

# Anti-Money Laundering (AML) Statement INPAY

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## Purpose

Financial crime has a destructive and devastating effect on the communities in which we operate. Safeguarding the global financial system is critically important for the economic and national security of the jurisdictions in which we operate. Accordingly, it is the policy of INPAY Group to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, (hereinafter collectively referred to as “money laundering”) from utilizing INPAY products and services. Compliance follows both the letter and the spirit of the anti-money laundering regulatory regimes in the countries and jurisdictions in which INPAY Group.

The INPAY Group includes INPAY A/S and, any direct or indirect subsidiaries and/or any entities which Inpay A/S has a stake of more than 50% and/or management control.

INPAY A/S is situated at Toldbodgade 55b, DK-1253 Copenhagen K, Denmark. The Danish FSA (Finanstilsynet) supervises INPAY A/S.

Inpay A/S have incorporated the recommendations of the Financial Action Task Force (“FATF”) and the requirements of the European Union Directives concerning the fight against money laundering and terrorism financing.

## AML Governance Framework

INPAY Group adheres to the highest standards of Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) in the countries where Inpay operates. All employees of INPAY are required to adhere to these standards to protect INPAY from being misused for money laundering and/or terrorist financing or other illegal purposes.

To facilitate compliance with anti-money laundering laws INPAY Group have developed and implemented an anti-money laundering programme, consisting of policies, procedures, internal controls and systems. This programme includes, but is not limited to:

- The identification of potential AML risks relevant to each merchants and bank’s activities
- Global and local AML policies and procedures to ensure compliance with AML laws and regulations
- Customer identification and verification
- The identification of ultimate beneficial owners;
- The identification and risk assessment of Politically Exposed Persons (PEPs)
- Enhanced due diligence for increased risk clients
- Internal procedures for monitoring and reporting suspicious activities
- Relevant procedures for onward transmission of suspicious activities to the designated and appropriate financial intelligence unit
- Screening customers against relevant sanctions lists
- The retention of relevant records
- The provision of advice and management reports to senior management regarding regulations and compliance with these regulations
- Regular staff training and awareness, including training of senior management
- The promotion of effective compliance through a comprehensive range of independent assurance testing and audit activity to provide appropriate oversight and follow-up actions in the event of non-compliance
- The management of regulatory inquiries and incidents
- The appointment of designated compliance personnel responsible for coordinating day-to-day compliance.

The AML Officer reports directly to the executive management and the Board of Directors and submits regularly reports on the status of INPAY’s AML and sanctions activities to them.

## Monitoring and Suspicious Activity Reports

INPAY comply with the requirements and sanction regimes of Denmark, EU and the other countries and regions where INPAY operate globally.

INPAY has a transaction monitoring system in place designed to detect unusual transactions. Transaction alerts detected by these systems are analysed within, reasonable period of time. The notification procedure for suspicious transactions to relevant authorities are in line with local legal requirements.

Inpay monitors all customer activities. If an activity, due to their specific nature, are thought to be associated with money laundering or the financing of terrorism the activity is reported to the Chief AML Officer. If the suspicion cannot be allayed the Chief AML Officer will report this to the relevant authority.

## Corresponding Banking and Other Banking Relations

The AML policy and associated procedures describe the risks associated with correspondent banking relationships and provides a framework of core requirements and procedures. All correspondent banking relationships are subject to appropriate customer due diligence and review.

## KYC guidelines and procedures

INPAY has set up guidelines and procedures for being able to establish the true identity and nature of business of all customers with whom Inpay has entered into a legally binding agreement. The procedure includes:

- Positively identifying UBO(s), Legal representatives and Authorized Signatories
- Name screening (sanctions, PEP and adverse press)
- Document verification
- Reliability of information
- Evaluation of the nature of the business and funds
- Evaluation of the business model

The KYC guidelines not only covers the customer due diligence (CDD) but also the ongoing due diligence (ODD) and event driven review (EDD) to ensure continuous monitoring and screening.

## Regulatory actions against INPAY Group

There have been no regulatory actions against INPAY.

The Danish FSA audited INPAY A/S' AML programme in September 2015 and provided a number of recommendations for INPAY. INPAY subsequently updated its risk and AML policies and implemented the recommendations provided by the Danish FSA, Finanstilsynet.