

# Statement

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<b>Title</b>	<b>Anti-Money Laundering (AML)</b>
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<b>Owner</b>	CEO
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Document History

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2	11.09.2019	Presented for approval	SRA	11.09.2019	BoD
2	13.09.2020	Updated to new template	STH		

\*Remember to track changes, before editing, and summarize the changes in the "Document History". If track changes is not on, the approver will not approve the updated version

## 1. Purpose

Financial crime has a destructive and devastating effect on the world community, therefore Inpay A/S ("Inpay") has made it a priority to contribute to the safeguarding of the global financial system.

Accordingly, Inpay will take all reasonable and appropriate measures to prevent persons engaged in money laundering, fraud or other financial crime, including the financing of terrorists, or terrorist operations (hereinafter referred to as "money laundering") from utilizing Inpay products and services.

Compliance follows both the letter and the spirit of anti-money laundering regulatory regimes in the countries and jurisdictions in which Inpay operates.

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

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

Inpay has 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.

## 2. 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 (UBOs);
- The identification and risk assessment of Politically Exposed Persons (PEPs)
- Enhanced due diligence for increased risk customers
- 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.

### 3. Monitoring and Suspicious Activity Reports

Inpay complies with the requirements and sanction regimes of Denmark, EU and the other regions where Inpay operate globally.

Inpay has a transaction monitoring system in place designed to detect unusual transactions and 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 AML Officer. If the suspicion cannot be allayed the AML Officer will report this to the relevant authority. The notification procedure for suspicious transactions to relevant authorities are in line with local legal requirements.

### 4. 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.

### 5. 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:

- Documenting UBO(s), Legal representatives and Authorized Signatories
- Name screening (sanctions, PEP and adverse media)
- Document verification
- Checking 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 reviews to ensure continuous monitoring and screening.

### 6. Regulatory actions against Inpay Group

There have been no regulatory actions against Inpay.

The Danish FSA did a review of Inpay'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.