



International Investment Bank improves compliance control procedures

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Creating an efficient risk management system is one of the major steps on the way to transforming International Investment Bank into a modern multilateral institution for development.

In the current year a specialized department of compliance control has been created for the first time, the work of which is organized using the methods and experience of the world's leading international development banks and international organizations. Following the recommendations of the Basel Committee on banking supervision, the Bank developed and approved the Statute on compliance control. The given document states the position, significance and major rights and responsibilities of the compliance control department within the Bank.

In order to apply compliance control into practice, the Bank is working on the development and implementation of the procedures aimed at the detection of the compliance risks and their further management. In particular, as far as the matter of conduct compliance is concerned, a Statute on the management of the conflicts of interests was enacted and from now on establishes the requirements for the employees in cases of the conflicts of interests, measures for their detection and settlement. The department of compliance control offers the personnel of the Bank training sessions on measures on the prevention of the conflict of interests.

Following the global tendencies in the field of the measures against money laundering and the financing of terrorism, as well as the control of fraud and corrupt practices, the Board approved the project of the Policy of AML/CFT and the control of fraud and corruption. The Bank will not tolerate any manifestation of fraud and corrupt actions on the part of its employees or third parties. With the goal of practical implementation of the above-mentioned Policy, the Board enacted a new edition of the AML/CFT Statute. Following the recommendations of the FAFT Group and considering the experience of the leading development banks, the AML/CFT risk defining business process has been recently customized on the risk-oriented approach thus improving the procedure of identification and KYC. Alongside with the above-mentioned measures, a procedure for detection of public administrative officials and for monitoring of operations has been introduced.

While taking measures on enhancing internal control, the Board of the Bank made a decision to initiate cooperation with the Federal Service for Financial Monitoring of the Russian Federation. Consultations and exchange of experience in the field of compliance control have been organized with the development banks functioning on the territories of the IIB member states.

The taken measures together with the actively renewed regulatory system of the Bank point to

the substantial progress made on the way to higher quality of risk management, with the latter corresponding to the highest international standards.

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The department of compliance control of the IIB is headed by Grigory Gruzinov who has been working in the sphere of banking risk management for more than 10 years. Before IIB, Grigory was the head of the sector managing operational and compliance risks in VTB Capital Group.