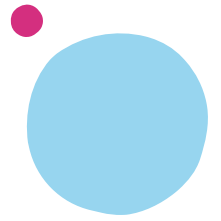




# **TSB Summary Statement of Economic Crime Policies and Procedures**

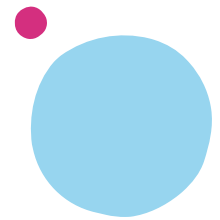
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## Policy Details

<b>Technical Standard name:</b>	TSB Summary Statement of Economic Crime Policies and Procedures
<b>Date approved:</b>	26.01.2024
<b>Version number:</b>	6.0
<b>Document Classification:</b>	Public

## What is the purpose of these Technical Standards

### Purpose

This document provides a summary of TSB's economic crime framework, intended to support external parties undertaking due diligence on TSB.

## Scope of the Technical Standard

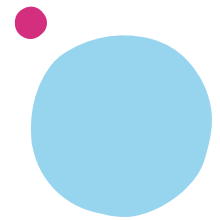
### Scope

This document summarises TSB's economic crime framework, which includes policies and technical standards, internal systems and controls, and procedures.

TSB's economic crime framework is supported and reinforced by our Behaviours.

Compliance with our economic crime framework is a key demonstration of those Behaviours.

TSB has a moral, legal and regulatory duty to prevent, detect and deter economic crime. We care about our customers and colleagues, and the communities we serve, and strive to protect them from those who would try to use TSB to commit economic crimes.



## Summary of TSB's Economic Crime Framework

### Legal & Regulatory Structure

TSB Bank PLC is a wholly owned subsidiary of Banco de Sabadell, S.A.

TSB's economic crime framework is based on the laws, regulations and regulatory guidance in place in the UK, including:

- Proceeds of Crime Act 2002 (as amended by the Serious Organised Crime and Police Act 2005 and the Proceeds of Crime Act 2002 (Amendment) Regulations 2007).
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended.
- Terrorism Act (TACT) 2000 and Anti-terrorism, Crime and Security Act 2001.
- Counter Terrorism Act 2008.
- Immigration Act 2014 and 2016.
- Financial Conduct Authority (FCA) Handbook: System and Control (SYSC) Rules and Principles for Business.
- Financial Crime: A guide for firms (FCA).
- Joint Money Laundering Steering Group (JMLSG) Guidance.
- Bribery Act 2010.
- Ministry of Justice – The Bribery Act 2010 Guidance.
- Criminal Finances Act 2017.
- HMRC – Tackling tax evasion: Government guidance for the corporate offences of failure to prevent the criminal facilitation of tax evasion, September 2017.
- Sanctions and Anti Money Laundering Act 2018.
- Economic Crime (Transparency and Enforcement) Act 2022.
- Economic Crime and Corporate Transparency Act 2023.

### TSB's Anti-Money Laundering and Counter-Terrorism Financing programme

To enable compliance with anti-money laundering (AML) and counter terrorism financing (CTF) laws, TSB has developed and implemented an AML and CTF programme consisting of an AML & CTF Policy and Technical Standards, procedures, internal systems and controls and monitoring and oversight.

To comply with relevant AML and CTF laws and regulations, TSB's AML & CTF Policy and Technical Standards includes requirements relating to:

- Customer risk assessment.
- Customer due diligence measures driven by customer type and risk rating.
- The identification and, where necessary, verification of customers and beneficial owners.
- The identification and risk assessment of Politically Exposed Persons.
- Enhanced due diligence for all high-risk clients including source of funds, source of wealth, and adverse media.
- Periodic ongoing reviews driven by customer risk.

- Event driven triggers to ensure customer due diligence remains up to date and reflective of any risks posed within relationships.
- Automated monitoring of transactions to identify patterns of suspicious activity.
- Internal procedures for monitoring and reporting suspicious activities.
- The appointment of a Nominated Officer and relevant procedures for reporting suspicious activities to the UK Financial Intelligence Unit.
- The appointment of an MLRO, who has overall responsibility for directing TSB's framework of compliance with relevant economic crime legal and regulatory requirements.
- The retention of relevant records in line with TSB's regulatory obligations and internal policy requirements.
- The provision of advice and management reports to senior management regarding compliance with AML and CTF legislation and regulation.
- Regular staff training and awareness, appropriate to the role, including training of senior management.
- The promotion of effective compliance through a range of independent oversight testing and audit activity to provide assurance and appropriate monitoring in the event of non-compliance.
- The management of court orders and law enforcement enquiries.

### TSB's Sanctions programme

TSB has a Sanctions Policy and Technical Standards in place designed to comply with its obligations under UN and UK sanctions regimes. Consideration is also given to EU and US sanctions, due to TSB's ownership by and correspondent banking relationship with Banco de Sabadell, S.A.

TSB takes a prohibitive stance towards transactions and customer relationships involved in countries subject to comprehensive international sanctions or which are owned or controlled by persons located in such countries.

Colleagues, customers, suppliers and payments are screened regularly against relevant sanctions lists and alerts are investigated accordingly.

Any TSB relationship identified as a designated person/entity is frozen and reported, internally and externally, in accordance with the applicable regulations.

### TSB's Anti-Bribery and Corruption programme

TSB is committed to carrying out business fairly and openly and has a zero tolerance to bribery and corruption including tax evasion facilitation.

TSB's Anti-Bribery and Corruption (ABC) Policy and Technical Standards apply to all business activities performed by associated persons on behalf of TSB (e.g. colleagues performing their roles as TSB employees, suppliers providing products or services to customers on behalf of TSB; consultants lobbying government on behalf of TSB).

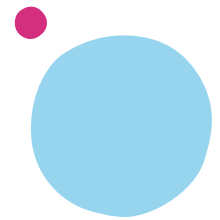
To comply with relevant laws and regulations, we:

- Have clear and specific Senior Management responsibilities and accountabilities.
- Issue internal communications to set the 'tone from the top'.
- Ensure adequate and competent resource is available.

- Provide colleagues with training so they are aware of their responsibilities.
- Conduct risk assessments to understand the risks we face and establish an appropriate control framework to manage those risks.
- Identify, assess and monitor emerging risks and manage these in line with our risk appetite.
- Have adequate anti-bribery and corruption policies and procedures in place which are proportionate to the level of risk exposure.
- Have Gifts, Entertainment and Hospitality (GEH) Technical Standards that outline the requirements that all TSB colleagues must follow when using GEH to build and maintain transparent business relationships and promote TSB brand and products.
- Have Prevention of the Criminal Facilitation of Tax Evasion Technical Standards that outline risks and requirements associated with associated persons (including TSB employees) and payment controls.
- Have Anti-Bribery Technical Standards addressing active and passive bribery risks from associated persons (including TSB employees) and requirements around conducting risk based due diligence on all third-party relationships.
- Monitor our procedures, systems and controls to ensure they are operating effectively.
- Escalate breaches and any material or significant events and act to address any weaknesses in our controls.
- Remind colleagues of the risk of conflicts of interest and the importance of identifying and reporting them.
- Have a Whistleblowing Policy and processes in place to support colleagues who feel unable to report through their line manager.

Under TSB's ABC Policy it is prohibited to promise, offer, give, solicit or receive anything of value, directly or indirectly through third parties, if improperly intended to influence action or obtain an advantage for TSB.

- i. TSB will not make 'facilitation payments' i.e., a payment made to expedite or secure the performance of a routine action e.g., onboarding a new supplier quickly.
- ii. TSB will not pay suppliers or associated persons in cash.
- iii. TSB will not make payments to anyone other than TSB contracted third parties.
- iv. TSB associated persons will not facilitate tax evasion.
- v. TSB will not make political donations. This includes any request or offer of TSB resources including offices, facilities or colleague time to support any political activity.
- vi. TSB and its colleagues will not offer or accept any employment opportunity (i.e., permanent, part time, agency, internship) paid or unpaid with the intent to influence decisions or gain any advantage for TSB. This includes requesting employment opportunities (paid or unpaid) with TSB third parties.
- vii. TSB and its colleagues will not falsify or conceal company books, records or accounts that relate to TSB business, customers, suppliers or other business partners.
- viii. TSB will not offer or accept gifts, entertainment or hospitality (GEH) with an intention to gain or retain a business advantage for TSB or give advantage to a third party.



Any request, offer or attempted request or offer for any of the above must be escalated in accordance with the reporting requirements of TSB's ABC Policy and Technical Standards.

### Compliance Monitoring

TSB's compliance with economic crime policies and technical standards is monitored through several methods, including: control testing; close and continuous oversight and assurance; audit and the reporting of management information to and oversight by senior governance committees.

### Version Control Details

Version Number:	Effective Date:	Comments:
1.0 Final	June 2019	Document creation date
2.0 Final	June 2020	Annual refresh of statement
3.0 Final	September 2021	Annual refresh of statement
4.0 Final	September 2022	Annual refresh of statement
5.0 Final	November 2023	Annual refresh of statement
6.0 Final	January 2024	Annual refresh of statement