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## AML policy

Money laundering is a crime against economic activity that allows illegal money to be legally traded. The purpose of this action is the discreet conversion of illegally obtained money into legal circulation, so that their illegal nature remains unnoticed. Therefore, a person who is involved in money laundering or launders illicit money himself, then enters the money obtained illegally into economic circulation and benefits from it, which in turn threatens the economic stability of the country. In addition, money received by a person who has committed a wrongful act can be dangerous and can be used to commit other wrongful acts. With the money earned at this time, he puts in an unequal position conscientious business representatives who received money legally and became participants in the economic turnover. Therefore, it is important to detect such crimes in a timely manner and involve in the process of preventing illegal actions those representatives of the private sector who are in daily contact with financial transactions.

### Anti-money laundering policy in Georgia

The Law of Georgia "On the Prevention of Legalization of Illicit Income" was adopted on June 6, 2003, but at that time the law did not apply to lawyers. According to the law, "giving legal form (acquisition, use, transfer or other action) of illegal income, as well as concealment or concealment of its real origin, owner or holder of property rights, or an attempt to commit such an act" is a punishable act and is subject to money laundering. The offense of money laundering is referred to in article 194 of the CC, according to which this article applies both to lawyers and to representatives of other professions if they are involved in money laundering or assisting a money launderer. At the same time, according to article 194 1 of the Criminal Code, a crime is committed not only by the person who committed the crime, but also by the person who knew and analyzed that he was acquiring illegal property. Georgian legislation took into account the requirement of the Council of Europe Convention that money laundering should be punishable even in the case of a legal entity.

Wallex llc, in accordance with international recommendations, the requirements of the National Bank of Georgia and the Financial Monitoring Service of Georgia, has developed internal procedures for combating money laundering, which include the following:

#### A) Person identification

Wallex llc requests the following information for customer identification as requested by the Georgian Financial Monitoring Service:

- A) Full name, subject of activity, legal address
- B) Registration authority, date and number of registration
- C) Tax identification number
- D) Identification data of persons authorized to manage and represent
- B) Identification of legal entities
  - A) Name, legal form, availability of constituent documents, partner agreements and other related documents related to establishing the origin of the client
  - B) Documents regulating the redistribution of shares, indicating the persons owning the shares of the companies, senior and junior managers, directors and other persons authorized to represent them.
- c) actual and legal address
- C) Identify the beneficial owner

In the case of a legal entity, Wallex llc identifies the beneficial owner (the natural person who is the ultimate owner or controlling person of the legal entity):

- A) Identification of the individual, the beneficial owner, if it exercises control over the legal entity, the owner or has such an interest
- B) If there is suspicion and the beneficial owner is a person with control over the management of the company, or if an individual is not designated, then the persons exercising effective control over the company should be identified.
- C) If the individual is not identified in the above points, a lawyer or financial institution must identify the person holding the position of the company's manager.
- D) High and low risk factors

The FATF recommendations on attorney-client relationships are based on high and low risk factors. When considering customer identification cases, the FATF recommends considering the following high-risk cases:

1. The business relationship between the parties is unusual, i.e. Geographically there is a big difference.
2. There is a non-resident client between the financial institution and the client
3. Legal entities or transactions associated with an offshore registered company
4. Companies holding a registered share or a share having a coupon confirmation, but such share is not registered in the register (bearer share)
5. Cash payment
6. The structure of the business or the company itself is overly complex and unusual

Identification of politically active persons

According to paragraph 2 of Article 2 of the Law of Georgia on Assistance in the Prevention of Money Laundering, a politically active person is a foreign citizen who holds a public/state position or is engaged in important public and/or state activities. Wallex llc's use of enhanced measures to identify customers with politically active persons is due to their influence, which can facilitate money laundering and terrorist financing, as well as corruption. When the Company has relationships with politically active persons, their family members or associates, the Company takes reasonable steps to establish such business relationships, to identify the source of property and funds, and to establish enhanced ongoing monitoring of business relationships.

#### Identification of clients from high-risk countries, organizations

In accordance with the Law of Georgia on the Prevention of Money Laundering and the order of the Head of the Financial Monitoring Service of Georgia, Vallex LLC terminates or refuses to conduct business relations with a client if the person or party to the transaction cannot be identified. engages in support of a terrorist or terrorist.

#### Know Your Customer (KYC)

Wallex llc obtains the above information about its customers by asking them to complete a questionnaire. The user is obliged to fill out the questionnaire within a reasonable time allotted by the company, otherwise his account will be blocked until the completion of the questionnaire.

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