

Wealth OBU Ltd

Financial Crimes

WOBU is committed to the prevention of financial crimes and has adopted procedures to detect and deter money laundering, terrorism financing or other illegal activities.

It is our policy to deter and, where we can prevent, the use of the WOBU as a conduit for illegal money laundering activities. Our staff can only implement this policy if they understand the background to it and how it works in the context of our day-to-day business. The success of our policy depends on the vigilance of everyone.

For these policies to be effectively implemented, the Financial Institution and its entire staff need to be:

- Informed about the legal and regulatory framework and the serious legal and regulatory penalties for assisting in financial crime – even unwittingly – in every jurisdiction from which we operate.
- Alert to the practical methods by which criminals seek to commit financial crimes.
- Aware of the need to report any suspicions promptly to the WOBU management.

Legal & Regulatory Framework

The Union of Comoros is a member of Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). The purpose of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) is to combat money laundering by implementing the FATF Recommendations. FATF – the Financial Action Task Force – is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing.

This effort includes coordinating with other international organizations concerned with combating money laundering, studying emerging regional typologies, developing institutional and human resource capacities to deal with these issues, and coordinating technical assistance where necessary. ESAAMLG enables regional factors to be taken into account in the implementation of anti-money laundering measures. ESAAMLG members participate in a self-assessment process to assess their progress in implementing the FATF Forty Recommendations.

The Union of Comoros is also an observer member of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) to give support in matters relating to anti-money laundering and combating the financing of terrorism (AML/CFT).

GIABA is an institution of the Economic Community of West African States (ECOWAS) responsible for facilitating the adoption and implementation of Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) in West Africa. It is also a FATF-Styled Regional Body (FSRB) working with its member states to ensure compliance with international AML/CFT standards.

Further information in this regard, which forms the basis of the policy of EXL Private Bank, can be found at the following link: [FATF 40 Recommendations and FATF 9 Special Recommendations](#).

The importance of Know-Your-Customer (KYC)

At WOBU we only offer our services (e.g., issue of guarantees) to legal entities (individuals or corporate) who have become approved clients of the WOBU. A potential client is required to go through a thorough verification exercise so that we can establish that they are legitimate.

Although our approved clients are, in general, introduced through agents, it is WOBU and not the agent who has the responsibility of verifying the identity and legitimacy of the prospective client. As a number of our agents are located in countries which are regarded for money laundering purposes as higher risk – such as Africa and India – we have adopted a high standard for required documentation before a client application will be accepted. This is detailed in the Compliance Agreement.

We additionally check all potential client applicants against international sanctions lists. This verification is completed before we accept the one-time non-refundable processing fee for the compliance procedure.

Our vigilance does not stop upon the admission of a client. Before accepting an application from a client for a guarantee or similar credit, we require documentary proof from the client of the legitimate commercial nature of the business or contract which is to be guaranteed.

This is because we recognize that the risk to WOBU of being used for improper purposes as described in the examples below.

What is Money Laundering ?

The process by which criminals attempt to change the identity of “dirty” money (obtained through crime) by “laundering” it so that its true source cannot be traced. Whilst there is no single method of money laundering, there are generally three stages:

- Placement: Dirty money is paid into the financial system.
- Layering: The money is separated from its illegal source, often through complex financial transactions that disguise the audit trail.
- Integration: The money comes back into circulation from a legitimate source and is then “clean” or “laundered”.

Funding or facilitating money laundering and using laundered money are all criminal offenses. Additional offenses connected with money laundering include:

- assisting in,
- concealing,
- tipping off,
- failing to report money laundering.

Any individual can commit these offenses if they know (or should have known, measured by the standard of the reasonable person in their position) that the money is from an illegal source. These offenses are punishable by unlimited fines and imprisonment.

Practical Guidance to deter Financial Crime

It is trite (but true) to say that someone’s intent on illegal activity such as money laundering will not introduce themselves to us in those terms. Whilst generalizations are not always useful, red flags to a suspicious transaction or illegal activity can include:

- Lack of obvious commercial rationale.
- A “frontman” or “front company” who doesn’t appear in the corporate structure.
- Lack of documentary support for a person or transaction.
- Excessive concern about secrecy, especially a surrounding source of funds. Example: Imagine that WOBU is approached by an approved client (properly verified by us) who now wants a commercial guarantee but cannot produce a third party contract.
- Before entering the transaction we need to verify the legitimacy of the proposed transaction whether directly or through our or their professional advisors. Why?
- Because the Applicant is keen to enter into a transaction with us to pay a premium for a guarantee but can’t show why he needs it – the transaction doesn’t make obvious commercial sense. Imagine that the guarantee is called by the Beneficiary and the Applicant is eager to refund the guarantee in full.
- The Applicant may have spotted a market opportunity that we haven’t seen or is not available to us or they may be “Layering” – using dirty money to buy a clean asset that they can sell on in return for clean money. The Applicant pays WBOBU the guaranteed money (which they had all the time); WBOBU pays the Beneficiary with its own clean money and the money is successfully laundered.

Reporting Suspicions

At WOBU, the Money Laundering Reporting Officer (“MLRO”) is a member of senior management with the specific responsibility of overseeing the implementation of our policies to prevent financial crime. The MLRO reports directly to the Board of WOBU.

WOBU and each member of staff is required by law to report suspicious transactions, via the firm’s MLRO, to ESAAMLG. The individual obligation is satisfied by promptly reporting your suspicions to the MLRO.

Record Keeping

WOBU recognizes the importance of keeping full and accurate records of the steps taken by us to verify our approved clients and applicants. All original documentation is maintained in paper or electronic format for as long as a person remains an approved client and for 6 years thereafter.

Staff training

EXL PB is responsible for making sure that our staff:

- know what money laundering is and how we might be used to facilitate this.
- Understand the need to monitor the approved client and oversee the applicant’s processes.
- Know how to identify and report suspicious transactions.

With this in mind, we conduct periodic refresher training for our staff. The MLRO or other senior management are on hand to answer any questions or deal with concerns on this topic.

Administrative Information:

Legal name:

Wealth OBU Ltd – Wealth Offshore Bank Unit Ltd

Registered address:

IBC Company, Reg. No. HY0121922
BP 1257, Bonovo Road, Fomboni, Island of Mwali (Moheli)
Comoros Union, East Africa.
Class “A” Banking Licence No.
B2020007 (Mwali International
Services Authority, M.I.S.A.)