

# **CIBC** Statement on CIBC's AML/ATF and Sanctions Program

The Canadian Imperial Bank of Commerce and its wholly owned or controlled subsidiaries (Collectively “CIBC” or the “Bank”) is committed to adhering to all applicable regulatory requirements pertaining to Anti-Money Laundering, Anti-Terrorist Financing (AML/ATF) and Sanctions to safeguard our bank, shareholders and clients from money laundering, terrorist financing and sanctions risks. CIBC has an appointed Chief Anti-Money Laundering Officer (CAMLO), who is responsible to Senior Management and the Board of Directors for the establishment and maintenance of the Enterprise Anti-Money Laundering, Anti-Terrorist Financing (AML/ATF) and Sanctions Programs.

CIBC's AML/ATF and Sanctions Programs are delivered by the Enterprise Anti-Money Laundering (EAML) group, who are subject matter experts that utilize analytics, innovative technology, and professional expertise to detect and deter money laundering, terrorist financing and sanctions risks.

CIBC's AML/ATF and Sanctions Programs consist of the following pillars:

## **Governance and oversight**

CIBC's Senior Management and Board of Directors maintain oversight of the AML/ATF and Sanctions Programs. Senior Management is responsible for the effective oversight of the programs by providing direction and management of overall money-laundering, terrorist financing and sanctions risks to the bank. By setting a “tone at the top” in support of an AML/ATF and sanctions compliance management culture, Senior Management provides assurance that there are resources to implement and maintain robust AML/ATF and Sanctions controls.

## **Policies and procedures**

CIBC maintains documented policies and procedures that outline expectations and requirements to assist in complying with applicable legal and regulatory obligations in the regions in which we operate.

## **Risk assessment**

CIBC maintains a risk and controls assessment program, which is key into identifying money laundering, terrorist financing and sanctions risks, and in helping to ensure that appropriate mitigating controls are in place. The assessment program is supported by risk assessment methodologies to ensure the relevant money laundering, terrorist financing and sanctions risks and associated mitigating controls are assessed in a reliable and consistent manner across the enterprise.

## **Client due diligence**

Client Due Diligence (CDD) is a foundational element for an effective AML/ATF and Sanctions Program, as it is the way in which the bank identifies and evaluates clients when Enhanced Due Diligence (EDD) is required. The bank's CDD program requirements, including EDD, adheres to the legal and regulatory requirements in the regions in which CIBC operates.

The Bank's CDD program consists of the following:

- Client identification is based on reliable independent source documents, as well as the identification of material beneficial owners and controlling parties.
- Client risk rating.
- Formal policies and procedures for non-face-to-face clients, including the certification of documents presented and independent contact with the client by the bank.
- Mitigating terrorist financing (TF) risks through reviewing clients and their transactional activity against the terrorist screening lists and terrorist financing indicators, escalating TF risk concerns where required.
- Measures to identify sanctioned parties and other sanctions risk, including but not limited to: screening of clients and transactions against sanctions lists, escalation process for possible matches, sanctions risk assessment, due diligence and training.
- Measures to identify Politically Exposed Persons (PEPs) and other higher risk clients who are subject to special measures including: identification, periodic review, monitoring, enhanced due diligence and Senior Management approval if required.

## **Ongoing monitoring and reporting**

CIBC conducts ongoing monitoring of transactions and client relationships by utilizing advanced monitoring solutions. Where required, CIBC reports on prescribed and suspicious transactions and activities to the relevant regulatory authorities in the regions in which we operate.

## **Training program**

CIBC maintains a comprehensive mandatory training program which is reviewed annually and updated with current AML/ATF and Sanctions legislation, regulatory requirements and Enterprise policies and standards. Employees across CIBC, as well as those who act on behalf of CIBC, are required to complete AML/ATF and Sanctions focused training, which includes computer-based training sessions with a self-assessment check. The Board of Directors and Senior Management are also trained on AML/ATF and Sanctions oversight responsibilities.

## **Record keeping and retention**

The AML/ATF and Sanctions Programs contain record keeping and retention requirements in adherence with applicable laws.

## **Independent testing**

CIBC maintains independent testing of its AML/ATF and Sanctions Programs by Internal Audit, to ensure compliance and effectiveness of controls.

Michael Donovan

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