

## Know Your Customer (KYC) procedures

KYC procedures shall be executed by responsible persons in B-Efekt a.s. IČ 272 45 888, located in Husitská 853/13, 130 00 Praha (hereinafter – Company). The company executes KYC procedures during Customer Due Diligence.

### Obligation to identify

In compliance with § 7 of Act No. 253/2008 Coll. Act on Certain Measures Against Money Laundering and Terrorist Financing (**hereinafter referred to as “Act No. 253/2008 Coll.”**) in the following cases, it is mandatory to identify all participants in the transaction:

- always before registration of the Customer into the payment system or before the establishment of a business relationship,
- always prior to the transaction having a value in excess of EUR 1 000,
- always with a recurring transaction of already identified Customer exceeding EUR 10,000,
- whenever it is a politically exposed person,
- whenever a payment service or business transaction relates to the purchase or receipt of cultural monuments, objects of cultural value, second-hand goods or goods without proof of their acquisition to mediate their sale or acceptance of a pledge,
- whenever a payment service or business transaction applies to the life assurance premium,
- if the exact amount of the payment service and the transaction is not known,
- whenever the Company's responsible person sees the signs of a suspicious transaction
- in other cases where the responsible person of the Company will consider it necessary to identify.

The identification of all participants in the transaction, i.e. Individual Customers, either directly or as a person acting as a legal entity or natural person, must be executed by the responsible person of the Company in the physical presence or assisting mediated identification according to § 10 of Act No. 253/2008 Coll., when at the request of a lien or obligated person of the Company the identification of the Customer can be performed by a notary or a contact point of the public administration. In the mediated identification, the Applicant for Identification, ie the Customer of the Company, shall always give the most precise indication of the reason and purpose of the identification, for example:

- Opening a Customer account in a payment system operated by the Company
- Change of Customer data in a payment system operated by the Company
- Execution of a transaction in a payment system operated by the Company

- Other reasons.

#### KYC procedure consists of five main stages:

- 1) obtaining information from the customer according to the relevant questionnaire for individual and business customer;
- 2) obtaining from the customers documents and other evidences, which prove the information provided in first stage;
- 3) validation of the provided information and proofs through screening of the customer in the public registers for legal entities (trade or judicial registers, sanction lists)
- 4) filing the information to proceed with compliance and AML risk evaluation according to the Company's Guidelines.
- 5) continuous checking of the client's identification data during the term of the contractual relationship.

All data, obtained during KYC is kept in Payment System during 10 years.

#### Private Customers Identification

During KYC process Customer or Customers representative on the basis of the power of attorney are required to provide following:

- All names and surnames
- Personal identification number, if not assigned- date of birth
  
- place of birth
- gender
  
- permanent residency address
  
- citizenship
- the type and number of the identity card, the State or, where appropriate, the authority which issued it and its period of validity;
  
- whether the client is not a politically exposed person or whether he is a person against whom the Czech Republic applies international sanctions under the Act on the Implementation of International Sanctions.

For registration to the system via the website, the client is obliged:

- Upload on website to personal profile of client identity card (passport, identity card) and other supporting document and other supporting document to verify the address with the given address (eg another identity card and another credible or identification document which does not have to be issued by identity card, foreigner's residence permit, birth certificate, employee card, residence certificate, energy invoice / bill, etc.);

- Upload on website to personal profile of client a document confirming the existence of an account held in the name of the client with a credit institution or a foreign credit institution operating in the territory of the European Economic Area (eg an electronic bank statement)
- Send the first payment from a bank account that the client has documented (see above).

The representative must not have any doubts about the real identity of the client.

When the documents presented online in electronic form, they shall be uploaded to Customer personal profile webpage as high resolution color photos with evidence of these documents were submitted by the Customer personally and are up to date (e.g. Customer photo with the document and date of submit).

During registration the assistance of an authorized representative in the physical presence of the client, the representative is required

- To verify that the face of the client matches the image on the ID card by displaying and comparing the face of the client with the photo of the client in the submitted document. If there is any doubt as to the identity of the client's physical appearance with the image on the identity card provided, identification under this document will be rejected and an additional identity card will be required for identification.
- Fill in data in the client profile and create, respectively. fill in the client's questionnaire and upload a copy of the passport or ID card to the client's profile in the system.
- Print out the completed questionnaire of the client and submit it to the client for inspection and signature.
- Obtain consent to the processing of personal data and copies of documents
- Review the accuracy of the information above and sign the client's questionnaire

When registering to the system and entering into a contract with the Company, the Customer undergoes two factor identification through an identification SMS from the mobile number, if the invoice issued by mobile operator was submitted as evidence for identification and proof of residency address.

[Business Customers Identification](#)

The Client or the Client's authorized representative or a third party acting on the basis of a power of attorney shall be asked to provide the following information:

- The business company or name of the legal entity including a distinctive supplement or additional marking
- the registered office of the legal entity
- identification number of the legal entity or similar number assigned abroad
- data to identify and verify the identity of the persons who are its statutory body or a member thereof, at least in the scope of name, surname, place of residence incl. state, date or at least the year of birth
- original or officially certified copy of the extract from the Commercial Register or other similar register not older than 3 months
- a statement that all of the information given is true and valid
- Identification of a physical person acting on behalf of the Business Customer in communication with the Company (this person is identified according to the principles for the identification of individuals in the Company)
- identification of the recipient,
- other information required in the Questionnaire on Legal Entity

In the case of representation on the basis of a power of attorney, the power of attorney must be an officially authenticated signature. The responsible person of the company shall keep the original or a certified copy of the power of attorney.

In the case of identification of a corporate client, the responsible person of the company must ensure that the actual owner of the client is identified.

If the Company's responsible person discovers that there is an opaque ownership structure or any attempt by the Customer to hide or conceal the persona of the beneficial owner, or by reason of Customers actions, will initiate reasonable suspicions regarding the actual owner, the responsible person of the Company will refuse to register this Customer in the payment system and shall mark that event as operational incident, as well as report it to the FAU.

#### Transfer of identification

Company may rely on the identification and verification executed by another institution that complies with the requirements of §11 of Act No. 253/2008 Coll., And identifies the Customer in a manner comparable to the Company, or if the Customer sends to the Company copies of the

following documents of the required quality, legible and consistent with the Company's requirements and **subject to the following conditions:**

- The Customer sends copy of an identity card and at least one other supporting document, from which it is possible to identify without any doubts the identification data of the natural person, the type and ID of the identity card and the state, the authority that issued the identity card and the date of validity.
- The Customer shall send a document confirming the existence of an account held in the name of a Customer with a credit institution or with a foreign credit institution operating in the territory of the European Economic Area or with an invoice for services of a mobile operator or utility bill in the name of the Customer, indicating his identification data and address of residency.
- The first payment for Customer shall be made to an account with the credit institution or foreign credit institution operating in the territory of the European Economic Area or from such account, if bank statement was used for identification and proof of residency address.
- When registering to the system and entering into a contract with the Company, the Customer undergoes two factor identification through an identification SMS from the mobile number, if the invoice issued by mobile operator was submitted as evidence for identification and proof of residency address.

### Politically Exposed Persons Identification

During KYC process the Company identifies whether the person should be considered as a Politically Exposed Person.

As part of Customers identification, Company identifies and record whether a Customer is a politically exposed person. It is necessary to verify the Customer and all detected persons who are beneficial owners of the Customer.

Politically exposed person means:

- a) A physical persons who is or has been in a significant public office with national or regional significance, such as, in particular, the Head of State, Prime Minister, Head of Central Government and his / her deputy (Deputy Secretary of State); head of territorial self-government, judge of a supreme court, constitutional court or other supreme judicial authority whose decisions are not subject to appeal in general, except for exceptions, member of the Bank Board of the Central Bank, by a legal person, a statutory body of a business corporation controlled by a state, an ambassador or a head of a diplomatic mission, or a natural person who performs or has performed a similar function in another State, in a European Union body or in an international organization,
- b) A physical persons who is:
  - 1) A person close to the person referred to in point a)

- 2) a partner or beneficial owner of the same legal person or trust or other legal arrangement without legal personality as the person referred to in point (a), or the liable entity is known to be in any other close business relationship with the person referred to in point (a) or
- 3) the beneficial owner of a legal person or, as the case may be, a trust or other legal arrangement without a legal personality known to the liable entity to have been created for the benefit of the person referred to in point (a).

Politically exposed persons are also those domestic politically exposed persons (Czech citizens) who reside or reside abroad or perform their function abroad (eg Czech ambassadors abroad, European Commissioner, MEPs, etc.).

The company determines whether a client is a politically exposed person through an active search, such as searching open sources and other information (media, internet, personal knowledge or important information from other institutions). If this information cannot be ascertained in this way, the company will require a client statement to conduct identification before commencing a business or establishing a business relationship. If a client who declares at the beginning of a business relationship that he / she is not a politically exposed person and fulfills the conceptual characteristics of a politically exposed person during the business relationship, he / she is obliged to report this fact to the obliged person immediately.

The Company can't enter into a business contract or enter into a business relationship with a client who is a politically exposed person.

#### Persons under international penalties Identification

As part of Customers identification, Company shall identify and record whether a Customer is not a person against whom the Czech Republic applies international sanctions of a financial nature. Thus, it is necessary to verify the Customer, persons acting on behalf of the Customer upon the power of attorney authorized in the context of the business deal or the business relation, and in the case of Business Customers also all persons who are members of the Customer's statutory body, all the identified actual owner of the Customer and all persons identified at on the basis of information obtained by the discovery of the Customer's management and ownership structure. Whether the Customer is a sanctioned entity The Company finds, by reviewing persons, against the applicable sanctioning lists, in particular in the continuously updated list of all sanctioned entities under the effective legal acts of the European Union: <https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>

Review of Customer against the applicable sanctioning lists Company shall conduct priory to business or business relationship. In case the potential Customer is identified within sanction lists Company shall proceed only in accordance with legal regulation on the basis of which the sanction in question was imposed, in particular shall freeze Customer's funds. In connection with the determination of the sanctioned person, the suspicious transaction notification shall be promptly filed to the Financial Analysis Authority.

#### Risk Based Approach:

Country and other Risks are assessed according to the Operational Guidelines.