

# Pari Passu Advisory AML and KYC Policy

March 2022



## **General Provisions**

This Policy represents the basic standards of Anti-Money Laundering and Combating Terrorism Financing (AML) procedures within Pari Passu Advisory.

Each employee of PPA, whose duties are associated with the provision of products and services and who directly or indirectly deals with the clients, is expected to know the requirements of the applicable laws and regulations and to follow this Policy and relevant laws and regulations.

The laws and regulations include, but not limited to: International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation (FATF 2012), the law of the Republic of Kazakhstan "On counteracting the legalization (laundering) of proceeds of crime and the financing of terrorism" (2009).

This Policy will be kept updated when necessary.



## Definitions

### *High risk clients (HRC)*

- Non-residents
- Politically exposed persons in third countries
- Companies with bearer shares
- Non-profit organisations

### *Money Laundering*

Money Laundering is any transaction or series of transactions undertaken to conceal or disguise the nature and source of funds that have been obtained from illegal activity. The main objective of the money launderer is to transform 'dirty' money into seemingly clean money or other assets in a way to leave as little trace as possible of the transformation. There are three recognized forms of the money laundering process:

**Placement:** The introduction of illegally obtained monies or other valuables into financial or non-financial institutions.

**Layering:** Separating the proceeds of criminal activity from their source through the use of layers of complex financial transactions. These layers are designed to hamper the audit trail, disguise the origin of funds and provide anonymity.

**Integration:** Placing the laundered proceeds back into the economy in such a way that they re-enter the financial system as apparently legitimate funds.

### *Partner*

The employee of PPA who has the right to act on behalf of the company.

### *PPA*

Pari Passu Advisory LLP.



## **AML and KYC procedures**

### *Client Acceptance and Know Your Client*

Every new client should be approved by one of the Partner:

Prior to transact any type of business an employee must determine the true identity of a client and obtain background information on a client as well as purpose and intended nature of the business.

An employee must establish whether the client is acting on behalf of another natural person or legal entity as trustee, nominee or professional intermediary. In such cases a necessary precondition for client acceptance is receipt of satisfactory evidence of the identity of the ultimate beneficiary.

An employee must verify the client's permanent/business address by one of the following ways: personal visit to home/office, original recent utility bill, credit card or bank statement, original address notice from authorities, original of citizens' registration book, checking the phone directory.

The aforesaid may be executed by any business counter-party of PPA with whom business relations has been established and who is subject to appropriate AML regulations.

### *Additional Due Diligence measures for high risk clients*

With regards to HRC an employee must undertake following additional due diligence measures:

Determining from publicly available sources of information the reputation of a respondent institution, including whether it has been subject to a money laundering or terrorist financing investigation or other regulatory action.

Assessing the respondent institution's anti-money laundering and terrorist financing controls on a periodic basis.

### *Monitoring and reporting of suspicious transactions/activity*

All employees must be diligent in monitoring for any unusual or suspicious transactions/activity basing on the relevant criteria applicable in the jurisdiction where PPA operates. The reporting of suspicious



transactions/activity must comply with the laws/regulations of the respective jurisdiction.

*Forbidden clients*

Should the Partner suspect that the potential client might be involved in illegal activities that involve drug trafficking, terrorism, smuggling, fraud, bribery, robbery, embezzlement, and illegal gambling PPA must cancel all relations with such client.