

***TO WHOM IT MAY CONCERN***

Luxembourg is one of the charter members of the Financial Action Task Force on Money Laundering (FATF) and, as a member of the European Union, is subject to the EU regulations concerning anti money laundering and the prevention of terrorism financing. Therefore, our country has established laws and regulations designated to combat Money Laundering and Financing of Terrorism in line with EU and FATF standards and controls.

We hereby confirm that our bank, established in Luxembourg, is subject to the supervision of the *Commission de Surveillance du Secteur Financier (CSSF or the regulator)*. As evidence for our license, as a Luxembourgish regulated banking entity, please refer to the CSSF website: [www.cssf.lu](http://www.cssf.lu).

Our bank is consequently submitted to the Luxembourg law of April 5<sup>th</sup> 1993, on the financial sector, and to the regulations for the prevention of money laundering and terrorism financing, as defined by the law of November 12<sup>th</sup> 2004 as modified by the laws of July 17<sup>th</sup> 2008 October 27<sup>th</sup> 2010 and February 13<sup>th</sup> 2018, as well as to the Circulars and Regulations issued by the CSSF on that subject.

In complement to Luxembourg anti money laundering laws, SGBT Luxembourg as a 100 pct subsidiary company of the SG Group, itself supervised on a consolidated basis by the French regulator "ACPR", complies with general procedures issued by SG Group in this matter.

Procedures, Audit and Management validation

In order to comply strictly with such regulations our bank has implemented a Compliance function, responsible for the elaboration of a programme and policies on the prevention of money laundering and terrorism financing. These policies, including duties as regards Customer Due Diligence obligations, Suspicious Transaction Reporting as well as transaction monitoring processes, are validated by senior management. Our bank also constantly adapts and improves its internal anti money laundering procedures and policies. In addition? their implementation is checked by our internal audit department and by the external auditor on a regular basis. The results of these controls are reported to our regulator.

Customer Due Diligence

Our bank duly implements the Know Your Customer diligence rules. More specifically, each client of our entity has to be identified before entering in a business relationship - including beneficial owners where applicable - and documentary evidence of their identity is held. We are also legally bound to keep the documents related to the client's files for at least five years after the end of the relationship and the documents related to the client's transactions for at least five years after their execution.

Knowledge of the customer is based not only on the formal identification of that client but also on its profile. According to the risk-based approach principle, our entity understands the client risk profile through a monitoring programme with regards to their transactions and activities, and based on documentation collection and risk assessment. Our procedures include guidelines for detecting suspected money laundering or terrorism financing activities, which are to be reported to the Compliance department.

Specific Enhanced Due Diligence concerns

- High risk clients and Politically exposed persons : Business relationships with high risk clients and politically exposed persons (as well as their family and close associates) if any are covered by our policies consistent with legal requirements and industry best practices.
- Shell banks : We comply with rules on correspondent banking activities and our entity has also a policy prohibiting accounts/relationships with "shell banks" (i.e. a foreign bank without any physical presence in any country and that is unaffiliated with a regulated financial group).

Cooperation with Authorities and suspicious transaction reports

In accordance with applicable laws and regulations, including privacy and data protection laws, our entity fully co-operates with governmental and law enforcement authorities and reports any suspected money laundering or terrorist financing activities to the Financial Intelligence Unit (FIU). We are strictly complying with any information request from those authorities to which client information and documentation may be made available upon request.

In the context of preventing the financing of terrorism, we use lists issued by international bodies, the supervisory and judiciary authorities. We ensure that clients' files and transactions are checked regularly. Our institution has also implemented appropriate controls to ensure the respect of embargo and financial restrictive measures decided by European and/or United Nations authorities / OFAC.


Branches and subsidiaries

As required by relevant laws and regulations, our AML/CTF procedures and practices apply to our subsidiaries. In the event of a conflict between SGBT policies and procedures and applicable local legal requirements, SGBT subsidiaries must comply with the more restrictive of the conflicting requirements, unless doing so would violate local legal or regulatory requirements.

AML/CTF training

Our entity also provides appropriate training on the prevention of AML/CTF measures to its employees on a regular basis.

This only reflects current legal obligations incumbent to our bank who reserves the right to adapt its procedures at all times with the legal or regulatory framework and professional guidelines.



**Eric KERSCHEN**  
SGBT Luxembourg - Chief Compliance Officer