



SANCTIONS POLICY AND PROCEDURES

VERSION CONTROL

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1. Introductory provisions

SKANESTAS INVESTMENTS LIMITED (the “**Company**”) whose registered office is at 226, Arch. Makariou III, 3030 Limassol, Cyprus is an investment firm authorised and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**”) with License Number 251/14.

The purpose of the Sanctions Policy and Procedures (the “**Policy**”) of the Company is to implement the sanctions/restrictive measures that are decided and imposed by the UNSC, the European Union (“**EU**”), the United Kingdom of Great Britain and Northern Ireland (“**UK**”) and the United States of America (“**USA**”) and such other sanctions that may affect the Company’s operations.

The Policy aims to include information and notifications regarding compliance with the provisions of the Resolutions or Decisions of Security Council (Sanctions), the Decisions and Regulations of the Council of the European Union (Restrictive Measures), the Sanctions Law, the US Sanctions Rules, and the UK Sanctions Rules.

Additionally, the EU and therefore the Republic of Cyprus implements United Nations (“**UN**”) Sanctions by incorporating them into EU Law, through the adoption of the relevant Decisions and Regulations, as part of the EU’s Common Foreign and Security Policy (CFSP).

The Company abides additionally to the above by the US Sanctions Rules and the UK Sanctions Rules because Company has relationships with the Counterparties located in the UK and the USA, performs transactions in FI and monetary funds denominated in GBP and USD.

Sanctions, or restrictive measures, are a diplomatic tool which acts as a lever of pressure, seeking to bring about a change and/or limit activities or policies, where such restrictions are imposed by the relevant authorities of the EU or the USA, UK, or the UN or by certain other countries in which the Company has a legal interest and the Company’s activities are affected by sanctions.

Financial sanctions are restrictive measures of a financial nature implemented by international organisations or by (individual) countries, which apply to jurisdictions, persons, or entities to combat terrorism and maintain or restore international peace and security.

Included among the countries or international organisations that maintain lists of designated persons, groups or entities are the European Union in accordance with the Common Foreign and Security Policy (the “**CFSP**”), the Sanctions Committee and other committees supporting mandatory measures of the UN, the Office of Foreign Assets Control (the “**OFAC**”) of the U.S. Department of the Treasury, the Office of Financial Sanctions Implementation (the “**OFSI**”) of the HM Treasury of the UK.

Financial sanctions consist of:

- Freezing of funds and economic resources of designated persons and entities;
- A prohibition on making funds and economic resources available to such persons and entities; and
- Obligation to reject transactions with a sanctioned person or its assets.

Sanctions may be:

- A complete block of assets of a sanctioned person;
- Sectoral restrictions (e.g., menu-based);
- Activity-specific (e.g., CAPTA);

- Obligation to receive a specific license or a derogation from sanctions;
- Obligation to reject a transaction;
- Obligation to report a transaction or its attempt.

Once in force, financial sanctions override all incompatible contractual agreements. Thus, sanctions apply notwithstanding any rights conferred by or obligations provided for in any contract entered into before they enter into force and preclude the completion of acts which implement contracts concluded before the entry into force of the sanctions. As such, the Company is not allowed to implement or enforce contracts or exercise any right / obligation provided for in any contract, if the contract is related to any designated person and captured by financial sanctions. This prohibition applies even in the cases where such a contract was entered into force before the financial sanctions came into force. This prohibition may be lifted by the Licenses.

As a Cyprus investment firm, the Company enforces / implements:

- the Sanctions that are adopted by a relevant Decision/Resolution adopted by the UNSC under the basis of Article 41 of Chapter VII of the UN Charter;
- the Restrictive Measures adopted by the EU Council through the publication of relevant Decisions and Regulations, within the framework of CFSP, which prevail over any applicable domestic legislation;
- any other European legislation or legally binding international act on sanctions / restrictive measures;
- the US Sanctions Rules; and
- the UK Sanctions Rules.

The sanctions imposed in decisions and regulations of the European Union are legally binding in their entirety for the EU Member States and their citizens, with direct and immediate effect in the Republic of Cyprus.

2. Definitions and interpretation

2.1 Definitions. In the Policy, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings set forth below:

‘**AMLCO**’ is an Anti-Money Laundering Compliance Officer and for purposes of the Policy, a person appointed in accordance with section 12.2.

‘**Applicable Sanctions**’ mean Sanctions, the Restrictive Measures, the US Sanctions Rules, and the UK Sanctions Rules.

‘**Bloomberg database**’ means an electronic review service provided by the Bloomberg containing sanctions data with respect to issuers and financial instruments¹.

‘**business day**’ means any day except any Saturday, any Sunday, any day which is a legal holiday in the Republic of Cyprus or any day on which investment firms in the Republic of Cyprus are authorized or required by law or other governmental action to close.

¹ BLOOMBERG FINANCE L.P. situated at 731 Lexington Avenue, New York, State of New York 10022, USA. Bloomberg’s Enterprise Data monitors sanctions across the USA (OFAC), the EU, the United Nations, Canada, the UK, Switzerland, Japan, Australia, Hong Kong and Singapore. Source: <https://www.bloomberg.com/professional/dataset/sanctions-data/>.

‘**Civil Legal Restrictions**’ are a subject of sanctions, in relation to which civil legal restrictions have been imposed, is prohibited to acquire and alienate tangible and intangible objects, to which ownership rights or other economic rights must be registered, corroborated, or published in public registers. It is prohibited to register, corroborate, or publish ownership rights or other economic rights in public registers, which are restricted.

‘**Company’s database**’ means a universal on-premise system of programs for automating a company’s financial and wider operational activities based on IC or such other system the Company will utilise.

‘**Competent authority**’ is an institution of a public person, which in accordance with the competence specified for it in laws and regulations is responsible for the execution of the international or national sanctions.

‘**Counterparties**’ mean banks and other payment service providers, brokers, clearing houses, insurers, other financial institutions, intermediaries, other third parties involved in dealings of the Company, their branches and representative offices. For avoidance of doubt shareholders, Directors, secretaries, current and potential employees of the Company are excluded from the definition of the Counterparties if they:

- bear no other status in relation to the Company, for example, as an independent contractor supplying goods or services to the Company; and
- have not been designated as persons subject to sanctions personally or through connection.

‘**FI**’ means financial instrument(s).

‘**Held by the Company**’ means in application to financial instruments such instruments which are:

- subject to ongoing transactions of the Company;
- held on custody accounts of clients opened with the Company;
- held by the Company on accounts with the Counterparties;
- held by the Company in its own name, for example, in the course of dealing in its own name.

‘**International sanctions**’ means restrictions imposed in accordance with the international law in relation to subjects of sanctions, which have been adopted by the United Nations or the European Union, or another international organisation, to which the Republic of Cyprus is a member state, and which are directly applicable or introduced in the Republic of Cyprus.

‘**Licenses**’ means general or specific licenses, exemptions, exceptions, derogations, authorisations and the like provisions allowing a deal with a client, the Counterparty, or with respect to a FI.

‘**National sanctions**’ mean restrictions imposed in accordance with the laws and regulations of the Republic of Cyprus.

‘**RDC**’ means an electronic review service provided by Bureau van Dijk containing sanctions data with respect to persons².

‘**Related Persons**’ mean ultimate beneficial owners, board members, holding persons (ownership >50%), subsidiaries (ownership >50%), client’s immediate family, attorneys authorised on communication with the Company on behalf of a client.

² Regulatory DataCorp Ltd situated at Citypoint 16th Floor, 1 Ropemaker Str, London EC2Y 9AW, United Kingdom. Source: <https://www.bvdinfo.com/en-gb/our-products/data/international/review>.

‘**Relevant Departments**’ mean the Brokerage Department, the Portfolio Management Department, the Dealing on Own Account Department, departments and offices referred to in section 7.2 and other departments engaged in dealings of the Company with clients, FI, and the Counterparties.

‘**Restricted Countries**’ means countries referred to in section 5.11.

‘**Restricted Currencies**’ means currencies referred to in section 5.19.

‘**Restrictions on Admission**’ a subject of sanctions, in relation to which a restriction on admission has been imposed, is prohibited to enter and reside in the Republic of Cyprus or to cross the territory of the Republic of Cyprus in transit.

‘**Restrictive Measures**’ mean the Decisions and Regulations of the Council of the European Union (Restrictive Measures) as these are defined in the Policy and may be amended by the Sanctions Law.

‘**Sanctions**’ mean the Resolutions or Decisions of the Security Council (Sanctions) as these are defined in the Policy and may be amended by the Sanctions Law.

‘**Sensitive Technology**’ means goods, services, and knowledge related to the products and technology covered by the Applicable Sanctions.

‘**Subjects of sanctions**’ a subject of international public law, a natural or legal person, or another identifiable subject, in relation to which international or national sanctions have been imposed.

‘**Trading Departments**’ means the Brokerage Department, the Portfolio Management Department, the Dealing on Own Account Department.

‘**UNSC**’ - the Security Council of the United Nations.

2.2 Interpretation. The following rules of construction shall apply to the Policy:

- (a) All terms defined in the Policy in the singular form shall have comparable meanings when used in the plural form and vice versa.
- (b) All terms not defined in the Policy shall bear the meaning ascribed to them in other policies and documents of the Company.
- (c) Words importing the masculine gender shall include the feminine gender.
- (d) References to sections herein are references to sections of the Policy unless indicated otherwise.
- (e) References to the Board of Directors, senior management, departments, or offices herein are references to the Board of Directors, senior management, departments, or offices of the Company unless indicated otherwise.

3. Legislation

‘**AML/CFT Law**’ – the Prevention and Suppression of the Money Laundering and Terrorist Financing Law of 2007 (L. 188(I)/2007), as amended from time to time.

‘**Charter**’ – the Charter of the United Nations, as it is included in the Second Table of The Charter of the United Nations (Amendments) Ratification Laws of 1965 to 1972.

‘**Decisions and Regulations of the Council of the European Union (Restrictive Measures)**’ - the Regulations of the Council of the European Union, as well as their amendments or revisions which are adopted in accordance with Article 215 of Title IV of the Fifth Part of the Treaty on the Functioning of the European Union.

‘Resolutions or Decisions of the Security Council (Sanctions)’ - the Resolutions or the Decisions of the UNSC which are adopted in accordance with Chapter VII of the Charter of the United Nations.

‘Sanctions Law’ – the Law which provides for the Implementation of the Provisions of the Resolutions or Decisions of the United Nations Security Council (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) of 2016 (L.58(I)/2016) as amended from time to time.

‘Terrorism Law’ - the Combating of Terrorism and Victims’ Protection Law of 2019 (L. 75(I)/2019), as amended from time to time.

‘US Sanctions Rules’ mean any of the following:

- CAATSA – Countering America’s Adversaries Through Sanctions Act of 2017 in the latest revision;
- PEESA – Protecting Europe’s Energy Security Act of 2019 in the latest revision;
- other legislative acts enacted by the U.S. Congress which became law;
- Executive Orders of the U.S. President;
- regulations, directives, general licenses, guidance, determinations, frequently asked questions and other acts of the Office of Foreign Assets Control of the U.S. Department of the Treasury;
- the Specially Designated Nationals And Blocked Persons List (SDN), the Non-SDN Menu-Based Sanctions List (NS-MBS List), the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (CAPTA List), other OFAC Sanctions Lists;
- acts of the U.S. Department of State, the U.S. Department of Commerce, the Bureau of Industry and Security, FinCEN;
- acts of any other U.S. government agencies, executive departments, sub-agencies and bureaus, boards, commissions and committees, elected officials, acts of state, local, and tribal governments within the U.S.;
- other acts of executive, legislature and judiciary branches of state in the U.S.

‘UK Sanctions Rules’ mean any of the following:

- Sanctions and Anti-Money Laundering Act 2018 in the latest revision;
- Economic Crime (Transparency and Enforcement) Act 2022;
- sanctions regulations with respect to different countries or various spheres of regulation;
- legislation originating from the European Union as it was retained as EU-derived domestic legislation;
- other acts and statutory instruments enacted by the UK Parliament which became law;
- notices, general licences, guidance, and other acts of the Office of Financial Sanctions Implementation of the HM Treasury;
- the list of financial sanctions targets, the list of financial sanctions targets in the UK, other lists of persons subject to sanctions of the UK;
- other acts of executive, legislature and judiciary branches of state in the UK.

4. General principles

4.1 The Company designs and implements measures and procedures that incorporate the international sanctions policy, for the detection of actions that are in breach or may potentially be in breach of the provisions of the UNSC Sanctions’ or/and the European Union Restrictive Measures, which is managed by the Compliance Function.

4.2 The AMLCO of the Company is responsible for:

- assessing whether the sanctions policy conforms with applicable legislation and sanctions,
- regularly monitoring its efficiency and implementation, and
- promoting any changes necessary for its improvement.

4.3 The Company has implemented a set of procedures aimed at making sure the Company does not establish or maintain business relations or process any transactions for/on behalf of sanctioned persons, entities, or countries.

If financial restrictions have been imposed in relation to a subject of sanctions, participants of the financial and capital market of the Republic of Cyprus have a duty to take the following actions:

- to freeze all financial resources and financial instruments, which are in the ownership, possession or under control of the subject of sanctions;
- to deny access for the subject of sanctions to financial resources and financial instruments;
- not to provide the financial services specified in international or national sanctions to the subject of sanctions.

4.4 The Company utilises the customer relationship management system called Wrike³. It allows for creation of tasks and projects related to the Policy, for example:

- to create an additional information field with respect to a client, the Counterparty, or a FI;
- to implement additional triggers for restriction or blocking of a client, the Counterparty, or a FI;
- to amend a list of the Restricted Countries or otherwise change the Company's database.;
- to manually check a potential client, his portfolio of FI, the potential Counterparties from standpoint of the Applicable Sanctions;
- to provide opinion on provisions of the Applicable Sanctions.

Wrike stores information on:

- an originator, an assignor, and executors of a task;
- progress made to a task;
- exchange of opinions, documents and materials created in the course of task execution;
- completion of a task
- overview of results by an originator of a task.

4.5 Based on resolutions on sanctions status of clients, FI, and the Counterparties the Company's database restricts or prohibits employees in dealing with sanctioned clients, FI, and the Counterparties depending on the Applicable Sanctions.

4.6 The choice between a restriction or a prohibition depends on reasons for their imposition.

(a) A restriction is imposed on clients and the Counterparties from:

- (i) jurisdictions under increased monitoring by the FATF⁴;
- (ii) countries listed on the EU list of non-cooperative jurisdictions for tax purposes⁵;
- (iii) Belarus and Russia (Restricted Countries) provided they are not subject to the Applicable Sanctions.

(b) A prohibition is imposed on:

- (i) clients, FI, and the Counterparties subject to the Applicable Sanctions;

³ Wrike, Inc. situated at 70 North Second Street, San Jose, California 95113, USA. Source: <https://www.wrike.com>

⁴ Available here: www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/

⁵ Available here: <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>



(ii) the Counterparties from the Restricted Countries except Belarus and Russia.

4.7 In case of a *restriction* imposed in accordance with section 4.6(a), the Company's database allows an employee to initiate a transaction, but such transaction requires approval of the AMLCO.

4.8 In case of a *prohibition* imposed in accordance with section 4.6(b), the Company's database:

(a) does not allow an employee to initiate a transaction with a client, a FI or the Counterparty subject to the prohibition;

(b) indicates to the Trading Departments the prohibited status of FI in the Company's database.

Additionally, the Trading Departments get sanction status of FI from Bloomberg, which allows them to receive such status of FI not present in the Company's database, e.g. new FI.

4.9 Exception to prohibition. A prohibition on a transaction with a client, a FI, or the Counterparty may be imposed by the Applicable Sanctions, but the Licenses may allow the transaction.

If an employee knows that there is a License allowing such transaction he may apply to the AMLCO to lift the prohibition for a particular transaction with a client, a FI, or the Counterparty. The employee files such an application through the Company's database with all particulars of the transaction.

Upon receipt of such application by the AMLCO in the Company's database he ensures that conditions of the Applicable Sanctions and the Licenses allowing the transaction are met. In such a case, the AMLCO lifts the prohibition for a particular transaction. Such (dis-)approval requires no further confirmation.

Lifting the restriction for the transaction does not remove the prohibited status of the client, a FI, or the Counterparty. The Company's database will require AMLCO's approval for every new transaction with the same client, FI, or the Counterparty.

4.10 Dealing with a person, the Counterparty or with respect to FI subject to sanctions may be exempted from sanctions if there are applicable Licenses in place, e.g. to wind-down transactions, to use services of an operator of a clearing and settlement system.

The Company will not proceed with a transaction allowed by the License of one of the following: the UN, EU, USA or the UK – but prohibited by any other of these countries (international organisations).

5. Implementation Procedures

5.1 The Company filters customers, counterparties, employees, and stakeholders in transactions, by checking them against the lists of sanctioned persons and entities issued by the EU, the UNSC, the OFAC, and the OFSI among others. This filtering is done as part of the on-boarding process, and ongoing monitoring process and is also part of AML/CTF procedures, Client Acceptance Policy and Procedures, and the Risk Based Approach Policy and Procedure of the Company.

The Risk-Based Approach Policy and Procedure implements a risk-based approach, i.e., an active system for filtering persons and entities when establishing a business relationship. If assets of a potential client or the Counterparty are subject to a block (asset-freeze) in accordance with the Applicable Sanctions then the Company assigns to the client or the Counterparty such risk score, which precludes establishment of business relationship.

5.2 The filtering of a potential *client* from a standpoint of the Applicable Sanctions happens:

– after a potential client provided enough data for input into RDC, which occurs on the Request Phase set out in the Client Acceptance Policy and Procedures of the Company;

- but in any case before finalization of account opening for a potential client.

5.3 The filtering of the potential *Counterparty* from a standpoint of the Applicable Sanctions happens

- after the potential Counterparty provided enough data for input into RDC;
- but in any case before the signing of an engagement letter or final binding agreement, finalization of account opening for the Company, or another establishment of a business relationship depending on a type of the Counterparty and services provided.

5.4 Without prejudice to section 5.16 on-boarding of terminates immediately upon discovery that assets of:

- (a) a potential client or his Related Person; and/or
- (b) a potential Counterparty;

are subject to a block (asset-freeze) in accordance with the Applicable Sanctions.

5.5 The company monitors potential and current clients, the Counterparties and other third parties through an electronic review service provided by RDC or such other automated service the Company deems fit. After a person or entity is checked, it is added to 24 hours monitoring and if there are any hits manual checks are done to remove false positives and irrelevant results:

- (a) upon changes of a sanctions regime;
- (b) in case of screening matches of details of a potential or current client with those of a sanctioned person.

An enumeration of all lists against which ongoing automated monitoring is performed can be provided upon request as this is saved in RDC and as an Excel file in the Company's database on a weekly basis.

RDC sends an automated email in case of change to inform employees on possible blocking of a client or a Counterparty for further review and approval of sanctions status by the AMLCO. The Company uses the following procedure to verify clients and the Counterparties from standpoint of sanctions. The Company identifies whether:

- (a) The Counterparty is subject to the Applicable Sanctions.
- (b) A parent company or a subsidiary of a *legal entity* being the Counterparty is subject to the Applicable Sanctions.
- (c) A close relative of a *natural person* being the Counterparty is subject to the Applicable Sanctions or is a publicly exposed person with attachment to a country to which residents there are the Applicable Sanctions.
- (d) The Applicable Sanctions applicable to persons indicated in clauses 5.5(b)–(c) extend to the Counterparty.
- (e) The Applicable Sanctions prohibit dealing with the Counterparty.
- (f) Any exemptions envisaged by the Licenses allowing deals with the Counterparty.
- (g) Nature of the Applicable Sanctions prohibits dealing with a particular financial instrument or another asset.
- (h) Any exemptions envisaged by the Licenses allowing deals with a particular financial instrument or another asset.
- (i) Any restrictions imposed by stock exchanges, clearing houses, financial regulators, associations of financial market participants, or other persons pertinent for a transaction are in place which will

render dealing a client or the Counterparty or with respect to a particular FI or another asset impossible.

- 5.6 All the checks pursuant to section 5.5 are done automatically through RDC and augmented by manual checks to take account of the Licenses, holding structures, etc. Following these checks an authorised person of the Front Office:
- (a) reviews and prepares a memo for the AMLCO's approval; and
 - (b) provisionally marks a client or a Counterparty in the Company's database as a restricted or blocked person until AMLCO'.
- 5.7 An employee of the Front Office verifies *potential* clients and the Counterparties from standpoint of sanctions:
- (a) at an on-boarding stage of a client in accordance with sections 5.2 and 8.9;
 - (b) upon receipt of information of potential business relationship with the Counterparty in accordance with section 5.3 in manner reasonably similar to on-boarding a new client pursuant to section 8.9.
- 5.8 An employee of the Front Office verifies *current* clients and the Counterparties from standpoint of sanctions:
- (a) weekly (for clients in accordance with section 8.10 and similarly for the Counterparties pursuant to section 10.3(a));
 - (b) upon receipt of an alert from RDC containing data on a particular client and/or any of the Related Persons on changes – on the same day if the alert is received within the normal business hours on the business day, otherwise – on the business day closest to receipt of the alert (for clients in accordance with section 8.12 and similarly for the Counterparties pursuant to section 10.3(a)).
- 5.9 An employee of the Front Office conducts the verification in the following steps:
- (a) the employee ascertains that a client or a Counterparty is true match to an alert from RDC by using additional indicia (patronymic, middle name, date of birth, country of establishment or operations, etc.);
 - (b) the employee ensures that the alert:
 - (i) speaks on imposition or extension of the Applicable Sanctions on the client or the Counterparty;
 - (ii) did not become outdated, e.g. due to change of ownership of the client or the Counterparty, or other changes rendering the alert redundant;
 - (c) if needed, the employee requests the Legal Department to check whether the alert is substantiated by the applicable law, or not.
- 5.10 Referring to checks applied according to section 0 the Company decides whether it will proceed or refrain from dealing with a client or the Counterparty or with respect to a particular FI or another asset after review is made from the Board of Directors or senior management.
- 5.11 The Company stores and updates as soon as there are changes, but not later than 2 (two) business days a list of countries which are:
- (a) targeted by sanctions adopted by the UNSC⁶; and

⁶ <https://www.un.org/securitycouncil/sanctions/information> and <https://www.un.org/securitycouncil/content/repertoire/sanctions-and-other-committees>.

- (b) treated as blocked countries for purposes of the Policy;
(collectively referred to as the “**Restricted Countries**”).

The list of the Restricted Countries is set out in Annex V and is kept up to date by an employee of the Legal Department or the AMLCO. They track changes on web-sites of international and national bodies responsible for such lists: FATF, UN Security Council, European Commission, etc. and follow updates on sector specific media.

The Company may update the list without further notice. No change of the Policy is needed in this case.

- 5.12 Clients and Counterparties of Restricted Countries. Establishment of relationships with clients and dealing with the Counterparties from the Restricted Countries targeted by sanctions adopted by the UNSC (section 5.11(a)) is prohibited.
- 5.13 Person’s connection to the Restricted Country is established from:
 - (a) know your customer procedures during an on-boarding stage;
 - (b) weekly review through RDC;
 - (c) periodic review of the person’s profile and background.
- 5.14 A sub-database called “*Increased ML Risk Transactions Approval*” pursuant to section 4.6(a) operates as a separate database in the Company’s database. Sanctions matching in this database is done by matching a list of the Restricted Countries set out in [Annex V](#) with a country of:
 - (a) citizenship or residence of a natural person;
 - (b) registration, incorporation, or establishment of a legal person or its business address.
- 5.15 Save for Belarus and Russia establishment of relationships with clients and dealing with the Counterparties from the Restricted Countries treated as blocked countries for purposes of the Policy (section 5.11(b)) is prohibited.
- 5.16 Establishment of relationships with clients and dealing with the Counterparties from Belarus and Russia (section 5.11(b)) by the Company for purposes of the Policy is prohibited unless:
 - (a) a natural person which is going to become a *client* of the Company has citizenship or a temporary or permanent residence permit in:
 - (i) a Member State of the European Union;
 - (ii) a country member of the European Economic Area;
 - (iii) Switzerland; or
 - (iv) such other country or a member state of international association / organisation which the EU might add for purposes of exemptions from a limit on deposits.
 - (b) a person which is going to become the *Counterparty* is not subject to the Applicable Sanctions.

The Company verifies that the citizenship or a temporary or permanent residence by requesting a scan copy of a passport, an ID, a residence permit respectively. The Company may require this scan copy to be certified by a lawyer, a public notary, a certifying officer or other person independent from a client who is acceptable to the Company.

- 5.17 In case the Company has a client, who is a national or a deposits from nationals of Russia or Belarus or natural persons residing in Russia or Belarus, legal persons, entities or bodies established in Russia or Belarus, then the Company:



- (a) proceeds with winding off transactions with them;
- (b) transfers of client's funds and FI to an account indicated by the client at the onboarding stage or later from time to time; and/or
- (c) keeps relationship with the client intact on condition that the client will undertake actions on compliance with the Applicable Sanctions within a reasonable timeframe.

The Company will not proceed with transfer to the account set out in section 5.17(b) if the transfer involves any person targeted by the Applicable Sanctions, unless the Licenses allows this transfer. The Company will suspend transfer to a client until he provides the Company with an account transfer to which will not involve any person targeted by the Applicable Sanctions.

In case of section 5.17(c):

- (i) A client remains subject to restrictions imposed by the Applicable Sanctions;
- (ii) The Company from time to time enquiries whether a client has undertaken effective measures for compliance with the Applicable Sanctions, or not

5.18 In addition to the requirements of sections 5.16(a)–(b) assets of the Related Persons of a potential client and the potential Counterparty of the client or his Related Person shall not be subject to block (asset-freeze) in accordance with the Applicable Sanctions.

5.19 Currencies of Restricted Countries. Unless otherwise provided by this section 5.19 transactions:

- (a) in currencies which are lawful currency of the Restricted Countries (collectively referred to as the “**Restricted Currencies**”); or
 - (b) with FI denominated in the Restricted Currencies;
- are restricted.

United States dollar (USD) and Euro (EUR) are excluded from a list of the Restricted Currencies because both currencies are in circulation predominantly in countries not being the Restricted Countries.

The list of the Restricted Currencies is set out in Annex VI and is kept up to date by an employee of the Legal Department or the AMLCO. The Company may update the list without further notice. No change of the Policy is needed in this case.

The Company's database allows an employee to initiate a transaction in the Restricted Currency or with the FI denominated in such currency, but it requires approval of the AMLCO in order to execute the transaction.

5.20 In addition to the requirements of section 5.19 a client, his Related Persons, an issuer of a FI, and the potential Counterparty shall not be targets of the Applicable Sanctions.

5.21 The Company will not create new permanent establishments and representative offices in the Restricted Countries.

If the Company has permanent establishments or representative offices in a country, which becomes the Restricted Country, then the Company will close such establishments or offices in accordance with laws of the host country. Nevertheless, the Company will cease activities of permanent establishments or representative offices situated in the Restricted Country not later than 6 (six) months since a host country becomes the Restricted Country. The Company has proceeded with relevant arrangements to ensure closing of such establishments or offices.

5.22 Blocking (asset-freeze) status. A block (asset-freeze) on assets of a client throughout the Policy means prohibition on:



- transfer from a client’s account to any third party;
- trading using these assets;
- withdrawal from the Company or a third party with which the Company holds assets of a client;
- other transactions prohibited by the applicable law.

Moreover, in case of the block the Company will prohibit further receipt of deposits, FI and other assets from a client.

5.23 A block on assets does not prohibit transactions which the United Nations, the European Union, Cyprus, the US, the UK, and their Competent authorities allow. In the EU a transaction with blocked assets of a legal person is allowed if:

- (a) strictly limited to what is absolutely necessary to continue to exist; and
- (b) strictly limited to essential activities without which the person/entity would not be able to function legally.

For example these are:

- drawing up of annual accounts;
- bookkeeping;
- declaring taxes;
- ensuring the administrative management⁷; and
- such other services which the EU might exclude from a list of restricted or prohibited services.

5.24 The block may be imposed:

- (a) by the AMLCO;
- (b) any member of the Board of Directors;
- (c) persons designated by the Board of Directors;
- (d) automatically by the Company’s database using defined criteria;
- (e) other persons if the Policy so provides.

Blocking status is applied and stored throughout the Company’s database.

The blocking status prohibits generation and execution of transactions in the Company’s database unless the exemption per section 5.16 or the License apply.

Criteria set out in section 5.24(d) requires their approval by the AMLCO or the Board of Directors before implementation in the Company’s database. For example, designation of country by Resolutions or Decisions of the Security Council (Sanctions) does not immediately block all clients from this country, but requires a change of Restricted Countries to be endorsed by the AMLCO or the Board of Directors. Only upon such endorsement the Company’s database is amended to block assets of clients from the said country.

5.25 A block (asset-freeze) on assets of a client persists for maximum 2 (two) years unless grounds for its imposition ceased to be valid before this term. Following expiration of this term the AMLCO reconsiders whether grounds for imposition of the block still exist or not and decides, whether to continue the block or lift it. Such review is concurrent with AML/CFT review of the client based on its risk rating. Sanctions review

⁷ European Commission Opinion of 29/08/2019 on the application of derogations from the freezing of funds and from the prohibition of making funds and economic resources available to designated persons and entities. Source: https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/190829-opinion-freeze-of-funds_en.pdf



requires additional documents from the client to be filed with the Company in the course of the AML/CFT review.

The Company notifies a client through email and/or a client cabinet on imposition and lifting of the block on client's assets.

5.26 Special regime. A status called "Special regime" and/or such other name, which may be used in the Company's database, differs from a blocking (asset-freeze) status in the following respects:

- Special regime allows for withdrawal of funds by a client;
- Special regime does not incur reporting and other obligations, which the applicable laws attach to the blocking of assets.

The Special regime applies to clients which have not fulfilled certain obligations to the Company, for example, did not submit information required by the Company in accordance with section 8.7.

The Special regime persists until the client supplies all the required document to allow the Company to conduct thorough sanctions review of the client and his Related Persons. Exemptions applicable to a blocking status set out in section 5.23 extend to the Special regime.

The Special regime is attached to a client and is stored throughout the Company's database.

A restriction on transactions of a client or with the Counterparty persists indefinitely until grounds for its imposition ceased to be valid.

5.27 Restricted status. A restriction on transactions of a client, with the Counterparty or with respect to a FI throughout the Policy means prohibition on a transaction with the client, the Counterparty or with respect to the FI respectively unless the AMLCO gives permission for the transaction on a case-by-case basis.

Exemptions applicable to a blocking status set out in section 5.23 extend to a restricted status.

Such permission is asked through the Company's database and given by the AMLCO and stored throughout the Company's database.

Restricted status is attached to a client, the Counterparty or a FI to the client and is stored throughout the Company's database.

5.28 A restriction on transactions of a client or with the Counterparty persists indefinitely until grounds for its imposition ceased to be valid.

The Company does not notify a client or the Counterparty on imposition and lifting of a restriction on transactions.

5.29 AMLCO's resolutions on sanctions status of clients, FI, and the Counterparties are visible to employees of the Relevant Departments working with the Company's database.

6. Sanctions risk assessment

6.1 The sanctions risk assessment constitutes a two-tier process, considering both the sanctions risk profile of the Company and the sanctions status of the Company's clients. The Company adopts a holistic and dynamic approach toward the risk factors considered in the sanctions risk assessment.

6.2 As regards the sanctions risk profile of the Company, it, through the sanctions risk assessment, is able to understand which parts of its business may be more prone to or carry a greater likelihood of breaching sanctions related obligations. The Company considers how it would most likely be breaching the sanctions requirements.



In assessing the sanctions risk profile of the **Company** (firm-wide risk assessment), factors are listed in the Annex I and may additionally include the following:

- organisational risk;
- risk of delivery of services;
- client risk;
- counterparty risk;
- transactions risk;
- geography risk;
- product risk;
- governance risk.

A sanction status of a client with respect to sanctions depends on information obtained about the client, its shareholders and the Related Persons and is stored and visible in the Company's database.

6.3 An assessment of the sanctions status of a *new* client or Counterparty occurs at an on-boarding stage.

An assessment of the sanctions status of a *current* client or Counterparty occurs at the time of regular or event-driven screening.

These assessments are made in accordance with section 7.

Generally, the sanctions status depends on a country, to which a client, the Counterparty and their Related Person have commercial, legal and other ties, as well as to sanctions lists embodied in the Applicable Sanctions..

6.4 RDC filters its clients and Counterparties databases every business day. The Company's database ensures the constant filtering of inbound and outbound transfers of monies and FI.

6.5 As per sanctioned FI, the AMLCO can receive the relevant information from the Relevant Departments, if there are any concerns regarding the nature of a transaction with the FI.

6.6 As part of its system for the prevention of money laundering and combating the financing of terrorism, the Company has implemented integrated client and transaction monitoring systems.

7. Timing of screening

7.1 Screening is conducted during the establishment of a business relationship and before providing any service or executing any transaction of clients, with Counterparties or with respect to the FI.

7.2 Roadmap of sanctions screening:

The Front Office:

- initiates sanctions reviews of a potential client and his Counterparties stipulated for in section 7 at an onboarding stage of the client;
- keeps reviewing them on continuous and ongoing basis; and
- stop reviewing the client and his Counterparties upon termination of relationship with the client.

The Front Office or the Finance & Accounting Department:

- initiates sanctions reviews of the potential Counterparty of the Company stipulated for in section 10 at an onboarding stage of the Counterparty;
- keeps reviewing it on continuous and ongoing basis; and
- stop reviewing the Counterparty of the Company upon termination of relationships with it.



The Middle- or Back-Office:

- initiates sanctions reviews of new and existing FI stipulated for in section 9;
- reviews it on continuous and ongoing basis while the FI is Held by the Company;
- stops reviewing the FI when the it ceases to be Held by the Company, matures or is deleted from the Company's database.

The Legal Department:

- conducts sanctions reviews and issues opinions with respect to clients and the Counterparties if requested by the Front Office or the Finance & Accounting Department;
- conducts sanctions reviews and issues opinions with respect to FI from the moment it is Held by the Company in accordance with sections 9.

The Trading Departments:

- review sanctions status of the FI within Bloomberg, or other platform for trading on financial market before initiation of a transaction with this FI.

- 7.3 The Legal Department keeps employees updated on changes in the Applicable Sanctions to assist them in their sanctions reviews of clients, the Counterparties and the FI.
- 7.4 As the sanctions obligations require absolute compliance, the Company is aware that it faces a risk of breaching the relevant legislation in cases where it establishes a business relationship with and/or provide services to a client without previously screening the client, i.e., the Company may transact with a designated person in breach of the sanction's prohibitions.
- 7.5 After person or entity is checked, it is added to 24 hours monitoring and if there are any hits, further manual checks are done to verify the results i.e.to remove false positives and irrelevant results etc. In this way Company is in compliance, whenever a new UNSC's Resolution or EU Decision/Regulation is issued, or when there are additions or changes to the existing sanctions lists.
- 7.6 Company takes into consideration the frequency of re-screening that is commensurate with the sanctions risk profile of the Company and accommodates for any change-driven updates, for example, changes in the beneficial owners, directors, geographical areas of operation etc. Company performs KYC updates based on Risk Based Approach Policy and Procedure set intervals: Low Risk Clients – every 24 months, Medium Risk Clients – every 18 months, Medium-High Clients and High-Risk Clients – every 12 months.

The Counterparties are reviewed annually unless the frequency of periodic review of such Counterparty is increased in accordance with section 7.11.

In addition to that clients of any risk profile and the Counterparties are reviewed on continuous and ongoing basis. Every time there are event driven review all clients and the Counterparties are screened and added to 24 hours monitoring.

- 7.7 Company is in a position to conduct screening following specific request by a supervisory authority.
- 7.8 Screening of persons and entities as targets of sanctions in accordance with section 7 occurs every business day and in any event indicated below.

Identification of persons and entities which are *going to become* clients or the Counterparties, is executed immediately after details of such persons are inserted into RDC or the Company's database. This process is an obligatory step on an on-boarding stage.

Identification of designated person and entities being *current* clients or the Counterparties, is executed in the following ways:



- (a) every week through an electronic review service provided by RDC; and
- (b) on any change of the Related Person of a client to the extent of such change, e.g. change of attorney triggers a screening of a new attorney; and
- (c) by a continuous and ongoing review of changes in the Applicable Sanctions.

Identified designated person and entities are marked in a Company's system and remain as such until further review triggered by the said ways.

7.9 Screening of FI as subject to sanctions in accordance with section 9 occurs on any event indicated below.

Identification of FI which *will be* Held by the Company is executed immediately after entry of a new instrument in a Company's system through the Bloomberg database;

Identification of FI *already* Held by the Company is executed in the following ways:

- (a) daily through the Bloomberg database with respect to every FI Held by the Company;
- (b) general compliance: by a continuous and ongoing review of changes in the Applicable Sanctions.

7.10 Screening of transactions of the Company in accordance with section 10 is executed in the following ways:

- (a) on-boarding stage: when the Company adds the new Counterparty, which is not a client;
- (b) on any change by the Counterparty to the new Counterparty to the extent of such change, e.g. assignment of rights and obligations to a new person triggers a screening of such person;
- (c) business relationship stage: by a continuous and ongoing review of changes in the Applicable Sanctions.

7.11 Periodic review of current clients and Counterparties. An employee of the Front Office makes a review of a current client or the current Counterparty with an aim to keep its profile and background up to date.

Results of such review are entered in the Company's database, which allows employees of the Front Office to use the latest data needed for sanctions review of the client or the Counterparty.

Such review is conducted annually or more frequently in cases established by the AMLCO. The AMLCO may take this decision with respect to a particular client or the Counterparty or their group fulfilling a general criteria.

In his decision to increase the frequency of such reviews, the AMLCO takes into account a fact that:

- (a) (i) a natural person being a client or the Counterparty has citizenship or residence in;
- (ii) a legal person being a client or the Counterparty has registration, incorporation, place of establishment, business address or principal place of supply of goods or services in;
- (iii) the Related Persons, banks and other payment service providers, brokers and intermediaries of a client or the Counterparty are situated in;
- (iv) a client derives a substantial share of wealth or funds, purchases financial instruments listed on trading venues (excluding venues chosen by the Company itself) in;

a country / a jurisdiction:

- (A) under increased monitoring by the FATF;
- (B) listed on the EU list of non-cooperative jurisdictions for tax purposes; or
- (C) targeted by the Applicable Sanctions.

- (b) presence of risk factors set out in the Risk Management and Procedures Manual Regarding Money Laundering and Terrorist Financing (AML Manual) of the Company as amended from time to time;
- (c) a client did not timely notify the Company on changes to information listed in section 7.11(a); or
- (d) a client did not timely respond to a Company's request of information sources of funds and other material information requested.

Frequency of reviews is implemented in the Company's database and is shorter than a yearly review of a client or the Counterparty.

8. Identification of designated persons

8.1 As per the EU Best Practices for the effective implementation of restrictive measures to improve the effectiveness of financial restrictive measures and Restrictions on Admission, and to avoid unnecessary problems caused by homonyms or near-identical names (possibility of "mistaken identity"), as many specific identifiers as possible will be available at the moment of identification and published at the moment of adoption of the restrictive measure.

8.2 With regard to **natural persons**, the information consists of:

- surname and first name (where available also in the original language), with appropriate transliteration as provided for in travel documents or transliterated according to the International Civil Aviation Organisation (ICAO) standards;
- sex;
- date and place of birth;
- citizenship;
- residence permits;
- address;
- identification or passport number.

In any case, the ICAO standards transliteration is present at all times and in all language versions of the legal act imposing restrictive measures.

8.3 With regard to **entities**, the information consists of:

- full name;
- type of entity (contractual arrangement);
- principal place of business;
- place of registration of office;
- date and number of registration.

8.4 Initially identifiers of a client are collected by the Company on an on-boarding stage using data supplied by the client. After the designation of a (natural or legal) person or entity, a constant review of identifiers is taking place to specify and extend them, involving all those who can contribute to this effort. Screening procedures are in place to ensure this constant review, involving all those who can contribute to this effort.

8.5 As per the AML/CFT Law, the passport's number, issuing date and country as well as the customer's date of birth always appear on the copies of documents obtained, so that the Obligated Entity would be able to verify precisely whether a customer is included in the relevant list of persons subject to financial sanctions.

8.6 Potential or current clients' sanctions status is established from the following sources:

- (a) a person, its shareholder or a Related Person is sanctioned in accordance with section 7;

- (b) a person, its shareholder or a Related Person is sanctioned in accordance with alerts drawn from a continuous and ongoing review of changes in the Applicable Sanctions.

Moreover, a periodic review of current clients is conducted in accordance with section 7.11.

- 8.7 In addition to receipt of information through daily monitoring by RDC, the Company informs clients that they have to submit to the Company information on changes of their Related Persons, banks and other payment service providers, brokers and intermediaries, sources of funds and other material changes.

A client shall submit this information within 3 (three) months from the date of these changes, unless agreement with the client or other policies of the Company provide for a shorter term of submission.

If a client does not submit changes within this timeframe then the Company may:

- (a) increase the frequency of periodic review of such client by the Company in accordance with section 7.11;
 - (b) apply Special regime to an account of the Client and/or to the fulfilment of all or some of Skanestas' obligations resulting from an agreement with the client; and/or
 - (c) terminate an agreement with a client in case of failure or refusal of the Client to fulfil or fully comply with any of his obligations under the Agreement, including the obligation to provide updated information⁸.
- 8.8 A sub-database called "*Regular Sanctions Monitoring*" pursuant to section 8.6 operates as a separate database in the Company's database. Sanctions matching in this database is done in the following ways:

- (a) by electronic review service provided by RDC; and
- (b) by a continuous and ongoing review of changes in the Applicable Sanctions.

- 8.9 Review of new clients. An employee of the Front Office verifies during an on-boarding stage whether a potential client and Related Persons are subject to the Applicable Sanctions.

If the potential client or the Related Persons are targeted by the Applicable Sanctions then the on-boarding of the potential client terminates forthwith without need for verification by the AMLCO. The AMLCO is informed by an employee of the Front Office about such sanctions match and refusal of business relationship.

- 8.10 Regular review of current clients. The procedure of identification of a client and Related Persons as subject to sanctions consists of the following stages:

- (a) Every week an employee of the Front Office downloads a master file from RDC containing data on each client and Related Persons.
- (b) The employee inserts a master file into the Company's database.
- (c) The employee reviews the master file, whether its contents:
 - (A) relate to a client and/or Related Persons; and
 - (B) contain information that the client and the Related Persons became subject to the Applicable Sanctions.

If the client and/or Related Persons did *not become* subject to the Applicable Sanctions then the employee completes a review by setting "No alerts" in the column "Sanctions Screening". This status does not require verification and the procedure of identification of a client and Related Persons as

⁸ Clauses 10.10, 27, 26.6 and 26.2(6) of Terms & Conditions for the Provision of Investment and Ancillary Services as amended from time to time).

subject to sanctions *terminates here*. Such status is automatically ascribed to every client and the Related Persons, which was not found to be a “Sanctions match”.

If the client and/or Related Persons *became* subject to the Applicable Sanctions then the employee completes a review by setting the “Sanctions match” status in the column “Sanctions Screening”. Then the procedure of identification of a client and Related Persons as subject to sanctions *goes through the following stages*:

- (d) Setting up of the “Sanctions match” status of a client or any of the Related Persons immediately blocks all transactions of *the client and every Related Person*.
- (e) Company’s system sends a message to the AMLCO to either verify or decline the setting “Sanctions match” status.
- (f) The AMLCO verifies whether the sanctions match is the true or false positive. If the AMLCO is of the opinion that:
 - (A) a client and/or any of the Related Persons are subject to the Applicable Sanctions, then the AMLCO verifies this status “Sanctions match” status in the column “Sanctions Screening”.
 - (B) a client and/or Related Persons are not subject to the Applicable Sanctions, then the AMLCO changes the status to “No alerts” in the column “Sanctions Screening”. This removes a block from transactions of the client and the Related Persons. This status may be changed following future developments in the Applicable Sanctions through the same procedure set out in section 8.10.

8.11 The status “Sanctions match” concerning a client and/or Related Persons remains in effect and may be withdrawn only by the AMLCO in case the client and the Related Persons cease to be persons subject to the Applicable Sanctions. In such circumstances, the client and the Related Persons will be flagged as “Sanctions match discarded”.

The Company’s database stores all changes of sanctions statuses of a client and/or Related Persons, Company’s employees who have made and approved such changes.

8.12 Individual review of current clients. If an employee of the Front Office receives an individual alert from RDC containing data on a particular client and/or any of the Related Persons, the employee handles the alert in the same procedure as set out in section 8.10 with one modification. The employee inserts the alert in the Company’s database only if the client and/or any of the Related Persons *became* subject to the Applicable Sanctions.

8.13 The employee records and stores in the Company’s database all reviews of clients and Related Persons, changes of their statuses, insertion of the master file and memorandums (if any).

The individual alert is not recorded and not stored in the Company’s database, if the alert:

- (a) erroneously attributed new information to a client and/or its Related Person;
- (b) correctly attributed new information to a client and/or its Related Person but the information does not change a sanctions status of the client, e.g. there are talks that the client or his line of business might become sanctioned by future sanctions.

A decision of the employee of the Front Office to record and store in the Company’s database or not to do that does not require approval. However investigation and approval by the AMLCO is needed:

- (a) a change of a sanctions status of a client based on the alert is required; or



- (b) an employee of the Front Office is unsure whether the alert speaks of imposition of the Applicable Sanctions on clients and/or Related Persons.
- 8.14 If assets of a current client or his Related Person, or the Counterparty become subject to a *block (asset-freeze)* in accordance with the Applicable Sanctions, then the Company:
- (a) suspends and makes impossible transactions of the client or with the Counterparty respectively;
 - (b) terminates or otherwise severe the business relationship with the client or the Counterparty respectively; and
 - (c) applies other measures prescribed by the Policy and the applicable law.
- 8.15 If assets of a current client or his Related Person, or the Counterparty become subject to a *restriction (rejection of transactions)* in accordance with the Applicable Sanctions, then the Company may at its own discretion:
- (a) require a client or the Counterparty respectively to provide evidence that he or it received the License, allowing investment services of the Company, and fulfils its conditions by a certain date prescribed by the License or the Company⁹;
 - (b) restrict all or some transactions of a client or with the Counterparty respectively to the extent required by the Applicable Sanctions or decision of the AMLCO or the Board of Directors; and/or
 - (c) terminate some or all agreements with a client or the Counterparty respectively even if the Applicable Sanctions does not prohibit provision of every investment service by the Company;
 - (d) choose to do anything of the above if the Applicable Sanctions and/or the License allows that.
- 8.16 If a client or the Counterparty does not obtain the License within a timeframe prescribed in accordance with section 8.15(a) then the Company generally will terminate some or all agreements with a client or the Counterparty respectively.
- 8.17 In cases provided for in sections 8.15–8.16 the Company terminates agreements with a client or the Counterparty preferably by mutual agreement of parties, or, at the sole discretion of the Company – by unilateral notice in accordance with the Terms & Conditions for the Provision of Investment and Ancillary Services of the Company.
- 8.18 The Company may lift constraints set out in sections 8.14–8.15 if grounds for imposition of the constraints ceased to be valid, for example, a client changed its business to non-sanctioned one, the Applicable Sanctions became abolished, etc.
- 8.19 Every employee of the Company is screened by RDC similar to clients with one exception, the Related Persons of employees are not screened.

9. Monitoring of financial instruments

- 9.1 The Company has established and implemented an automated system of sanction monitoring of the FI.
- 9.2 The said system is based on a reputable service provider, the Bloomberg database, and is then built into the Company's database. The system automatically raises flags and marks sanctioned instruments.

⁹ For an example see section 5.16(a).



- 9.3 An employee of the Middle- or Back-Office runs a sanctions check of FI every business day by means of the Bloomberg database. The Company's database notifies employees of the Middle- or Back-Office to execute such check at regular intervals throughout the day.

The Company provides access to the information on sanctions status of FI to the Relevant Departments.

- 9.4 An employee of the Relevant Department have to check whether sanctions status of a FI exists before initiation of any transaction with the FI. If the FI is not sanctioned at the time of the initial review the Company's database allows its inclusion in the database and automatically puts the FI under daily sanctions monitoring.

The sanctions status of a FI is verified through the Bloomberg database and in case of uncertain response or absence of response from the database the review of the FI is done manually by an authorised employee.

In case an employee comes across a FI which is marked as sanctioned by the Company's database, he must not proceed with a transaction. The employee must refer to the Legal Department through the Company's database, which Department will run additional manual checks and advise if such particular instrument is sanctioned or not.

- 9.5 In the course of manual check of a FI the Legal Department may attract external lawyers' assistance if needed. The results of the manual check and an external lawyers' opinion are be documented in the Company's database and can be seen by the Relevant Departments.

- 9.6 FI's sanctions status is established from the following sources:

- (a) a FI is sanctioned in accordance with section 9 because its issuer is sanctioned;
- (b) a bank, other payment service provider, broker or other intermediary involved in a transaction is sanctioned in accordance with alerts drawn from a continuous and ongoing review of changes in the Applicable Sanctions.

- 9.7 A sub-database called "*Sanction Monitoring Securities*" pursuant to section 10.3 operates as a separate database in the Company's database. Sanctions matching in this database is done in the following ways:

- (a) by electronic review service provided by RDC;
- (b) by a continuous and ongoing review of changes in the Applicable Sanctions.

- 9.8 Review of new instruments. The procedure of identification of a client and Related Persons as subject to sanctions consists of the following stages:

- (a) An employee of the Middle- or Back-Office enters data of a new FI and saves it in the Company's database. Then the employee launches a sanctions review of the FI provided by the Bloomberg database.
- (b) If FI is *not subject to* the Applicable Sanctions then the FI is marked as "No sanctions" or not marked in any way in case the Bloomberg database does not contain data for the FI. Both statuses do not require verification and the procedure of identification of the FI as subject to sanctions *terminates here*.

If the FI *is subject to* the Applicable Sanctions then the FI is marked as "Sanctions (review needed)" in the "Status" column which prohibits dealing with an instrument by the Company and a client. Then the procedure of identification of the FI as subject to sanctions *goes through the following stages*:

- (i) Dealing with a FI with the status “Sanctions (review needed)” by the Company and a client is blocked by the Company’s database.
- (ii) The Company’s database automatically sends email notifications to authorised employees with information on every FI with the added status “Sanctions (review needed)”.
- (iii) An authorised employee of the Legal Department reviews the FI and expresses a reasonable opinion on whether the FI is subject to the Applicable Sanctions or not, and what are conditions on dealing with it due to the Licenses. The employee uses third party sources to form his opinion. The employee expresses the opinion in a respective memorandum stored in the Company’s database.
- (iv) If the employee is of the opinion that:
 - (A) the FI is subject to the Applicable Sanctions then the FI is marked as “Sanctions”;
 - (B) that the FI is subject to the Applicable Sanctions then the FI is marked as “Reviewed OK”. Dealing with an instrument by the Company and a client is allowed by the Company’s database.

The employee adds a memorandum explaining suggestion one of the options which is stored in the Company’s database and is available to be seen by employees of the Company.

- (v) The AMLCO reviews the memorandum prepared in accordance with section 9.8(b)(iv) (if any), conducts his own review and approves the suggested status or imposes other one. Status set by the AMLCO is final and requires no further verification.

9.9 The status “Sanctions” with respect to a FI remains in effect indefinitely and is reviewed only in case of change in the Applicable Sanctions.

The status “Sanctions” with respect to a FI may be withdrawn by the AMLCO based on an opinion of an authorised employee of the Legal Department that the FI ceases to be subject to the Applicable Sanctions.

The employee expresses the opinion in a respective memorandum stored in the Company’s database.

In such a case, the FI becomes flagged as “Reviewed OK”, what means that dealing with an instrument by the Company and a client is allowed by the Company’s database.

9.10 Regular review of current instruments. The procedure of identification of a FI as subject to sanctions consists of the following stages:

- (a) Every business day an employee downloads updates from the Bloomberg database containing data on each FI Held by the Company.
- (b) The Company’s database automatically inserts results of sanctions checks of each FI in fields of columns. The columns are divided by sanctions regimes of the USA (OFAC), the EU, the United Nations, Canada, the UK, Switzerland, Japan, Australia, Hong Kong and Singapore.
- (c) The Company’s database automatically saves it in the Company’s database and sets the following aggregated status of the sanctions checks in a separate column called “Status” for each FI:
 - (i) “Sanctions (review needed)”, if there was an addition of sanctions to one or more columns of sanctions regimes;
 - (ii) “Sanctions”. was previously found to be the FI subject to sanctions;
 - (iii) “No sanctions”, if every column of sanctions regimes indicated that there are no sanctions;
 - (iv) “Unknown” or blank space, if the Bloomberg database lacks information on the FI, provided it was not manually flagged with any other status from this list.

- (d) Dealing with a FI with the status “Sanctions (review needed)” by the Company and a client is blocked by the Company’s database.
- (e) The procedure of identification of a FI as subject to sanctions *continues* per the procedure set out in sections 9.8(b)(ii)–(iv) in case of status “Sanctions (review needed)” of the FI.

In case of changes of sanctions on a FI as evidenced by the Bloomberg database the Company’s database takes no action in case the FI bore statuses “Sanctions”, “No sanctions”, “Unknown” or blank space, because the FI was already reviewed for purposes of sanctions compliance or did not require additional review. For example, if a FI bears the status “Sanctions” and the Bloomberg database informs that additional sanctions are imposed on the FI, then the Company’s database requires a review of the FI. The same procedure applies if:

- (i) the additional sanctions are imposed by countries (international organisations) other than the UN, EU, USA, and the UK, but screened by the Bloomberg database; and
- (ii) the status “Sanctions” was removed from the FI in accordance with information from the by the Bloomberg database.

The procedure of identification of the FI as subject to sanctions *terminates here*.

- 9.11 All reviews of the FI, changes of their statuses, and insertion of memorandums (if any) are recorded and stored by the Company’s database.

10. Counterparties and transaction screening

- 10.1 Counterparties and transaction screening refers to the process of screening a movement of value within the Company’s records, including funds or assets, between parties or accounts to identify possible sanction targets. Transactions screening verifies whether the Counterparties involved in such movement of value are on sanctions lists.
- 10.2 The Company’s database runs Counterparties and transactions screening for every transaction involving monies or FI.
- 10.3 Counterparties’ sanctions status is established from the following sources:
- (a) a person is sanctioned in accordance with section 7;
 - (b) a FI is sanctioned in accordance with section 9 because its issuer (the Counterparty) is sanctioned;
 - (c) a bank, other payment service provider, broker or other intermediary involved in a transaction is sanctioned in accordance with alerts drawn from a continuous and ongoing review of changes in the Applicable Sanctions.

Moreover, a periodic review of the current Counterparties is conducted in accordance with section 7.11.

- 10.4 A sub-database called “*Transaction Monitoring*” pursuant to section 10.3 operates as a separate database in the Company’s database. Sanctions matching in this database is done in the following ways:
- (a) by electronic review service provided by RDC;
 - (b) by a continuous and ongoing review of changes in the Applicable Sanctions.
- 10.5 Review of new and current Counterparties occurs by the same procedure as a review of new and current clients pursuant to sections 8.9–8.13 with necessary changes.

However, contrary to the Related Persons of clients, the Related Persons of the Counterparties are:

- (a) subject to continuous and ongoing review of changes in the Applicable Sanctions, which is a manual task; and
- (b) not subject to review by RDC, because the Counterparties generally bear no contractual obligation to report changes of their Related Persons to the Company.

10.6 Review of transactions. The procedure of identification of the Counterparties as subject to sanctions consists of the following stages:

- (a) an employee of the Finance & Accounting Department drafts an order for payment or transfer of securities;
- (b) The Company's database verifies whether any of the Counterparties involved in the transaction is a sanctioned person;
- (c) If the Company's database restricts the transaction the employee applies for AMLCO's approval of the transaction before it may be processed. Subject to sections 5.15–4.8, if the Company's database prohibits the transaction it may not be stored in the Company's database and thus will not be processed.

10.7 If a transaction involves a currency of the Restricted Country then the transaction is subject to requirements of sections 5.19–5.20.

10.8 All reviews of the Counterparties, changes of their statuses, and insertion of memorandums (if any) are recorded and stored after approval in the Company's database.

11. Documenting the assessment

11.1 Company clearly documents the sanctions risk assessment conducted and can make it available to the supervisory authority upon request. The Company is able to demonstrate to the supervisory authority the appropriateness of the sanctions risk assessment based on the evaluation conducted and the mitigating measures applied.

The AMLCO is responsible for compiling the sanctions risk assessment in a report, refer to [Annex I](#) for criteria used in sanctions risk assessment. The Board of Directors or senior management approves the sanctions risk assessment report. The AMLCO submits brief description of the risk assessment as a part of the Annual Compliance Officer Report to CySEC.

11.2 ACAMS Risk Assessment tool¹⁰ assist in preparation of the Risk Assessment Report. The Company has signed a contract with the Association of Certified Anti-Money Laundering Specialists (ACAMS) for the next five years to gain access to this tool.

11.3 The relevant sanctions risk assessment can be found in the Company's dataroom and further information with regards to this as referred to in section 6 and Annex I.

11.4 The Company takes reasonable steps to create an audit trail with regards to all tasks as those are denoted under the Policy and procedure so as to verify that measures taken as a result of sanctions and on an ongoing basis can be easily traced and verified.

¹⁰ Source: <https://www.acams.org/en/business/acams-risk-assessment>



12. Resources

- 12.1 The Company ensures that it has adequate and appropriate financial, human and technical resources to manage the sanctions requirements.
- 12.2 The Board of Directors may authorise another person to exercise the authority given by the Policy to the AMLCO. Such person is required to be on the [Public Register of Certified Persons](#) or the [AML Compliance Officers Register](#) maintained by CySEC and is recommended to have knowledge of the Applicable Sanctions. Assessment of such person's knowledge is made on the similar lines as an assessment pursuant to section 19.4.
- 12.3 The Company ensures sanctions compliance at every line of its business and at every stage of transactions of the Company.
- 12.4 Four-eye principle. The AMLCO takes a resolution on the sanctions status of *clients* based at least on a Front Office's opinion and data available through RDC.
- The AMLCO takes a resolution on the sanctions status of *FI and the Counterparties* based at least on a Legal Department's opinion.
- Any member of the Company's senior management may require a resolution of the AMLCO on the sanctions status of clients, FI, and the Counterparties to be scrutinised by the Board of Directors, which has to take a resolution on the matter.
- 12.5 All employees of the Company are timely informed on changes in the Applicable Sanctions, pertinent to the provision of investment services and other transactions of the Company. Such information takes the form of emails to all employees and sometimes meetings of employees responsible for respective transactions of the Company.

13. Hiring, training and awareness

- 13.1 The Company may hire personnel being citizens or residents of any country, including the Restricted Country.
- 13.2 The Company will not sell, supply, transfer or export, directly or indirectly, the Sensitive Technology, whether or not originating in the European Union, to any natural or legal person, entity or body in the respective Restricted Countries.
- 13.3 If an employee of the Company is a citizen or a resident of a country, which is subject to the Applicable Sanctions, then the Company ensures that the employee will not get access to the Sensitive Technology.
- 13.4 In case the Company hires a citizen or a resident of a country, which is subject to the Applicable Sanctions, then the Company ensures that such person will cease to be resident of such country and any other country subject to the Applicable Sanctions within 6 (six) months after commencement of such person's employment with the Company.
- 13.5 If such relocation of an employee could not be made within the said timeframe, then the Company reconsiders employment of the citizen or a resident of a country, which is subject to the Applicable Sanctions, and either:
- (a) modify an employment agreement with the employee in such a way, that will forbid such employee from access to the Sensitive Technology; or
 - (b) terminate the employment agreement with the employee in accordance with its terms.



- 13.6 This section 13.4 applies to employees hired after the third version of the Policy is approved by the Board of Directors of the Company.
- 13.7 Company ensures that has adequate and appropriate financial, human, and technical resources to manage the sanctions requirements.
- 13.8 Employees are regularly given adequate training, aimed at helping them understand and enforce the sanctions policy (see relevant section below).
- 13.9 The Company actively collaborates with both supervisory and legal authorities concerning the enforcement of sanction systems.
- 13.10 The introduction and implementation of restrictive measures must always be in accordance with international law.

14. Competent authorities for the application and the monitoring of implementation of sanctions

- 14.1 The authorities for the application and the monitoring of implementation of sanctions, depending on the subject-matter of each case at hand, are the following:
- 14.2 The **Ministry of Foreign Affairs** of the Republic of Cyprus, which:
 - Is involved in the decision-making process leading to the adopting of restrictive measures at the level of the EU, but not in the context of the UNSC. In the process of adopting the EU restrictive measures, it seeks, where possible, the opinion and suggestions of relevant departments and authorities of the Republic in order to establish the national position on a given issue.
 - Informs the relevant departments and authorities of the Republic of the adoption and/or amendment and/or expiration of UN sanctions and EU restrictive measures.
 - Conveys to the relevant UN Sanctions Committees and EU institutions requests and / or queries by departments and authorities of the Republic.
 - Conveys to the relevant UN Sanctions Committees and EU institutions, where appropriate, requests for release of funds, either abroad or in the territory of the Republic, which are frozen because of UN sanctions and EU restrictive measures.
 - Informs UN Sanctions Committees and/or EU institutions, where required, of the application of derogations provided for in the Resolutions of the UN and the Decisions and Regulations of the EU Council.
 - Conveys to the relevant UNSC Sanctions Committees and EU institutions, when required, reports and/or information as to the implementation of sanctions/ restrictive measures.

Website: <http://www.mfa.gov.cy>

- 14.3 The **Unit for Combating Money Laundering (MOKAS)** of Law Office of the Republic Of Cyprus, which is the national centre for gathering, evaluating and analysing the Suspicious Transaction/Activity Reports (STRs & SARs) and other information relevant to money laundering, associated predicate offences or terrorist financing:

Website: http://www.law.gov.cy/law/mokas/mokas.nsf/index_en/index_en?OpenDocument

- 14.4 The Central Bank of Cyprus, which is:
 - Joint Competent authority for the implementation of financial and credit restrictions and relevant exemptions.



- Competent authority for monitoring and supervision of the activities of credit institutions, including cooperative credit institutions, payment institutions and electronic money institutions, which are subject to the jurisdiction of the Republic of Cyprus, for the purpose of implementing the Decisions and Regulations of the Council of the European Union (Restrictive Measures) and the Resolutions or Decisions of the Security Council (Sanctions).
- Competent authority for the transfer of funds, and for applications and notifications of the granting of licenses with respect to such transfers of funds, which fall within the scope of the Decisions and Regulations of the Council of the European Union (Restrictive Measures) and the Resolutions or Decisions of the Security Council (Sanctions).
- Competent authority for the transmission (electronic or otherwise) of funds, and for applications and notifications of the granting of licenses with respect to such transmissions of funds, which fall within the scope of the Decisions and Regulations of the Council of the European Union (Restrictive Measures) and the Resolutions or Decisions of the Security Council (Sanctions).

Website: <https://www.centralbank.cy/en/licensing-supervision/prevention-and-suppression-of-money-laundering-activities-and-financing-of-terrorism-1>

14.5 The Advisory Body on Economic Sanctions (SEOK) within the MINISTRY OF FINANCE of the Republic of Cyprus

- The Ministry of Finance chairs the Advisory Body on Financial Sanctions which examines requests for the release of funds and financial resources which fall within the exemptions/deviations provided for in the relevant Resolutions or Decisions of the Security Council (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures). After examining the requests, it provides relevant opinions and recommendations to the Minister of Finance who, as President of the Advisory Body on Financial Sanctions, takes the final decision as to the approval or not of the release. The constitution (competent authorities and departments) and the role of the Advisory Body on Financial Sanctions are set out in the Decision of the Council of Ministers, with number 72.222A and dated 17th June 2011, as amended by a subsequent Decision of the Council of Ministers, dated 25th May 2012.
- The Ministry of Finance chairs the Unit for the Implementation of Sanctions in the Financial Sector in relation to Sanctions imposed by UNSC's Resolutions and Restrictive Measures imposed by European Union (EU) Council Regulations, as per Council of Ministers Decision dated 25 February 2016.
- Competent authority for the notification of the granting of a license or the intention to grant a license and of the approval of a request or the intention to approve a request, with respect to the release of funds and financial resources, through the Ministry of Foreign Affairs, to the competent Sanctions Committees of the UNSC and/or the competent authorities of the EU, where such notification is provided for in the relevant Decisions and Regulations of the Council of the European Union (Restrictive Measures) and the Resolutions or Decisions of the Security Council (Sanctions), and for providing relevant information.

Email Address: seok@mof.gov.cy

Website:

http://mof.gov.cy/assets/modules/wnp/articles/201607/14/docs/simvouleutiki_epitropi_oikonomikon_kiros_eov.docx



14.6 The **Unit for the Implementation of Sanctions** (MEK) in the Financial Sector in relation to Sanctions imposed by UNSC's Resolutions and Restrictive Measures imposed by European Union (EU) Council Regulations:

Email Address: sanctionsunit@mof.gov.cy

Website: http://mof.gov.cy/assets/modules/wnp/articles/201607/10/docs/monada_efarmogis_kirosewn.pdf

14.7 It is the responsibility of the Company to verify and ensure that its activities do not infringe and/or circumvent the Applicable Sanctions.

14.8 Subject to the applicable law, the Company provides information on clients, the Counterparties and/or the FI to the Competent authority on condition it receives the information for the purposes for which it was provided, including ensuring the effectiveness of the measures set out in the Applicable Sanctions.

14.9 If the Applicable Sanctions imposed in relation to a client, the Counterparty or the FI are amended or revoked, the Company will carry out all actions necessary for amending or revocation of the imposed restrictions in accordance with the competence specified in the applicable law, including unblocking of assets, allowing a client to withdraw his funds, transferring a FI to a third party.

14.10 The Company will follow the Competent authority's instructions in case of any breach of the Applicable Sanctions by the Company, its client or the Counterparty.

15. Special information related to sanctions for filtration / sanctions

15.1 Basic Principles on the Use of Restrictive Measures (Sanctions) – the EU

<https://data.consilium.europa.eu/doc/document/ST-10198-2004-REV-1/en/pdf>

15.2 Update of the EU Best Practices for the effective implementation of restrictive measures – the EU

<https://data.consilium.europa.eu/doc/document/ST-8519-2018-INIT/en/pdf>

15.3 Resolutions / Decisions of the UNSC which are related to the imposition of sanctions – the UN

<https://www.un.org/securitycouncil/content/resolutions-0> – Resolutions of the UNSC searchable by year of adoption

<https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library/united-nations-security-council-resolutions-unscr> – a list of UNSC resolutions on sanctions made by the U.S. Department of the Treasury

15.4 Official website – the UN

<https://www.un.org/securitycouncil/sanctions/information> – an outline of sanctions imposed by the UNSC

15.5 Consolidated Sanctions List – the UN

<https://www.un.org/securitycouncil/content/un-sc-consolidated-list> – the Consolidated List includes all individuals and entities subject to measures imposed by the UNSC

15.6 Additional UNSC Documents – the UN

<https://www.un.org/securitycouncil/content/security-council-documents>

15.7 Office on Drugs and Crime – the UN

<https://www.unodc.org/>



- 15.8 List of the latest U.S. Sanctions, which inter alia, contains Cyber related Designations and Designations Updates- the **USA**:
<https://sanctionssearch.ofac.treas.gov/>
- 15.9 List of financial sanctions – the **UN**
<https://webgate.ec.europa.eu/fsd/fsf> – provides access to a EU consolidated list of sanctions. It requires EU Login;
<https://eur-lex.europa.eu/homepage.html> – provides access to lists of sanctioned persons imposed by Restrictive Measures.
- 15.10 Consolidated list of Sanctions per Country/Specification – adopted by the **UN** and/or the **EU**
<https://www.sanctionsmap.eu/#/main>
- 15.11 Common Foreign and Security Policy (**CFSP**) – the **EU**
https://eeas.europa.eu/topics/common-foreign-security-policy-cfsp_en
- 15.12 European Union External Action Service – the **EU**
https://eeas.europa.eu/headquarters/headquarters-homepage/423/european-union-sanctions_en
- 15.13 Official Journal of the European Union – the **EU**
<https://eur-lex.europa.eu/oj/direct-access.html>
- 15.14 EU's Sanctions as presented by the European Council – the **EU**
<https://www.consilium.europa.eu/en/policies/sanctions/>
- 15.15 Restrictive measures (Sanctions) as presented by the European Commission – the **EU**
https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en
- 15.16 The links above/instruments are not exhaustive and will be subject to regular review in order to assess the efficiency of the adopted restrictive measures with regard to the objectives stated.

16. Screening of customers and transactions

16.1 Screening clients

Company conducts screening of all prospective/new clients and change-driven/ scheduled screening on existing clients against sanctions lists.

16.2 Screening of other persons

Company, in addition to clients, is screening any other related party, including:

- Directors;
- beneficial owners;
- authorized signatories;
- nominees;
- trustees;
- the Counterparties to agreements;

- intended recipients of funds, where there is reason to believe that they may be subject to sanctions; and
- any other person that requires verification under the Company’s policies and procedures to client due diligence.

16.3 Counterparties and transaction screening

Company performs automated and manual transaction monitoring.

According to Company’s policies it is not allowed to make transfers or receive funds/securities to/from third parties, only to/from authorised bank or brokerage accounts of clients.

The Related Persons, banks and other payment service providers, brokers and intermediaries of a client are screened before adding them to the Company’s database. Results of such screening are available to employees of the Relevant Departments in the Company’s database.

A potential transaction requires an approval by the AMLCO in the Company’s database prior to transaction’s execution if the transaction is marked as *restricted* in accordance with section 4.6(a).

A potential transaction marked as *prohibited* in accordance with section 4.6(b) may not be executed and the Company’s database blocks it.

A potential transaction *not* marked as *prohibited or restricted* in accordance with sections 4.6(a)–(b) does not require an approval by the AMLCO and the Company’s database allows execution of the transaction.

16.4 Procedure of Monitoring of Sanctioned Financial Instruments

Description of the automated monitoring system. The Company has established and implemented an automated system of sanction monitoring of financial instruments. The said system is based on a reputable service provider, Bloomberg, and has then built into the Company’s database, being an internal CRM system of the Company. The Company’s database automatically raises flags on sanctioned FI’s and marks them as such.

The Information Technology Department have trained the employees of the Relevant Departments on the use of the Company’s database for purposes of the Policy.

(a) Screening of existing Financial Instruments (FI)

Employees of Middle- and Back-Offices are responsible for running the screening of FI Held by the Company every business day. In their absence such screening may be initiated by an employee of the Information Technology Department or the Legal Department.

The results of the screening are saved in the Company’s database and are immediately available to employees of the Relevant Departments.

If as the result of such screening the Company detected a sanctioned FI, the Company’s database:

- block transactions with the FI, unless already blocked;
- sends email notification to all employees;
- reminds an employee of the Legal Department to review the FI with the added status “Sanctions (review needed)”.

If no sanctioned FI were detected, the Company’s database does not do anything until the next consequent screening.

The results of all screening events and their results are logged in the Company’s database per each FI.

(b) Actions of traders, portfolio managers

The persons engaged in the Trading Departments will check any instrument, whether it is a sanctioned FI, before initiation of any transaction in Bloomberg, other platform for trading on financial markets, and the Company's database.

The named employee will not proceed with trading in a FI that is marked as sanctioned or restricted; they may, however, contact the legal and compliance colleagues for clarifications.

(c) Screening of new FI

All and any new FI are to be checked in the Bloomberg database by the employees of the Brokerage Department, the Portfolio Management Department, the Dealing on Own Account Department prior to any transaction.

The named employee will not proceed with trading in a FI that is marked as sanctioned or restricted; they may, however, contact the legal and compliance colleagues for clarifications.

(d) Circumstances-driven monitoring and activities

(i) Appointee / point of expertise

In circumstances where the situation worldwide leads to increased sanctions or restrictive regimes and/or where the activities, services and products of the Company have an increased risk related to sanctions/restrictions, the AMLCO will appoint an employee (appointee) to act as a point of expertise on sanctions/restrictions, including:

- monitoring of new sanctions that come into force (if they affect the Company).
- review new and existing sanctions at least once a week.
- inform promptly about new sanctions to the AMLCO and the senior management and the relevant employees.
- act as advisor on matters of sanctions to the colleagues.
- perform manual in-depth event-driven study of sanctioned FI's.
- participate in event-driven external audits in sanction-compliance.

The Company has proceeded with appointing an employee of the Legal Department to act as a point of expertise on the Applicable Sanctions.

The Company provides such appointee with sufficient resources (working time, fair allocation of other pending tasks, a possibility to attract external legal advisors).

(ii) In-depth event-driven study of a sanctioned FI.

Where the Company wants to study a certain sanctions FI, a sanctioned transaction or a restricted category of clients, the Company, whether internally or with the help of external advisors may proceed with the in-depth analysis. The analysis and its results are recorded in writing and stored by the Company in the Company's dataroom and if the format permits in a memorandum explaining imposition or suggestion of certain sanctions status on a client, the Counterparty of the FI.

The samples of analysis of FI's marked as sanctioned or restricted can be found in [Annex IV](#).

17. Reporting matches and breaches of the sanction's regime

17.1 What to do in case of a positive match:

- (a) Positive matches identified following a screening process must be properly investigated in order to confirm that they are true matches involving a designated person rather than “false positives”.
- (b) Positive matches must be immediately reported to the AMLCO, who is responsible for investigating and assessing whether a positive match is a true match.
- (c) A clear, internal reporting process is established, enabling employees to report and disclose information relating to a positive match without delay. The established procedures are communicated to all relevant employees of the Company.
- (d) When trying to identify a positive match as a true match, the Company seeks to obtain enough information as to be able to confirm true positive match or remove false positive match. For more information regarding identification of client and the Counterparties true matches, refer to [Annex II](#).
- (e) If, following proper investigation using all sources available, the Company cannot determine whether the client is in fact a designated person / entity, the Company will seek an external lawyers' opinion.
- (f) “False positives” are properly documented in the Company's database. Company maintains a written record containing all steps and actions taken, providing all information/ documentation and rationale to support the conclusion that the positive match is a “false positive” rather than a true match. The Company is able, when requested, to justify to the supervisory authority the appropriateness, adequacy and breadth of the actions taken to identify a positive match as a “false positive”.
- (g) A weekly master file from RDC containing data on each client, Counterparty and their Related Persons used to identify the true match is stored in the Company's database.

17.2 True matches and reporting obligations

- (a) When a possible match is identified as a true match, following investigation and assessment, the Company must take appropriate action in order to fully comply with the sanction's requirements.
- (b) In cases where a business relationship has not yet been established, the Company must refrain from entering a business relationship.
- (c) In cases of an existing client, Company has set down appropriate measures to immediately freeze all the funds, financial assets, and economic resources of the designated person the Company has in its possession and/or refrain from executing any transaction or providing any service.
- (d) The Company applies the above obligation to all funds, financial assets and economic resources owned or controlled, wholly or partially, directly, or indirectly by a designated person or persons and entities acting on his behalf or under his direction as required Under section 23 of the Terrorism Law.
- (e) In all cases, the AMLCO or an employee of the Legal Department informs CySEC of the existence of a true match on their client base in connection to financial sanctions and the actions taken by the Company in order to comply with the sanction's requirements and their reporting obligations. Company has a clear reporting process as to facilitate them to report true matches or following a request by Company without delay.

17.3 What you must report

The reporting information to CySEC, includes, as a minimum, the following information:

- (a) Information on which knowledge or suspicion was based to support the conclusion of the existence of a true match.
- (b) All information the Company has in relation to the designated person.
- (c) All information regarding the nature, amount and quantity of funds and economic resources which the Company holds in the name of the designated person, including:
 - (i) details of the assets, name and address of the owner or controller of the assets; and
 - (ii) details of any attempted transaction involving the assets, including:
 - (A) the name and address of the sender
 - (B) the name and address of the intended recipient
 - (C) the purpose of the attempted transaction
 - (D) the origin of the assets and
 - (E) the intended destination of the assets
 - (F) information of any corporate vehicles, directly or indirectly, owned by the designated person.
- (d) information referred also to [Annex III](#).

In cases of terrorism-related sanctions, the Company reports to CySEC all actions taken, including any asset freezing, to comply with the sanctions, are required by virtue of section 24 of the Terrorism

17.4 How to freeze the client's funds and economic resources

- (a) Depending on the funds and economic resources that are subject to freezing, the Company being in possession of such resources, e.g., when offering custodian services, must take all necessary steps in order to prevent the implementation of transactions that will be in breach of the Applicable Sanctions.
- (b) The notion of holding and controlling of funds and economic resources comprises all situations where a designated person or entity:
 - (i) a designated person or entity, even without having a title of ownership;
 - (ii) is able lawfully to dispose of or transfer funds or economic resources;
 - (iii) without any need for prior approval by the legal owner.
- (c) The following situations are considered as holding or controlling funds or economic resources (the list is indicative and not exhaustive):
 - (i) the designated person has banknotes or debt certificates issued to bearer;
 - (ii) has movable goods on his premises which he owns jointly with a non-designated person;
 - (iii) has received full or similar powers to represent the owner, allowing him to order the transfer of funds he does not own (e.g., power of attorney (PoA) for the purpose of managing a specific bank account or general PoA);
 - (iv) is a parent or guardian administering a bank account of a minor in accordance with the applicable law.
- (d) A mechanism for freezing of funds is ingrained in the Company's database, which prohibits transactions with a client, the Counterparty, or with respect to a FI subject to the Applicable Sanctions automatically.

Subject to clause 4.8 the Company's database does not allow to make a transaction:

- (i) with monies, FI, other funds or economic resources which will make them available, directly or indirectly, to or for the benefit of a client or a Counterparty subject to the Applicable Sanctions;

(ii) with respect to a FI to the Applicable Sanctions.

17.5 The Company reports to the Competent authority receipt of income and other assets in respect of a blocked FI. Such reporting is done within 5 (five) business days since first receipt under the FI. The Company does not report to the Competent authority subsequent receipts of income and other assets under the same FI for the same client (if any), unless the applicable law or the Competent authority require otherwise.

17.6 If the Company blocks assets of a client, the Counterparty, income and other assets in respect of a blocked FI (in this section – the “**funds**”), then the Company:

- (a) initially keeps funds on a bank account where the funds were received;
- (b) subsequently places the funds into an interest-bearing account on Company’s books from which only debits authorized by the Applicable Sanctions may be made;
- (c) does not credit the funds on the client’s account available for withdrawal and use by a client or the Counterparty (as applicable);
- (d) reports to the Competent authority when required by the applicable law.

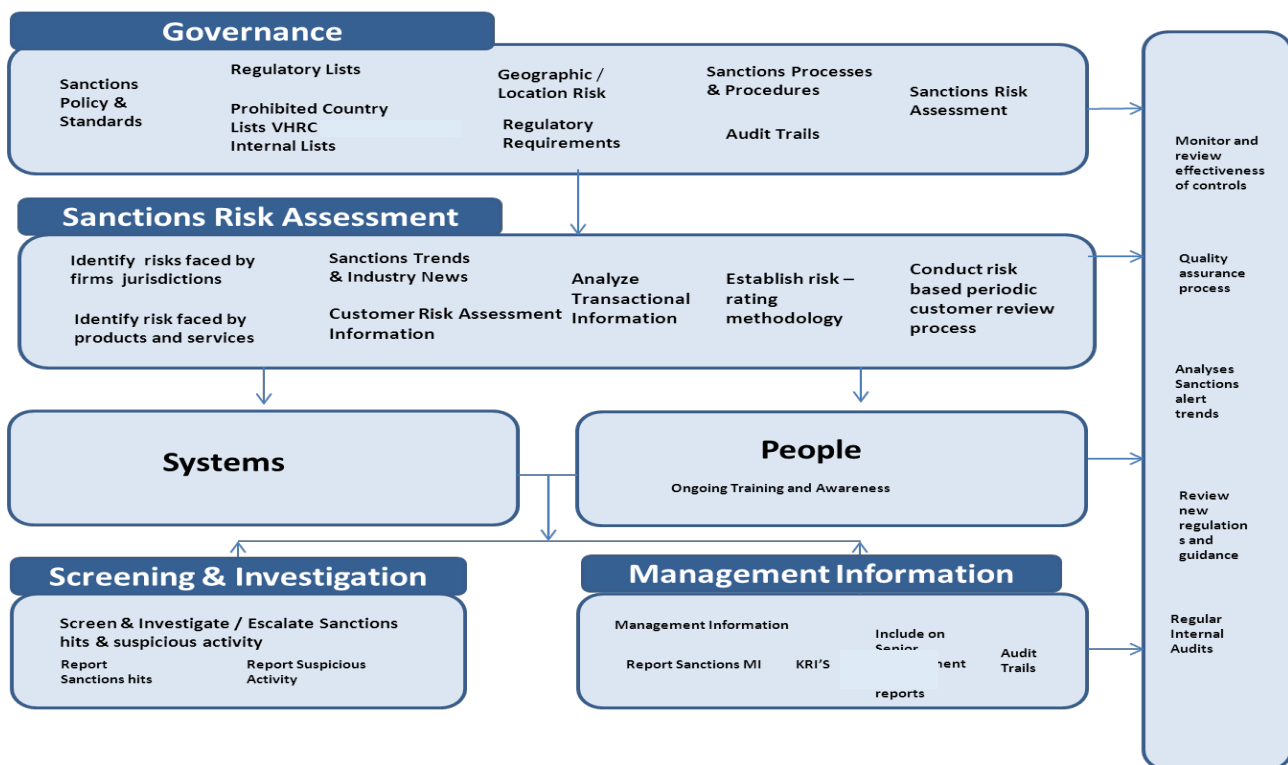
The Company may deviate from the procedure of blocking of the funds in accordance with the Applicable Sanctions or the Licenses.

The Company is not required to place blocked funds into an interest-bearing account set out in section 17.6(b) due to:

- (A) nature of the funds, which makes them impossible to be placed on condition of foreseeable income: FI, rights of claim, virtual currency, etc.
- (B) law which restricts or prohibits transactions of the Company with the funds;
- (C) conditions and restrictions imposed by the Counterparties¹¹;
- (D) other reasonable causes.

¹¹ For example, minimum deposit amount is not reached, fees of the Counterparty are unbearable, probable rejection of deposit transaction by the Counterparty, etc.

18. Sanctions control framework



18.1 The Company has zero tolerance for breaches of Sanctions Regulations and will not knowingly provide investment services to any individuals, entities, or countries where the provision of such a service would breach Sanctions or Regulations of jurisdiction in which the Company operates.

Subject to section 4.6 this applies in the context of:

- countries subject to the Applicable Sanctions;
- countries subject to trade restrictions / embargoes;
- new account opening/new relationships;
- customers / employees / contractors;
- provision of access to financial services;
- payments' processing.

18.2 As per EU Best Practices, the Company must refrain from entering into business relations with any person or entity that the available identifiers match unless it is clear that it is not the same as the designated person or entity.

18.3 If the Company queries whether a client or the Counterparty is in fact a designated person/entity, it uses all sources available to establish client's or Counterparty's identity. If it cannot solve the query, the Company informs competent authorities of the relevant Member State.

18.4 If an existing client becomes sanctioned or attempts to make/receive a payment to/from a sanctioned entity/person, the Company must:

- freeze the funds, and
- report to the relevant regulatory authority.

18.5 Any person who violates any of the provisions of the Resolutions or Decisions of the Security Council (Sanctions) and/or the Decisions and Regulations of the Council of the European Union (Restrictive

Measures), is guilty of an offence and subject to the reservation of any other legal provision establishing higher penalty, in case of conviction is subject:

- (a) if it is a natural person, to imprisonment not exceeding 2 years or a pecuniary penalty not exceeding €100,000 or both penalties,
- (b) if it is a legal person, to a pecuniary penalty not exceeding €300,000.

18.6 Sanction Risk Management

- (a) The Company gives consideration to completing an annual Sanctions Risk Assessment as an integral component of their Sanctions Risk Management Control framework.
- (b) The Sanctions Risk assessment contains a review of the Company's approach to Sanctions risk under a number of key headings including (inter alia):
 - the Company's ability to react to sanctions legislation.
 - the sanctions risks that may be presented by the Company's clients and associated parties (such as directors and beneficial owners), transactions, services, products, and jurisdictions.
 - systems and key person dependence.
 - training.
- (c) The Sanctions Risk Assessment:
 - identifies the key inherent sanctions risks facing the Company.
 - outlines the key control measures in place to mitigate against these inherent risks.
 - outlines any residual risks remaining.
 - defines the required actions to address any gaps identified.
- (d) If we know our customer, it is easier to respond to queries relating to their transactions and/or business. The Company completes the Customer On boarding and Ongoing Due Diligence review process conscientiously to ensure it knows its customers and their business particularly if the customers deal with higher risk countries, goods, or activities.

18.7 Compliance monitoring reports

- (a) The AMLCO produces a compliance monitoring report on at least on an annual basis. It includes reference to:
 - the Company's key sanctions risks and trends;
 - an assessment of the effectiveness of the Sanctions control framework;
 - scoring system to assess significance and exposure to sanctions risks and how effectively they are addressed in the Company;
 - any corrective actions taken: adjustments to the Policy, training of employees, modification of the Company's database;
 - recommendations for improvements in response to issues or deficiencies identified.
- (b) The Company produces regular compliance monitoring to ensure that it effectively manages the sanctions risks and keeps relevant records for internal and external audit purposes.

18.8 Record keeping procedures



- (a) The Company has developed appropriate record keeping procedures.
- (b) The Company:
 - document the due diligence reviews/investigations conducted on customers and individual transactions due to potential sanctions matches;
 - include the rationale for discounting such matches;
 - include supporting documentation/evidence to support conclusions.
- (c) Maintaining complete and updated records is essential to:
 - the ongoing monitoring of the Company's relationship with such customers;
 - to understand the customer's ongoing business and activities;
 - if necessary, to provide an audit trail in the event of disputes, legal action, or inquiries or investigations that could lead to regulatory actions or criminal prosecution.

18.9 Customer Acceptance and Risk based approach Policy

- (a) Table summary of the high-risk countries and some provisions regarding the approach to sanctions are included into the Client Acceptance Policy and Procedures and the Risk Based Approach Policy and Procedure as well.
- (b) In addition, information regarding Terrorism Financing and Countering Proliferation financing are included in the said Policy.

18.10 Management Information

- (a) AMLCO's response can be made in relevant forms, refer to [Annex III](#).

19. Sanctions training programme/final provisions

19.1 Company has personnel training programs that correspond to their operations and risk profiles.

19.2 Objectives of the sanctions training programme are the following:

- (a) Ensure that all employees understand their obligations and responsibilities, including key actions to be taken in the event of a reportable sanctions match.
- (b) Raise awareness amongst employees of sanctions risk and internal policies, standards and controls.
- (c) Help the employees avoid taking any actions that might expose the institution and/or themselves to criminal or civil liability and other negative consequences.
- (d) Enable staff to explain the impact of sanctions to the Company's customers, as required.
- (e) Inform employees of the Company understand consequences that may be imposed in case the employees deliberately or accidentally fail to comply with the Applicable Sanctions.

The Company informs its employees through a system called MyCompliance Cloud (<https://cloud.metacompliance.com>) for purposes of section 19.2(e). The system invites every employee by email to read and confirm that the employee have read and understood the Policy. Fact and date of each confirmation is stored in this system electronically. The Company may change the system or alter a mode of informing its employees. No change of the Policy is needed in this case.

19.3 All Company employees are responsible for the success of this Policy and are invited to suggest ways it might be improved by providing feedback on procedures of the Policy and taking part on devising of the Company's database.

19.4 The Company ensures that senior management and the Board of Directors maintain a thorough understanding of and are adequately educated on sanctions and sanctions related matters.

The AMLCO or a person appointed by him conduct written tests of senior management and the Board of Directors on knowledge of the Applicable Sanctions.

Such tests occur annually, unless the AMLCO decides to increase the frequency of such reviews, for example, taking into account fast-paced changes in the Applicable Sanctions.

If the person's level of knowledge is unsatisfactory to the AMLCO, then this person may not be appointed to exercise the authority given by the Policy to the AMLCO in accordance with section 12.2. Generally, satisfactorily knowledge requires 95% test score and satisfactory answers on open questions (if any).

19.5 The responsibility of the designing and implementation of the Company's training program lies with the AMLCO. AMLCO is also required to assess and evaluate the adequacy of the training program, inform the senior management in cases that weaknesses are identified and take all necessary measures to rectify such weaknesses by adjusting the training program to the specific needs and characteristics of the personnel.

19.6 Company keeps detailed records of the training program provided to the personnel, including attendance information, level of personnel attended, material provided etc.

19.7 Details of the sanctions training program, weaknesses identified, and rectifying actions are documented in the Annual AMLCO Report submitted to CySEC.

19.8 Circumvention

(a) The Company ensures that its policies and procedures include provisions against circumvention of sanctions.

To combat with circumvention of sanctions the Company close the gaps for potential sanctions circumvention. For example, the Company:

- (i) conducts enhanced due diligence of certain current clients and Counterparties in accordance with section 7.11;
- (ii) ties up of a sanctions status of a client and the Counterparties to a sanctions status of its or their Related Persons, which is a broad term in the Policy and includes the ultimate beneficial owners, in accordance with section 8.6;
- (iii) adds non-sanctioned countries to the framework of the Policy in accordance with sections 4.6(a)(i)–(ii);
- (iv) treats non-designated persons from certain countries as restricted in accordance with section 4.6(a)(iii);
- (v) blocks FI issued by person subject to the Applicable Sanctions in accordance with section 9.6(a);
- (vi) deems currency of the Restricted Countries as an additional pretext for transactions check in accordance with section 5.19;
- (vii) interprets the Applicable Sanctions in a way that goes beyond what is legally required.

(b) The policies and procedures of the Company also provide for the detection of attempts to circumvent sanctions. These include:

- (i) Risk assessment of clients, issuers of FI, and the Counterparties;
 - (ii) Multilevel-based due diligence of clients and the Counterparties;
 - (iii) Ongoing monitoring of clients, issuers of FI, and the Counterparties.
- (c) Circumvention attempts may include the following:
- Omitting, deleting or altering payment information to avoid detection of that information by other persons in the payment process, or
 - Structuring transactions/ corporate vehicles to conceal the involvement of a sanctioned person.

19.9 Any attempt to circumvent the Applicable Sanctions constitutes a breach of the Sanction's provisions and as such, a breach of law and will give rise to a serious offence.

19.10 If an employee was convicted of sanctions breach or sanctions circumvention the Company will terminate an employment agreement with the employee subject to term of the applicable law and the employment agreement.

19.11 The Law:

- (a) the current Sanctions Policy of the Company was developed in accordance with the Sanction Law – breaching a sanctions regime can constitute a criminal offence under the said Law.
- (b) the Terrorism Law – breaching a sanctions regime related to terrorism can constitute a criminal offence under the said Law.

Annex I. Sanctions risk assessment factors

In accordance with section 6.1, the list of factors used to assess the Company's sanctions risk includes:

Inherent sanctions risk level of the Company: high

Risk tolerance: low

Residual sanctions risk level of the Company: low

Risk scoring: 1 (low), 2 (medium), 3 (high)

No	Parameter	Description	Risk score
1	Organisational risk	<ol style="list-style-type: none"> 1. The Company has comprehensive sanctions program. Senior management and all employees are cognizant of the program, what is evidenced in electronically. The program is always available on the Company's website. 2. Senior management is committed to compliance with the Applicable Sanctions. 3. Compliance functions are centralised within senior management and AMLCO. The AMLCO supervises day-to-day compliance with the Applicable Sanctions by other employees. 4. Employees know their share of sanctions compliance in line of activity. Respective parts of sanctions program are easy to follow and apply. 5. Employees in lines of business exposed to the Applicable Sanctions sufficient experience and an appropriate position within the Company to comply with them. In case of doubt employees may refer their doubts to the AMLCO or an employee (appointee) to act as a point of expertise on sanctions/restrictions. 6. The Company has an employee (appointee) which monitors the Applicable Sanctions, proposes adaptations to developments in the Applicable Sanctions and acts as a point of expertise on them. This employee is not aligned with the lines of business. 7. The Company keeps training employees on the sanctions program and the Applicable Sanctions. 	1
2	Risk of delivery of services	<ol style="list-style-type: none"> 1. No aggressive solicitation of clients. Usually, reverse solicitation through introduction of a new client by an existing client. 2. Only face-to-face clients without remote introduction meetings 3. The Company checks suitability of clients and their related persons from sanctions risk perspective before establishment of relationship. 4. Sanctions compliance is integrated in all services of the Company: execution of orders on behalf of clients, dealing on own account, portfolio management, and ancillary services. 5. Company's business is limited to investments services. It does not envisage non-standard payments or commercial practices. 6. Sanctions related statuses of clients, counterparties, the FI and transactions are visible to all employees of the Company. This status respectively restricts every employee from undertaking sanctions breaches. 	1

No	Parameter	Description	Risk score
3	Client risk	<ol style="list-style-type: none"> 1. Stable customer base. Low frequency of changes in significant client details (ownership, country of residence and similar). 2. Most clients come from different countries and operate on international markets. 3. Thorough screening of clients and their related parties on basis of strict requirements of due diligence. 4. Daily monitoring and comprehensive review (rescreening) of clients and their related persons at short intervals. 5. The Company receives letters / guarantees from clients with omnibus accounts, that they do not serve persons designated by the Applicable Sanctions. 	1
4	Counterparty risk	<ol style="list-style-type: none"> 1. The Company has multiple counterparties from various countries. 2. The Company checks suitability of counterparties from sanctions risk perspective before establishment of relationship. 3. Counterparties lists, terms of relationships are subject to changes. 4. Daily monitoring and comprehensive review (rescreening) of counterparties at short intervals. Related parties of counterparties are screened on case by case basis, for example, due to their exposure to sanctioned countries, ownership by designated persons. 	2
5	Transactions risk	<ol style="list-style-type: none"> 1. Company's systems are set to forbid creation or processing of transaction involving persons or jurisdictions subject to the Applicable Sanctions. 2. The Company screens certain cross-border transactions: with clients or counterparties from countries of grey list and in relevant cases – from black list. In other cases, transactions with black list countries cannot be made. 	1
6	Geography risk	<ol style="list-style-type: none"> 1. The Company implements the Applicable Sanctions adopted by countries / international organisations of operations of the Company or its counterparties. 2. Generally, clients with permanent residence or citizenship in sanctioned countries draw the following special treatment. 3. Non-acceptance of new clients / counterparties from grey listed countries. Monitoring of every transaction of such clients. 4. Termination of relationships with clients / counterparties from black list countries, subject to certain narrow exclusions. 5. The Company keeps up to date grey and black list of countries. 	1
7	Product risk	<ol style="list-style-type: none"> 1. Instruments prone to sanctions risk may not be transacted by a client. No mis-selling and greenwashing of sanctioned FI. 2. Constant daily monitoring and comprehensive review (rescreening) at short intervals. 3. There is an automated database with clients, counterparties, transactions and the FI. The database is designed to prevent employee misconduct and interdict sanctions breaches. 	1

No	Parameter	Description	Risk score
		4. The database stores with timestamp and name of an employee every action of the employee. This information may not be erased retroactively by this person. Data is stored in accordance with applicable law.	
8	Governance risk	<ol style="list-style-type: none"> 1. The Company has procedure of reporting of blocking, rejecting of assets and transactions to the Competent authority. 2. The Company has no risk tolerance for violation of the Applicable Sanctions. An employee may escalate potential risk matches and breaches of the Applicable Sanctions to the AMLCO without repercussions. 3. Non-compliance with the Applicable Sanctions is not encouraged and employees are reminded of potential disciplinary and/or criminal liability. 4. Risk (re-)assessment of the sanctions program is a requirement for adoption of the program. It will occur on major revisions to the sanctions program. 5. The Company conducts internal and external audit of its sanctions program. The audit is expected to determine root causes of weaknesses in the sanctions program and suggest their ways to remediate them. It occurs in case of substantial changes of the program. Auditors are independent, efficient and knowledgeable about sanctions, AML and compliance in general. 	1

Annex II. “Due diligence” steps in determining a true match

Step 1: Is the “match” against a sanctions list or is it a “match” for any other reason, e.g., PEP, adverse media etc.?

If the “match” is against a sanctions list, proceed to step 2 below.

If the “match” is for any other reason, you do not have a “match”.

Step 2: Evaluate the quality of the match. Compare the name of the person concerned with the name on the sanctions list. Is the name in your Company’s possession a natural person while the name on the sanctions list concerns a legal person, vessel (or vice-versa)?

If yes, you do not have a true match.

If no, proceed to step 3 below.

Step 3: How much of the listed entry’s name is matching against the name you have, e.g., just the last name? If yes, you do not have a true match.

If no, proceed to step 4 below.

Step 4: Compare the complete sanctions list entry with all the information you have on the matching name. An entry will often have a full name, address, nationality, passport, tax ID, place of birth, date of birth, former names, and aliases. Are you missing a lot of this information for the name?

If yes, your due diligence process is lacking details. Go back and get more information and then compare your complete information against the entry.

If no, proceed to step 5 below.

Step 5: Are there several similarities or exact matches?

If yes, you have a true match. Reporting and freezing procedures apply immediately.

If no, you do not have a true match.

Annex III. Forms

Disclosure of suspected breach of financial sanctions in contravention of EU regulations

Please supply the Competent Authorities with as much information as possible regarding the suspected breach, including the names of the parties involved, relevant amounts, account names and numbers, and when this suspected breach was discovered.

(For further information to help you comply with financial sanctions, please see sections 4 and 5 hereof).

Please email the minimum details including any associated documents to the Competent Authorities with “SUSPECTED BREACH” in the subject line.

Date submitted	
Date breach/suspected breach discovered	
Name, address and contact details of reporter	
Reporter’s role in the transaction	
Are you reporting a completed transaction or an attempted transaction?	
Which sanctions regime and, where known, which prohibition is suspected of being breached?	
Sender of funds i.e. name, address	
Remitting bank, location, and account name and number	
Receiver of funds i.e. name, address	
Receiver’s bank, location and account name and number	
Name and address of the intended recipient	
Payment route	



i.e. details of other intermediaries – names, addresses, account details	
Method of payment i.e. bank transfer, cash, cheques, money orders etc.	
Amount of transfer/attempted transfer	
Purpose of transfer, if known	
Origin of the assets	
Other persons involved in the transfer, and their roles	
Any other relevant information	



Annex IV. Samples of analysis of FI's marked as sanctioned or restricted

Client	ISIN	Bloomberg name
###-BR	XS0776121062	NMOSRM 10 04/26/19

issuer: OFCB Capital PLC (Банк "Финансовая Корпорация Открытие" ПАО (f/k/a Nomos Bank), subsidiary of Russian Central Bank)
date of issue: 20.04.2012
US: yes (OTKRITIE BANK in SDN list). RUSSIA-EO14024: GL 9c: sale of OTKRITIE BANK's instruments issued before 24/02/2022 to non-US person possible until 25/05/2022. Allowed to non-US person.
EU: yes, asset freeze since 08/04/2022. Not allowed.
UK: yes, asset freeze. Transition period ended on 03/04/2022. Not allowed.
Resume: transaction with the instrument is prohibited.

Bloomberg Functions Results Record: [Bloomrest] Значение Функции:

Actions: [Icons]

Период: 03/05/2022

ЦБ: NMOSRM19 10%

Bloomberg name:

Function: STATUS

Value: SANCTIONS

Auto Comment: 03.05.2022 12:14:06; NMOSRM19 10%; Sanctions re-checked. No changes discovered.

Memo:
 issuer: OFCB Capital PLC (Банк "Финансовая Корпорация Открытие" ПАО (f/k/a Nomos Bank), subsidiary of Russian Central Bank)
 date of issue: 20.04.2012
 US: yes (OTKRITIE BANK in SDN list). RUSSIA-EO14024: GL 9c: sale of OTKRITIE BANK's instruments issued before 24/02/2022 to non-US person possible until 25/05/2022. Allowed to non-US person.
 EU: yes, asset freeze since 08/04/2022. Not allowed.
 UK: yes, asset freeze. Transition period ended on 03/04/2022. Not allowed.
 Resume: transaction with the instrument is prohibited

Approval: Approval of status by Aija Rimsa 03.05.2022 18:49:50

STATUS draft:

Buttons: OK | Записать | Закрывать

Client No	ISIN	Bloomberg name
###-BR	RU000A0JU8A7	RURAIL 12 1/2 10/21/16

issuer: ОАО "РЖД-Развитие вокзалов" ([liquidated](#), bond were defaulted; presumably was a subsidiary of OJSC RZD)
details: <https://rusbonds.ru/bonds/93697/>
type of instrument: Bonds
date of issue: 25.10.2013



US: is not on the asset-freeze list. EO14024: Directive 3: sanctions do not cover transactions with issuer's instruments issued before 26/03/2022 (https://home.treasury.gov/system/files/126/new_debt_and_equity_directive_3.pdf). Allowed.

EU: no sanctions.

UK: is on the asset-freeze list. There is no applicable general license.

Resume: transaction with the instrument is prohibited.

Bloomberg Functions Results Record: [Bloomrest] ЗначениеФункции:

Actions ▾ [Print] [Refresh] [Save] [Help]

Период: 30/05/2022

ЦБ: RURAL16 12.5%

Bloomberg name:

Function: STATUS

Value: SANCTIONS (REVIEW NEEDED)

Auto Comment: 30.05.2022 11:20:09; RURAL16 12.5%; Sanctions re-checked. No changes discovered.

Memo: US: is not on the asset-freeze list. EO14024: Directive 3: sanctions do not cover transactions with issuer's instruments issued before 26/03/2022 (https://home.treasury.gov/system/files/126/new_debt_and_equity_directive_3.pdf). Allowed. EU: no sanctions. UK: is on the asset-freeze list. There is no applicable general license. Resume: transaction with the instrument is prohibited.

Approval:

STATUS draft:

OK | Записать | Закреть



Bloomberg Functions Results Record: [Bloomrest] Значение Функции:

Actions ▾ [Print] [Refresh] [Save] [Help]

Период: 02/06/2022

ЦБ: RURAIL16 12.5%

Bloomberg name:

Function: STATUS

Value: SANCTIONS

Auto Comment: 30.05.2022 11:20:09; RURAIL16 12.5%; Sanctions re-checked. No changes discovered.

Memo:

Approval: Approval of status by Aija Rimsa 02.06.2022 15:05:59

STATUS draft:

OK | Записать | Закреть

Annex V. Restricted Countries

The list of countries targeted by the UNSC for purposes of section 5.11(a) as of the date of this Policy:

1. Afghanistan;
2. Central African Republic;
3. Congo, Democratic Republic of the;
4. Guinea-Bissau;
5. Iraq;
6. Lebanon;
7. Libya;
8. Mali;
9. Somalia;
10. South Sudan;
11. Sudan;
12. Yemen.

The list of countries targeted by some Applicable Sanctions and treated as blocked countries for purposes of section 5.11(b) as of the date of this Policy:

13. Belarus;
14. Korea (Democratic People's Republic of);
15. Iran;
16. Russia.

Annex VI. Restricted Currencies

The list of the Restricted Currencies for purposes of section 5.19 as of the date of this Policy:

No	Country	Currency code	Currency
1	Albania	ALL	Albanian lek
3	Angola	AOA	Angolan kwanza
4	Barbados	BBD	Barbados dollar
5	Belarus	BYN	Belarusian rubble
6	Burkina Faso	XOF	CFA franc BCEAO
7	Cambodia	KHR	Cambodian riel
9	Cayman Islands	KYD	Cayman Islands dollar
8	Central African Republic	XAF	CFA franc BEAC
12	Congo, Democratic Republic of the	CDF	Congolese franc
10	Côte d'Ivoire	XOF	CFA franc BCEAO
13	Eritrea	ERN	Eritrean nakfa
14	Ethiopia	ETB	Ethiopian birr
15	Fiji	FJD	Fiji dollar
17	Guinea-Bissau	XOF	CFA franc BCEAO
18	Haiti	HTG	Haitian gourde
19	Iran	IRR	Iranian rial
20	Iraq	IQD	Iraqi dinar
21	Jamaica	JMD	Jamaican dollar
22	Jordan	JOD	Jordanian dinar
11	Korea (Democratic People's Republic of)	KPW	North Korean won
23	Lebanon	LBP	Lebanese pound
24	Liberia	LRD	Liberian dollar
25	Libya	LYD	Libyan dinar
26	Mali	XOF	CFA franc BCEAO
28	Morocco	MAD	Moroccan dirham
29	Myanmar	MMK	Myanmar kyat
30	Nicaragua	NIO	Nicaraguan Cordoba
31	Pakistan	PKR	Pakistani rupee
33	Panama	PAB	Panamanian balboa
34	Philippines	PHP	Philippine peso
35	Russia	RUB	Russian rubble
36	Rwanda	RWF	Rwandan franc
38	Senegal	XOF	CFA franc BCEAO
39	Sierra Leone	SLL	Sierra Leonean Leone
40	Somalia	SOS	Somali shilling
41	South Africa	ZAR	South African rand
42	South Sudan	SSP	South Sudanese pound
44	Sudan	SDG	Sudanese pound
45	Syria	SYP	Syrian pound

47	Trinidad and Tobago	TTD	Trinidad and Tobago dollar
48	Turkey	TRY	Turkish lira
49	Uganda	UGX	Ugandan shilling
50	United Arab Emirates	AED	United Arab Emirates dirham
52	Vanuatu	VUV	Vanuatu vatu
53	Yemen	YER	Yemeni rial