

# General Information on International Investment Bank

## To support KYC related questions

**Law, governing the business:** International Investment Bank (hereinafter referred to as the Bank) is a multilateral development institution, an intergovernmental organization operating on the basis of the Agreement Establishing the International Investment Bank dated 10 July 1970, registered with the United Nations Secretariat under number 11417, as amended and restated from time to time.

The member states of the Bank are the Republic of Bulgaria, the Republic of Cuba, the Czech Republic, Hungary, Mongolia, Romania, the Russian Federation, the Slovak Republic and the Socialist Republic of Vietnam.

Statutory documents of the Bank, which are the Agreement Establishing the International Investment Bank (hereinafter referred to as Establishing Agreement) along with the Charter of the Bank, attached to the Establishing Agreement, are, by their nature, an international treaty. Due to the nature of international treaties, provisions of the statutory documents prevail over relevant provisions of national legislations of the Bank's member states.

The Establishing Agreement (paragraph 1 art. 11) states that the Bank shall be recognized as an international organization. The Bank shall possess full legal personality and, in particular, the full legal capacity required to perform its functions and achieve its aims in accordance with the provisions of the Establishing Agreement and the Charter of the Bank. The mentioned Agreement is the main official documents, which governs the activity of IIB as financial institution.

According to the statutory documents of IIB, at the moment IIB has **three-tier governance system**

- Board of Governors (Members - <https://iib.int/en/governors>)
- Board of Directors (Members - <https://iib.int/en/directors>) and
- Management Board (Members - <https://iib.int/en/directorate>).

According to the Charter of IIB, Board of Governors shall “appoint the Chairperson and members of the Bank's Auditing Committee, receive its reports, and adopt resolutions according to the reports;” – for more info about Board of Governors, please refer to articles 20-21 of the Charter of IIB.

Being an IFI the Bank is not obliged to comply with provisions of local legislations of its member countries. At the same time, the Bank follows unified policies, standards and best practices in different areas established by the leading IFIs and international agencies, such as FATF, OECD, Basel Committee. Their standards are implemented into internal documents, approved by Board of Directors and are mandatory for the Bank, its employees, and third parties. IIB joined the IFIs initiative Uniform Framework for Preventing and Combatting Fraud and Corruption, participates in certain IFIs associations and groups that have an aim to develop IFIs standards in the area of anti-corruption, prevention of fraud and money laundering.

The Bank has adopted Compliance Policy which establishes standards, structure and basic requirements to compliance within the Bank; Policy on Anti-Money Laundering, Combating the Financing of Terrorism, Fraud and Corruption which establishes basic standards, approaches and requirements to internal control arrangements for anti-money laundering, combating financing of terrorism, fraud and corruption, as well as separate regulations for other compliance related issues. The policies can be found here <https://iib.int/en/about/compliance/documents>

There are several bodies in the Bank, which **audit the compliance function**.

- The Internal Audit Department conducts control of the Bank's compliance function once in three years. The last audit has been carried out in 2018. Also during the year, they selectively check compliance operations and processes while inspecting other lines of the Bank activity.
- The external auditor of the Bank in frame of the financial audit checks compliance activity for efficiency of the process and procedures to prevent and detect different types of fraud.
- Also the audit and control of compliance function is executed by the Audit Committee acting independently from the Bank, established by the Board of Governors. Audit Committee checks compliance activity twice a year and presents its results for consideration to the Management Board and for approval to the Board of Directors.

According to International Investment Bank's activity and as the status of IFI International Investment Bank does not open accounts for third parties, does not have "payments and settlements" functions, all operations and transactions are carried out on its own behalf. Due to this reason International Investment Bank does not have any policies to work with technics as stripping, resubmission, masking.

However, at the same time, International Investment Bank has approved and implemented internal Sanction policy that restricts to breach and evade applicable sanction prohibitions in its own operations. According to this document International Investment Bank must follow international sanctions imposed by Security Council of United Nations and carry out its transactions in manner not to breach and not to evade national restrictions set by countries on each other if they are applicable to International Investment Bank.

In addition to the above we also confirm that International Investment Bank does not provide correspondent banking services.

First Deputy Chairperson of the Management Board

Date: 29 November 2019



Jozef Kollar