



## Appendix 'E' - Know Your Client/Anti-Money Laundering / Anti-Terrorism DUE DILIGENCE QUESTIONNAIRE

It is Royal Bank of Canada's policy to obtain information from all our correspondents relative to their anti-money laundering/anti-terrorism controls. Your cooperation in completing this questionnaire is greatly appreciated.

| Section 1 of 6: Corporate Information |   |   |
|---------------------------------------|---|---|
| <b>1</b>                              | Name of Institution   |   |
| <b>2</b>                              | Address of Institution  |   |
| <b>3</b>                              | Client Identification Number<br><i>To be completed by RBC employee</i>  |   |
| <b>4</b>                              | Please check the primary business activities of the bank  | <input type="checkbox"/> Personal Banking<br><input type="checkbox"/> Corporate Banking<br><input type="checkbox"/> Correspondent Banking<br><input type="checkbox"/> Trade Finance<br><input type="checkbox"/> Investments<br><input type="checkbox"/> Insurance<br><input type="checkbox"/> Private Banking<br>Other: |
| <b>5</b>                              | Is the bank situated in a FATF member country, or a country that is an observer or associate member of FATF?                        | Yes <input type="checkbox"/> <span style="margin-left: 100px;">No <input type="checkbox"/></span>   |
| <b>6</b>                              | If applicable, provide the name of your parent company and the jurisdiction in which it operates.                                   |   |
| <b>7</b>                              | i. Total number of domestic branches and subsidiaries   | Branches:<br>Subsidiaries:  |
|                                       | ii. Total number of international branches and subsidiaries. Please attach a list of the locations.                                 | Branches:<br>Subsidiaries:  |
|                                       | iii. Total # of employees   |   |
|                                       | iv. Net assets of the bank  |   |
|                                       | v. Overall Size/Ranking (e.g. 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> ...largest bank in the country) |   |
|                                       | vi. List of 5 key market locations (i.e. jurisdictions that you serve) and percentage of business                                   | 1. % of overall business<br>2. % of overall business<br>3. % of overall business<br>4. % of overall business<br>5. % of overall business  |
| <b>8</b>                              | Does this questionnaire apply to your head office as well as branches and/or subsidiaries?  | Yes <input type="checkbox"/> <span style="margin-left: 100px;">No <input type="checkbox"/></span>   |
| <b>9</b>                              | Please provide a list of your correspondent banking relationships.  |   |
| <b>10</b>                             | Please provide contact information on the individual completing this form.<br>Name:<br>Address:<br>E-mail address:<br>Telephone #:  |   |

|           |   |
|-----------|---|
| <b>11</b> | <p>Do you have a primary compliance officer who is responsible for anti money laundering (AML) and "Know your customer" (KYC) compliance? Please provide the following details on that individual</p> <p>Name:<br/> Address:<br/> E-mail address:<br/> Telephone #:</p> |
|-----------|---|

### Section 2 of 6: AML Laws

|    |   |                              |                             |
|----|---|------------------------------|-----------------------------|
| 1. | <p>Has the country in which you are located established laws designed to prevent money laundering, and Terrorist financing? Please specify law for each and the year in which the law was enacted. If your country does not have laws, please provide an explanation.</p> <p>Money Laundering Law:<br/> Year Enacted:<br/> Terrorist Financing Law:<br/> Year Enacted:<br/> Explanation (if applicable)</p> | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | <p>Has the country in which you are located established a central reporting agency for the purpose of collecting and assessing suspicious transaction reports?</p> <p>Name of the Entity:</p>   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

### Section 3 of 6: Client Due Diligence

|    |  |                              |                             |
|----|--|------------------------------|-----------------------------|
| 1. | Is your financial institution's AML compliance program approved by your board or a senior committee?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | Has your institution implemented written policies and procedures on KYC? If the answer is yes, please proceed to question 4.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | If the answer is no, please explain why not. Is your institution taking steps to implement written KYC policies? When will the policies be implemented?  |                              |                             |
| 4. | <p>Has your institution implemented systems for the identification of its customers, including customer information in the case of recorded transactions, account opening, one-off transactions (i.e. walk-in clients) etc.</p> <p><i>(for example; name, nationality, street address, telephone number, occupation, age/ date of birth, number and type of valid official identification, as well as the name of the country/state that issued it)?</i></p> | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. | Does your financial institution initiate/process transactions on behalf of non-clients (i.e. clients that conduct one-off transactions)?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6. | Does your institution have a requirement to collect information regarding its customers' business activities?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 7. | Does your institution confirm the existence of corporations or entities via independent source documents?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

|     |   |                              |                             |
|-----|---|------------------------------|-----------------------------|
| 8.  | Does your institution collect information and assess your financial institution customers' (i.e. correspondent banks) AML policies or practices?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 9.  | Does your financial institution have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in the country they are located in?          | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 10. | Does your institution have procedures to establish a record for each customer noting their respective identification documents and Know Your Customer Information collected at account opening? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 11. | Does your institution take steps to understand the normal and expected transactions of your customers based on your risk assessment of your customers?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 12. | Does your institution open or maintain anonymous accounts or numbered accounts?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 13. | Does your financial institution have policies that cover relationships with politically exposed persons (i.e. PEPs), their families and close associates?                                       | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 14. | Does your institution employ enhanced due diligence and a one-up approval process for high risk clients such as Politically Exposed Persons, Correspondent Banks, Money Service Businesses?     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 15. | Has your institution implemented procedures related to record retention pursuant to applicable law?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

#### Section 4 of 6: Transaction Monitoring

|    |   |                              |                             |
|----|---|------------------------------|-----------------------------|
| 1. | Has your institution developed written policies documenting the processes to prevent, detect and report suspicious transactions that have been approved by senior management?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | Does your institution have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?<br>If no can you please specify how is unusual /suspicious activity identified, investigated and reported. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | Does your institution rely on automated processes in order to detect unusual activity related to money laundering?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. | Does your institution have a monitoring program for suspicious or unusual activity that covers electronic funds transfers and monetary instruments (such as traveller's checks, money orders, etc.)?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. | Is your financial institution required to report large cash transactions? If yes, is there a (specified time-period and threshold) that must be tracked and reported. (Example- \$10,000 in a 24 hour period)   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 6. | Is your financial institution required to report large value electronic funds transfers? If yes what is the specified threshold & time period that must be reported?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 7. | If you responded "yes" to question 6, does your institution have procedures to identify structured large dollar electronic funds transfers?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 8. | Does your institution screen your customer database to ensure that it is not providing financial services to a listed person or entity?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

|     |  |                              |                             |
|-----|--|------------------------------|-----------------------------|
| 9.  | Is this client screening process completed through an automated system? If manual please specify the frequency.  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 10. | Does your institution screen transactions (e.g. wire payment) to ensure that financial services are not facilitated on behalf of, in favour of a listed individual/entity/country?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 11. | Is the screening process for question 10 automated?<br>If manual please indicate the frequency of the screening.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 12. | Please confirm which lists you screen your client database/transactions against:<br><br><input type="checkbox"/> OFAC<br><input type="checkbox"/> Lists based on UN Security Counsel Resolutions<br><input type="checkbox"/> EU list<br><input type="checkbox"/> Section 311<br><input type="checkbox"/> Hong Kong Monetary Authority<br><input type="checkbox"/> Other: |                              |                             |
| 13. | Will your account(s) with RBC be used to provide downstream clearing to other financial institutions?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 14. | If you responded "yes" to question 13, does your financial institution conduct ongoing due diligence on the financial institutions to which you provide downstream clearing services?<br>Please provide the names of these clients, and their jurisdictions.   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

### Section 5 of 6: Training and Audit

|    |   |                              |                             |
|----|---|------------------------------|-----------------------------|
| 1. | Does your institution have an employee-training program to teach employees about money laundering/terrorist financing and to assist them in identifying/reporting suspicious activities (indicative of money laundering/terrorist financing)? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | Does your institution have an established audit and compliance review function to test the adequacy of your Anti-Money Laundering/Terrorist Financing policies and programs?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | Does your financial institution communicate new AML related laws, or changes to existing AML related policies or practices to relevant employees?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. | Does your financial institution employ third parties to carry out some of the functions of the bank?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 5. | If the answer to question 4 is yes, does your financial institution provide AML training to relevant third parties?<br>If no how do you ensure the 3 <sup>rd</sup> party is complying with proper AML policies and procedures?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

## Section 6 of 6: Compliance with Regulatory Requirements

|    |  |                              |                             |
|----|--|------------------------------|-----------------------------|
| 1. | Does your institution have policies and procedures in place to ensure compliance with the Anti Money Laundering laws/Terrorist Financing laws of the jurisdiction in which you operate?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | Do the laws or regulations of your jurisdiction prohibit you from dealing directly or indirectly with shell banks?<br>(“Shell bank”- refers to a foreign financial institution that does not have a physical presence in any country, unless it is controlled by or is under common control with a depository institution, credit union or foreign financial institution that maintains a physical presence in Canada or in a foreign country) |                              |                             |
| 3. | Does your institution have policies to reasonably ensure that it will not conduct transactions with or on behalf of shell banks through any accounts it holds, or product it offers?   |                              |                             |
| 4. | Within the past 5 years, Has your institution been subject to civil or criminal penalties stemming from deficiencies in your AML/ATF program?<br><br>If the answer is yes, please provide a detailed explanation on the penalty imposed and the measures that your institution has undertaken to improve matters.  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

I confirm that the above information is current, accurate and reflective of my institution's Know Your Customer/Anti-Money laundering policies.

Name:

Signature:

Date: