

## **AML Policies and Procedures Manual for Marianelle Limited**

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1. The purpose of the AML Policies and Procedures Manual for MARIANELLE LIMITED is to establish a comprehensive framework for preventing money laundering and complying with the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017

(MLRs) in the United Kingdom. The manual serves as a guide for employees and stakeholders, outlining the company's commitment to maintaining a strong AML compliance program.

The key objectives of the manual are:

**Preventing Money Laundering:** The manual aims to provide clear guidelines and procedures to identify and prevent money laundering activities within MARIANELLE LIMITED. It emphasizes the importance of understanding the risks associated with money laundering and implementing effective controls to mitigate those risks.

**Complying with Regulatory Requirements:** The manual ensures that MARIANELLE LIMITED complies with the MLRs and other relevant legal and regulatory frameworks. It outlines the specific obligations and responsibilities of the company, its employees, and stakeholders in relation to AML compliance.

**Protecting the Company's Reputation:** By implementing robust AML policies and procedures, MARIANELLE LIMITED aims to safeguard its reputation and maintain the trust of its clients, partners, and regulators. The manual emphasizes the importance of conducting business with integrity and transparency.

**Mitigating Legal and Financial Risks:** The manual helps MARIANELLE LIMITED identify and mitigate legal and financial risks associated with money laundering. It provides guidance on conducting risk assessments, customer due diligence, and ongoing monitoring to ensure that the company operates within the boundaries of the law.

**Promoting a Culture of Compliance:** The manual promotes a culture of compliance throughout MARIANELLE LIMITED. It emphasizes the importance of training and awareness programs to ensure that employees understand their roles and responsibilities in preventing money laundering. The manual also encourages reporting of suspicious activities and provides guidance on handling high-risk clients or matters.

#### Scope and Applicability

The AML Policies and Procedures Manual applies to all employees, officers, directors, and stakeholders of MARIANELLE LIMITED. It covers all aspects of the company's operations that are subject to the MLRs and other relevant AML regulations.

The manual is applicable to all departments and functions within MARIANELLE LIMITED, including but not limited to:

Management and Leadership

Customer Relationship Management

Finance and Accounting

Legal and Compliance

Human Resources

IT and Data Security

The manual applies to all clients and transactions conducted by MARIANELLE LIMITED, regardless of the nature or size of the engagement. It ensures that AML policies and procedures are consistently applied across the organization.

### Legal and Regulatory Framework

MARIANELLE LIMITED operates within the legal and regulatory framework established by the MLRs and other relevant AML regulations in the United Kingdom. These regulations aim to prevent money laundering, terrorist financing, and the transfer of illicit funds.

The legal and regulatory framework applicable to MARIANELLE LIMITED includes:

Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (MLRs): The MLRs set out the legal obligations and requirements for businesses in the UK to prevent money laundering and terrorist financing. The manual ensures compliance with the specific provisions outlined in the MLRs.

Financial Conduct Authority (FCA) Regulations: MARIANELLE LIMITED may be subject to regulations and guidelines issued by the Financial Conduct Authority, which is the regulatory body overseeing financial services in the UK. The manual takes into account any relevant FCA regulations applicable to the company's operations.

Other Relevant Laws and Regulations: MARIANELLE LIMITED must also comply with other applicable laws and regulations, such as data protection laws, privacy laws, and any industry-specific regulations that may impact AML compliance. The manual addresses these legal requirements to ensure comprehensive compliance.

It is important for MARIANELLE LIMITED to stay updated with any changes or updates to the legal and regulatory framework. The manual should be periodically reviewed and revised to reflect any changes in the applicable laws and regulations.

## **2. Overview of Risk Assessment Process**

The risk assessment process is a crucial component of an effective AML compliance program. It involves identifying and evaluating the money laundering risks associated with MARIANELLE LIMITED's operations. Here is an overview of the risk assessment process:

1. **Identification of Money Laundering Risks:** The risk assessment process begins with identifying the specific money laundering risks that MARIANELLE LIMITED may encounter. This includes understanding the various methods and channels through which money laundering activities can occur within the company.
2. **Evaluation of Money Laundering Risks:** Once the risks are identified, the next step is to evaluate the severity and likelihood of each risk. This evaluation helps prioritize the risks based on their potential impact on MARIANELLE LIMITED 's operations and reputation.
3. **Risk Ranking and Rating Methodology:** To effectively manage the identified risks, a risk ranking and rating methodology should be established. This methodology assigns a level of risk to each identified risk based on predefined criteria such as impact, likelihood, and detectability. The risks can be categorized into high, medium, or low risk based on the assigned ratings.
4. **Mitigation Measures:** Based on the risk ranking and rating, appropriate mitigation measures should be developed and implemented to address the identified risks. These measures may include enhanced due diligence procedures, additional monitoring, and controls tailored to the specific risks.
5. **Periodic Review and Update of Risk Assessment:** The risk assessment should be periodically reviewed and updated to reflect any changes in MARIANELLE LIMITED 's operations, products, services, customers, or the regulatory landscape. This ensures that the risk assessment remains accurate and relevant over time.

3. Customer Due Diligence (CDD) is a critical process in preventing money laundering and understanding the nature of customer relationships. Here is an overview of the CDD procedures for MARIANELLE LIMITED considering its focus on dealing with end customers, physical persons, and collecting their identification documents, bank statements, and proof of address:

1. **Identification and Verification of Customer Identity:** MARIANELLE LIMITED has robust procedures in place to identify and verify the identity of its customers. This includes collecting and verifying official identification documents such as passports or national identity cards. The verification process may involve comparing the information provided by the customer with reliable and independent sources.
2. **Understanding the Nature and Purpose of Customer Relationships:** MARIANELLE LIMITED understands the nature and purpose of its customer relationships. This involves gathering information about the customer's occupation, source of funds, and expected transactional activity. By understanding the customer's profile, MARIANELLE LIMITED can assess the potential money laundering risks associated with the relationship.
3. **Enhanced Due Diligence (EDD) for High-Risk Customers:** For customers deemed to be high-risk, MARIANELLE LIMITED implements enhanced due diligence measures. High-risk customers may include politically exposed persons (PEPs), individuals from high-risk jurisdictions, or customers involved in high-value transactions. EDD measures may include additional verification steps, ongoing monitoring, and obtaining additional information to mitigate the higher risk associated with these customers.

4. **Ongoing Monitoring of Customer Transactions:** MARIANELLE LIMITED established procedures for ongoing monitoring of customer transactions. This includes monitoring the customer's transactional activity for any unusual or suspicious patterns. Regular reviews of customer accounts and transactions can help identify potential money laundering activities and trigger the reporting of suspicious transactions.
5. **Politically Exposed Persons (PEPs) and Sanctions Screening:** MARIANELLE LIMITED Conducts appropriate screening measures to identify whether a customer is a politically exposed person (PEP). PEPs are individuals who hold prominent public positions and may pose a higher risk of corruption or money laundering. Additionally, MARIANELLE LIMITED implements sanctions and performs screening processes to ensure compliance with relevant sanctions lists and regulations.

#### 4. Internal Controls and Governance Structure

Internal controls and a robust governance structure are essential for effective AML compliance. MARIANELLE LIMITED established the following:

1. **Internal Controls:** Implementing internal controls ensures that appropriate measures are in place to prevent and detect money laundering activities. These controls may include segregation of duties, regular internal audits, and independent reviews of AML processes. Internal controls help identify weaknesses and gaps in the AML program, allowing for timely remediation and improvement.
2. **Governance Structure:** Establishing a clear governance structure ensures accountability and oversight of the AML compliance program. This structure includes a designated AML compliance officer responsible for implementing and monitoring AML policies and procedures. The governance structure should define roles, responsibilities, and reporting lines to ensure effective communication and coordination.

#### Reporting of Suspicious Transactions

MARIANELLE LIMITED Has a robust system in place for reporting suspicious transactions. This includes:

1. **Identification of Suspicious Transactions:** Employees will be trained to recognize red flags and indicators of potentially suspicious transactions. These may include unusual transaction patterns, large cash deposits or withdrawals, transactions involving high-risk jurisdictions, or transactions inconsistent with the customer's profile or business activities.
2. **Internal Reporting Mechanism:** MARIANELLE LIMITED established a clear process for employees to report suspicious transactions internally. This may involve designated reporting channels, such as a dedicated AML compliance officer responsible for reviewing and assessing suspicious activity reports.
3. **External Reporting:** In cases where there is a reasonable suspicion of money laundering, MARIANELLE LIMITED has procedures in place to report suspicious transactions to the appropriate regulatory authorities. This ensures compliance with reporting obligations and facilitates cooperation with law enforcement agencies.

#### Handling of High-Risk Clients or Matters

MARIANELLE LIMITED has specific procedures in place for handling high-risk clients or matters. This includes:

1. **Enhanced Due Diligence (EDD):** High-risk clients undergo enhanced due diligence procedures to gather additional information and assess the potential money laundering risks associated with the relationship. EDD measures may include obtaining additional documentation, conducting more frequent reviews, or implementing stricter monitoring procedures.
2. **Risk-Based Approach:** MARIANELLE LIMITED adopted a risk-based approach when dealing with high-risk clients or matters. This involves tailoring the level of due diligence and monitoring based on the assessed risk level. The risk-based approach ensures that resources are allocated effectively to manage the higher risks associated with these clients or matters.

### **Record-Keeping Requirements**

MARIANELLE LIMITED established comprehensive record-keeping procedures to ensure compliance with AML regulations. This includes:

1. **Retention of Records:** Maintain records of customer due diligence, transactional activity, and any other relevant documentation for the required retention period. The retention period may vary depending on the jurisdiction and applicable regulations.
2. **Security and Accessibility:** Safeguard records in a secure manner to prevent unauthorized access or tampering. Ensure that records are easily accessible for regulatory inspections or internal audits.

### **Training and Awareness Programs**

MARIANELLE LIMITED provides regular training and awareness programs to employees to ensure a strong culture of AML compliance. This includes:

1. **AML Training:** Provide comprehensive training to employees on AML policies, procedures, and regulatory requirements. Training should cover topics such as recognizing red flags, reporting obligations, and the importance of AML compliance.
2. **Ongoing Awareness:** Foster a culture of awareness and vigilance by regularly communicating updates, reminders, and best practices related to AML compliance. This can be done through internal communications, newsletters, or training sessions.

### **Whistleblowing Policy**

MARIANELLE LIMITED established a whistleblowing policy to encourage employees to report any suspected wrongdoing or AML violations. The policy includes:

1. **Confidential Reporting Mechanism:** Provide a confidential and secure reporting mechanism for employees to report concerns or suspicions. This can include anonymous reporting channels, such as a dedicated hotline or an online reporting system.
  2. **Protection for Whistleblowers:** Ensure that employees who report in good faith are protected from retaliation or adverse consequences. This may involve establishing clear procedures for handling whistleblower reports and implementing safeguards to protect the confidentiality and anonymity of whistleblowers.
5. Compliance Monitoring

## Overview of Compliance Monitoring Process

Compliance monitoring is a crucial aspect of an effective AML compliance program. It involves ongoing monitoring, internal audits, reporting, and corrective actions to ensure adherence to AML policies and procedures. Here is an overview of the compliance monitoring process for MARIANELLE LIMITED:

1. **Ongoing Monitoring:** Ongoing monitoring is a continuous control process that detects compliance risk issues associated with MARIANELLE LIMITED 's operations. It involves monitoring both processes and methods to identify potential compliance risks. Ongoing monitoring programs are the responsibility of managers and include staying current with changes in rules, regulations, and applicable laws, developing internal controls and policies to comply with them, training staff, and monitoring or verifying compliance with guidelines
2. **Internal Audits and Assessments:** Internal audits play a vital role in validating compliance with policies, rules, and regulations. The compliance professional, regardless of who conducts the audits, should be involved in determining how audits and monitoring processes will be conducted. Internal audits help identify areas of non-compliance, assess risk priorities, and monitor for remediation of risks and controls. They provide valuable insights for adapting training plans, reporting, and communications
3. **Reporting and Escalation of Compliance Issues:** MARIANELLE LIMITED. established a clear process for reporting and escalating compliance issues. This includes providing employees with a confidential reporting mechanism to report concerns or suspicions of non-compliance. The reporting process should ensure protection for whistleblowers who report in good faith. Compliance issues should be promptly investigated, documented, and escalated to the appropriate level of management or compliance officer for further action
4. **Corrective Actions and Remediation:** When areas of non-compliance are identified, MARIANELLE LIMITED takes immediate corrective action and implement remediation plans to address the issues and prevent recurrence. Corrective actions may involve revising internal policies, improving employee training, reevaluating company workflows, or investing in better compliance solutions. Regular testing should be conducted to ensure the effectiveness of the compliance monitoring program and to identify vulnerabilities that require remediation

## 6. Record Keeping

### Types of Records Maintained

MARIANELLE LIMITED maintains various types of records to ensure compliance with AML regulations and facilitate effective record-keeping. The specific types of records to be maintained include:

1. **Customer Due Diligence (CDD) Records:** This includes records related to the identification and verification of customer identity, such as copies of identification



documents, bank statements, proof of address, and any other relevant information collected during the CDD process.

2. **Transaction Records:** These records document the details of customer transactions, including transaction dates, amounts, parties involved, and any supporting documentation. Transaction records help monitor and detect suspicious activities and provide an audit trail for regulatory compliance.
3. **Risk Assessment Records:** Records related to the risk assessment process, including the identification and evaluation of money laundering risks, risk ranking and rating methodology, and any documentation supporting the risk assessment decisions.
4. **Suspicious Activity Reports (SARs):** Records of any suspicious activity reports filed by MARIANELLE LIMITED This includes details of the reported activity, supporting evidence, and any follow-up actions taken.
5. **Training and Awareness Records:** Documentation of employee training and awareness programs related to AML compliance. This includes records of training sessions, attendance registers, training materials, and any assessments or certifications obtained by employees.
6. **Internal Audit and Assessment Records:** Records related to internal audits and assessments conducted to evaluate the effectiveness of the AML compliance program. This includes audit reports, findings, corrective action plans, and evidence of remediation efforts.
7. **Whistleblowing Reports:** Records of any reports received through the whistleblowing policy, including details of the reported concerns, investigations conducted, and any actions taken in response.
8. **Policies and Procedures:** Documentation of AML policies, procedures, and guidelines implemented by MARIANELLE LIMITED This includes the AML Policies and Procedures Manual, risk assessment framework, and any updates or revisions made over time.

## **Retention Period for Records**

The retention period for MARIANELLE LIMITED Is based on the specific data retention laws and regulations it is subject to.

The retention period for records is determined based on factors such as legal requirements, regulatory obligations, internal organizational needs, and potential litigation or audit requirements. Different types of records have different retention periods based on their specific characteristics and relevance.

The basic retention period is seven years.

## **Storage and Security of Records**

MARIANELLE LIMITED implements appropriate measures to ensure the storage and security of records. This includes:

1. **Physical Storage:** Physical records are stored in secure and controlled environments, such as locked filing cabinets. Adequate measures are in place to protect records from unauthorized access, theft, loss, or damage.



2. **Digital Storage:** Electronic records are stored in secure and encrypted systems with access controls. Regular backups are performed to prevent data loss. Data security measures, such as firewalls, and antivirus software, are implemented to protect against unauthorized access or cyber threats.
  3. **Access Controls:** Access to records is restricted to authorized personnel only. User access rights are defined based on job roles and responsibilities. Regular reviews of access privileges are conducted to ensure appropriate access levels are maintained.
  4. **Data Retention Policy:** MARIANELLE LIMITED develops and implements a data retention policy that outlines the procedures for storing, retaining, and disposing of records. The policy considers legal requirements, industry best practices, and the specific needs of the organization.
7. Updates and Changes

### Process for Updating and Revising the Manual

To ensure the AML manual remains up-to-date and effective, MARIANELLE LIMITED follows a structured process for updating and revising the manual. Here is the description of the process:

1. **Identify the Need for Updates:** Regularly review the AML manual to identify any gaps, changes in regulations, or emerging risks that require updates. This can be done through internal assessments, external audits, or monitoring industry best practices.
2. **Gather Relevant Information:** Collect information on regulatory changes, industry trends, and internal feedback to inform the updates. This may involve conducting research, consulting legal and compliance professionals, and reviewing relevant publications or guidance from regulatory bodies.
3. **Draft the Revisions:** Based on the gathered information, revise the relevant sections of the AML manual. Ensure that the revisions address the identified gaps, incorporate new regulatory requirements, and reflect best practices in the industry.
4. **Review and Approval:** Conduct an internal review of the revised manual by relevant stakeholders, such as the AML compliance officer, legal counsel, and senior management. Seek their input and feedback to ensure the revisions are accurate, comprehensive, and aligned with the company's operations.
5. **Communication of Changes to Employees:** Once the revisions are finalized, communicate the changes to all relevant employees. This can be done through training sessions, email notifications, or by providing updated copies of the manual. Ensure that employees understand the updates and their responsibilities in implementing the revised procedures.
6. **Implementation and Monitoring:** Implement the revised procedures and monitor their effectiveness. Regularly assess the impact of the updates on AML compliance and make any necessary adjustments based on feedback and ongoing monitoring.

### Regular Review and Assessment of AML Policies and Procedures

Regular review and assessment of AML policies and procedures are essential to ensure their effectiveness and alignment with regulatory requirements. Here are some key considerations for the review and assessment process:

1. **Frequency of Reviews:** Conduct regular reviews of AML policies and procedures to ensure they remain up-to-date and relevant. The frequency of reviews may vary based on factors such as regulatory changes, industry trends, and the company's risk profile. Consider conducting reviews at least annually or whenever significant changes occur.
2. **Risk-Based Approach:** Take a risk-based approach when reviewing AML policies and procedures. Focus on areas with higher inherent risks, such as customer due diligence, transaction monitoring, and reporting of suspicious activities. Assess the effectiveness of controls and identify any gaps or weaknesses that need to be addressed.
3. **Internal and External Input:** Seek input from internal stakeholders, such as the AML compliance officer, legal counsel, and senior management, during the review process. Additionally, consider engaging external experts or consultants to provide an independent assessment of the AML program.
4. **Documentation and Record-Keeping:** Document the review process, including the scope, findings, and any actions taken as a result of the review. Maintain records of the review to demonstrate compliance with regulatory requirements and facilitate future audits or inspections.
5. **Continuous Improvement:** Use the findings from the review to drive continuous improvement of AML policies and procedures. Identify areas for enhancement, update controls, and implement corrective actions to address any identified deficiencies or gaps.

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Signed and approved by:

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