

**Draft Revisions to the FSA Supervisory Guidelines
for Major Banks regarding Anti-Money Laundering
(FSA document dated January 26, 2007)**

SAMPLE ONLY

This translation is for reference purposes only and was neither reviewed nor approved by the Financial Services Agency, and is not an official interpretation of laws and regulations. The Japanese original released by the Financial Services Agency supersedes this translation, should there be discrepancies or differences between the Japanese and the English versions.

The International Bankers Association has prepared this translation with the intention of having the content, as much as possible, accurately represent the Japanese original. However, differences in layout and pagination from the Japanese original will exist.

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This translation outlines the content from the bottom of page 3 to the top of page 5 of the original Japanese text

Main Points to be Considered

1. Whether the bank has developed an integrated management system that is able to handle, in an appropriate manner, the legal issues related to customer verification and suspicious transaction reporting, and whether this management system is functioning properly, considering the following points:

Whether the bank has appropriate employee recruitment and customer acceptance policies.

Whether the bank has in place a system that adequately evaluates the following points before entering into any correspondent contracts:

- the customer base of the correspondent bank,
- the business content of the correspondent bank,
- the supervisory framework of the country in which the correspondent bank is operating,
- ensuring the correspondent bank is not a dummy or shell bank.

Whether the bank has created a manual (or other such information) on customer management procedures, including “customer verification” and “suspicious transaction reporting” procedures, and whether the information contained in such a manual has been adequately conveyed to employees. In addition, the availability of adequate and ongoing training programs that enable employees to carry out these procedures will be considered.

Whether the bank has in place a sound reporting structure (that stipulates policies, steps, how to manage information, etc) should an employee discover any cases of misuse, including in matters related to customer verification and suspicious transactions, of financial services by organised crime.

Whether the bank has an appropriate management system to deal with customers, such as those who hold public positions (PEP-politically exposed persons), who have been deemed suspicious persons or who have a history of suspicious transactions. Such a system must include decision making by senior managers.