

## KBC Merchant Services

### Money Laundering Prevention Announcement

Dear Customers,

In accordance with the provisions of the law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the restriction of the use of cash (the Belgian AML Act), customer due diligence is mandatory in the cases specified by law, in establishing and maintaining a customer relationship.

Customer due diligence consists of the below measures:

- the identification of the customer,
- verification of the identity of the customer,
- identification of the customer's characteristics and purpose and nature of the business relationship, and
- taking adequate measures to establish the source of wealth (only in specific cases)

The due diligence measures also include declarations on Politically Exposed Persons connected to the customer and the identification and identity verification of the Beneficial Owners.

For representatives acting on behalf of the customer, the same identification and identity verification requirements apply as for the customers.

The Belgian Branch of K&H Payment services Ltd. (hereinafter: KBC Merchant Services) applies a risk-based approach in line with both Belgian and international legal requirements<sup>1</sup>, assigns adequate risk levels to its customer and performs the corresponding due-diligence measures before making a decision on establishing a business relationship. KBC may refuse to establish or to maintain a business relationship if the risks related to the business relationship appears too high or may collect additional information for customers classified in higher risk categories. These enhanced due diligence measures may have a delaying impact on the customer application process. In these cases, the decision on establishing a business relationship is carried out in line with the internal procedures of KBC Merchant Services.

In accordance with relevant AML legislation, KBC Merchant Services takes reasonable measures to understand the ownership and control structure of the customer in order to identify the beneficial owners. Moreover, as part of its obligation to identify the customer's characteristics and the purpose and nature of the business relationship, KBC Merchant Services takes reasonable measures to determine whether the beneficial owners of the customer are politically exposed persons, family members of politically exposed persons or persons who are known to be closely associated with politically exposed persons.

Pursuant to the Belgian AML Act, the customer or representatives acting on behalf of the customer- based on the accurate and up-to-date records kept by the customer - is obliged to provide the following data of the beneficial owner:

- Surname and first name
- Place and date of birth
- Official residential address
- Capacity in relation to the customer

In accordance with the risk-based internal procedures of KBC Merchant Services, information on trade activity, business relationships, source of wealth or other additional documentation can be requested to complete customer due-diligence measures and make decisions on establishing the business relationship.

All data and documents obtained during the due-diligence measures are processed for the purpose to comply with the obligations specified in the Belgian AML Act.

Best regards,

KBC Merchant Services

<sup>1</sup> ♣ Directive 2015/849 (AMLD4) on the prevention of the use of the financial system for purposes of money laundering or terrorist financing, as amended by Directive 2018/843 (AMLD5) ♣ EBA Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions (EBA/GL/2021/02) ♣ (supra-)national risk assessments ♣ local AML Law and/or regulations