



# ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM POLICY

**Update no. 01 approved by the Board of Directors on 13.09.2023**

## Index

Introduction.....	3
1 Standards of reference.....	3
2 Objective, scope and mode of transposition.....	4
2.1 Purpose of this document.....	4
2.2 Scope and modes of transposition .....	4
3. Principles of reference.....	4
4 Roles and responsibilities .....	5
4.1 Board of Directors.....	5
4.2 Chief Executive Officer .....	5
4.3 Board of Statutory Auditors.....	6
5 CY4GATE Anti-Money Laundering Function .....	7
5.1 Anti-Money Laundering Officer .....	8
5.2 Delegate for Reporting Suspicious Transactions.....	8
5.3 Anti-Money Laundering Contact Person.....	9
6 Corporate Internal Audit Functions .....	9
6.1 Group Human Resources, Legal & Shared Services Function.....	10

## Introduction

Money laundering and financing terrorism are criminal phenomena that pose a serious threat to the legal economy.

Action to prevent and mitigate the risk of money laundering and financing terrorism is carried out through the adoption of specific corporate structures with clearly-identified organisational functions, roles and responsibilities, and of controls aimed at ensuring the traceability of financial transactions and the identification of suspicious transactions.

CY4GATE is committed to preventing the products and services it offers from being used for the criminal purposes of money laundering and financing terrorism, in promoting a culture of full compliance with applicable regulations.

### 1 Standards of reference

At EU level, the main legislation of reference on preventing and combating money laundering and financing terrorism is constituted by:

- Regulations (EU) on restrictive measures against countries threatening international peace and security implemented either as a result of UN resolutions or autonomous decisions made under the Common Foreign and Security Policy (CFSP) – in particular, Regulation (EC) 423/2007 (Iran) and Regulation (EC) 329/2007 (North Korea), which introduced “freezing” measures against the entities involved, export control measures for certain categories of products and technologies, and which provide the regulatory framework;
- Regulation (EU) 2015/847 of the European Parliament and Council of 20th May 2015 on information accompanying transfers of funds and repealing Regulation (EC) no. 1781/2006;
- Regulation (EU) 2018/1672 of the European Parliament and Council of 23rd October 2018 on controls of cash entering or leaving the Union and repealing Regulation (EC) no. 1889/2005;
- Directive (EU) 2015/849 of the European Parliament and Council of 20th May 2015 on the prevention of the use of the financial system for the purpose of money laundering or financing terrorism, amending Regulation (EU) no. 648/2012 of the European Parliament and Council and repealing Directive 2005/60/EC of the European Parliament and Council and Commission Directive 2006/70/EC (Fourth Anti-Money Laundering Directive);
- Directive (EU) 2018/843 of the European Parliament and Council dated 30th May 2018 (Fifth Anti-Money Laundering Directive).

At a national level, the main legislation of reference is represented by:

- Legislative Decree no. 109 dated 22nd June 2007, et seq., containing measures to prevent, counter and repress the financing of international terrorism and the activities of countries threatening international peace and security;

- Legislative Decree no. 231 dated 21st November 2007, et seq., containing measures to prevent the use of the financial system for the purpose of laundering the proceeds of criminal activities and the financing of terrorism, which vested the Supervisory Authorities with regulatory, control and sanctioning powers over the supervised entities.

In addition, at a national level, apply the provisions issued by the Ministry of Economy and Finance (MEF) and the instructions issued by the Financial Intelligence Unit (FIU) on the data and information to be contained in suspicious transaction reports, as well as on how to protect the confidentiality of the reporter's identity, along with information on anomaly indicators to facilitate the detection of suspicious transactions.

## 2 Objective, scope and mode of transposition

### 2.1 Purpose of this document

This Policy identifies the principles of reference and defines the roles and responsibilities for combating money laundering and financing terrorism.

### 2.2 Scope and modes of transposition

The Policy applies to all Company managers and employees, as well as to product suppliers and all those who come into contact with the Company in any capacity.

The Policy is approved by the Board of Directors.

## 3. Principles of reference

The Company is absolutely committed to preserving all its entities from any form of illegality that could damage its reputation and undermine its stability.

Accordingly and consistently with the provisions of the relevant regulatory provisions, the Company intends to adopt a unified approach to the management of the risk of money laundering and financing terrorism by dedicating clearly-identified and suitably-specialised resources, procedures and organisational functions. To this end, CY4GATE:

- Defines the roles, tasks and responsibilities of the various figures;
- Enacts procedures to ensure compliance with the obligations of the client's due diligence, suspicious transaction reporting and record-keeping of relationships and transactions;
- Carries out control activities aimed at ensuring that employees and external associates comply with internal processes and all regulatory obligations;
- Guides the empowerment of employees and external associates on the subject, through permanent and continuous training programmes aimed at the correct application of the provisions in question.

## 4 Roles and responsibilities

The organisational model adopted by CY4GATE for the purpose of mitigating the risks of money laundering and financing terrorism assigns differentiated roles and responsibilities to the corporate bodies and the control body.

### 4.1 Board of Directors

The Board of Directors is responsible for the supervision of the money laundering and financing terrorism risk management system.

The Board of Directors:

- On the proposal of the Chief Executive Officer, approves the strategic guidelines and policies for the governance of money laundering and financing terrorism risks;
- On the proposal of the Chief Executive Officer, approves an organic and coordinated internal control system and ensures its effectiveness over time;
- Ensures that the tasks and responsibilities regarding anti-money laundering and combating financing terrorism are clearly and appropriately allocated;
- Ensures that an adequate, complete and timely system of flows of information to and within the corporate bodies is established;
- At least once a year, at the proposal of the Chief Executive Officer, examines the report of the Head of the Anti-Money Laundering Function on the verification activities carried out, the initiatives undertaken, the dysfunctions detected and the relevant corrective actions to be taken, as well as on the training activities of personnel.

In addition, the Board of Directors appoints and may remove, upon the advice of the Board of Statutory Auditors, the Head of the Anti-Money Laundering Function.

### 4.2 Chief Executive Officer

The Chief Executive Officer:

- Defines and updates the overall model and responsibilities within the Company;
- Defines the operational procedures;
- Defines procedures for internal reporting by employees or persons in a comparable position regarding potential or actual violations of the provisions set out for the prevention of money laundering and financing terrorism;
- Defines information flows aimed at ensuring that all corporate structures are aware of the risk factors;
- Approves training and education programmes for employees and associates on the obligations arising from the relevant regulations;

- Adopts appropriate tools to allow constant verification of the activities carried out by employees and associates in order to detect any anomalies to emerge.

#### 4.3 Board of Statutory Auditors

The Board of Statutory Auditors monitors compliance with the regulations and the completeness, functionality and adequacy of the controls in the field of anti-money laundering and combating the financing of terrorism.

In particular, as a controlling body, the Board:

- Assesses the suitability of the procedures for fulfilling all relevant obligations;
- Stimulates action to investigate the reasons for the deficiencies, anomalies and irregularities detected and promotes the adoption of appropriate corrective measures;
- Is heard on decisions concerning the appointment of the Anti-Money Laundering Officer;
- Without delay, notifies the sectoral supervisory authorities and the administrations and bodies concerned, in accordance with their respective powers, of facts that may constitute serious or repeated or systematic or multiple breaches of the relevant obligations, of which they become aware in the course of their duties.

#### 4.4 The Risk Control and Sustainability Committee

This Intra-Board Committee is tasked with supporting the Board's assessments and decisions relating to the Internal Control and Risk Management System and the approval of periodic financial and non-financial reports. Furthermore, this Committee examines and evaluates the communications and information received from the Board of Statutory Auditors and its members concerning the Internal Control and Risk Management System, as well as the annual reports issued by the Supervisory Board, and the timely information provided by the same, after informing the Chair of the Board of Directors and the Chief Executive Officer concerning any facts of particular materiality or significance ascertained in the performance of the duties assigned thereto.

The Control, Risk and Sustainability Committee expresses opinions on specific aspects relating to the identification of the main corporate risks, including risks pertaining to the internal money laundering prevention system, and supports the Board of Directors' assessments and decisions on the management of risks arising from prejudicial facts of which they have become aware.

## 5 CY4GATE Anti-Money Laundering Function

The Anti-Money Laundering Function is dedicated to developing the control activities regulated in the application provisions issued by the Supervisory Authorities and must:

- Report to the Parent Company Bodies;
- Be independent of the other operational structures;
- Have professional technical skills.

The Anti-Money Laundering Function has the following tasks:

- Monitors developments in the relevant national and international regulatory environments to identify applicable standards and assess their impact on internal processes and procedures;
- Prepares and updates this Policy, submitting it to the competent bodies and/or structures, ensuring it is available and easily accessible to all personnel;
- Identifies the system of controls aimed at risk management;
- Verifies the effectiveness of company processes and procedures;
- Manages the relevant relations with the Ministry of Economy and Finance, the Supervisory Authorities, the Financial Intelligence Unit, the Judicial Authority and the Guardia di Finanza;
- Defines the requirements for the development and implementation of new procedures necessary for handling compliance.

With specific reference to registration obligations, the Anti-Money Laundering Function performs the following activities:

- Defines the requirements for the fulfilment of document, data and information storage obligations, plus verifies the reliability of the relevant information supply system, also based on the checks carried out by the other corporate structures;
- Controls the quality of statistical data sent to the Financial Intelligence Unit;
- Where applicable, transmits aggregated data concerning their operations to the Financial Intelligence Unit within 30 days.

With specific reference to the requirements concerning the knowledge of transactions, the Anti-Money Laundering Function:

- Carries out the autonomous investigation and assessment of suspicious anti-money laundering and countering financing terrorism operations;
- Carries out the autonomous activities of investigating and assessing breaches of regulations on restrictions on the use of cash and bearer securities.

The Anti-Money Laundering Function also ensures periodic reporting and direct information flows to the Corporate Bodies.

In particular:

- At least once a year, drafts and submits a report to the Board of Directors on the verification activities carried out, the initiatives undertaken and the dysfunctions ascertained.

With specific reference to staff training, the Anti-Money Laundering Function:

- Identifies training objectives and prepares an appropriate training plan, aimed at achieving continuous preparation of employees, in cooperation with the Human Resources Function.

Thus, appointed within the Company are the Anti-Money Laundering Officer, the Delegate for Reporting Suspicious Operations and the Anti-Money Laundering Officer.

### 5.1 Anti-Money Laundering Officer

The role of Anti-Money Laundering Officer is assigned by resolution of the Board of Directors on the proposal of the Chief Executive Officer after obtaining the opinion of the Board of Statutory Auditors.

The Manager of the Anti-Money Laundering Function:

- Must possess appropriate requirements of independence, authority and professionalism and must not have direct responsibility for operational areas nor be hierarchically subordinate to persons responsible for such areas;
- To all intents and purposes, falls within the ranks of the heads of corporate control functions and is independent in the performance of their functions;
- Also verifies the adequacy of internal processes and procedures for detecting, assessing and reporting suspicious transactions as part of their responsibilities for monitoring the effectiveness of the entire management and internal control system to safeguard against the risk of money laundering and financing terrorism;
- Liaises with the Supervisory Authorities, the Judicial Authority and the Police Forces within the extent of their competence.

### 5.2 Delegate for Reporting Suspicious Transactions

The Delegate for Reporting Suspicious Transactions within the Anti-Money Laundering Function is delegated, pursuant to Article 36 of Legislative Decree no. 231/2007, by the legal representative of the Company.

The Delegate for Reporting Suspicious Transactions:

- Must possess appropriate requirements of independence, authority and professionalism and must not have direct responsibility for operational areas nor be hierarchically subordinate to persons responsible for such areas;



- Must be independent in the exercise of their functions;
- Has free access to the information flows directed to the Corporate Bodies and structures involved in managing and combating money laundering and financing terrorism, also possibly acquiring from the Head of the Anti-Money Laundering Function information useful in the process of assessing suspicious transactions;
- Assesses suspicious transaction reports received from customer contact or support structures and other corporate functions;
- Transmits to the Financial Intelligence Unit any alerts they deem to be well-founded;
- Files any reports deemed unfounded supported by their own written reasoning;
- Liaises with the Financial Intelligence Unit and handles requests for in-depth investigations made by the competent authorities.

In conducting their duties, the Delegate for Reporting Suspicious Transactions may authorise employees to work, under their responsibility, within the suspicious transaction reporting system, in accordance with the instructions issued by the Financial Intelligence Unit.

### 5.3 Anti-Money Laundering Contact Person

The role of the Anti-Money Laundering Contact Person is also envisaged, appointed on the proposal of the Chief Executive Officer after obtaining the opinion of the Board of Statutory Auditors or the Body with control functions and after hearing the opinion of the Head of the Anti-Money Laundering Function.

In relation to risk management, the Anti-Money Laundering Contact Person represents a local branch of the Anti-Money Laundering Function, tasked in particular with:

- Providing advice when offering new products and services;
- Carrying out specific analyses or control interventions requested by the Anti-Money Laundering Function;
- Collaborating in drafting the Annual Anti-Money Laundering Report.

## 6 Corporate Internal Audit Functions

With regard to anti-money laundering, prevention of financing terrorism activities, the Corporate Internal Audit Functions continuously verify the degree of adequacy of the organisational set-up with respect to the regulations of reference and monitor the functionality of the overall internal control system.

These functions, inter alia, through systematic checks such as inspections, verify:

- Constant compliance with the obligation of Adequate Verification, both at the stage of establishing the relationship and as the rapport develops over time;

- The effective acquisition and orderly storage of the data and documents required by the regulations;
- The proper functioning of the computer system for storing data and information.

The Corporate Internal Audit Functions must also carry out follow-up operations in order to ensure that corrective measures have been taken in respect of the shortcomings and irregularities detected and that they are able to ensure similar situations are avoided in the future.

### 6.1 Group Human Resources, Legal & Shared Services Function

With reference to the fight against money laundering and financing terrorism, the Human Resources, Legal & Shared Services Function takes an active role in the management of disciplinary proceedings against resources reported as non-compliant, carrying out the activities of:

- Ensuring the correct qualitative and quantitative coverage of the necessary staff to fulfil the requirements of the regulations on the basis of the defined dimensioning;
- Assessing and promoting disciplinary action against employees who are reported as being non-compliant with regulatory requirements;
- Ensuring the design, planning, delivery and evaluation of relevant training operations.