



This Anti-Money Laundering (AML) Policy for **Kazali Holdings** is designed to comply with both Federal laws (Bank Secrecy Act/USA PATRIOT Act) and California-specific regulations under **California Penal Code Section 186.10**.

## **Kazali Holdings: Anti-Money Laundering Policy**

### **1. Statement of Purpose**

- **Zero Tolerance:** Kazali Holdings maintains a zero-tolerance policy regarding money laundering and the financing of terrorism.
- **Objective:** To prevent the company's services or corporate structure from being used to facilitate financial crime.
- **Jurisdiction:** This policy applies to all operations, with specific adherence to **California Penal Code 186.10**, which criminalises transactions intended to promote criminal activity or involving proceeds of crime exceeding \$5,000.

### **2. Compliance Leadership**

- **Designated Officer:** Kazali Holdings shall appoint a **BSA/AML Compliance Officer** based in the United States with sufficient authority and access to senior management.
- **Responsibilities:**
  - Overseeing daily compliance operations.
  - Updating this policy annually or as regulations change.
  - Reporting suspicious activity to federal and state authorities.

### **3. Risk Assessment & Internal Controls**

- **Risk-Based Approach:** The company will conduct a formal risk assessment evaluating customer types, geographic exposures, and the nature of its holdings.
- **Periodic Reviews:** Controls must be updated as the company's risk profile evolves to remain "effective" under 2026 FinCEN standards.

### **4. Customer Due Diligence (CDD) & KYC**

- **Identity Verification:** Establish a **Customer Identification Programme (CIP)** to verify the identities of all new clients and business partners.
- **Beneficial Ownership:** Identify and verify the ultimate beneficial owners (UBOs) of any legal entity opening an account.
- **Prohibited Entities:** Kazali Holdings will not conduct business with foreign shell banks or individuals on the **OFAC Sanctions List**.

## 5. Transaction Monitoring & Reporting

- **Suspicious Activity Reports (SARs):**
  - The company must file a **SAR** with FinCEN within 30 days of detecting a suspicious transaction involving \$5,000 or more.
  - **California Threshold:** Under California law, any transaction intended to facilitate criminal activity is reportable.
- **Currency Transaction Reports (CTRs):** Any cash transaction exceeding **\$10,000** in a single business day must be reported via a CTR.
- **Travel Rule:** Records must be maintained for fund transfers (e.g., wire transfers) of **\$3,000** or more.

## 6. Recordkeeping & Training

- **Retention Period:** All AML-related records, including customer identification and SARs, must be retained for at least **five years**.
- **Employee Training:** All relevant personnel must receive annual, role-specific AML training to recognise "red flags" and understand their reporting obligations.

## 7. Independent Testing

- **Audit Schedule:** The AML programme must be independently tested by qualified internal personnel (not involved in the AML programme) or an outside party at least annually to ensure effectiveness.
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