



## **Anti-Money Laundering & Combating the Financing of Terrorism (AML/CFT) Policy**

Obligee: Atadel Fund s.r.o. ISO 09242741

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Type of obligated entity: in accordance with section 2 of the AML Act, paragraph 2. Article 1 (1) (B) paragraph 1. 3 - a person authorized to provide investment services

### **1.0 POLICY**

The Anti-Money Laundering & Combating the Financing of Terrorism Policy (“AMF/CFT Policy”) sets out the guidelines for **Atadel Fund s.r.o.** compliance with AML/CFT obligations under the law, as well as regulatory directives, and actively prevents any transaction that facilitates criminal activities.

A system of principles, procedures and measures to monitor compliance with obligations established by law No 253/2008 Coll. of the Czech Republic.

(in accordance with Law No. 253/2008 Coll., the Law on Certain Measures to Combat the Legalization of Proceeds from Criminal Activity and the Financing of Terrorism, as amended, Law No. 254/2008 Coll., amending certain laws in connection with the adoption of the Law on Certain Measures to Combat the Legalization of Proceeds from Criminal Activity and the Financing of Terrorism, as amended, and Decree No. 281/2008 Coll., Decree on certain requirements for the system of internal principles, procedures and control measures against the legalization of Proceeds from Criminal Activity and the Financing of Terrorism, with amendments)

Law No. 527/2020 Coll. on Amendments to Law No. 253/2008 Coll. on certain measures to combat the legalization of proceeds from criminal activity and the financing of terrorism, as amended, as well as other relevant laws, laws related to the adoption of the Law on Registration of Beneficial Owners and Law No. 186/2016 Coll., On Gambling, as amended).

## **1.1 DESCRIPTION**

Money laundering and financing terrorism are financial crimes with economic effects. It requires an underlying primary profit-making crime such as corruption, drug trafficking, market manipulation, fraud, tax evasion, etc., with the intent to conceal the proceeds of the crime and to further the criminal enterprise. AML/CFT compliance programme helps mitigate the adverse effects of criminal economic activity and promote integrity and stability in financial markets. It is also critical to preserving the Company's corporate integrity, reputation and operational efficiency.

## **1.2 DEFINITIONS**

- Money Laundering – Money laundering (ML) has been defined as the process whereby criminals attempt to conceal the illegal origin and/or illegitimate ownership of property and assets that are the proceeds of their criminal activities.
- Terrorism Financing – includes both legitimate and illegitimate money characterised by concealment of the origin or intended criminal use of the funds
- Know Your Customer – This entails obtaining and verifying customer identity, preservation of records of customers, mandatory disclosure of transactions to authorised statutory bodies
- Customer Due Diligence – This covers steps taken by Atadel Fund to identify its clients and validate their identities
- Politically Exposed Persons – Individuals who are or have been entrusted with prominent public functions in any country; generally presenting a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold

## **1.3 PURPOSE**

The purpose of this Policy manual is to:

- Provide guidance on the standards of conduct and practice that must be followed in the implementation of the Know Your Customer (KYC) and Customer Due Diligence (CDD) requirements of the capital market
  - Protect the Company against fraud, reputational and other financial market risks

- Minimise the risks faced by the Company from proceeds of crime
- Protect the integrity of the securities market against all forms of abuse, fraudulent and unfair trade practices

#### **1.4 POLICY STATEMENT**

The following statements shall guide the principles and procedures for AML/CFT compliance programme.

Atadel Fund shall:

- Formulate and implement internal controls and other procedures that will deter criminals from using its facilities for money laundering and terrorist financing and to ensure that its obligations under subsisting laws and Regulations are met
- Designate AML/CFT Chief Compliance Officer at the Management level, with the relevant competence, authority and independence to implement the institution's AML/CFT compliance programme
- Comply with the requirements of the Law No. 253/2008 Coll., the Law on Certain Measures to Combat the Legalization of Proceeds from Criminal Activity and the Financing of Terrorism, as amended, Law No. 254/2008 Coll., amending certain laws in connection with the adoption of the Law on Certain Measures to Combat the Legalization of Proceeds from Criminal Activity and the Financing of Terrorism, as amended, and Decree No. 281/2008 Coll.
- Comply promptly with all the requests made pursuant to subsisting laws and Regulations and shall provide relevant information to the Securities and Exchange Commission (SEC), the Financial Analytical Office (FAU) and other relevant law enforcement agencies on AML/CFT matters
- Identify and report to the FAU, in the course of its business, any suspicious transactions derived from the criminal activities defined in AML/CFT Regulations
- Ensure the implementation of the requirements of the AML/CFT Act are not inhibited through the Company's Confidentiality Agreement or Policy
- Exit relationships which pose heightened money laundering risks to Atadel Fund
- Effectively communicate this Policy to raise the level of staff awareness on AML/CFT issues

### **1.4.1 KNOW YOUR CUSTOMER (KYC)**

KYC is the due diligence that Financial Institutions, Financial Market Operators, Capital Market Operators, Financial Market Infrastructures and other regulated companies must perform to identify their clients and ascertain relevant information before carrying-out any financial businesses with them. A client for the purposes of KYC policy is defined as:

- An entity or individuals, that has a business relationship with Atadel Fund
- Any entity or individuals, connected with a financial transaction, which can pose a significant reputational or other risk to Atadel Fund Specifically, Atadel Fund KYC policies and procedures emphasise the following:
  - Obtaining the necessary documents and information from every client (any one who Atadel Fund receives money from to provide a business)
  - Obligation to report to the regulatory authorities on suspicious transactions, which may ultimately have a bearing on money laundering activities
  - Updating client information as frequently as practicable
  - Identifying the client as well as their beneficial owners and verifying such client's identity using reliable, independent source documents, data or information
  - Independent verification of legal status of incorporated entities and sole proprietorships with the Corporate Affairs Commission, in writing
  - Refusal to transact business with "shell companies" as described under the International Conventions
  - Performing enhanced due diligence for higher risk clients, business relationships or transactions including:
- Politically Exposed Persons (PEP), cross border transactions and business relationships
- Any other businesses, activities or professions as may be prescribed by regulatory, supervisory and competent authorities



#### **4.1.2 TIERS OF KYC VERIFICATION**

Each client who registers on <https://atadelfund.com> is obliged to pass KYC-AML verification with our AML provider <http://sumsub.com> through the integrated link in the <https://atadelfund.com> personal account.

When the amount of your funding is raising, AML / CTF risks increase as well. That is why we have to provide a proper safety and verification procedures. As a result, we introduced three Tier verification system, based on the general rule that the more money the more information about you and your funds we need to exclude AML / CTF risks (as we are required by law).

You should remember that this model is a result of the work and experience of our AML team and can be changed as the legal requirements of countries changes as well as a result of gaining new knowledge and experience. In particular transition, limits may change due to periodical audits and verification of efficiency of our procedures. We will keep you updated if any changes would influence your situation.

#### **1.4.3 RECORD KEEPING AND RETENTION REQUIREMENTS**

Atadel Fund shall maintain all necessary records of transactions, both domestic and international for at least five (5) years after completion of the transactions or such a longer period as may be required by CNB or FAU. Records of all suspicious transactions shall be kept for the same period.

#### **1.4.4 REQUESTS FOR AML RECORDS BY REGULATORY AND LAW ENFORCEMENT AGENCIES**

Upon request by a regulatory or law enforcement agency, Atadel Fund shall make available records related to AML/CFT compliance or its clients as soon as possible from the date of the request.

#### **1.4.5 TRANSACTION REPORTING**

Atadel Fund shall exercise due diligence in identifying and reporting a suspicious transaction. Suspicious transactions shall include:

- Transactions which are structured to avoid reporting and record keeping requirements

- Altered or false identification or inconsistent information or any transaction involving criminal activity in Atadel Fund view

- Entity that belongs to a person or organisation considered as terrorist

Atadel Fund shall ensure timely and accurate rendition of all AML/CFT returns as specified in the CNB AML/CFT Rules and Regulations as well as other relevant Regulations/Act/Guidelines/ Circulars that may be issued from time to time by various government agencies.

#### **1.4.6 AWARENESS AND TRAINING**

Atadel Fund shall create awareness amongst its employees on AML/CFT through a robust training program that will include formal courses, workshops and newsletters. Such trainings shall incorporate current developments and changes to relevant guidelines as well as internal Policies, procedures, processes and monitoring systems.

#### **1.4.7 POLITICALLY EXPOSED PERSONS (PEPs)**

Business relationships with family members or close associates of PEPs involve reputation risks similar to those PEPs themselves. Atadel Fund shall evaluate the risks to its business operations when dealing with PEPs. The following factors shall guide identification of PEPs' risk characteristics:

- Nature of the client and the client's businesses - The source of the client's wealth, the nature of the client's business and the extent to which the client's business history presents an increased risk for money-laundering and terrorist financing

- Purpose and activity – The size, purpose, services involved in the relationship

- Relationship – The nature and duration of Atadel Fund relationship with the client

- Client's corporate structure

- Public information – Information is known or reasonably available to Atadel Fund about the client

#### **4.1.8 SANCTIONED COUNTRIES**

In accordance with our policies we do not provide services and do not process transactions for citizens and residents of, as well as people staying in, countries where transactions are prohibited by international sanctions or their internal law regulations, or countries which based on various criteria selected by our AML team (for example Corruption Perceptions Index by Transparency International, FATF warnings, countries with weak anti-money laundering and terrorist financing regimes determined by European Commission) impose high AML / CTF high risk.

**Currently, these countries are:**

**Afghanistan, American Samoa, Angola, Bahamas, Belarus, Botswana, Burundi, Cambodia, Central African Republic, Chad, Congo, Cuba, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Ghana, Guam, Guinea Bissau, Iran, Iraq, North Korea, Lebanon, Libya, Mali, Nigeria, Pakistan, Panama, Puerto Rico, Samoa, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Tunisia, Venezuela, Yemen, Zimbabwe, USA (some states), Belarus, Russian Federation.**

#### **1.5 RESPONSIBILITIES**

I. Board of Directors

The roles and responsibilities of the Board of Directors with respect to AML/CFT compliance include, but are not limited to:

- Ensuring that a comprehensive operational AML/CFT Compliance Policy is formulated by Management
- Decision-making based on quarterly reports received on AML/CFT matters

II. Managing Director.

Managing Director is tasked with the responsibility of:

- Approving the AML/CFT Compliance Policy
- Reviewing all periodic report on AML/CFT matters
- Ensuring that Management forwards all required periodic reports to the relevant regulatory authorities
- Providing guidelines regarding the management of AML/CFT compliance risks

ExCo-Risk responsibilities would include the following:

- Setting the tone from the top in enforcing and in fostering open and receptive attitude towards compliance
- Ensuring that adequate controls are in place to mitigate the identified compliance risks
- Ensuring sufficient resources and support to the Compliance & Risk Management Group (CRG) to carry out its functions
- Encouraging active cooperation and feedback among all Atadel Fund staff by creating open lines of communication with Compliance & Risk Management Group (CRG) and Control& Audit Group (CAG)

### III. Group Head, CRG

The duties of the Group Head, CRG in FMDQ include:

- Developing an AML/CFT Compliance Programme
- Informing of AML/CFT compliance efforts, compliance failures and the status of corrective actions
- Ensuring implementation of Board decisions on compliance matters
- Ensuring that regulatory changes are highlighted to ExCo-Risk and effectively implemented by FMDQ
- Ensuring that compliance requirements are integrated into the day-to-day activities of FMDQ and that processes are efficient and in accordance with applicable laws and policies
- Coordinating the development of staff in AML/CFT awareness, detection methods and reporting requirements

### IV. Compliance Officer

- Coordinating and monitoring day-to-day compliance with applicable money laundering laws and regulations
  - Monitoring transactions to detect unusual suspicious activities
- Prompt preparation and delivery of all relevant returns to the regulatory bodies in line with SEC and FIU Rules and Regulations
  - Communicating AML/CFT issues to all stakeholders

### V. Internal Audit

- Incorporating compliance testing in their normal audit program
- Reporting on results of the independent testing to the Board through the CEO
- Familiarising themselves with guidelines, policies and best practices relating to their respective areas of responsibility



- Implementing the measures and approaches diligently and to the best of their ability
- Reporting any legal violations or other forms of misconduct in accordance with Atadel Fund Policies and Procedures

## 1.6 SCOPE

This Policy manual applies to Atadel Fund and its Board of Directors, Management and Staff with respect to compliance with rules and regulations that govern its operations. Specifically, the AML/ CFT Compliance Procedures shall be incorporated into the operations of Business Marketing, Business Origination, Market Regulation, Examination Groups, as well as any other relevant Groups in Atadel Fund.

## 1.7 CONSEQUENCES

A breach of the anti-money laundering and combating the financing of terrorism laws is a serious offence and could result in lengthy investigations, significant fines and criminal sanctions (including imprisonment of employees)

## 1.8 REFERENCES

This Policy is in line with the requirements of the 5 AMLD EU regulations on Capital Market Operators Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

**The annex contains references to the lists of sanctioned persons and persons suspected of support for terrorism and a list of states at risk.**

- Internet address of the Financial Analysis Office  
<http://www.financnianalytickyurad.cz/>
- Consolidated list of sanctioned entities [https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-of-sanctions\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-of-sanctions_en)
- List of countries at risk identified by the FATF (Financial Action Task Force on Money Laundering) <http://www.fatf-gafi.org>
- List of risk States established directly by an effective EU <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02016R1675-20180306>
- Sanctions list [https://www.un.org/sc/suborg/en/sanctions/1267/\(Php+4+4.0.0\)](https://www.un.org/sc/suborg/en/sanctions/1267/(Php+4+4.0.0))

- Demonstrative enumeration of sources of information on the level of corruption and other sources of criminal activities in foreign jurisdictions:
  - Organisation for Economic Cooperation and development (corruption) <http://www.oecd.org/corruption/>
  - Organisation for Economic Cooperation and development (tax havens) <http://www.oecd.org/countries/monaco/list-of-unco-operative-taxhavens.htm>
  - Council of Europe-GRECO (corruption) <https://www.coe.int/en/web/greco>
  - United Nations Office on drugs and Crime (UNODC) <http://www.unodc.org/> 02 June 2021
- Specially Designated Nationals And Blocked Persons List (SDN) Human Readable Lists  
<https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>
- Consolidated Sanctions List (Non-SDN Lists)  
<https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-non-sdn-lists>
- Sanctions List Updates  
<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/1316>
- High-risk and other monitored jurisdictions  
[https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc\(fatf\\_releasedate\)](https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate))
- A guide to the current consolidated list of asset freeze targets, and a list of persons named in relation to financial and investment restrictions under the Russia regulations  
<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>
- European Union sanctions  
[https://www.eeas.europa.eu/eeas/european-union-sanctions\\_en](https://www.eeas.europa.eu/eeas/european-union-sanctions_en)

**September 02, 2022**