

RATING CRITERIA FOR APPLICATION OF KYC AND ANTI-MONEY LAUNDERING LAW

SCOPE	RATING				
	1	2	3	4	5
Active Management Oversight	The establishment of written policies and procedures by management and organizational policies are more than adequate. The implementation of management oversight is highly effective.	The establishment of written policies and procedures by management and organizational policies are adequate. The implementation of management oversight is effective.	The establishment of written policies and procedures by management and organizational policies are reasonably adequate. The implementation of management oversight is fairly effective.	The establishment of written policies and procedures by management and organizational policies are not adequate enough. The implementation of management oversight is not effective enough.	No management oversight through written policies and procedures and organizational policies. Management oversight is completely ineffective.
Policies and Procedures	The policies and procedures are comprehensive (more than adequate), including for handling of high risk customers, high risk business, high risk products /services.	The policies and procedures are adequate, including for handling of high risk customers, high risk business, high risk products/services, despite some insignificant weaknesses.	The policies and procedures are reasonably adequate, but some weaknesses must be corrected.	The policies and procedures are not adequate enough with weaknesses that must be corrected.	No policies and procedures in place, or policies and procedures exist but are completely inadequate.

Appendix to Circular Letter of Bank Indonesia Number 6/ 37/DPNP dated September 10, 2004

SCOPE	RATING				
	1	2	3	4	5
	The implementation of policies and procedures is highly consistent and effective, including but not limited to: - customer acceptance - updating of customer data - monitoring and reporting of STRs - handling of high risk customers, high risk business, high risk products/ services.	The implementation of policies and procedures is consistent and effective, including but not limited to: - customer acceptance - updating of customer data - monitoring and reporting of STRs - handling of high risk customers, high risk business, high risk products/ services.	The implementation of policies and procedures is reasonably consistent, covering at least: - customer acceptance - updating of customer data - monitoring and reporting of STRs although lacking in effectiveness.	The implementation of policies and procedures is not consistent and effective enough.	The implementation of policies and procedures is completely inadequate.
Internal Control	Comprehensive system and procedures for internal control and internal audit function in place.	Adequate system and procedures for internal control and internal audit function in place.	Reasonably adequate system and procedures for internal control and internal audit function in place.	There is system and procedures for internal control and internal audit function but not adequate enough.	No system and procedures in place for internal control and internal audit function.

Appendix to Circular Letter of Bank Indonesia Number 6/ 37/DPNP dated September 10, 2004

SCOPE	RATING				
	1	2	3	4	5
	The implementation of internal control and internal audit function is highly effective.	The implementation of internal control and internal audit function is effective.	The implementation of internal control and internal audit function is reasonably effective.	The implementation of internal control and internal audit function is not effective enough.	No internal control and internal audit.
Management Information System (MIS)	Comprehensive and reliable MIS is in place. MIS is highly effective in identifying suspicious transactions.	Adequate MIS in place, despite insignificant weaknesses that do not affect accuracy of information. MIS is effective in identifying suspicious transactions.	Reasonably adequate MIS in place and weaknesses can be easily corrected. MIS is reasonably effective in identifying suspicious transactions.	MIS in place, but is not adequate enough and has significant weaknesses. MIS is not effective enough in identifying suspicious transactions.	No MIS in place, or MIS is in place but completely inadequate and unable to identify suspicious transactions.
Human Resources and training	Human resources are highly competent and trained and in adequate numbers. Comprehensive and highly effective training program in place.	Human resources are competent and trained and in adequate numbers. Comprehensive and effective training program in place.	Human resources are competent and trained but in inadequate numbers. There is still undeveloped training program, nevertheless is reasonably effective.	Human resources are lack competence and poorly trained. There is undeveloped training program and its effectiveness is lacking.	Human resources not competent and have no training. No training program.