

Politically Exposed Persons (PEP) Policy

Policy Number: 008

1. Introduction

This document outlines the policies and procedures of ZBAN (hereafter referred to as "the Network") regarding Politically Exposed Persons (PEPs) in accordance with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations.

2. Definition of Politically Exposed Persons (PEPs)

PEPs according to ZBAN are individuals who are or have been entrusted with prominent public functions, either domestically or internationally, as well as their immediate family members and close associates. **This includes, but is not limited to active:**

- Heads of state, government, or political figures.
- Senior officials in government ministries, agencies, or regulatory bodies.
- Senior members of the judiciary or military.

3. Identification of PEPs

The Network is committed to identifying PEPs among its members, investors, and associated parties. **ZBAN holds a mandatory no PEP admission stance**, and this includes implementing the following measures:

- Conducting due diligence checks on all members and investors to identify any individuals who may qualify as PEPs or close associates of PEPs.
- Utilizing reputable databases and sources to screen for PEP status during the onboarding process and ongoing monitoring of members and investors.
- Obtaining declarations from members and investors regarding their PEP status and that of their immediate family members and close associates.

4. Enhanced Due Diligence (EDD)

For individuals identified as PEPs or close associates of PEPs, the Network will apply enhanced due diligence measures, which may include:

- Obtaining additional information and documentation to verify the source of funds, wealth, and legitimacy of business activities.
- Assessing the potential risks associated with the individual's political exposure and any implications for the Network's reputation and compliance obligations.
- Seeking approval from the appropriate authority within the Network for any transactions or engagements involving PEPs.

5. Risk Mitigation and Monitoring

The Network will take proactive measures to mitigate the risks associated with PEPs, including:

- Establishing risk-based controls and procedures to monitor transactions, interactions, and relationships involving PEPs.
- Conducting periodic reviews and assessments of PEP-related risks and adjusting control measures accordingly.
- Reporting any suspicious activity or transactions involving PEPs to the relevant regulatory authorities in compliance with AML/CTF regulations.

6. Training and Awareness

The Network will provide training and awareness programs to ensure that employees, members, and associated parties understand their obligations and responsibilities regarding PEPs, including:

- Recognizing indicators of PEP status and associated risks.
- Following prescribed procedures for identifying, assessing, and managing PEP-related risks.
- Reporting any concerns or suspicions related to PEPs in accordance with the Network's reporting procedures.

7. Compliance Oversight

The Network will appoint a designated compliance officer or committee responsible for overseeing the implementation of this PEP policy and ensuring compliance with relevant AML/CTF regulations. Responsibilities include:

- Monitoring adherence to the policy and procedures outlined herein.
- Conducting periodic reviews and audits to assess the effectiveness of PEP-related controls and measures.
- Making recommendations for improvements or updates to the policy as necessary.

8. Review and Amendment

This PEP Policy will be reviewed periodically to ensure its continued effectiveness and compliance with regulatory requirements. Amendments may be made as necessary to address changes in the operating environment, regulatory guidance, or best practices in AML/CTF compliance.

9. Acknowledgment and Agreement

All members, employees, and associated parties of the Network are required to read, understand, and comply with the provisions of this PEP Policy. By participating in the Network's activities, individuals acknowledge their agreement to abide by these policies and procedures.