



**ONEQUITY LTD**

**FSA Licence No. SD154**

Manual for The Prevention of  
Money Laundering and Terrorist  
Financing

**Risk Based Approach**

Know Your Client Guidelines

**onequity**

## General Definitions

For the purposes of this Manual, and unless the context otherwise requires:

**‘Act’** means the Proceeds of AML and CFT Act of 2020 as amended, the AML Regulations of 2020 as amended, the Prevention of Terrorism Act of 2004, as amended and any other regulation and/or circular issued by the Financial Services Authority (“FSA”) of Seychelles from time to time.;

**“Affiliate”** shall mean in relation to the Company, any entity which directly or indirectly controls or is controlled by the Company, or any entity directly or indirectly under common control with the Company; and “control” means the power to direct or the presence of ground to manage the affairs of the Company or entity.

**‘AML/CFT Compliance Officer’** means the person appointed by The Company as its AML/CFT compliance officer under the Regulations;

**‘AML/CFT Reporting Officer’** means the person appointed by The Company as its AML/CFT reporting officer under the Regulations;

**‘Beneficial Owner’** shall have the meaning:

natural person(s) who ultimately owns or controls the Legal Person and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons, who exercise ultimate effective control over a legal person or arrangement;

natural person(s) who is an ultimate beneficial owner of the Legal Person, partnership or legal arrangement, whether or not the individual is the only beneficial owner; and

natural person(s) who exercises ultimate control over the management of the Legal Person, partnership, or legal arrangement, whether alone or jointly with any other person or persons, regardless of whether the ultimate ownership or control is direct or indirect;

**‘Business Relationship’** means a business, professional or commercial relationship between The Company and a Client, which is expected by The Company, at the time when contact is established, to have an element of duration;

**‘Customer Due Diligence Information’** means Identification Information and Relationship Information;

**‘Customer Due Diligence Measures’** means the measures for: identifying a Client; determining whether the Client is acting for a Third Party and, if so, identifying the Third Party; verifying the identity of the Client and any Third Party, for whom the Client is acting; identifying each Beneficial Owner of the Client and Third Party, where either the Client or Third Party, or both are not individuals; taking reasonable measures, on a risk-sensitive basis, to verify the identity of each Beneficial Owner of the Client and Third Party, so that The Company is satisfied, that it knows, who each Beneficial Owner is, including, in the case of a Legal Person, partnership, Foundation, trust or similar arrangement, taking reasonable measures to understand the ownership and control structure of the Legal Person, partnership, Foundation, trust or similar arrangement; and obtaining information on the purpose and intended nature of the Business Relationship or Occasional Transaction. Such measures include, where the Client is not an individual, measures for verifying, that any person

purporting to act on behalf of the Client is authorized to do so, identifying that person, and verifying the identity of that person.

Where the Company is required to verify the identity of a person, it shall verify that person's identity using documents, data or information obtained from a reliable and independent source.

**'Director'** in relation to a Legal Person means, a person appointed who directs the affairs of the Legal Person and includes a person, who is a member of the governing body of the Legal Person and a person who, in relation to the Legal Person, occupies the position of director by whatever name called;

**'Domestic Politically Exposed Person'** means a person, who is or has been entrusted with a prominent public function by the State;

**'FATF'** means the international body known as the Financial Action Task Force or such other international body as may succeed it;

**'FATF Recommendations'** means the FATF Recommendations, Interpretive Notes and Glossary issued by the FATF in February 2012, incorporating such amendments as may from time to time be made to the Recommendations or such document or documents issued by the FATF as may supersede those Recommendations;

**'Foreign Politically Exposed Person'** means a person who is, or has been entrusted with a prominent function by an international organisation;  
**'Foundation'** means a foundation, wherever established;

**'Identification Information'** is information used to identify a person, required by the Regulations to be identified and as specified in the Code;

**'Intermediary'** means a person, who has or seeks to establish a Business Relationship or to carry out an Occasional Transaction on behalf of his or her Client with The Company, so that Intermediary becomes a Client of The Company;

**'Introducer'** means a person, who has a Business Relationship with a Client and who introduces that Client to The Company with the intention, that the Client will form a Business Relationship or conduct an Occasional Transaction with The Company, so that the Introducer's Client also becomes a Client of The Company;

**'Legal Person'** includes a company, a partnership, whether limited or general, an association or any unincorporated body of persons, but does not include a trust;

**'Occasional Transaction'** means a transaction, which is carried out otherwise than as part of a Business Relationship, and is carried out as:

a single transaction; or

two or more linked transactions, where it appears at the outset to any person handling any of the transactions, that the transactions are linked or at any later stage it comes to the attention of the person handling any of those transactions, that the transactions are linked, that amount to \$ 2500 where it is a transaction or linked transaction carried out on the course of a money services business or \$ 10,000 in the case of any other transaction or linked transaction;

**'Ongoing Monitoring'** means with regards to a Business Relationship:

scrutinizing transactions undertaken throughout the course of the relationship, including where necessary, the source of funds, to ensure that the transactions are consistent with The Company's knowledge of the Client and the Client's business and risk profile; and

keeping the documents, data or information obtained, for the purpose of applying Customer Due Diligence measures up-to-date and relevant by undertaking reviews of existing records.

**'Regulations'** means the AML and CFT Act of 2020 as amended, the AML Regulations of 2020 as amended, the Prevention of Terrorism Act of 2004, as amended and any other regulation and/or circular issued by the Financial Services Authority ("FSA") of Seychelles from time to time.;

**'Relationship Information'** means information concerning the Business Relationship or proposed Business Relationship between a The Company and its Client;

**'Relevant Business'** means a business, which if carried on by a person, would result in that person being a The Company Client;

**'Third Party'** means a person, acting on behalf of one or more individuals involved in a transaction.

## **Customer Due Diligence**

The Company shall obtain Customer Due Diligence Information on every Client, Third Party and Beneficial Owner; and

verify the identity of the customer and any Third Party, and take reasonable measures on a risk sensitive basis, to verify the identity of each Beneficial Owner in accordance with this Manual.

### Customer Due Diligence Measures shall be applied:

before The Company establishes a Business, Relationship or carries out an Occasional Transaction;

where The Company suspects money laundering or terrorist financing, or doubts the veracity or adequacy of documents, data or information previously obtained under its Customer Due Diligence Measures, or when conducting Ongoing Monitoring; and

for existing Clients at appropriate times as determined on a risk- sensitive basis and at least once per annum, considering the risk profile of the Client is low risk;

### Customer Due Diligence Information shall be obtained where:

there is a change in the Identification Information of a Client;

there is a change in the Beneficial Ownership of a Client; or

when there is a change in the Third Parties or the Beneficial Ownership of the Third Parties;

The Company may complete the verification of the identity of the Client, Third Party or Beneficial Owner after the establishment of a Business Relationship, only if the following conditions are met:

it is necessary not to interrupt the normal conduct of business; there is little risk of money laundering or terrorist financing occurring as a result; and verification of the identity is completed, as soon as reasonably practicable after the contact with the Client is first established. Where the verification cannot be completed, The Company shall terminate the Business Relationship with the Client;

The Company shall conduct Ongoing Monitoring of a Business Relationship and where unable to do so, it shall terminate the Business Relationship.

### Termination of Business Relationship

Where the Company is unable to apply Customer Due Diligence Measures before the establishment of a Business Relationship or before the carrying out of an Occasional Transaction in accordance with this Manual, The Company shall not establish the Business Relationship or carry out the Occasional Transaction.

#### Disclosure to the FIU

Where The Company is unable to apply the measures, verify the identity or undertake Ongoing Monitoring, it shall consider, based on the reasons for which it cannot perform Customer Due Diligence and taking into account the behavior of the respective Client, whether it is necessary to report to the FIU or FSA.

## **Risk Based Approach**

### Applying a Risk-based approach

In accordance with the provisions contained in this Section 3 and in Schedule 1, The Company shall at all times apply a risk-sensitive approach to determine the extent and nature of:

the Customer Due Diligence Measures to be applied to a Client and to any Third Party or Beneficial Owner; and

its Ongoing Monitoring of a Business Relationship;

### Determining the extent and nature of the risk-based approach

In doing so, The Company will:

- a) assess the risk, which any Business Relationship or Occasional Transaction involves or will involve, money laundering or terrorist financing, depending upon the type of the Client, Business Relationship, product or transaction and consider on a risk-sensitive basis, whether further identification or Relationship Information is required;
- b) on the basis of the Customer Due Diligence information obtained and the information obtained under paragraph (a) above, prepare and record a risk assessment with respect to the Client;
- c) periodically update the Customer Due Diligence information, which it holds on file and adjust
- d) the risk assessment it has made accordingly;

### Risks associated with the risk-based assessment.

In preparing a risk assessment with respect to a Client, The Company shall take account of all relevant risks and shall consider, in particular, the relevance of the following risks:

- i. customer risk;
- ii. product risk;
- iii. delivery risk; and
- iv. country risk;

### The Company shall be able to demonstrate at all times that:

the extent of the Customer Due Diligence Measures applied in any case, is appropriate, having regard to the circumstances of the case, including the risks of money laundering and terrorist financing; and

it has obtained appropriate information to carry out the risk assessments required;

### Applying Enhanced Due Diligence measures

The Company shall, on a risk-sensitive basis, apply enhanced due diligence measures and undertake enhanced Ongoing Monitoring, where:

The Client has not been physically present for identification purposes;

The Company has, or proposes to have, a Business Relationship with, or proposes to carry out an Occasional Transaction with, a person connected with a country, which does not apply, or insufficiently applies the FATF Recommendations;

The Company has or proposes to have a Business Relationship with, or to carry out an Occasional Transaction with, a Foreign Politically Exposed Person or a family member or close associate of a Foreign Politically Exposed Person;

any of the following is a Foreign Politically Exposed Person or a family member or close associate of a Foreign Politically Exposed Person:

- a Beneficial Owner of the customer;
- a Third Party for whom a customer is acting;
- a Beneficial Owner of a Third Party for whom a customer is acting;
- a person acting, or purporting to act on behalf of the customer;
- a Client, transaction or Business Relationship involves:
- private banking, Legal Persons, or arrangements, including trusts, which are personal asset holding vehicles; or
- companies, which have nominee shareholders or shares in bearer form; and
- in any other situation, which by its nature can present a higher risk of money laundering or terrorist financing;

#### Additional Due Diligence measures for non-face-to-face Clients

The Company will apply the following additional measures, when it is applying due diligence measures to non-face-to-face customers:

perform at least one additional check, designed to mitigate the risk of identity fraud; and

apply such additional enhanced Customer Due Diligence measures or undertake enhanced Ongoing Monitoring, as it considers appropriate.

The Company is **not** required to apply Customer Due Diligence Measures before establishing a Business Relationship or carrying out an Occasional Transaction, where it has reasonable grounds to believe, that the Client is a service provider, foreign regulated person, public authority in the State or a company the securities of which, are listed on a recognized exchange or a regulated market.

#### Numbered or anonymous accounts

The Company will not approve numbered accounts, anonymous accounts, or accounts in a name which it knows or has reasonable grounds to suspect, is fictitious.

Introducers and Intermediaries

#### Third Party Due Diligence measures

The Company may rely on an Introducer or an Intermediary to apply Customer Due Diligence Measures with respect to a Client, Third Party or Beneficial Owner if:

the Introducer or Intermediary is a regulated person or a foreign regulated person; and

the Introducer or Intermediary consents to being relied on, and shall immediately obtain the Customer Due Diligence Information from the Introducer or Intermediary;

### Third Party Due Diligence assurance

Before relying on the Introducer or Intermediary, The Company shall obtain adequate assurance in writing from the Intermediary or Introducer that they:

have applied the Customer Due Diligence Measures, for which The Company intends to rely on;

are required to keep a record of the evidence of identification, relating to each of the Clients of the Intermediary or Introducer;

will without delay provide the information in that record to The Company or any supervisory authority, if so required;

### Before relying on the Introducer or Intermediary, The Company shall:

satisfy itself, that the Intermediary or Introducer is a regulated person or a foreign regulated person and has all the procedures in place to undertake Customer Due Diligence Measures.

assess the risk of relying on the Intermediary or Introducer with a view to determining:

whether it is appropriate to rely on the Intermediary or Introducer; and

if it considers it is so appropriate, whether it should take any additional measures to manage the risk;

obtain in writing from the Introducer:

confirmation that each introduced Client is an established Client of the Introducer; and

sufficient information about each introduced Client, to enable it to assess the risk of money laundering and terrorist financing involving that, Client;

obtain in writing from the Intermediary, sufficient information about the Client for whom the Intermediary is acting, to enable the service provider to assess the risk of money laundering and terrorist financing involving that, Client;

### Record keeping

The Company shall:

make and retain records, detailing the risk assessment carried out and any additional risk mitigation measures, it considers appropriate; and



retain in its records the assurances and confirmations it has obtained and the information it has sought and obtained, regarding the Clients of the Introducers and Intermediaries, as per point 4.3.(b),(c) & (d) above;

keep all records in a form, which enables them to be made available on a timely basis, when lawfully required, to any supervisory authority or regulatory body as may be required;

## **Policies, Procedures, Systems, Controls, Record Keeping and Training**

### Policies, procedures, systems, and controls

The Company shall establish, maintain and implement appropriate risk-sensitive. policies, procedures, systems and controls to prevent and detect money laundering and terrorist financing, including policies, systems and controls relating to:

- Customer Due Diligence Measures and Ongoing Monitoring;
- reporting of disclosures;
- record keeping;
- screening and scrutinizing of employees;
- internal controls;
- risk assessment and management; and
- monitoring and management of compliance, internal communication of its policies, systems and controls to prevent and detect money laundering and terrorist financing, including those specified above;

### The policies, systems and controls must provide for:

the identification and scrutiny of:

complex or/and unusually large transactions:

unusual patterns of transactions, which have no apparent economic or visible lawful purpose; and

any other activity which by its nature may be related to the risk of money laundering or terrorist financing;

taking of additional measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions, which are susceptible to anonymity; and

determining whether:

a Client, any Third Party for whom the Client is acting and any Beneficial Owner of the Client or Third Party, is a politically exposed person or a family member or close associate of a politically exposed person;

a Business Relationship or transaction, or proposed Business Relationship or transaction is with a person connected with a country, which does not apply or insufficiently applies the FATF Recommendations;

a Business Relationship or transaction, or proposed Business Relationship or transaction is with a person connected with a country, which is subject to measures for purposes connected with the prevention and detection of money laundering or terrorist financing, imposed by one or more countries or sanctioned by the European Union or the United Nations.

### Monitoring and testing

The Company shall maintain adequate procedures for monitoring and testing the effectiveness of the policies and procedures maintained in this Section 5 and the training provided as required herein.

### The records required to be kept include:

a copy of the evidence of identity obtained pursuant to the application of Customer Due Diligence Measures or Ongoing Monitoring or information, which enables a copy of such evidence to be obtained;

the supporting documents, data or information obtained in respect of a Business Relationship or Occasional Transaction, which is the subject of Customer Due Diligence Measures or Ongoing Monitoring;

a record containing details, relating to each transaction carried out by The Company, in the course of any Business Relationship or Occasional Transaction with sufficient information to enable the reconstruction of individual transactions;

all account files;

all business correspondence relating to a Business Relationship or an Occasional Transaction;

### Records shall be kept in such manner that:

facilitates Ongoing Monitoring and periodic updating;

ensures that they are readily accessible to The Company;

enables the supervisory authority, internal and external auditors and other competent authorities, to assess the effectiveness of systems and controls, which are maintained by The Company to prevent and detect money laundering and terrorist financing;

### Access to information

The AML/CFT compliance officer and other appropriate employees shall have timely access to all Clients' Identification Information records, other Customer Due Diligence information, transaction records and other relevant information and records necessary for them to adequately perform their duties.

### Employees awareness and training

The Company shall take appropriate measures to ensure, that all employees, whose duties relate to the provision of investment and ancillary services, are aware of:

the anti-money laundering and counter-terrorist financing policies, procedures, systems and controls maintained by The Company; and

the relevant laws relating to money laundering and terrorist financing offences; and

shall provide them with training relating to the identification and handling of:

transactions carried out by or on behalf of any person, who is or appears to be engaged in money laundering or terrorist financing; and

unusual Client's behavior, which indicates, that a person is or appears to be engaged in money laundering or terrorist financing;

Risk Based Approach for KYC & AML

An effective risk-based approach builds on and reflects a country's legal and regulatory approach, the nature, diversity and maturity of its financial sector and its risk profile. During the identification and assessment of its own Money Laundering and Terrorist Financing risk, The Company should take account of the national legal and regulatory framework, including any areas of prescribed significant risk and any mitigation measures defined at legal or regulatory level. Where Money Laundering and Terrorist Financing risks are higher, The Company should consider applying enhanced due diligence and monitoring.

The below risk assessment is conducted based on the FATF Recommendations and information provided through its website [www.fatf-gafi.org](http://www.fatf-gafi.org)

In conducting its risk assessments, The Company should take into account quantitative and qualitative information, obtained from relevant internal and external sources to identify, manage and mitigate these risks. This may include consideration of the risk and threat assessments, crime statistics, typologies, risk indicators, red flags, guidance and/or advisories issued by inter-governmental organizations, national competent authorities and FATF.

## Identifying and assessing indicators of Money Laundering/Terrorist Financing risk

The Company should consider a range of factors, when identifying and assessing indicators of ML/TF risk, to which it is exposed to and these may include the following:

the nature, diversity and complexity of its business and target markets;

the proportion of customers identified as high risk;

the jurisdictions where The Company is operating in or otherwise exposed to, especially jurisdictions with greater vulnerability due to contextual and other risk factors such as the prevalence of crime, corruption, financing of terrorism and law enforcement efforts related to AML/CFT, the AML/CFT regulatory regime and controls, transparency of beneficial ownership, AML/CFT supervision by competent authorities;

the distribution channels through which The Company distributes its products, including the extent to which it deals directly with the Client and the extent to which it relies (or is allowed to rely) on Third Parties to conduct Customer Due Diligence or other AML obligations, the complexity of the transaction chain and the settlement systems used between operators in the payment chain, the use of technology and the extent to which intermediation networks are used;

the internal and external (such as audits carried out by independent third parties, where applicable) control functions and regulatory findings; and

the expected volume and size of its transactions, considering the usual activity of the securities provider and the profile of its Clients;

## Categorization of Clients

High risk The Company will determine whether a particular Client poses higher risk and analyse the potential effect of any mitigating factors on that assessment. Such categorisation may be due to Client's occupation, behaviour or activity. These factors considered individually, may not be an indication of higher risk in all cases. However, a combination of them may certainly require greater scrutiny. Categories of Clients whose business or activities may indicate a higher risk include:

Client sanctioned by the relevant national competent authority for its non-compliance with the applicable AML/CFT regime and is not engaging in remediation to improve its compliance;

Client is a PEP or his/her family members, or close associates are PEPs (including where a beneficial owner of a customer is a PEP);

Client resides in or whose primary source of income originates from high risk jurisdictions (regardless of whether that income originates from a cash-intensive business);

Client resides in countries considered to be uncooperative with respect to tax transparency, or refusing international cooperation due to their secrecy or offshore status;

Client acting on behalf of a Third Party and is either unwilling or unable to provide consistent information and complete documentation thereon;

Client has been mentioned in negative news reports;

Client transactions indicate a potential connection with criminal involvement, typologies or red flags provided in reports produced by the FATF or national competent authorities (e.g. FIU, law enforcement etc.);

Client is also a securities provider, acting as an intermediary or otherwise, but is either unregistered or registered in a jurisdiction with weak AML/CFT oversight;

Client is engaged in, or derives wealth or revenues from a potentially high risk cash intensive business;

As per the updated list of FATF with high risk countries, date 21<sup>st</sup> February 2020, clients residing the following countries, should automatically be classified as high-risk: Albania, Bahamas, Barbados, Botswana, Cambodia, Ghana, Iceland, Jamaica, Mauritius, Mongolia, Myanmar, Nicaragua, Pakistan, Panama, Syria, Uganda, Yemen, Zimbabwe.

## Low Risk Clients

Indicative list of factors and types of evidence of potential existence of lower risk:

Client risk factors:

Companies listed on a stock exchange subject to disclosure requirements, either on the basis of stock exchange regulations, either by law or by enforceable instruments, which entail requirements to ensure adequate transparency of the beneficial owner;

Public services or businesses;

Clients resident in lower risk geographical areas, defined in sub-paragraph c below;

Risk factors for products, services, transactions or delivery channels life insurance policies where premiums are low:

Retirement insurance contracts, if they do not include an early redemption option and the contract cannot be used as a guarantee;

Retirement or similar schemes offering retirement benefits to employees, in which contributions are paid by deduction from salary and whose rules do not allow the transfer of members' rights;

Financial products or services that provide appropriately defined and limited services to certain categories of clients, in order to increase access for purposes financial integration;

Products where the risks of money laundering and terrorism financing is limited by other factors, such as limits on monetary amounts or the transparency of ownership, such as certain types of electronic money;

Geographical risk factors:

Member States of the European Union;

Third countries which have systems for the combating of money laundering activities and terrorism financing;

Third countries which have been recognized by reliable sources as low-level risk for bribery or other criminal activities;

Third countries which, according to reliable sources, such as mutual assessments, detailed evaluation reports or published monitoring reports, have implemented arrangements for the combating of money laundering activities and terrorism financing, which comply with the revised recommendations of the Financial Action Task Force (FATF) and implement those arrangements effectively;

### Medium/normal Risk Clients

Normal Risk clients are the Clients, who do not fall neither under the High-Risk Clients nor in the Low Risk Clients category.

### Due diligence requirements for individual clients or company representatives

Initial Customer Due Diligence consist of the following:

Identifying the Client and, where applicable, the Client`s beneficial owner;

Verifying the Client`s identity and taking reasonable measures to verify the Client`s beneficial owner on the basis of reliable and independent information, data or documentation, to at least the extent required by the applicable legal and regulatory framework. The following documents should be requested by each Client at its minimum:

a clear colored copy of a valid passport (page with the photo) or a colored copy of the official national identity card, issued by competent authorities of the country of origin;

it is important that the customer`s permanent address is also verified. The provision of a recent (up to 6 months) utility bill, local authority tax bill or a bank statement, stipulating the residential address (not a P.O. Box address), date and a full name of the client, would suffice;

Understanding the purpose and intended nature of the business relationship. In higher risk situations, obtaining further information, for ongoing monitoring of the business relationship and detection of potentially suspicious activity;

All documentation provided in a language other than English, must be translated into

English. The translation must be certified (dated, signed, and stamped) by the individual undertaking the translation, i.e.

Notary Public

Solicitor

Consulate / Embassy

As a general rule, The Company applies Customer Due Diligence measures to all Client. The extent of these measures may be adjusted, to the extent permitted or required by regulatory requirements, in line with the Money Laundering/Terrorist Financing risk, if any, associated with the individual business relationship as discussed in section 3.5 above.

This means, that the amount and type of information obtained from each Client, and the extent to which this information is verified, must be increased, where the risk associated with the business relationship is higher. It may also be simplified where the risk associated with the business relationship is lower (Section 2.1. & 7.5.(b)).

Therefore, The Company will periodically update the Clients' risk profiles, which would assist for the application of the appropriate level of Customer Due Diligence measures.

### Due diligence requirements for Corporate clients

As with Individuals, the Due Diligence for companies is guided by the same principles of risk.

The Company will gather sufficient information about the Corporate Client, in order to understand the nature of its business and to determine from publicly available information, its reputation and the quality of its supervision. Moreover, The Company will also assess the AML/CFT controls of the Corporate Client;

At its minimum, The Company will require certified true copies of the following documents:

- Certificate of incorporation and certificate of good standing;
- Certificate of registered office;
- Certificate of directors and secretary;
- Certificate of registered shareholders;
- Memorandum and Articles of Association;

A resolution of the Board of Directors of the Corporate Client for the opening of the account and granting authority to those, who will operate it;

In the event where the registered shareholders act as nominees of the beneficial owners, a copy of the trust deed/agreement, concluded between the nominee shareholder and the beneficial

owner, by virtue of which the registration of the shares on the nominee shareholder's name, on behalf of the beneficial owner has been agreed;

Identification documents of the persons, who are authorized by the Corporate Client, to operate the account, as well as the registered shareholders and beneficial owners of the legal entity;

The latest audited financial statements (if available), and/or copies of the latest management accounts of the Corporate Client;

The Company reserves its rights to require any additional information, should it deem necessary, for the purposes of identifying its Corporate Client/s.

### Sanction List

In addition to all measures mentioned in Section 7.2 above, The Company should also take measures to comply with national and international sanctions legislation. Sanction screening is mandatory and is not discretionary.

Where natural or corporate Clients are from countries, which are in the Sanction list or have been identified as very high risk, The Company will not carry any business with those Clients.

Please refer to the link below with Sanction countries as of 30<sup>th</sup> Apr 2023:

<https://www.bscn.nl/sanctions-consulting/sanctions-list-countries>

### Watch List

The Watch List is a confidential list of securities, regarding whose issuers The Company may have received material confidential information, usually concerning a transaction or other event for which The Company has been engaged or otherwise has determined, that there is a reason to monitor trading activities in securities of the said issuer.

The Watch List is ordinarily used to facilitate the monitoring of, without restricting, trading and other activities in those securities, in order to ensure compliance with the procedures of The Company regarding insider trading and Chinese-Walls.

### Restricted List



The Restricted List is a list of securities, which are subject to restrictions in handling customer orders, and for personal and related accounts, and other activities. The placement of a security on the Restricted List generally restricts trading in the specific classes of the security.

A Restricted List with companies whose securities are subject to investigation, sales or trading activity prohibitions, is prepared. A copy of the Restricted List shall be made available to all relevant persons of The Company.

### Third country non-cooperative jurisdictions in tax matters, “Blacklist”, “Greylist”

Data and Information Reports from International Organizations

#### FATF – The Financial Action Task Force

The Financial Action Task Force (“FATF”) is the global standard-setting body that promotes measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF regularly issues public statements identifying jurisdictions with strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regimes. On 25<sup>th</sup> June 2021 FATF issued two public statements:

“High-Risk Jurisdictions subject to a Call for Action – June 2021

and

Jurisdictions under Increased Monitoring

The public statement presents a brief on 22 countries that are under and subject to increased monitoring by the FATF, otherwise referred to as a “grey list”. These countries have committed to work within FATF timeframes, to fully attend to any strategic deficiencies within their AML/CFT regimes. The FATF does not call for the application of enhanced due diligence measures to be applied to these jurisdictions but encourages its members and all jurisdictions to consider the information in their risk analysis.

In October 2020, the FATF recommended work paused due to the COVID-19 pandemic. The following countries had their progress reviewed by the FATF since February 2021: Albania, Barbados, Botswana, Cambodia, Cayman Islands, Ghana, Jamaica, Mauritius, Morocco, Myanmar, Nicaragua, Pakistan, Uganda and Zimbabwe. Following review, the FATF now also identifies Haiti, Malta, the Philippines, and South Sudan. Burkina Faso and Senegal chose to defer reporting due to the pandemic.

Country	Prohibited due to HMT Sanctions	FATF Deficiencies
Afghanistan	Yes	Yes
Aland Islands	Yes	No
Albania	Yes	Yes
American Samoa	Yes	No
Barbados	Yes	No
Bangladesh	Yes	Yes

Belarus	Yes	Yes
Belgium	Yes	No
Botswana	Yes	No
Burundi	Yes	Yes
Cambodia	Yes	Yes
Cameroon	Yes	Yes
Cape Verde	Yes	No
Cayman Islands	Yes	No
China	Yes	Yes
Cuba	Yes	Yes
Republic of Congo	Yes	Yes
Eritrea	Yes	Yes
Ethiopia	Yes	Yes
Equatorial Guinea	Yes	Yes
Ghana	Yes	Yes
Gibraltar	Yes	No
Guinea	Yes	Yes
Guyana	Yes	Yes
Haiti	Yes	Yes
Iran	Yes	Yes
Iraq	Yes	Yes
Jersey	Yes	No
Jamaica	Yes	No
North Korea	Yes	Yes
North Sudan	Yes	Yes
Lebanon	Yes	Yes
Liberia	Yes	Yes
Libya	Yes	Yes
Malta	Yes	No
Mauritius	Yes	Yes
Mongolia	Yes	No
Myanmar	Yes	Yes
Nicaragua	Yes	Yes
Panama	Yes	Yes
Senegal	Yes	Yes
Somalia	Yes	Yes
North Sudan	Yes	Yes
South Sudan	Yes	Yes
Russia	Yes	Yes
Region of Crimea	Yes	Yes
Tajikistan	Yes	Yes
Trinidad & Tobago	Yes	Yes
Tunisia	Yes	Yes
Turkmenistan	Yes	Yes
Uganda	Yes	Yes
Ukraine	Yes	Yes
Uzbekistan	Yes	Yes
USA	Yes	No
Vanuatu	Yes	No
Venezuela	Yes	Yes
Yemen	Yes	Yes
Zimbabwe	Yes	Yes

MONEYVAL – Committee of Experts of the evaluation of anti-money laundering measures and the financing of terrorism

During the 61<sup>st</sup> Plenary meeting , held in Strasbourg from 28-30 April 2021 the MONEYVAL Committee:

Adopted the 5<sup>th</sup> round Mutual Evaluation Report and its Executive Summary on San Marino, and decided to subject the country to the regular follow-up procedure;

Adopted the 5<sup>th</sup> round Mutual Evaluation report and its Executive Summary on Holy See (including the Vatican City State), and decided to subject the country to the regular follow-up procedure;

Adopted the 5<sup>th</sup> round enhanced follow-up reports by Malta, Albania, Hungary and Slovenia;

Heard an update on the 4<sup>th</sup> round follow-up of Romania;

Adopted the deadlines of the follow-up process for the UK Crown Dependency of the Isle of Man;

Adopted amendments to the MONEYVAL Rules of Procedure for the 5<sup>th</sup> Round of Mutual Evaluations;

Heard an intervention by the Executive Secretary of the Egmont Group;

Heard presentation by the Head of Department of the Estonian Financial Supervisory Authority and MONEYVAL Bureau member for ML/TF Risk Assessment;

Heard an update by the Secretariat on MONEYVAL typologies work;

Heard an update by the FATF recent initiatives;

Approved the appointment for the follow-up reports to be considered via written procedure (prior to the 62<sup>nd</sup> Plenary).