Questionnaire – AML/CTPF and Sanctions risk management Internal Control System assessment

Client CIF A ☐☐☐☐☐

1. Information about the Client

Please provide complete and true information

Company name: _____

Registration number ☐☐☐☐☐☐☐☐☐☐☐☐☐

Registration date ☐☐☐☐☐☐☐☐☐

Registration country _____

Registered office _____

Address of the head office _____

Main business activity country _____

Country of subsidiaries and/or branches _____

Website address: _____

Phone: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐

SWIFT (BIC) code: _____

Title of the registration country supervisory authority _____

Website address of the supervisory authority _____

Payment Service Provider license number _____

Issuance date of the license ☐☐☐☐☐☐☐☐☐☐

If shares are admitted to trading on a regulated market – please specify the name of the regulated market

_____

2. Information on the services provided by the Client

Tick the appropriate box ☒ to specify the service(-s) which the Client is entitled to provide

Service that makes it possible to transfer cash to a payment account, as well as all the necessary operations performed by the payment service provider to enable the payment service user to use the payment account.

Service that makes it possible to withdraw cash from a payment account as well as any necessary operations performed by the payment service provider to enable the payment service user to use the payment account

Making a payment, including making a direct debit payment, including a one-time direct debit payment, making a payment with a payment card or similar device, making a credit transfer, and making a regular payment. That payment service shall also be a transfer of funds to a payment account opened with the payment service user's payment service provider or another payment service provider.

Making a payment, including making a direct debit payment, including a one-time direct debit payment, making a payment with a payment card or similar device, making a credit transfer, and making a regular payment. That payment service refers to a payment service where a credit limit is applied to the money available to the payment service user.

Issuance or receipt of a payment instrument

Money transfer without opening an account

Making a payment if the payer approves the payment by means of digital or information technology device and if the payment is made to a telecommunication, information technology system or network operator who is only an intermediary between the payment service user and the seller or service provider

Emission of electronic money

Distribution / redemption of electronic money

Another service related to a payment services or electronic money circulation (a detailed description required)

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The Client / Client's representative signature

3. Information on the internal control system of the Client

Answer for all questions is mandatory: Please mark "Yes", "No" or other available option by ticking the appropriate box ☒ . In cases where a comment or explanation is required – please provide detailed information (add additional lines, if necessary).

Have the 40 + 9 recommendations of the Financial Action Task Force (FATF) in the field of AML/CTPF been implemented and followed in the Client's country?

   Yes

   No (explanation required) ....

Is the Client subject of AML/CTPF legislative and regulatory framework?

   Yes

   No (explanation required) ....

Is money laundering and terrorism proliferation financing a criminal offense in the Client's country?

   Yes

   No (explanation required) ....

Has the Client developed policies and procedures in the field of AML/CTPF in accordance with the corresponding legislation and regulations in the field of AML/CTPF?

   Yes

   No (explanation required) ....

Does the Client regularly review and update AML/CTPF policies and procedures?

   Yes (please specify how often and under what circumstances ....

   No (explanation required) ....

Are the requirements of the Client's AML/CTPF policies and procedures equally applied to foreign branches and representative offices?

   Yes

   No (explanation required) ....

Do the Client's AML/CTPF policies and procedures require establishment of an internal control system and risk assessment in order to identify, assess, understand and manage inherent risks of the Client and its customers?

   Yes

   No (explanation required) ....

Does the Client have and apply AML/TPF risk mitigation measures?

   Yes (please provide a detailed list of risk management measures): ....

   No (explanation required) ....

How does the Client control AML/CTPF and Sanctions risk management internal control system and evaluate its efficiency?

   Self-assessment

   Internal audit

   Name of an independent auditor ....

Date of the last independent audit report: ☐☐☐☐☐☐☐☐☐☐

How often does the Client control internal control system and evaluate its efficiency?

   1. Once every 18 months

   2. More frequently than once every 18 months (please specify the frequency in months) _____

   3. Less than once every 18 months (please specify the frequency in months) _____

Does the Client impose the "Know Your Customer" procedure in relation to all customers (natural and legal persons) and their representatives?

   Yes (please specify which document stipulates such requirement): ....

   No, in all cases (explanation required): ....

Does the Client perform transaction monitoring for all customers (natural and legal persons) and their representatives?

   Yes (please specify which document): ....

   No, in all cases (explanation required): ....

Does the Client perform remote client identification?

   Yes (please describe in detail the identification and monitoring arrangements): ....

   No

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When initiating a business relationship with new potential customers, does the Client's AML/CTPF policies and procedures require :

On-site identification of the customer (face-to-face):

Yes

No (explanation required _____

Verification of customer identification using independent, reliable sources:

Yes

No (explanation required): _____

Ascertaining whether the customer, its representative or beneficial owner is a PEP, a family member of PEP or a person closely associated with PEP:

Yes

No (explanation required): _____

Analysis of the customer's source of funds:

Yes

No (explanation required): _____

Analysis of the customer's and beneficial owner's source of wealth:

Yes

No (explanation required): _____

Determine and ascertain that the customer's personal or business activity is appropriate:

Yes

No (explanation required): _____

Does the Client perform risk assessment of its customers (client risk, country and geographical risk, service and product risk, supply channel risk) and divide its customers into risk groups (low, medium, high, etc.)?

Yes (please add a description of the risk assessment of the Client): _____

_____

No (explanation required): _____

Please specify the count of customers and their share (in percentage) in the overall customer base portfolio divided into risk groups according to the inherent risk level of the customers (e.g., low, medium, high or any other categorization, etc.)

Customers - Individuals			Customers – Legal entities			Customers – financial institutions		
Risk level	Count of customers	%	Risk level	Count of customers	%	Risk level	Count of customers	%

Does the Client perform enhanced due diligence for customers from high-risk countries?

Yes
No (explanation required): _____

Does the Client perform enhanced due diligence for customers for whom negative information is available that may pose a ML/TPF and reputational risk?

Yes
No (explanation required): _____

Does the Client perform enhanced due diligence for customers for with a significant increase in the volume of transactions or the number of transactions in relation to the declared volumes?

Yes
No (explanation required): _____

Does the Client perform enhanced due diligence for customers for whom there have been identified suspicious transactions and/or behavior?

Yes
No (explanation required): _____

Does the Client perform enhanced due diligence for customers who have been identified as a PEP, a member of the PEP family or a person closely associated with the PEP?

Yes
No (explanation required): _____

Does the Client perform enhanced due diligence for customers who have been identified remotely?

Yes
No (explanation required): _____

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Does the Client perform enhanced due diligence for high risk customers?

    Yes

    No (explanation required): ....

Does the Customer perform transaction monitoring of customer transactions to detect suspicious and / or unusual transactions?

    Yes (please provide a detailed description of the process for supervising the customer transactions): ....

    No (explanation required): ....

Has the Client developed policies procedures for reporting suspicious and/or unusual transactions to supervisory authorities?

    Yes

    No (explanation required): ....

Does the Client keep documents and information obtained during customer due diligence and transaction monitoring for at least 5 years after the termination of the business relationship with the customer?

    Yes

    No (explanation required): ....

Please specify the international and national sanctions requirements which are taken into account in the verification of the clients, potential clients of the Client and also verification of the client transactions

	Customers and potential customers	Customer transactions
ANO		
OFAC		
ES		
LV		
Other sanctions lists		

Does the Client have a business relationship with customers that are included in any of the lists specified: UN, OFAC, EU, LV and other sanctions lists?

    Yes (please describe in detail the nature of such relationship, identification and monitoring arrangements): ....

    No

Does the Client have a business relationship with customers who are registered and/or are residents in countries against which there are financial sanctions?

    Yes (please describe in detail the nature of such relationship, identification and monitoring arrangements): ....

    No

Please describe the transaction monitoring of customers exercised by the Client in determining, e.g., client transaction limits or other restrictions (detailed description of transaction monitoring)?

	Single transaction, monthly transaction limits	Geographical restrictions	Customer payment options	Cash transaction restrictions
Customers – Individuals				
Customers – Legal entities				
Customers/clients cooperating partners				

Does the Client have set transaction limits up to which transaction supporting documentation is not required?

    No

    Yes (please specify the limit) ....

Does the Client conduct regular employee training in the field of AML/CTPF?

    Yes (please provide a detailed description of the programme in the field of AML/CTPF): ....

    No (explanation required): ....

Does the Client's AML/CTPF policies and procedures prohibit maintaining business relationships with "shell banks"?

    Yes

    No (explanation required): ....

Does the Client maintain a correspondent relationship with "shell banks"?

    Yes (please describe in detail the nature of such correspondent relationship and monitoring arrangements) ....

    No

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The Client / Client's representative signature

Does the Client have any business relationship with "shell banks"?

    Yes (please describe in detail the nature of such relationship) ┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈

    ┈┈

    No

Does the Client's AML/CTPF policies and procedures prohibit opening and maintenance of anonymous accounts or accounts with fictitious names?

    Yes

    No (explanation required): ┈┈

Does the Client provide occasional transaction services to customers without establishing a business relationship?

    Yes (please describe in detail the identification and monitoring arrangements): ┈┈┈┈┈┈┈┈┈┈┈┈

    No (explanation required): ┈┈

Does the Client maintain business relations with other financial institutions?

    Yes (If 'Yes', what are the requirements with regard to the procedures for assessing the policies and procedures in the field of AML/CTPF of another financial Institution):

    ┈┈

    No

Has the Client received any penalties in relation to AML/TPF in the last 5 years?

    Yes (please describe in detail the nature of the infringement, amount of the penalty imposed and the remedial procedure, status):

    ┈┈

    No

Does the Client use the information technology system for AML/CTPF and Sanctions risk management?

    Yes (please specify the name and supplier of the IT system): ┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈

    ┈┈

    No

Has the Client appointed a person responsible for fulfilling the requirements of AML/CTPF?

    Yes (please specify the name, surname, position, contact phone, e-mail): ┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈

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    No

Has the Client appointed a person responsible for fulfilling the requirements of Sanctions risk management?

    Yes (please specify the name, surname, position, contact phone, e-mail): ┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈┈

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    No

Does the Client plan to provide payment services to other payment service providers (payment institutions or electronic money institutions) using the account of AS Magnetiq Bank?

    Yes (please specify the following information: name, registration number, address, website address. Please enclose a schematic representation and detailed cooperation description):

    ┈┈

    No

Does the Client plan to make mutual settlements with other payment service providers (payment institutions or electronic money institutions) using the account of AS Magnetiq Bank?

    Yes (please specify the following information: name, registration number, address, website address. Please enclose a schematic representation and detailed cooperation description):

    ┈┈

    No

Does the Client have a business relationship (open accounts) with other financial institutions?

    Yes (please specify the name of the financial institution, account numbers, also separately indicating the account numbers for the business activity of the Client and for the payment settlement of customers):

    ┈┈

    No

Financial institution	Country	Account number	Business activity of the Client	For customer payments

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The Client / Client's representative signature

4. Information about customers of the Client

Please specify the count of customers and their share (in percentage) in the overall customer base portfolio divided according to countries and/or jurisdictions. The indication of the number of Latvian clients and their share (in percentage) in the overall customer base portfolio is mandatory (if there are no such clients indicate: '0').

Customers - Individuals					
ISO code of the residence country	Count of customers	%	ISO code of the citizenship country	Count of customers	%
LV					
Customers – Individuals (Total)					

Customers – Legal entities					
ISO code of the registration country	Count of customers	%	ISO code of the business activity country	Count of customers	%
LV					
Customers – Legal entities (Total)					

Customers – Financial institutions					
ISO code of the registration country	Count of customers	%	ISO code of the business activity country	Count of customers	%
LV					
Customers – Financial institutions (Total)					

5. Documents enclosed:

Please provide the last (current) versions of the documents listed below. The given list of documents (procedures and policies) names has been drawn up for information purposes only. The Client must provide its internal normative documents which govern the mentioned processes.

AML/CTPF policy.

On-boarding procedure.

Transaction monitoring procedure.

Internal Control System assessment procedure.

Customer Due Diligence procedure.

Customer Risk scoring procedure.

Client's organizational structure.

Financial statement.

Internal or external audit report on the effectiveness assessment of the internal control system.

I hereby confirm that the data and information provided in this form is up-to-date and true:

Person responsible for compliance with the requirements in the field of AML/CTPF:

Name,surname: ....

Position ....

E-mail: ....

Phone: ▢▢▢▢▢▢▢▢▢▢▢▢

Date: ▢▢▢▢▢▢▢▢

Signature: ....

Client's representative:

Name, surname: ....

Position: ....

E-mail: ....

Phone: ▢▢▢▢▢▢▢▢▢▢▢▢

Date: ▢▢▢▢▢▢▢▢

Signature: ....

Confirmations of the Client

I confirm that all the information provided in this document is complete and true.

— I undertake to immediately inform the Bank in writing on any changes in the above information. I am informed that in accordance with General Terms of Service, the Client's Form (for legal entities) is an integral part of the Agreement and the signing thereof on behalf of the Client means the signing of the Agreement, except for the Bank services which can be received only by signing the Special Agreement.

— I am informed that the Bank processes (collects, stores, records, submits, transfers, transmits, etc.) the Client's data and other persons' data submitted by the Client,as well as in accordance with applicable legal acts requests and receives the aforementioned data and other information from the third parties and processes it. The Bank has the right to transfer the Client's personal data to the third parties if this is deemed appropriate by the Bank for the provision of services or debt recovery from the Client. The Client confirms that, he/she has right to transfer data of other natural persons to the Bank, for that he/she has received all necessary consents.

— I undertake not to use accounts in the Bank and services of the Bank in transactions that may result in the violation of legislative acts of the Republic of Latvia, the European Union or the United Nations or decisions of international organizations which determine persons or territories subjected to sanctions / limitations or limitations to the movement of certain goods.

Client's representative			
	(representation grounds / position)	(name, surname)	(signature)
Client's representative			Z.v.
	(representation grounds / position)	(name, surname)	(signature)