

ANTI-MONEY LAUNDERING POLICY OF DIAMOND COMPANY

..... (company name)

I. GENERAL INTRODUCTION

This **policy to prevent money laundering (ML)** is drafted by the sector federation Antwerp World Diamond Centre private foundation (AWDC) and aims to serve as a guideline for Belgian registered diamond trader who wish to have an efficient policy in their company¹ to prevent ML/FT. This policy contains open fields as well as optional paragraphs and risk scorecards which are to be completed or modified by the diamond trader, to make the policy tailored to the company's reality. The diamond trader's policy has to be **risk-based** and thus take into account the specific risks on company level and on client/supplier level. The measures and monitoring in the company have to be used for where the risk is the highest.

This policy is based on the Belgian anti-money laundering law, the Royal Decree in execution of the anti-money laundering law for the Belgian diamond sector and the Risk analysis money laundering in the diamond sector 2017, but also touches upon other legal areas such as data protection, sanctions and embargoes, and the Kimberley Process to prevent conflict diamonds.

The supervising authority of the Belgian diamond sector – the **FPS Economy** – has approved this policy. The diamond trader who completes this policy in good conscience where necessary and applies it, is considered to trade in compliance with the Belgian anti-money laundering law.

Finally, the **AWDC guides** '*Best practice guide for trade in the Belgian diamond sector*' and '*Sanctions and embargoes compliance guide for the diamond trade*' fit seamlessly with this anti-money laundering policies and are applied by the diamond trader as well to improve a transparent and modern diamond trade.

¹ For the sake of convenience, company also covers sole proprietorships in this document.

II. INTERNAL ORGANISATION

2.1 Importance of a robust policy to prevent ML and FT

[COMPLETE: The diamond trader is recommended to briefly describe why he finds a robust policy to prevent ML/FT important for his company: ...]

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2.2 Risk analysis at company level

The diamond trader makes a general analysis of the ML and FT risks in his own company, taking into account the risk scorecard in Annex A.

[COMPLETE: The diamond trader is recommended to make a short risk analysis of his company here. The risk scorecard in Annex A is used to make the analysis:]

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2.3 Anti-money laundering officer(s)

The diamond trader has appointed an **anti-money laundering officer** at the highest level of the company (director and/or manager). The anti-money laundering officer at the highest level monitors the implementation of and compliance with the anti-money laundering legislation.

[COMPLETE: Name of the anti-money laundering officer at the highest level: ...]

.....

[Optional paragraph in case the company has staff that supports the director(s): The diamond trader has appointed one or more additional anti-money laundering officer charged with the practical execution of and monitoring on the (internal) organization and implementation of the anti-money laundering law and the related recommendations. This anti-money laundering officer has the necessary reliability, expertise, experience, hierarchical level and competences to perform these functions in an effective, independent and honest manner.

[COMPLETE: Name(s) of the anti-money laundering officer(s) at the executing level: ...]

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2.4 Anti-money laundering training

The anti-money laundering officer(s) of the diamond trader **annually follow(s) an anti-money laundering training approved by the FPS Economy**, such as the anti-money laundering seminars of AWDC or has successfully taken part in the anti-money laundering exam organized by AWDC and the FPS Economy which has provided the trader with the possibility to follow an AML training every 3 years.

The participation certificates of the anti-money laundering trainings are **kept** at the company's premises and can be presented in case of an anti-money laundering inspection. Thanks to this, the diamond trader is up-to-date about the (most recent changes in the) anti-money laundering law and about the money laundering risks on national and sector level.

The anti-money laundering officer(s) have/has made sure that the information shared at the anti-money laundering seminars is shared internally with colleagues and managers who also have to be up-to-date about the most important principles of the law and possible money laundering risks.

[COMPLETE: The diamond trader is recommended to give a brief description of how he informs the rest of the (management) staff about the anti-money laundering law (for example, providing information via e-mail, ..): ...]

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2.5 Use Compliance Catalyst by Moody's

The diamond trader has access to the **Compliance Catalyst by Moody's** and followed a training at AWDC or watched a recorded version of the webinar to use this tool correctly. The diamond trader uses the *Compliance Catalyst* to screen his clientele for potential ML/FT risks, such as Politically Exposed Persons, sanction lists, negative media, high-risk countries, tax havens, countries which are not member to Kimberley Process... AWDC regularly adds diamond-specific risks to the database, adverse media related to diamond, and adds new diamond companies which could first not be found in the database. The diamond trader informs AWDC in case he cannot find certain companies in the compliance catalyst, in case certain information is incorrect according to his information, or in case he has information about a company which cannot be found in the compliance catalyst (e.g. adverse media).

[Optional: The diamond trader also screens his diamond suppliers on the compliance catalyst when they reflect an increased risk based on the risk analysis at company level (see risk scorecard in Annex A) and/or based on the individual risk analysis of a specific supplier (see risk scorecard in Annex B).]

2.6 Anti-money laundering report

The diamond trader annually submits the **anti-money laundering report** of the FPS Economy through the website www.registereddiamondcompanies.be . The diamond trader completes the report truthfully with regard to his internal organization to prevent ML/FT, the implemented vigilance measures during the past year, including identification and verification procedures. The diamond trader keeps a copy of these reports in his company.

2.7 Group level

[Optional and in case the diamond trader is part of a group of companies: The diamond trader is part of a group and applies this anti-money laundering policy at group level, taking into account the specific risks on the level of the other companies of the group and local legislation.]

2.8 Data protection

The diamond trader informs his clients/suppliers that their details have to be collected due to his legal obligation to prevent ML/FT and that the details will only be used for this purpose and not for commercial purposes. The diamond trader will only request data which are relevant to prevent ML/FT, unless he has obtained his client's/supplier's permission to use certain data for other purposes.

2.9 Storing data

The diamond trader saves all details of his clients/suppliers during **10 years** after the end of the business relationship or after carrying out the occasional transaction. All documents are presented to the FPS Economy upon first request. After this period expires, the diamond trader destroys all documents in context of data protection.

III. VIGILANCE IN CLIENT RELATIONSHIPS (CLIENT ACCEPTANCE POLICY)

3.1 Whom to identify

The diamond trader identifies and verifies the identity of a **client**:

1. with whom a business relationship is entered into;
2. with whom he, outside a business relationship, performs one or more transactions between which there seems to be a connection, for an amount of 10.000 euros or more; or
3. who does not fall under 1° or 2°, but when there is a suspicion of money laundering or financing of terrorism;
4. when it is doubted whether the earlier obtained identification details about an already identified client are truthful.

Where appropriate, the diamond trader also identifies the **representative** of his client and verifies his identify.

The diamond trader also identifies the **ultimate beneficiary(ies)** of the client and/or the representative and takes appropriate and risk-based measures to verify the identity. This entails in particular taking appropriate measures to gain insight into the ownership and control structure of the client and/or the representative.

The ultimate beneficiary is the natural person who has ultimate control over or is owner of the company. In concrete terms, this means that the diamond trader analyses: 1. Which natural person(s) has/have at least 25% of the shares or voting rights in the company of the client and/or the representative of the client and 2. Which natural person(s) has/have control in the company by other means (e.g. person who has the right to dismiss the majority of the management or of the board of directors, or controls the majority of the voting rights through a shareholder agreement). If the diamond trader exhausted all possible means to identify persons according to the first rule (25% rule) or the second rule (control by other means), without any result, and there are no grounds of suspicion, or in case he doubts that the identified person(s) is/are indeed the ultimate beneficiary(ies), he appoints someone of the management of the company (e.g. CEO) as ultimate beneficiary.

*[Optional: The diamond trader also identifies his diamond **suppliers**, their representatives and ultimate beneficiaries when they reflect an increased risk based on the risk analysis at company level (see risk scorecard in Annex A) and/or based on the individual risk analysis of a specific supplier (see risk scorecard in Annex B)]*

*[Optional: When diamonds are given in **consignment**, there is no purchase/sale of diamonds yet. As a best practice, the diamond trader however identifies the consignee, and in any case when the consignee is unknown to the diamond trader. After all, the consignee takes valuable goods of the diamond trader in custody, with a risk of loss, damage, theft, ... It is also possible that the consignment later ends up in a purchase/sale of the entrusted goods between the same parties.]*

3.2 How to identify and verify

The diamond trader collects relevant information about his clientele and/or suppliers to be able to distinguish them from any other person/company with sufficient certainty, taking into account the individual risk analysis performed (see risk scorecard in Annex B).

If the client/supplier is a **natural/private person, (not a company)** the diamond trader collects the following information:

- The name, first name,
- Date and place of birth,
- If possible, his/her address.

The diamond trader verifies this information on the basis of:

- A valid identity card; or
- If this person does not have a Belgian identity card, a valid proof of registration in the aliens register; or
- If this person does not have a valid proof of identity and does not have a valid proof of registration in the aliens register, a valid document issued by the Belgian government in which is stated that his/her residence in Belgium is legal.

If the natural person is based abroad, his identity can be checked on the basis of a valid passport or any other official pertinent and credible identification document with picture.

The diamond trader makes a copy of all documents and saves these.

[Optional: The diamond trader uses specific identification technology to check the authenticity of identification documents, in particular when is doubted that the document is authentic or that the obtained identification details are truthful.

If the client/supplier is a **Belgian diamond company**:

- The diamond trader prints or take a screenshot from the Crossroad bank of enterprises (KBO) that details company information on your client (official registration, names of directors, ..) <https://kbopub.economie.fgov.be/kbopub/zoeknaamfonetischform.html>
- [The diamond trader](#) downloads a pdf from the Belgian UBO register that details the names of the ultimate beneficial owners of your client's company <https://financien.belgium.be/nl/E-services/Ubo-register> .

If the client/supplier is a **legal entity (a company that is not a Belgian diamond company)**, the diamond trader collects the following information:

- *The company name and the company address*: this can be verified on the basis of the most recent version of the bylaws; the updated complete extract of the statutes which are published in the attachments to the Belgian Official Gazette; or a proof of incorporation of the company (in Belgium relevant information can also be found via the KBO (Central Enterprise Database) or notary.be)
- *The list with the names of the directors*: this can be verified on the basis of a supporting document from which the capacity of director respectively representative can be concluded (In Belgium for example a publication in the Belgian Official Gazette, an extract of the KBO (*Central Enterprise Database*) or of the annual accounts at the National Bank of Belgium, or through the website of the Federal Public Service Justice);
- *The name, first name, date and place of birth and, to the extent possible, the address of the representative*: this can be verified on the basis of an identification document of the representative as per the verification methods for natural persons (see above);
- *The name and first name of the ultimate beneficial owner(s), and to the extent possible, his/their date and place of birth and address*: in case of an increased risk, these details should be verified on the basis of for example a shareholders organizational chart, shareholder register, extract of the Belgian UBO register, ... For Belgian companies UBO's should always -regardless of the risk- be verified via an extract of the Belgian UBO register. [For listed companies, the UBO information need not to be asked.];
- *The provisions on powers to bind the legal entity*: this can be verified on the basis of the publication of the representative authorities of the legal entity (In Belgium for example in the Belgian Official Gazette).

If the **legal entity is based abroad**, the diamond trader verifies the information on the basis of similar supporting documents as mentioned in the previous paragraphs, in one of the national languages or he additionally asks for a written summary of the content of the documents (e.g. per mail) in a language which he understands. The diamond trader makes a copy of all these documents and saves these.

The diamond trader identifies **listed companies** in a simplified manner, for example, through the listed company's website. If the client, representative of the client or a company which has control over the client and/or the representative, is a listed company, the ultimate beneficiary(ies) need not be identified.

3.3 Tools for identification and verification

The diamond trader uses the **Compliance Catalyst of Moody's** to verify the information from the client/supplier on completeness and correctness.

The diamond trader uses **AWDC's client letters** (available at www.awdc.be/compliance-0) to request his clients to provide them of the required KYC information.]

In case of Belgian clients the diamond trader uses the Belgian **central register of ultimate beneficiaries** (UBO register) to verify the details of his client's and/or supplier's ultimate beneficiaries.

The diamond trader also verifies the validity of the VAT number of clients/suppliers located in other European member states through the website http://ec.europa.eu/taxation_customs/vies/vieshome.do?locale=nl/

Other tools which the diamond trader uses to verify the information where appropriate:

- o India: <https://www.icegate.gov.in/EngMod/searchIecCodeAction> en www.mca.gov.in
- o UK: <http://wck2.companieshouse.gov.uk/wcframe?name=accessCompanyInfo>
- o Israel: https://www.getdiamonds.com/DiamondCompaniesIndex?c0=6&searchboxex=1&f11343=a*&f11344=0&bscrp=1
- o US: <http://www.jewelersboard.com/>
- o Dubai: <http://www.dcciinfo.com/>

The diamond trader also regularly uses **Google** to search general information about his clients and/or suppliers and check information.

[Optional: The diamond trader uses additional tools to verify the information received from the client/supplier on completeness and correctness:]

3.4 Time of identification and verification

The diamond trader does the identification and verification of the identity of clients, representatives and ultimate beneficiaries and/or of suppliers, **before entering into a business relationship or executing an occasional transaction.**

By way of derogation, the diamond trader verifies the identity **during** the business relationship where appropriate, if one or more of the following conditions are fulfilled:

- o From the risk assessment made of the client (**see Annex B**), the business relationship appears to represent a low ML/FT risk;
 - o It is necessary that the exercise of activities is not interrupted, e.g. on a foreign trade fair or a tender.
 - o [Optional: There are specific circumstances which the diamond trader describes below, which justify that the verification procedure takes place after the business relationship is entered into or the occasional transaction is concluded:]
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In the above cases, the verification is done as soon as possible after the first contact with the client.

3.5 Risk analysis of the client/supplier

Once the diamond trader has all required identification details of his client/supplier, he assesses **which risks are related to doing business with the client/supplier** (also if the client is a Belgian registered diamond trader). The diamond trader tries to obtain more information on the background of the client/supplier, his intentions, the type of business which the client/supplier has in mind, the amount of the transactions. Use the risk scorecard in Annex B to understand what types of risks could be associated with your counterparty.

The diamond trader will **himself actively look for information for this**, for example: information from the documents which the client/supplier has provided during the identification process, information from Compliance Catalyst of Moody's, information from the diamond sector (e.g. from AWDC, colleague-diamond traders, ...), additional information requested from the client/supplier (e.g. about contingent criminal convictions in the past, ...), information on Google, ...

Through the Compliance Catalyst of Moody's, the diamond traders makes a first risk analysis by screening for risks such as Politically Exposed Persons, sanctions, high-risk countries, tax havens, adverse media, ...

On the basis of the collected information, the diamond trader decides in which risk category his client/supplier falls, based on the **risk scorecard in Annex B.**

When there are **one or more orange risks**, the diamond trader **considers** not entering into the business relationship or executing the occasional transaction and making a notification to the CFI (*Financial Intelligence Processing Unit*) (see chapter IV. 'Notifications in case of suspicions of ML/FT').

When there are **one or more red risks**, the diamond trader **immediately ends** the business relationship or does not carry out the occasional transaction, and notifies this to the CFI (*Financial Intelligence Processing Unit*) (see chapter IV. 'Notifications in case of suspicions of ML/FT').

3.6 Continuous vigilance: updating details

The diamond trader keeps the collected information about his clients/suppliers **up-to-date**. Based on the risk analysis on enterprise level (**see Annex B**), the diamond trader decides to update the information about his clients/suppliers **at least [COMPLETE: The diamond trader is recommended to indicate here how regularly he updates the information about his clients/suppliers:.....]**

3.7 Continuous vigilance: suspicious or atypical transactions, facts and behaviors during the business relationship

Based on the **risk scorecard in Annex C**, the diamond trader makes an assessment whether certain transactions, facts or behaviors of the client/supplier during the business relationship or occasional transaction reflect an increased risk and thus whether **a notification to the CFI** is necessary (see chapter IV. 'Notifications in case of suspicions of ML/FT').

3.8 Conclusion to accept or reject a client

The diamond trader writes a **brief report** of a few sentences why he has accepted or rejected a particular person or company to support his decision. He keeps this report in writing and presents it during an inspection where appropriate.

A rejection of a client can be because of the following reasons (non-limitative):

- Identification
- Verification of the details
- An individual risk analysis of the client
- Updating the details
- Analyzing atypical, suspicious transactions, facts or behaviors of the client/supplier
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Optional: The diamond trader uses the **AWDC conclusion template** available on the AWDC website.

IV. NOTIFICATIONS OF SUSPICIONS OF ML/FT

In case there is at least one unacceptable/red risk in **Annex A, B or C** or if there are too many risk increasing factors which do not permit the diamond trader to enter into a business relationship or carry out transactions with the client/supplier, then the diamond trader does not accept this client/supplier, the existing business relationship with him is terminated and/or the transaction is not being carried out. This decision is documented in writing (see title 3.8 'Report in case of a high-risk client/supplier').

The diamond trader immediately informs the **Financial Intelligence Processing Unit (CFI)** about this in writing or electronically, using the notification form in **Annex D**. This notification is also possible by phone, but has to be confirmed in writing immediately (email: info@ctif-cfi.be, tel. + 32 (0) 2 533 72 11).

The diamond trader does the notification before the transaction is executed and indicates within which period the transaction will be executed. The CFI can **oppose** a transaction in case it deems this necessary. In this case, the execution of the transaction is halted during maximum five working days. The transaction can be executed if:

1. The CFI has not opposed the transaction
2. The CFI has opposed the transaction, but the opposition period (maximum 5 days) has expired

If the diamond trader cannot do the notification before executing the transaction, he does this immediately after the execution and indicates why it was impossible to do it earlier.

The diamond trader does not inform the client/supplier or third parties about the fact that he notified the CFI.

The diamond trader **increases his vigilance** in case he would not have terminated the business relationship with the client/supplier and makes a new individual risk analysis of the client/supplier (**see annex B**) where appropriate.

The diamond trader (or another employee) who does the notification, is protected against any threat or act of aggression by the competent authorities, when he does a notification. The notifications are not shared with any third party by the CFI. The diamond trader (or another employee) who provides information or does notifications in good faith, cannot be sanctioned in any way or cannot receive any complaints against him (either civil, criminal or disciplinary) and thus has **immunity**.

V. CASH POLICY

5.1 3000 Euros

The diamond trader respects the cash limit of 3000 Euros and pays nor receives cash for an amount higher than 3000 euros within Belgium. Every payment in case where at least one of the parties resides or has activities in Belgium, is deemed to have been carried out on Belgian territory.

5.2 Limit abroad

If a Belgian diamond trader does or receives a payment in cash abroad where another cash limit applied, he can prove by all means that he indeed received or paid this cash abroad. At least he has the client/supplier sign the invoice, where the counterparty declares that he paid/received in that country.

Signature AML Officer(s)

[Company name:] hereby declares to comply with this anti-money laundering in its current form.

Annex A – Risk scorecard: general risk assessment on company level and actions to be taken

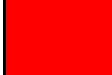
	The director(s) of the diamond trader has/have blank criminal record.	
	The diamond trader recently had an inspection by the FPS Economy concerning the implementation of the anti-money laundering law in his company, without any consequences.	Feedback about the inspection can be obtained at the FPS Economy.
	The diamond trader always does a notification to the CFI when he encounters a suspicious transaction or fact which could possibly relate to ML/FT.	CFI contact details: Email: info@ctif-cfi.be of Tel. 02 533 72 11 Notification form CFI: see Annex D
	The diamond trader applies the recommendations from the AWDC ' <i>Best practice guide for trade in the Belgian diamond sector</i> '.	
	The diamond trader complies with this anti-money laundering policy.	
	The diamond trader uses the Moody's compliance catalyst to screen his clients and suppliers.	The diamond trader can demonstrate this on the basis of the search history in Compliance Catalyst of Moody's.
	The diamond trader applies the recommendations in the AWDC guide ' <i>Sanctions and embargoes compliance guide for the diamond trade</i> '.	
	The diamond trader is part of a group and all entities of the group apply a similar anti-money laundering policy.	
	The diamond trader annually has many new clients/suppliers and/or a client/supplier portfolio that changes regularly.	
	One or more directors of the diamond trader have had a bankruptcy in the past.	
	The diamond trader regularly does business with countries with less supervision on the banking industry and/or a favorable fiscal regime / or countries with high risk on ML/TF	Check the following links for information about countries: https://index.baselgovernance.org/ https://www.transparency.org/cpi2018 http://www.fatf-gafi.org/countries/#high-risk https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/
	The diamond trader regularly has discussions at Diamond Office about the value of his imported or exported goods.	
	The diamond trader regularly receives or does <u>money transfers</u> from or to countries with less supervision on the banking industry and/or a favorable fiscal regime.	
	A part of the client/supplier portfolio of the diamond trader refuses to provide identification information and documentation about themselves/their company.	
	The diamond trader regularly receives or does payments (related to diamond transactions) in cash in countries where there are no or limited cash limits.	

	The diamond trader has a complex or little transparent company structure.	
	The diamond trader sells diamonds through the internet or through online platforms.	
	The diamond trader regularly does business with countries with countries to which sanctions or embargoes apply and/or countries which are not member of the Kimberley Process.	The diamond trader follows the ' <i>Sanctions and embargoes compliance guide for the diamond trade</i> ' and assesses whether, despite the high risk, it is nonetheless possible to do business, in case certain risk mitigating measures are taken. http://www.fatf-gafi.org/countries/#high-risk https://www.transparency.org/cpi2018 https://www.kimberleyprocess.com/en/kp-participants-and-observers
	The diamond trader did not register himself at the FPS Economy, or his registration was suspended or canceled.	

Annex B – Risk scorecard for accepting individual client or supplier relationships and actions to be taken

	The counterparty gets a positive result when a search is done in the Compliance Catalyst of Moody's.	The diamond trader does need to bear in mind that the compliance catalyst result page also turns green when no particular information is found about the company. The green result page can only be considered low risk when all information about the company was actually found on Moody's and checked against sanction lists, PEP lists etc. The diamond trader checks whether the information in the Moody's database is complete (all information on the directors, ultimate beneficial owners etc. is available) and whether there are no risks related to the information. In case the information is not complete, the diamond trader tries to obtain the information missing in the database through other channels/searches and make a risk assessment.
	The counterparty knows the anti-money laundering legislation or similar legislation in his country and cooperates well to provide the diamond trader all required information.	
	The client is located in a EU member state, or a country outside of the EU with an effective anti-money laundering regime.	
	The diamond trader has received good references about the counterparty.	
	The counterparty is RJC (Responsible Jewellery Council) certified.	https://www.responsiblejewellery.com/members/
	The counterparty is member of a recognized diamond bourse.	The diamond trader asks for the bourse membership card.
	The counterparty is resident of a country with less supervision on the banking sector and/or a favorable fiscal regime and/or a country with a failing anti-money laundering regime/ a conflict affected and high risk area	<p>The diamond trader undertakes the following:</p> <ul style="list-style-type: none"> • obtains permission of the senior management staff in his company to conclude the business relationship and/or to execute the transaction; • gathers information about the client and its ultimate beneficial owner(s), about the intended nature of the business relationship, about the source of the funds used and the source of the client's wealth and that of its ultimate beneficial owner(s), about the reasons for the intended transactions or the executed transactions; • enhances his supervision of the business relationship; • makes sure that at least the first transaction is executed via an account on the client's name with a credit institution where the vigilance measures towards clients are not less strict than the principles established as per the anti-money laundering law. <p>The source of the funds can possibly be checked by asking confirmation to the client that his financial resources stem from the ordinary operating funds of the company. Also pay checks, tax declaration documents, independent audit reports or media reports could provide information on this.</p> <p>Check the following links for information about countries: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/anti-money-laundering-and-counter-terrorist-financing/eu-policy-high-risk-third-countries_en https://index.baselgovernance.org/ https://www.transparency.org/cpi2018 http://www.fatf-gafi.org/countries/#high-risk https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/ https://www.cahraslist.net/cahras</p>
	The ownership structure of the company of the counterparty seems unusually or excessively complex considering the type of company activity.	The diamond trader requests to provide a clear structure or organizational chart of the company, if applicable with the shareholder registers or other pieces of evidence which can demonstrate the identity of the ultimate beneficiaries.
	The diamond trader never met his counterparty personally.	
	Negative media about the counterparty appeared.	The diamond trader checks the Compliance Catalyst of Moody's or other sources to screen for negative media.

	<p>The counterparty is a politically exposed person (PEP), family member of a PEP or close associate of a PEP.</p>	<p>The diamond trader takes extra vigilance measures for clients who are PEPs, family members of close associates thereof. In any case he takes the following measures:</p> <ul style="list-style-type: none"> o He obtains permission of the higher management in the company to enter into or continue the business relationship with these persons; o He takes appropriate measures to determine the origin of the funds which are used in the business relationship or transactions with these persons; o He exercises a stricter supervision on the business relationship and the execution of the transaction.
	<p>The identification details which the counterparty has provided, do not correspond to information which one finds through certain verification tools.</p>	<p>The diamond trader asks for more information from his client or supplier.</p>
	<p>The identification details which the counterparty provided, are not official, do not look authentic or are not up-to-date.</p>	<p>The diamond trader contingently verifies the validity of the identity documents with an ID scanner.</p>
	<p>It is unclear what type of business relationship/occasional transaction the counterparty wants.</p>	<p>The diamond trader asks the counterparty what kind of business relationship of or sort of occasional transaction he wants.</p>
	<p>The counterparty is active in a sector where the purchase or sale of diamonds does not logically fit in its corporate purpose (e.g. a sector other than diamond trade, jewelry, investments...)</p>	<p>The diamond trader pays attention when the sector in which the counterparty is active are high-risk sectors such as second-handed vehicles, construction, ...</p>
	<p>The counterparty has or seems to have little experience in the diamond sector.</p>	<p>The diamond trader asks for references about the counterparty from other diamond traders.</p>
	<p>The counterparty works through one or several intermediary(ies) and/or the diamond trader has never met the client personally and it is also not clear which role the intermediary(ies) play(s) exactly.</p>	<ul style="list-style-type: none"> - The diamond trader insists on meeting the counterparty personally and asks for clarification about the involvement of the different parties. - If the counterparty is a high-net-worth individual (HNWI, a person with large capital), the diamond traders asks a bank statement of this person.
	<p>The diamond trader has had bad experiences with the client in the past (suspicion of money laundering, financing of terrorism).</p>	
	<p>The counterparty went bankrupt in the past and recently established a new company.</p>	<p>The diamond trader asks for the reasons of the previous bankruptcy.</p>
	<p>The counterparty is located in a country which is not a member of the Kimberley Process.</p>	<p>https://www.kimberleyprocess.com/en/kp-participants-and-observers The diamond trader does not enter into the business relationship or does not execute the occasional transaction and notifies the CFI.</p>
	<p>The counterparty requests you not to analyze his identity, insist on anonymity, and/or is prepared to pay/compensate for this.</p>	<p>The diamond trader does not enter into the business relationship or does not execute the occasional transaction and notifies the CFI.</p>
	<p>The counterparty is/was persecuted for certain serious crimes, such as money laundering, financing of terrorism, fraud.</p>	<p>The diamond trader does not enter into the business relationship or does not execute the occasional transaction and notifies the CFI.</p>
	<p>The counterparty is on a sanction list.</p>	<p>The diamond trader consults the AWDC '<i>Sanctions and embargoes compliance guide for the diamond trade</i>' and Moody's compliance catalyst. The diamond trader does not enter into the business relationship or does not execute the occasional transaction and notifies the CFI.</p>



The counterparty is a Belgian diamond trader/broker not registered at the FPS Economy.

The diamond trader does not enter into the business relationship or does not execute the occasional transaction and notifies the CFI.

Annex C – Risk scorecard for monitoring during business or occasional relationship

	The counterparty does payments and/or invoices in accordance with the AWDC ' <i>Best practice guide for trade in the Belgian Diamond sector</i> '.	Where appropriate, the diamond trader tells the counterparty to follow the recommendations in this guide.
	The flow of goods which relate to transactions with a counterparty outside of the European Union are being checked at Diamond Office.	This is obliged by law.
	The client pays from a country with less supervision on the banking sector and/or a favorable fiscal regime and/or with a high money laundering and/or corruption risk and/or countries for which sanctions/embargoes apply and/or countries which are not member of the Kimberley Process.	The diamond trader will monitor these transactions even more closely, check the origin of the funds and see whether these are consistent with the individual risk analysis made of the client.
	The seller's invoice does not clearly indicate whether it concerns synthetic/treated diamonds or (natural) diamonds.	The diamond trader follows the recommendations of the AWDC ' <i>Best practice guide for trade in the Belgian diamond sector</i> '.
	The client often changes his bank account.	The diamond trader asks his client for the reason.
	The client wants to pay through a currency broker, money transfer services (MoneyGram), Hawala or payments in new digital coins (e.g. Bitcoin).	The diamond trader follows the recommendations of the AWDC ' <i>Best practice guide for trade in the Belgian diamond sector</i> '.
	The client/supplier suggests an atypical payment/delivery method (e.g. payment through a third party, payment through the account of a third party, payment through other channels than official banks/financial institutions is proposed).	The diamond trader asks the client/supplier for the reason. He checks the origin of the funds and whether these are consistent with the individual risk analysis made of the client. Where appropriate, he makes a tripartite agreement as recommended in the AWDC ' <i>Best practice guide for trade in the Belgian diamond sector</i> '.
	The client wants to execute a complex or unconventionally big transaction with does not have a visible economic or legitimate purpose.	The diamond trader checks the origin of the funds and whether these are consistent with the individual risk analysis made of the client. He asks his client for the reason and follows the recommendations of the AWDC ' <i>Best practice guide for trade in the Belgian diamond sector</i> '.
	The client insists on cash payments of more than 3,000 Euros in Belgium.	The diamond trader does not execute the transaction and notifies the CFI.
	The supplier of the diamond trader cannot provide a Kimberley Process Certificate for the delivery of rough diamonds or it concerns a rough transaction from a country that is not member of the Kimberley Process.	The diamond trader does not execute the transaction and notifies the CFI.

Annex D – CFI notification form

Template of a notification form concerning a suspicion of ML/FT in execution of the law of 18 September 2017 on the prevention of money laundering and financing of terrorism and on the restriction of the use of cash

1. NOTIFYING ENTITY (article 5, § 1 of the Law)

(Identification and contact details)

2. CLIENT (article 22 of the Law)

To be mentioned: all identification details as required in execution of article 26 of the Law

3. REPRESENTATIVES OF THE CLIENT (article 22 of the Law)

To be mentioned: all identification details as required in execution of article 26 of the Law

4. ULTIMATE BENEFICIARIES (article 23 of the Law)

Being the natural person(s) who is/are the ultimate owner of or has/have the ultimate say over the client, or the representative of the client, or the beneficiary of life insurance contracts (as defined in article 4, 27°, second paragraph of the Law) and/or

The natural person(s) for whom/whose account a transaction is carried out or a business relationship is entered into (as defined in article 4, 27°, third paragraph of the Law)

To be mentioned: all identification details as required in execution of article 26 of the Law

5. BENEFICIARIES OF LIFE INSURANCE CONTRACTS (article 24 of the Law)

To be mentioned: all identification details as required in execution of article 26 of the Law

6. OTHER PERSONS INTERVENING IN THE TRANSACTION OR FACTS

To be mentioned: the identification details (see above) of other natural persons, legal entities, or legal constructions intervening in the transaction as person giving the order, guarantor, counterparty or intervening bank or other intermediary, or who plays a role in the mentioned facts

7. DESCRIPTION OF THE SPECIFICS OF THE CLIENT, THE OBJECTIVE AND THE TYPE OF BUSINESS RELATIONSHIP OR OF THE OCCASIONAL TRANSACTION (article 34 of the Law)

8. DESCRIPTION OF THE FUNDS, (ATTEMPT OF) TRANSACTION OR FACTS

Nature of the funds, the transactions or attempts of transactions or the facts which could be an indication of money laundering or financing of terrorism or proliferation, amount, currency, location (name and address of the office), date etc.

9. EXECUTION OF THE TRANSACTION

Period within which the transaction will be executed by the notifying entity. In case the transaction was already executed before the CFI was notified, indicate the reason why the CFI was not informed beforehand.

10. SUSPICIONS OF MONEY LAUNDERING AND FINANCING OF TERRORISM/PROLIFERATION

Indications which raise suspicion that the facts relate to ML/FT or an attempt to that.

11. CRIMINAL INVESTIGATION

Indicate here whether a criminal investigation is pending and whether there are contacts between the notifying entity and a judicial authorities or police services. If yes, mention the file number or the identity of the contact person.

12. REMARKS, IF ANY

13. ATTACHMENTS

Date

Name and position of the signatory

Signature