist her with processing this document at her local village office.

All three of the above documents establish both the identity and the address of the client. No other separate document showing her address is necessary; additional documents such as an electricity bill in her name will generally not be available. The AO will verify her house/status by talking with neighbours or the local neighbourhood leader (RT).

MBK will keep a copy of all client identification papers along with all other client WC documents in her file for 10 years after the client has left MBK programme. This is a requirement under the Indonesian tax law.

### Client Knowledge

**Interview Prospective Client:** MBK AO conducts a face-to-face interview with each prospective client to collect information and assess her WC needs and risk profile. The AO completes the KYC (UKA) form.

MBK collects the following information:

- Client housing status – AO will check with neighbours and others in the community nearby that the client does in fact own and live in the house stated by the client as hers. If she is renting the place – she must produce a valid KTP, have already lived in the place for 3 years, have a child registered and attending the local primary or JSE school, have close family or relatives in the same location, as well as be accepted as a client by everyone else in the centre. AO completes her housing score on the housing index (targeting of clients) of KYC/UKA form.
- Client's employment status – she must be self-employed and must not be in full-time wage employment
- Family member details – husband, children, other relatives living at the same address
- Client's current business activity(s)
- Approximate income per capita family member
- Client's financial needs and plans
- Other loans that the client may have with a money lender, other MFIs, bank, cooperative

MBK AO will perform a systematic in-depth risk assessment of each prospective client

### Client acceptance by MBK

Once a group of 15-30 prospective clients has been formed, the KYC process begins. The identity of each member is established (see 'Client Identification' above) and personal information is collected (see 'Client Knowledge' above)

If satisfactory, the group will undergo Compulsory Client Training (PWK). On day 5 of the training, the branch manager of the AO performs the following checks during the Client Acceptance Test (Pengesahan):

- client's knowledge of MBK, the rules and obligations for receiving WC – must be used only for business and not for consumption or other uses
- client's housing location and score (for targeting) - the branch manager physically visits each house.
- Per capita family income is below the government poverty line of Rp 300,000 per person per month
- all documentation to ensure that it is complete and complies with MBK's KYC rules, including passport photograph of wife and her husband
- the amount of WC requested and agreed by the AO – UKA, WC proposal-agreement (Form Perjanjian)

#### Client acceptance by peers in centre

- Any new clients joining the centre (to increase and optimize the number of clients per centre) must be promoted by a current centre member who will vouch for her reputation and background
- She must be accepted by all the centre members as trustworthy, reliable, already or able to conduct her stated business, willing to accept MBK rules, prepared to take joint responsibility with all other centre members for the repayment of each other's WC.
- As centres of 15-30 clients are self forming (after initial targeting by LO) the above qualities etc are taken as a given
- All disbursements are carried out in front of ALL members of the centre as they act as guarantors for each other. There must be 100 percent attendance at the centre meeting for all disbursements.

#### Case of Exclusion

- MBK never provides WC to persons who have not completed the UKA /KYC and PWK training and who are not part of a group/centre
- MBK never agrees to provide WC to any client who gives a fictitious name or who cannot provide sufficient identity papers or be vouched for by the group and RT (prior to obtaining official documents)
- MBK MIS section in head office checks the names of all prospective clients against the following international data bases to avoid MBK becoming a party to terrorist funding:

##### **United Nations websites:**

<http://www.un.org/sc/committees/1267/consolist.shtml> (Taliban/AlQaida)

<http://www.un.org/sc/committees/1737/index.shtml> (Iran)

<http://www.un.org/Docs/sc/committees/INTRO.htm>

##### **European Union website:**

[http://ec.europa.eu/external\\_relations/cfsp/sanctions/list/consol-list.htm](http://ec.europa.eu/external_relations/cfsp/sanctions/list/consol-list.htm)

<https://www.gov.uk/government/organisations/office-of-financial-sanctions-implementation>

##### **The Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury**

<https://sanctionssearch.ofac.treas.gov/>

##### **France website:**

[http://www.minefe.gouv.fr/directions\\_services/dgtpe/sanctions/sanctionsliste\\_nationale.php](http://www.minefe.gouv.fr/directions_services/dgtpe/sanctions/sanctionsliste_nationale.php)

[http://www.tresor.economie.gouv.fr/5061\\_liste-electronique-consolidee-des-sanctions-financieres](http://www.tresor.economie.gouv.fr/5061_liste-electronique-consolidee-des-sanctions-financieres)

A summary report is made by the MIS section to MBK's AML/CFT officer.

## **D. MONITORING OF CLIENTS AND OPERATIONS**

### Regular Monitoring of Client Business Activities

In order to avoid being the depository institution of Proceeds of Crime, MBK monitors, for all accounts, unusual or suspicious patterns of transactions. Unusual or suspicious activities can be identified through:

- Client contact at weekly collection-disbursement meetings
- Regular monitoring of use of WC funds by clients during spot checks of centre meetings using the 'Surprise Visits Form'.

MBK regularly updates client information and supporting documentation

- After the WC is disbursed, the AO makes a first visit within the first 2 months to (a) reconfirm her address and (b) to check on her business, checking usage of the WC, recording the results on the Business Check Form1 (PU1), thereby strengthening the knowledge MBK has of each clients
- Around week 45 and as part of the appraisal for a further disbursement of new WC, the AO again visits the client's business and completes Business Check Form2 (PU2). The housing score is also updated as part of client information in the MIS system.
- Other MBK staff make spot check visits to clients' businesses on a random sampling basis; these include – branch manager, Area Supervisor, the Assistant Regional Manager, staff from HO. The results are documented on the 'Surprise Visit Form' and in the branch Monitoring Book.

### Periodic Monitoring Through Internal Audits

- Six-monthly internal audits are performed by MBK's Internal Audit team which includes visits to a random sample of clients' businesses and confirmation of client address.
- These sets of second-level controls of all the procedures are necessary to ensure AO comply with MBK's AML/CFT procedures. This control is under the responsibility of the person in charge of the fight against money laundering and terrorism financing within the MFI.

### Suspicion

- If a AO cannot understand or is suspicious of the customer identity, honesty, or of the nature of business for which WC is requested, the client would be considered high risk and the final decision should be forwarded to her branch manager. If doubts remain, higher authorities in MBK will be consulted: the area Supervisor, ARM, AML/CFT Officer in head office.
- In the case of suspicion, the Operations Manager will be responsible for taking the final decision on the business relationship for clients considered as high risk.

## **E. POLITICALLY EXPOSED PERSONS**

- MBK does not provide working capital to "Politically Exposed Persons" (PEPs) or their family members. PEPs are defined as individuals who are or have been entrusted with prominent public functions for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state

owned corporations, important political party officials. Business relationships with family members or close associates of PEPs involve reputational risks similar to those with the PEPs themselves. See the complete list in Ministerial Regulation no.30/PMK.010/2010 (Annex)

- MBK does not accept into centres, clients who are themselves government employees, although their wives can be accepted if they meet MBK's stringent poverty-screening targeting and other requirements.

## **F. TRACKING AND RECORD-KEEPING**

### Client records

MBK inputs all KYC data into the MIS system.

MBK keeps the following client transaction documents together in a file (one per group of 5 clients) in the filing cabinet in the branch, locked at night

- copies of all documents related to the identity and address of client and her husband
- all KYC records and transaction documentation - all her forms including UKA, working capital agreements, previous passbooks
- all business monitoring forms – PU1, PU2 for each disbursement

All documents are updated, as necessary.

### Client Document Retention

- All client documentation and reports are kept for at least 10 years after a client has left MBK.
- Termination of the business relationship will be communicated to the relevant Indonesian AML/CFT or judicial authorities upon request.
- Any AML/CFT investigation reports and documents will be kept secure at MBK head office.

## **G. SUSPICIOUS TRANSACTION REPORT**

### Suspicion Report Process

MBK commits itself to comply with the relevant legislation, regulations, directives or agreements concerning the reporting of suspicious transactions or termination of business with its clients. It has thus appointed an AML-CFT officer who will have the responsibility to report to MBK CEO and President Director when required, for reference to an outside authority.

MBK will then inform the local village and government authorities and take advice from the local police regarding what further action to take, i.e. inform the nearest branch of the Indonesian Intelligence Body and Bank Indonesia.

MBK, its officers and employees will not inform their customers or allow their customers to be aware of the fact that information relating to them is being reported to the competent authorities.

## Report content

MBK declares in writing or orally, confirmed in writing to competent authority of Indonesia the following:

- Money or other property in its possession when they could be related to a crime or be part of a money laundering/ financing terrorism process
- Transactions that involve money or property that might result from a crime or part of a money laundering/ financing terrorism process
- Any transaction where the identity of the originator or the beneficiary remains doubtful despite due diligence surveys in accordance with customer identification rules.

The declaration specifies the period within which the suspicious transaction will be executed or the reasons why the transaction has already been executed.

The declaration may concern transactions already executed when it was impossible to stop them or when it appeared after the completion of the transaction that the money could come from illicit trafficking or part of a money laundering process.

Any additional information which could consolidate a suspicion will be immediately reported to the relevant authorities.

## **H. IDENTIFICATION OF MBK PERSONNEL AND TRAINING**

### Screening Employees

All employees involved in MBK operations are screened prior to employment. This includes

- proof of identity – possession of a valid KTP; the photocopy provided to MBK with the CV is checked by the branch manager recruiting the staff to ensure that it matches the original KTP and that photo and signatures match
- reference checks - a letter of good conduct from the local police office is a standard part of CV documentation
- a standard ‘letter of responsibility from parents’ must be provided to MBK before the end of the first 3 month contract.

### Staff Training And Responsibilities

MBK has an ongoing employee training program so that staff are adequately trained in AML/CFT procedures. The training requirements have a different focus depending on the staff function within the institution:

- New staff are educated on the importance of MBK’s AML/CFT policies and procedures put in place to prevent money laundering including those for identification, record keeping and internal reporting and the basic requirements
- A new employee has to be aware of the legal provisions on deterrence of money laundering
- AO dealing directly with clients are trained: to verify the identity of new customers; to exercise due diligence in handling accounts of existing customers on an ongoing basis; and to detect patterns of suspicious activity.
- Managers receive the training described above and also training covering all aspects of policy AML/CFT, which includes the possible penalties for non compliance with the regulations.

Annual refresher training is provided to all staff to remind them of their responsibilities and keep them informed of new developments (new policies and procedures). A report of these training activities will be provided to the Financial Services Authority (OJK).

The Management ensures that all staff are trained and fully understand the need to implement AML/CFT policies consistently. Hence, Management makes employees aware of their obligation to report suspicious transactions.

## **I. MANAGEMENT'S RESPONSIBILITIES**

The AML-CFT Officer, designated by MBK, is the person in charge and has an explicit responsibility for ensuring that MBK's AML/CFT policies and procedures are managed effectively and are, at a minimum, in accordance with local laws, regulations, and practice. He is responsible for reporting suspicious transactions and to interact with the relevant outside authorities.

The Internal Audit Team is responsible for evaluating and ensuring that MBK staff adhere to the company's AML/CFT policies and procedures through their periodic branch audits, as mentioned above. The IA Manager will report his team's findings to the AML-CFT Officer and advise on the effectiveness of these policies and procedures. He will also report on the ongoing monitoring of staff performance and alert the Head of the Audit Committee if he believes management is failing to address AML/CFT procedures in a responsible manner.

MBK's Head of Audit and Risk Committee (an Independent Commissioner) will play an important role in monitoring MBK's internal controls and procedures, and in confirming that MBK is in compliance with this Policy which was approved by the Board of Directors.

## **J. SUSPICIOUS ACTIVITIES OR TRANSACTIONS**

### Main Suspicious Client Behaviour

Suspicious client behaviour for which MBK will conduct an in-depth investigation includes where:

- A client cannot or is not willing to provide or delays providing appropriate identification or adequate explanations or information, even when given adequate opportunity to do so.
- A client uses false bank notes to repay her WC.

### Main Suspicious Transactions

- Sudden and unexpected repayment of WC
- Early payment of WC that cannot be verified through discussions with the client herself, her husband, or her peers in the centre; i.e. she has not left Indonesia to work overseas thus becoming an overseas maid/ child minder; she has not taken paid employment (in a factory or elsewhere) thus enabling her to earn a larger salary than her own business would provide.

### Suspicious Employees' Behaviour

- Employees not taking holidays
- Employees whose lifestyle suddenly improves
- Employees whose behaviour changes abruptly and significantly.