

CONFIDENTIAL

VQF Member No.	AMLA File No.
100809	

Risk Profile AMLA

and definition of criteria for transaction monitoring



The member performs additional clarifications if the business relationship or the transaction is classified as increased risk (Art. 56 SRO Regulations)

Customer ¹	
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This form was completed by:

Full name	Bernhard Frank Müller Hug
Date	

1. Evaluation of politically exposed persons (PEP-Check)



This evaluation has to be completed by all members for every business relationship.

<u>Foreign PEP²</u> Is the customer, the beneficial owner or the controlling person or authorised representative a foreign PEP or closely related to such a person?	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes => The business relationship is <u>compulsory</u> classified as increased risk.
<u>Domestic PEP³ and PEP of International Organisations⁴</u> Is the customer, the beneficial owner or the controlling person or authorised representative a domestic PEP or PEP in International Organisations or closely related to such a person?	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes => Is a risk criterion pursuant to numeral 3 subsequently increased? <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes => Classification of the business relationship as increased risk is <u>compulsory</u>
The decision of the Senior executive body on the acceptance of a business relationship with a PEP was obtained on <u>n.a.- not needed</u> .	

¹ Pursuant identification form (VQF doc. Nr. 902.1) numeral 1.

² Definition see Art. 7 lit. g numeral 1 SRO Regulations.

³ Definition see Art. 7 lit. g numeral 2 SRO Regulations.

⁴ Definition see Art. 7 lit. g numeral 3 SRO Regulations.

2. Evaluation "high risk" or non-cooperative country



This evaluation has to be completed by all members for each business relationship.

"High risk" or non-cooperative country Is the customer, the beneficial owner or the controlling person or authorised representative in a country considered by the FATF " high risk " or non-cooperative and for which FATF requires increased diligence ?	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes => considered as business relationship with increased risk.
The decision of the Senior executive body on the acceptance of such a business relationship was obtained on <u>n.a.- not needed, the customer is here in Switzerland.</u>	

3. Evaluation of business relationship risk



This evaluation has to be completed by all members who have in total more than 20 customers for every business relationship. At least two risk categories have to be chosen and assessed.

a) COUNTRY RISK⁵ (nationality)		
<input type="checkbox"/> Domicile/residential address: <input type="checkbox"/> Customer <input type="checkbox"/> Beneficial owner of the assets <input type="checkbox"/> Controlling person <input type="checkbox"/> Nationality: <input type="checkbox"/> Customer <input type="checkbox"/> Beneficial owner of the assets	0	<input type="checkbox"/> Risk 0 acc. to VQF country list (VQF doc. no. 902.4.1)
	1	<input type="checkbox"/> Risk 1 acc. to VQF country list (VQF doc. no. 902.4.1)
	2	<input type="checkbox"/> Risk 2 acc. to VQF country list (VQF doc. no. 902.4.1)
b) COUNTRY RISK (business activity)		
Place of business activity: <input type="checkbox"/> Customer <input type="checkbox"/> Beneficial owner of the assets	0	<input type="checkbox"/> Risk 0 acc. to VQF country list (VQF doc. no. 902.4.1)
	1	<input type="checkbox"/> Risk 1 acc. to VQF country list (VQF doc. no. 902.4.1)
	2	<input type="checkbox"/> Risk 2 acc. to VQF country list (VQF doc. no. 902.4.1)
c) COUNTRY RISK (payments)		
Country of origin and destination of frequent payments (if known)	0	<input type="checkbox"/> Risk 0 acc. to VQF country list (VQF doc. no. 902.4.1)
	1	<input type="checkbox"/> Risk 1 acc. to VQF country list (VQF doc. no. 902.4.1)
	2	<input type="checkbox"/> Risk 2 acc. to VQF country list (VQF doc. no. 902.4.1)
d) INDUSTRY RISK		

⁵ Risk 0 = Risk Classification "Low"; Risk 1 = Risk Classification "Medium"; Risk 2 = Risk Classification "High".

Nature of customer's business activity: <input type="checkbox"/> Customer <input type="checkbox"/> Beneficial owner of the assets	0	<input type="checkbox"/> Clearly defined, transparent, easily comprehensible business activity well known to the member
	1	<input type="checkbox"/> Business activity with a high level of cash transactions <input type="checkbox"/> Business activity not well known to the member
	2	<input type="checkbox"/> Trade in munitions/arms, raw gem stones/diamonds, jewellery, international trade in exotic animals, casino and lottery business, trade in erotic wares <input type="checkbox"/> Member has no personal knowledge of the customer's industry

e) CONTACT RISK		
Types of contact to the customer/ beneficial owner of the assets	0	<input type="checkbox"/> Personal acquaintance between member and customer/beneficial owner of the assets over several years (at least 2) prior to entering into the business relationship.
	1	<input type="checkbox"/> The customer/beneficial owner was not personally known to the member for several years (at least 2) prior to entering into the business relationship; however (a) no business was entered into in the absence of the customer/beneficial owner, or (b) the customer was at least introduced/brokered by a trusted third party.
	2	<input type="checkbox"/> The customer/beneficial owner was not personally known to the member and business was entered into in the absence of the former (relationship by correspondence) and the customer was not introduced/brokered by a trusted third party.
f) PRODUCT RISK		
Nature of services and products requested by the customer	0	<input type="checkbox"/> Easy to understand, transparent services and products whose financial background is easy to comprehend and verify
	1	<input type="checkbox"/> More sophisticated services/products whose financial background is not readily easy to comprehend and verify.
	2	<input type="checkbox"/> Main focus on offshore business (especially: relationships with domiciliary companies or other such offshore organisations) <input type="checkbox"/> Complex structures in particular by using a domiciliary company with fiduciary shareholders in a non-transparent jurisdiction, without comprehensible reason or for the purpose of short-term asset placement <input type="checkbox"/> The customer or beneficial owner of the assets has a large number of accounts with pass-through transactions (pass-through accounts) <input type="checkbox"/> Complex services/products whose financial background can't be understood or verified with considerable effort. <input type="checkbox"/> Frequent transactions with increased risks
g) CRITERIA DEFINED BY THE MEMBER		
Payment Volumes Risk	0	<input type="checkbox"/> Small revenue generated/expected through the customer relationship > 10k CHF per month

	1	<input type="checkbox"/> Medium revenue generated/expected through the customer relationship > 10k CHF < 100k CHF per month
	2	<input type="checkbox"/> Large revenue generated/expected > 100k CHF per month
Smurfing Risk	0	<input type="checkbox"/> No high value items, orders or services are sold above 2k CHF per customer
	1	<input type="checkbox"/> Items, orders or services between 2k CHF and 50k CHF are sold
	2	<input type="checkbox"/> Items, orders or services above 50k CHF are sold

Overall assessment of the business relationship	
<p>A business relationship is classified as increased risk if:</p> <ul style="list-style-type: none"> ➤ Business relationship with PEP pursuant to numeral 1 (no exception possible) ➤ Relationship with a person from a "high risk" or non-cooperative country according to numeral 2 (no exceptions possible) ➤ Min. <u>one</u> criterion pursuant to numeral 3 was assessed with <u>risk 2</u> or min. <u>two</u> criteria pursuant to numeral 3 were assessed with risk 1 (exception: justification by the member below why the business relationship overall does not have to be classified as increased risk despite the fact that individual risk criteria are increased). 	
Justification for differing risk assessment	
Risk classified	<input checked="" type="checkbox"/> Business relationship <u>without</u> increased risk <input checked="" type="checkbox"/> Business relationship <u>with</u> increased risk
The decision of the Senior executive body on the acceptance of a business relationship with increased risk was obtained on ____	

4. Criteria for identification of increased risk transactions (transaction monitoring)

4.1 Criteria

Classification as as increased risk is compulsory if:

- Transactions for which assets with an equivalent value of CHF 100'000.- or more are physically introduced at the beginning of the business relationship, either at once or in a staggered manner
- Money and asset transfers ("money transfer") whereby a single transaction or multiple transactions which appear to be related reach or exceed the amount of CHF 5,000.-
- Payments from or to a country that is considered to be "high risk" or non-cooperative by the FATF and for which increased diligence is required

4.2 Additional criteria defined by the member



All members have to define min. 1 additional criterion for every business relationship to identify unusual transactions⁶.

⁶ Possible criteria (Art. 59 para. 2 SRO Regulations):
- the amount of inflowing and outflowing assets; **or**

These criteria are defined in our SOP-003 Continuous Client and Transaction Monitoring and Fraud Prevention which describes the monthly transaction monitoring.

→ This form has to be updated immediately if changes occur.

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- type, volume and frequency of transactions usual to the business relationship (considerable variance would be unusual); **or**
 - type, volume and frequency of transactions usual to comparable business relationships (considerable variance would be unusual); **or**
 - description of expected transaction patterns which the client notify the member of (considerable variance would be unusual); **or**
 - The country of origin or destination of payments, especially in the case of payments from or to a country considered by the FATF as "high risk" or non-cooperative.