



EQUITABLE

# Anti-Money Laundering Policy

September 2022

## **Purpose, scope, and responsibility**

This policy addresses the risks arising from money laundering, financing of terrorist activities, and Economic Sanctions administered by the Office of Foreign Asset Control (OFAC), to Equitable, its customers, shareholders and employees and other personnel. It sets forth the accountabilities of Equitable in the prevention, detection, and reporting of money laundering and terrorist financing, and ensures compliance with Economic Sanctions. In order to comply with OFAC rules and regulations, Equitable has adopted a program prohibiting any business transactions with certain countries, entities, and individuals.

## **Policy Statement:**

Equitable, its senior management and its subsidiaries are firmly committed to preventing the use of its products, services, personnel, and facilities to launder and disguise the proceeds of unlawful activity. Equitable makes every effort to comply fully with all laws and regulations relating to Economic Sanctions and to combating money laundering and the use of financial institution's products and services to fund or facilitate terrorist or other criminal acts. Under no circumstances may any employee or financial professional of the company facilitate or participate in any money laundering activity. Any violation of this policy will subject the individual involved to disciplinary action, including dismissal, as well as possible civil and criminal penalties.

Equitable has adopted this policy and has established internal procedures to assist its employees and Financial Professionals in avoiding any involvement in money laundering or activity subject to Economic Sanctions, and to ensure they have the requisite understanding to detect and report potentially suspicious activity.

Equitable will conduct its business in conformity with high ethical standards and will adhere to all applicable laws and regulations, including complying with the following general principles:

- Take reasonable steps to identify the true identity of all clients of Equitable products and services.
- Not knowingly accept funds believed to be derived from criminal activity.
- Not ignore indications that a client's funds originated from criminal or other money laundering activities. When Equitable becomes aware of facts which lead to a reasonable presumption that funds held by it are from criminal or other money laundering activity or that transactions entered into are themselves criminal in purpose, appropriate measures, consistent with the law, will be taken. These measures may include continuing to monitor the client account, denial of assistance to the client and severing relations with the client where legally allowed.
- Avoid providing support or assistance to clients seeking to deceive law enforcement agencies through the provision of false, altered, incomplete or missing information.
- Cooperate fully with law enforcement and regulatory agencies to the extent that Equitable can do so under all applicable laws and regulations.
- Report identified instances of suspicious activity to the extent that Equitable can do so under all applicable laws and regulations.



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## **Sanctions Compliance and Anti-Money Laundering Program Requirements**

Under the USA PATRIOT Act, financial institutions are required to establish a corporate anti-money laundering program with policies and procedures appropriate for the business to detect and prevent money laundering, including, where applicable under law:

- Designate a Chief Anti-Money Laundering Compliance Officer
- AML and Sanctions training programs for employees, financial professionals, and managers
- "Know Your Customer" ("KYC") policies and procedures Customer Identification Program ("CIP") in accordance with Section 326 of the USA Patriot Act;
- Understanding the nature and purpose of the customer relationships and implementing appropriate risk-based procedures for conducting ongoing due diligence;
- Report red flag activities or suspicious transactions as directed
- Establish an audit process to test and enforce the corporate anti-money laundering procedures.

OFAC's Rules generally prohibit Equitable from engaging in any transfer or transaction involving an account or property of any person or any entity on the OFAC List or a Sanctioned Country (which, in most cases, includes governmental agencies, businesses and individuals in the Sanctioned Country). In some cases, sanctions can apply to debt and equity of certain designated entities. Depending upon the sanctions program at issue, OFAC's Rules may prohibit all transactions with a national of a Sanctioned Country, regardless of where he or she is located, or only prohibit transactions on behalf of nationals of a Sanctioned Country when he or she is physically present in the Sanctioned Country.

It is important to note that international sanctions against certain of the Sanctioned Countries are comprehensive in that they generally prohibit any business in or with: (i) the country in question, (ii) the government of that country, (iii) any government official, (iv) any government-controlled entity, (v) any company headquartered in the country and/or (vi) residents of that country. Similarly, the concept of doing business with Sanctioned Countries and the jurisdictional nexus for application of these sanctions can be extremely broad.

## **Accountabilities**

It is vital that all Equitable employees, financial professionals and business units fully understand the actions needed to comply with applicable anti-money laundering statutes and regulations, and to report any potential violation. Training for Equitable employees and financial professionals is an important element of the company's AML and Sanctions programs. Equitable Advisors financial professionals and Equitable employees in client-facing and service roles complete anti-money laundering training annually, and all other employees complete the training every three years.

All employees and financial professionals are responsible for knowing and following all applicable AML and Sanctions specific policies and procedures. They should:

- Be familiar with the AML and OFAC/Sanctions policies in relation to business being conducted.
- Complete training requirements timely and seek guidance when needed.
- Be familiar with their business area's AML, OFAC, and other procedures, including:
  - All customer identification and verification (KYC and CIP) procedures for opening new accounts and servicing existing accounts.
  - How to flag activities that may require special attention or additional review.
  - Reporting red flag activities or suspicious transactions as directed.
- Keep the reporting of suspicious activity strictly confidential and not reveal any aspect of such report to the customer or to any employees who aren't directly responsible for compliance.



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