

## **Customer information on the order of obligatory customer due diligence**

**Pursuant to Act LIII of 2017 on the Prevention and Hindrance of Money Laundering and the Financing of Terrorism (hereinafter referred to as: Pmt.):**

**1. Customer due diligence is obligatory in cases as specified by the law, in particular:**

- at the establishment of the business relationship,
- at the fulfilment of a deal order in the amount of or over 3.6 million Hungarian forints (irrespective of the currency of the transaction), including actually interrelated deal orders, too, if their joint amount reaches 3.6 million Hungarian forints,
- at the fulfilment of a deal order in the amount over three hundred thousand Hungarian forints qualified as cash transfer as specified in Article 3 item 9 of the Regulation (EC) No 2015/847 of the European Parliament and of the Council of 20 May 2015,
- if any indication for data, fact or circumstance of money laundering or the financing of terrorism arises, in case the aforementioned due diligence has not yet been carried out,
- if any doubt arises in connection with the adequacy or accuracy of the earlier recorded data.

**For the purpose of the identification and the verification of identity the colleagues ask for the presentation of identification documents. We kindly ask you to prepare your identification documents in order to facilitate the administration procedure! <sup>1</sup>**

Please note that when accepting the deal order the colleague of the Service provider may ask the Customer to present the documents for the verification of identity and its statement regarding on whose behalf the Customer fulfils the deal order (beneficial owner).

**Pursuant to Section 7 Sub-section (8) of the Pmt. for the purpose of the identification and the verification of identity, the service provider shall be obliged to make a copy of the documents of the natural person customer / the proxy / the authorized signatory / the representative that serve the verification of identity.**

**2. Natural person customers** – if they do not act at the Bank as a proxy, authorized signatory, representative **are required** pursuant to Section 8 Sub-section (1) of the Pmt. **to provide a statement of the beneficial owner related to natural persons in the case the person is acting in the name or on behalf of the beneficial owner.**

Pursuant to Section 9 Sub-section (1) of the Pmt. **the legal person or the representative of the business association without a legal entity shall be obliged to provide a statement on the beneficial owner of the legal person or the business association without a legal entity** and the personal data thereof. <sup>2</sup>

**3. Pursuant to Section 19 Sub-section (1) of the Pmt. the natural person customer / the proxy / the authorized signatory / the representative are required to make a written statement for the service provider declaring whether according to the law of their country they are classified as politically exposed persons, they are close relatives of the politically exposed persons or they have a close relation to the politically exposed persons.**

Pursuant to Section 8 Sub-section (3) or Section 9 Sub-section (2) of the Pmt. service providers are required to ask for a written statement related to the beneficial owner from the natural person customer or the representative of the legal person customer declaring whether they are classified as

politically exposed persons according to the law of their country.

If the the natural person customer / the proxy / the authorized signatory / the representative is a politically exposed persons, is a close relative of the politically exposed persons or has a close relation to the politically exposed person, it must in addition provide a statement declaring pursuant which paragraph of Section 4 Sub-section (2) of the Pmt. the politically exposed person is classified a politically exposed person.<sup>3</sup>

**Pursuant to Section 12 Sub-section (3) of the Pmt. during contractual relations the Customer shall be obliged to inform the Service Provider of any changes in the data provided during customer due diligence or the changes in the person of the beneficial owner within 5 (five) working days of being informed of such changes.**

Thank you for your understanding and co-operation.

<sup>1</sup> Pursuant to Section 7 Sub-section (3) of the Pmt. for the purposes of verification of identity, service providers are required to require the following documents to be presented:

In connection with natural persons

- for Hungarian nationals, an official certificate suitable for the proof of identity and an official certificate for the proof of address,
- for foreign nationals, a passport or personal identity card, if it embodies an authorization to reside in Hungary, or a document evidencing the right of residence or a valid residence permit,
- For legal persons or organizations not having a legal personality, in addition to the documents of the persons described in Paragraph a) who are authorized to act in their names and on their behalf, a document issued within thirty days to date, to verify:
  - ba) if a domestic economic operator, that it has been registered by the court of registration or that the application for registration has been submitted; if a private entrepreneur, that he has a sole proprietor's license, or the certificate of registration has been issued;
  - bb) in case of domestic legal persons whose existence is subject to registration by an authority or the court, the fact that the registration has taken place;
  - bc) in case of foreign-registered legal persons or organizations not having a legal personality, the fact that the person or body has been registered under the law of the country in which it is established;
  - c) prior the submitting of an application for company registration to the court of registration, or an application for registration by an authority or the court to the competent authority or court, the articles of incorporation (articles of association, charter document) of legal persons and organizations not having a legal personality.

<sup>2</sup> **Beneficial owner** shall mean as stipulated by Paragraph 3 Section (38) of Act LIII of 2017 on the Prevention and Hindrance of Money Laundering and the Financing of Terrorism:

- a) the natural person who owns or controls at least twenty-five per cent of the shares or voting rights in a legal person or a business association without a legal entity directly or by way of the means defined in Paragraph 8:2. Section (4) of the Act on the Civil Code (hereinafter referred to as: Civil Code) indirectly, or exercises effective control over the legal person or a business association without a legal entity in any other way, if that legal person or business association without a legal entity is not listed on a regulated market and is subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards,
- b) the natural person who has a dominant influence in a legal person or a business association without a legal entity as defined in Paragraph 8:2. Section (2) of the Act on the Civil Code,
- c) the natural person on whose behalf a transaction is carried out, or who exercises effective control over the activities of the natural person customer in any other way,
- d) in the case of foundations:
  - da) where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of twenty-five per cent or more of the property of the foundation,

- db) where the individuals that benefit from the foundation have yet to be determined, the class of natural persons in whose main interest the foundation is set up or operates, or
- dc) natural person(s) who exercises control in the management of the foundation or exercises control over twenty-five per cent of the property of a foundation, or who is authorized to represent the foundation
- e) in the case of a trustee asset management contract
  - ea) the trustee or its beneficial owners as specified in point a) or b),
  - eb) the asset manager or its beneficial owners as specified in point a) or b),
  - ec) the beneficiary or the group of beneficiaries or its beneficial owners as specified in point a) or b), , and
  - ed) the natural person who exercises control over the managed assets in any other way, and
- f) in the absence of the natural person referred to above, the executive officer of the legal person or the business association without a legal entity;

<sup>3</sup> Pursuant to Section 4 Sub-section (1) of the Pmt. **Politically Exposed Person (PEP)** means any natural persons **who is** or has been **entrusted with prominent public functions** within one year before the implementation of customer due diligence measures. The provisions of the Pmt. shall also apply to the close relatives of such persons or persons known to be close associates of such persons.

**Persons who are or have been entrusted with prominent public functions:**

- a) the head of state, head of government, minister and assistant minister, state secretary, in Hungary the head of state, t, minister, state secretary
- b) the member of Parliament and the member of a similar legal organ, in Hungary the members of Parliament and spokesmen for the nationality,
- c) members of the governing organ of the political party, in Hungary members and officers of the leading organ of the political party,
- d) the Supreme Court, members of the Constitutional Court or of other high-level judicial bodies whose decisions are not subject to further appeal, in Hungary the Constitutional Court, members of the High Court and the Curia,
- e) Members of the Board of Directors of the Court of Auditors and the Central Bank, in Hungary the Chairman and the Deputy Chairman of the Court of Auditors, the members of the Monetary Council and the Financial Stability Council,
- f) ambassadors, chargés d'affaires and high-ranking officers of the Armed Forces, in Hungary the head and deputy-head of the central organ of law enforcement agencies as well as the Chief of the Armed Forces of the Republic of Hungary and its deputies,
- g) members of the administrative, management or supervisory bodies of companies under majority state ownership, in Hungary the Managing Director of companies under majority state ownership, the member of the managing body of companies under majority state ownership
- h) the head, the deputy-head or the member of the managing body of international organisations.

**Close relative:** the spouse or partner of the Politically Exposed Person, the blood children, adopted children, step-children and foster children of the Politically Exposed Person and the spouses or partners thereof, blood parents, adopting parents, step-parents and foster parents.

**Persons who have a close relation to the Politically Exposed Person, are:**

- a) any natural person who is a beneficial owner of a legal person or business association without legal personality with the Politically Exposed Person or has close business relations to it;
- b) any natural person who has sole beneficial ownership of a legal person or the business association without legal personality that was established on behalf of the Politically Exposed Person.