

Article 1 **Subject-matter**

This Regulation lays down the procedures and documentation for the identification of customer, Regulations for record-keeping, preservation of data and their reporting to the responsible authority from the subjects of this Regulation.

Article 2 **Purpose**

The purpose of this Regulation is the prevention of the use of "Albanian Post" for money laundering and / or terrorist financing. It creates conditions and serves to Filials / Branches and to the relevant Directorates to identify the client before performing the financial transaction, recording and reporting of transactions to "the responsible Authority" in order to prevent money laundering and the prevention of terrorism financing.

Article 3 **Subjects**

This Regulation shall apply on the entities which are the Directorate of Financial and Banking Services, Finance and Accounting Directorate, Directorate of Security of Quality Standards and Postal Security and all Filials and Branches of the "Albanian Post" JSC.

Article 4 **Legal ground**

This Regulation is issued in accordance with Article 12, letter "a" and Article 43 letter "c" of the Law 8269, dated 23.12.1997 "On Bank of Albania", of Article 9 of the Law No.9662, dated 18.12.2006 "On Banks in the Republic of Albania", of Article 27 of Law No. 9258, dated 15.07.2004 "On measures against terrorist financing", of Articles 7, 11, 24 and 26 paragraph 2 of Law No. 9917, dated 19.05.2008 "On Prevention of Money Laundering and Terrorist Financing" amended by Law No.10391, dated 03.03.2011 .

Article 5 **Definitions and references**

The terms used throughout in this Regulation shall have the same meanings given by the Law No. 9917, dated 19.5.2008 "On Prevention of Money Laundering and Terrorist Financing", amended by Law No.10391, dated 03.03.2011³, and by the Law No.9662, dated 18.12.2006 "On Banks in the Republic of Albania". For purposes of this Regulation, the following terms have the following meanings:

1. **"Money Laundering"** "Money laundering" is the turnover / re-turnover of money derived from criminal offenses as well as from the transfer, transformation of the proceeds and property derived from criminal offenses, in order to conceal the source or their illegal origin. is the flow / re-flow of money derived from criminal offenses and transfer, transformation, alienation of the products and assets derived from criminal offenses, in order to conceal the source or their illegal origin.
2. **"Responsible Authority"** is the General Directorate of Prevention of Money Laundering in the Ministry of Finance.
3. **"Customers"** are all individuals or natural / legal persons who perform or seek to perform financial operations with "Albanian Post" JSC.

4. **"Politically exposed persons"** are persons who are required to declare their assets, in accordance with Law No. 9049, dated 10.4.2003 "On declaration and control of assets, financial obligations of elected officials and certain public officials", with the exception of employees of medium or low management level, pursuant to the low definitions of civil service. This category also includes individuals who have had or have important functions in a government and / or in a foreign country, as: head of state and / or of government, senior politicians, senior government officials, the courts or army, senior leaders of state companies, key officials of political parties.
5. **"Beneficial owner"** is a natural or legal person that owns or controls a customer last, and / or the person for whose account a transaction is performed.
6. **"Transaction"** is a business relationship or an exchange involving two or more parties.
7. **"Transactions related to each other"** are two or more transactions (including direct transfers ", where each of which is smaller than amount determined as threshold, pursuant to Article 6 of this Regulation and when these transactions in total amount equalize or exceed the applicable threshold amount.
8. **"Vigilance expanded against the customer"** is a deeper control process, beyond procedures the "know your customer", that aims to establish enough security to verify and assess the identity of customers; to understand and test the client profile, to identify important information and assess the potential risk for money laundering / terrorist financing, in support of decisions aimed at protecting from the financial, regulatory or reputational risks, as well as adapting to legal requirements.
9. **"Person"**, within the meaning of the law and this Regulation, are considered individuals, natural commercial persons and legal persons.
10. **"Suspicious Activity Report" (SAR)** is the form attached to this Regulation whereby reports to the Responsible Authority for any suspicious transaction or activity.
11. **"Cash Transaction Report" (CTR)**, is the form attached to this Regulation, whereby entities report to the Responsible Authority any cash transaction at a value equal to or greater than LEK 1.500.000 (one million five hundred thousand) or the counter value in other foreign currencies, carried out as a single transaction or transactions related with each other.
12. **"Report of self control"** is the form attached to this Regulation and is filled and reported by the subjects at the request of the "Responsible Authority", in relation to the fulfillment of their legal obligations.

Article 6

Identification of the customer

Complete and accurate identification of the customer is the responsibility and obligation of the "Albanian Post" JSC. It is important that the "Albanian Post" JSC recognizes its clients in order to achieve the prevention of money laundering and / or terrorist financing.

1. The "Albanian Post" JSC, must identify customers and verify their identity through identification documents:
 - a) before establishing a business relationship;
 - b) when the client, in cases other than those specified in the letter "a" of this section, performs or seeks to perform:
 - a direct transfer inside or outside the country in **an amount equal to or greater than LEK 100.000 (a hundred thousand) or its equivalent counter value in other foreign currencies;**
 - a **transaction with an amount equal to:**
 - i) **not less than LEK 200.000 (two hundred thousand) or its**

equivalent counter value in other foreign currencies for the entities defined in letters "c" and "g" of Article 3 of this Law;

ii) **not less than LEK 1.500.000 (one million five hundred thousand) or its equivalent counter value in other foreign currencies, carried out as a single transaction or transactions related with each other.** If the transaction amount is unknown at the time of the transaction, the identification should be performed once the amount is known and the above threshold is achieved;

- c) when there are doubts about the veracity of the identification data obtained previously;
 - d) in all cases where there is sufficient data or suspicion of money laundering or terrorist financing.
2. The "Albanian Post" JSC **must identify and verify the identity of the beneficial owner.** In cases where the client is a legal person must carry identification and verification for the final holder of the legal person requiring additional documents which prove identity and the relationship of the beneficial owner or the final holder with the legal person and with the one who performs the transaction.
 3. In cases where the customer or the beneficial owner is a joint stock company listed on the well-known financial stock exchange abroad and is subject to reporting obligations in a regulatory authority is not necessary to identify and verify the identity of the shareholders of the company. For purposes of this Regulation known financial stock exchange will be considered stock exchanges of the countries members of the Organization for Economic Cooperation and Development
 4. Any additional information the Responsible Authority may need, is provided only through authorized responsible person.

Article 7

Procedures and documentation of the identification of the customer

Pursuant to the law and these Regulations, all post offices are obliged to follow the procedures set forth in this Regulation.

1. Identification of customers (permanent or casual) and verification of their identity through valid documents or photocopies of notarized original:
 - a. For individuals and legal representatives:
 - i. ID Card (Identity Card);
 - ii. Passport;
 - b. For non-resident individuals:
 - i. Passport, within the deadline;
 - ii. Identity Card ID (only for EU countries), within the deadline;
 - c. For natural and legal persons who carry out profitable activities:
 - i. Statute;
 - ii. Act of incorporation;
 - iii. Extract issued by the NRC;
 - iv. NUIS/NIPT
 - d. For non-resident companies:
 - i. Documentation certifying the registration of the foreign company in the country of residence (Decision of the court or extract from the Commercial Register);
 - ii. Statute of the Company;
 - iii. Identification document of the authorized persons;
 - e. For legal persons who do not carry out profitable activities:

- i. Act of incorporation of the company;
 - ii. Statute of the company;
 - iii. Decision of the Court for registration as a legal person.
- 2. In cases where there is a reasonable doubt, the service employees may request additional information for an accurate identification of the customer. Other documents that may be required by the service employee, but not limited to those only, as necessary for the identification and verification of customer's identity, and in all cases where there is data or suspicion of money laundering or terrorist financing are:
 - a. For individuals and legal representatives:
 - i. Certificates issued by the Office of Civil Status;
 - ii. Academic degree;
 - iii. Drivers License;
 - iv. Entry or residence permit for foreigners;
 - v. Work booklet or contract;
 - vi. The contract of purchase / lease of housing;
 - vii. Contracts with services operators, such as fixed telephone, mobile, water, electricity, etc.;
 - viii. Residence certificate issued by local authorities;
 - b. For natural and legal persons who carry out profitable activities:
 - i. Registration Certificate of the Taxable Person;
 - ii. Permits / licenses of activity;
 - iii. The contract of purchase / lease of the headquarters and place of activity;
 - c. For legal persons who do not carry out profitable activities:
 - i. Registration Certificate of the Taxable Person;
 - ii. Permits / licenses of activity;
 - iii. The contract of purchase / lease of the headquarters and place of activity;
- 3. Identification of customers is always performed by the "Albanian Post" JSC and support to other parties for the performance of this process is not acceptable
- 4. The "Albanian Post" JSC / the service employee accepts from the customer to get data about him, as defined in this article, **only original documents or notarized copies**. For purposes of this Regulation, the "Albanian Post" JSC holds, in the customer's file, copies of the documents submitted by the customer in the form above mentioned, sealed with the seal of the subject, within their availability term.
- 5. The service employee of the "Albanian Post" JSC **carries no financial actions** if the customer does not declare the source of money amount of the transaction and the identity of the beneficiaries. Disclosure of the source of the amount will be done according to the form attached and part of this Regulation
- 6. The service employee of the "Albanian Post" JSC **refuses to enter into business relationship**, if the customer does not fulfill the requirements for his identification.
- 7. In the event that after any action, the service employees of the "Albanian Post" JSC suspect a fictitious identity of the customer, they immediately suspend any operation with the later and inform the responsible person in the General Directorate. The Responsible Person in General Directorate announces the responsible authority in compliance with the requirements on reporting as specified in this Regulation.

8. Full identification documentation accompanies the transfer at the stages of its movement from the first sender to the ultimate beneficiary.
9. The service employees of the “Albanian Post” JSC are forbidden to give information about the verification procedures of doubtful cases, and about any report to the responsible authority.
10. Any reproduction (copy) of the customer’s identification documents preserved in the "Albanian Post" JSC must bear the signature of the desk service employee who has admitted this documentation.

Article 8 Due diligence

In the framework of the execution of the due diligence to the customer, the “Albanian Post” JSC:

1. Take measures to understand the structure of ownership and control of customers, who are legal persons and to determine who the individuals that own or control the customer are. This includes those individuals who perform the ultimate effective control over the juridical person.
2. Since prior establishment of business relationships or in the monitoring process of this relationship, determines for each customer whether they are acting on behalf of another person and takes reasonable measures to ensure sufficient data to identify that person.
3. Provides information for the purpose and intended nature of the business relationship.

The “Albanian Post” JSC implements these measures even for the due diligence to existing customers, based on data, facts and risk level of their exposure to products laundering of criminal acts or terrorist financing.

Article 9 Enhanced due diligence to the customer

1. To execute enhanced due diligence to customers, the service employee should require the physical presence of customers and their representatives:
 - a) Prior to establishing a business relationship;
 - b) Prior to establishing transactions on behalf and for their account.
2. The “Albanian Post” JSC and the service employee must pay special attention to all complex transactions, with high and particular values, having no visible economic or legal purpose and simultaneously to analyze the reasons and purpose of performing such transaction. The data on the conclusions of the analysis must be kept for a period of five years and to be set available to the Responsible Authority.
3. The “Albanian Post” JSC in the regulations and the internal procedures includes the risk management policies to determine, inter alia, whether a client or persons associated with him are Politically Exposed Persons. In this context:
 - a. The information is obtained on available resources such as: updated lists of domestic politically exposed persons, specific data bases (Worldcheck, Factiva, etc.) and open sources of information to foreign persons;

- b. The approval is taken from senior management for establishing business relationships or continuation of these relationships when an existing customer becomes a Politically Exposed Person;
 - c. An increasing and continuous monitoring of the business relationship with these customers is carried out;
4. The service employee determines whether the customers are acting on behalf of another person and shall take reasonable measures to ensure sufficient data to identify that person.

Article 10

Preventive Measures

In accordance with the law and this Regulation, the "Albanian Post" JSC has the following obligations:

- a) appoint a responsible person and a deputy for the prevention of money laundering at the administrative / management in the headquarters and in every representative office, filial, branch or agency, to which all employees shall report any fact that might constitute money laundering suspicion or terrorist financing
- b) create a centralized system for collecting and analyzing the data;
- c) implement the selection procedures for new employees to ensure their integrity;
- d) to train employees to prevent money laundering and terrorist financing through organizing periodic training programs;
- e) to charge the internal control to check the compliance with the obligations of this law and relevant by-laws activities;
- f) to ensure that Filials and Branches operate in accordance with this law.
- g) to submit information, data and additional documents to the competent authority in accordance with the requirements and deadlines for cases provided in this law.

The "Albanian Post" JSC is forbidden to establish or keep business relationships with anonymous customers or customers that use fictitious names.

Article 11

Registration and record-keeping procedure

The "Albanian Post" JSC creates and keeps a database for customers, composed of economic and financial characteristics of them. This database serves to the service employee to evaluate and identify national and international transactions, potentially associated with illegal activities. In this database is recorded any information concerning customer identification and every financial transaction carried out on his behalf and for his account. The preservation of this information is made in accordance with the requirements and deadlines set out in Article 16 of the Law "On Prevention of Money Laundering".

I - Registration of data

Registration of data takes place according to the requirements specified by the Responsible Authority:

1. The "Albanian Post" JSC makes the registration of data defined for each customer and transaction that performs financial operations on his behalf or on behalf of third parties in its counters, in or over the amount of LEK 1,500,000 (one million five hundred thousand) or the counter value in other foreign currencies..
2. Filials and Branches record all financial operations of any customer for the amounts provided in Article 6, while the Directorate of Banking and Financial Services collects all the reports made by Filials / Branches and keeps data for its entire network.

These entries are made by the person responsible the "Albanian Post" JSC in the Directorate of Banking and Financial Services in the internal register "On identification the customers over 1.5 million ALL"

3. The "Albanian Post" JSC has the right that for each transaction requests clarifications and makes verifications in order to indicate clearly the source of the creation of money used for the transaction and the beneficiary of this transaction and to evidences these sources
4. After registration, if any suspicious elements, reported to the Responsible Authority for each financial operation even under the above determined value, in cases of data based on specific facts or circumstances or suspicion of money laundering or terrorist financing. The data collected should allow the authority to re-raise the full cycle of the transaction. This information should be provided by "the Albanian Post" JSC through identification of the customer.
5. All data and transactions for the customer as well as information required to be kept, will be immediately available with the request of the Responsible Authority as from Filials and Branches, and from the Directorate of Banking and Financial Services where this information is preserved.

II - Record-keeping

1. The "Albanian Post" JSC **preserves the documentation** submitted for customer identification and transaction beneficiaries from the carrying out of the first financial action (transaction), including its changes during the time, for a period of not less than 5 years from the date of termination of the customer's relations.
2. The "Albanian Post" JSC **preserves the registrations** of data and documentation for each transaction, including the data for the customer, despite the fact whether the transaction is carried out for his own account or on behalf of third parties, together with all supporting documentation, for a period of not less than 5 years from the date of performing the financial operation.
3. The electronic information and transaction documentation will be preserved for a period of not less than 5 years from the date of their initial registration.
4. Physical customer's documents related to transactions are kept and preserved at Filials / Branches "of the "Albanian Post" JSC.
5. Except from what is defined in points II / 1, II.2 and II.3 of this Article, at the request the Responsible Authority, documentation and information on transactions (physical and electronic) are preserved for more than 5 years, even if the account or the business relationship has been terminated.

Article 12 Responsible structures

1. The "Albanian Post" JSC, pursuant to Article 11 of this Regulation, prescribes the structures and people responsible for the realization of its duty to combat money laundering and terrorist financing. These people must have sufficient authority and the necessary experience to perform this duty. The Directorate of Banking and Financial Services is the responsible structure of the "Albanian Post" JSC to prevent the use of this institution for money laundering and / or terrorist financing.
2. The Director of the Directorate of Banking and Financial Services is responsible for preventing money laundering and / or terrorist financing. He and the Banking Services Specialist (his deputy) have the responsibility to fulfill the obligations of the

"Albanian Post" JSC regarding the prevention of money laundering and / or terrorist financing and to report to the Responsible Authority. They keep continuous contacts with the Responsible Authority and the Bank of Albania to better accomplish their role in this duty.

3. The responsible persons have ongoing access to all data provided in Article 16 of the Law.
4. The "Albanian Post" JSC notifies the Bank of Albania and the General Directorate of Prevention of Money Laundering for the name the responsible person as well as in all cases when there are changes of this person.
5. The Directorate of the Banking and Financial Services compiles and submits for approval to the Directorate of Society the Internal Regulation for the prevention of money laundering or terrorist financing and as well as proposals for amendments. An approved copy of this Regulation is immediately sent to the Bank of Albania.
6. The person responsible for preventing money laundering and / or terrorist financing:
 - Compiles annual program of training of the counters personnel and any person / staff of the "Albanian Post" that in exercising his duties in the company may be exposed to risk of money laundering. In this program should be included the internal procedures of the "Albanian Post" that regulate the activity of prevention of money laundering and / or terrorist financing as well as changes in these procedures, specific examples of suspicious cases. Copies of these documents are sent to the Bank of Albania immediately after their adoption.
 - Periodically informs the staff of the "Albanian Post" JSC for the regulatory amendments inside and outside the institution regarding the activity of prevention of money laundering and / or terrorist financing.
 - Monitors the maintenance of the database for customers and their transactions in those activities where the company is more exposed to possible criminal activity of money laundering deriving from illegal activities.
 - Takes measures to implement the concept of due and expanded diligence, based on Article 8 and 9 of this Regulation and defines other categories of customers and transactions to which the expanded diligence measures are implemented and enriches these categories with the passing of time.

Article 13

Reporting of suspicious activities to the Responsible Authority

1. The responsible person of the "Albanian Post" to prevent money laundering and terrorist financing shall report Responsible Authority, where he sets forth his doubts in cases where he knows or suspects is being done, is done or is intended to be done the laundering of products of the offense or terrorist financing. The reporting is performed through the RAD form immediately and not later than 72 hours. A copy of the notice will be sent to the Bank of Albania (Supervision Department).
2. The reporting is performed after a full examination of suspicious elements and data available to the Post to reason it, despite the amount of transactions carried out / or that are getting carried / or to be carried out.

3. The RAD form should be accompanied with all necessary information, that supports the suspicions set forth in the report, such as: identification documents, data of transfers, etc. It will be sent complete with an official letter.
4. In urgent cases, information may be forwarded to the Responsible Authority, accompanied by an official letter, according to the deadline of point 1 of this Article.
5. When the transaction is required to be performed by the client, it is suspected that (transaction) may involve money laundering or terrorist financing; he should immediately report the case to the Responsible Authority and ask for instructions whether to commit the transaction or not, taking a response within 48 hours.
6. The service counter worker at the "Albanian Post" JSC, For every transaction that by its characteristics, nature, etc., there is reason to believe or suspect that may be involved in money laundering, doubtful financing or terrorist financing, implements procedures set, by informing the responsible person in the Filial (The Head of the Branch of Services) and seeks the relevant guidance for further action (whether to perform or not the transaction).
7. Regarding suspicious transactions, persons responsible in the directorate of Filials / Branches, examine the employees' notice who have identified a suspicious transaction and decide whether informing or not the responsible person in the Directorate of Banking Service, not later than 8 hours after the identification of the transaction.

Article 14

Reporting of values transactions to the Responsible Authority

The responsible person of the "Albanian Post" to prevent money laundering and terrorist financing reports to the responsible authority within five working days, all transactions carried out in physical money, at an amount equal or greater than LEK 1.500.000 (one million five hundred thousand) or the counter value in foreign currencies, carried out as a single transaction or transactions related with each other.

Article 15

Supervision

This Regulation and its implementation are subject to the supervision by the Bank of Albania and the General Directorate of Prevention of Money Laundering. The Bank of Albania supervises the implementation of the provisions set out in the Law "On Prevention of Money Laundering" and the bylaws issued for its implementation.

Article 16

Demand for confidentiality

Service employees of the "Albanian Post" are obligated to keep the confidentiality of the process of verifying and reporting on money laundering and terrorist financing. They are forbidden to notify / inform customers or any other person regarding the procedures of verification of suspicious cases, as well as the reports made to the Responsible Authority.

Article 17

The "Albanian Post" JSC pays **attention** to the cases when special Filials / Branches require unusual supply in monetary value as well as the cases that represent cash transactions for values which exceed the usual requirements, based on the characteristics of the area and of customers it serves.

Article 18 Implementing Structures

The Directorate of Banking and Financial Services and the Directorate of Security of Quality Standards and Postal Security of the "Albanian Post" JSC are assigned to the following up and implementation of this Regulation, the requirements set out in the Law "On prevention of money laundering and terrorist financing" and the relevant bylaws.

Article 19 Repeals

The Regulation with ref. no.1852, dated 26.07.2010 "On prevention of money laundering and terrorist financing", is repealed.

Article 20 Entry into force

This Regulation, together with the annexes I, II, III, IV attached, which are part of it, enter into force immediately.

ARQILE GOREA

GENERAL DIRECTOR