

Sparkasse Pforzheim Calw · 75162 Pforzheim

Foreign Department
Poststraße 3
75172 Pforzheim

Johannes Schneider
Telefon 07231 99-2330
Telefax 07231 99-162330
johannes.schneider@skpfcw.de

07.01.2015

Combating and preventing money laundering at the Sparkasse Pforzheim Calw

Dear Sir or Madam,

The Federal Republic of Germany is a member of:

- the European Union,
- the Basel Committee for Banking Supervision,
- the Financial Action Task Force on Money Laundering (FATF)

and it has implemented the principles about combating money laundering and financing of terrorism that were compiled by the aforementioned organizations, as well as the - legal - standards issued by the European Parliament, in national law as follows.

- Penal provisions about money laundering in article 261 of the German Penal Code.
- Enabling legislation about combating money laundering, by the Money Laundering Law dated 13th August 2008.
- Special regulations for credit institutes laid down in the German Banking Act dated 9th September 1998.

Interpreting instructions and application notes about the legal standards were formulated by the "Deutsche Kreditwirtschaft" (interest group consisting of the German head organizations of the credit services sector) and acknowledged by the Federal Office for Financial Services Supervision, which has been commissioned with the national supervision of credit institutes.

However, according to article 9 of the Money Laundering Law - internal security measures – and to article 25 c of the Banking Act – internal security measures - credit institutes have to take precautions against being able to be misused for money laundering or for financing terrorism, whereby appropriate precautions according to the legal definition are:

- determination of a money laundering agent,
- existence of an appropriate risk management as well as procedures and principles serving the prevention of money laundering and financing of terrorism,
- establishment of reasonable security systems related to business transactions and customers, as well as controls for the prevention of money laundering and financing of terrorism,
- the guarantee that authorized employees are reliable and

...

-the regular instruction of these employees about typologies and current methods of money laundering and financing of terrorism and about the duties which exist according to this law.

The Sparkasse Pforzheim Calw has to observe the national, legal standards - excerpts from which are described above - as a credit institute and it also does this to the full extent.

Audits of compliance with the legal regulations at the Sparkasse Pforzheim Calw take place - at least once a year - by the Sparkasse's internal auditors as well as by external auditors of the annual financial statement; in addition, the Federal Office for Financial Services Supervision monitors the compliance with legal standards for preventing money laundering and financing of terrorism, via the audits of annual financial statements and its own (special) audits that are arranged by itself should the occasion arise.

The Sparkasse Pforzheim Calw is a cooperative and fiduciary, incorporated institute under public law. The City of Pforzheim, Enzkreis and Landkreis Calw in administration union are the Sparkasse's guarantor. No branches or branch operations are maintained abroad.

The managing board is the management organ of Sparkasse Pforzheim Calw.

We trust that we have fully answered your questions about the measures for combating money laundering at the Sparkasse Pforzheim Calw with our aforementioned explanations.

Yours faithfully,

Sparkasse Pforzheim Calw

Ursula Kern

Johannes Schneider