



CoxiPay
AML Risk Appetite Statement
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Coxi UAB (COXIPAY) is an Electronic Money Institution, authorized by the Central Bank of Lithuania (Nr. 21) for the issuing of electronic money.

COXIPAY AML Risk Appetite Statement provides the framework through which the Business describes the level and types of AML risk that COXIPAY is willing to incur in executing its broader business strategy.

AML Risk Profile

COXIPAY AML Risk Profile is composed of products and services, customers (individuals and entities) and country risk. Within these risk categories and as a result of the global reach in providing a service COXIPAY could be unwittingly used for the furtherance of financial crime. Financial crime – COXIPAY must comply with legal requirements to deter and detect financial crime, which includes money laundering and terrorist financing.

Products and services. COXIPAY focuses on B2B services offering e-wallet and bank wire options (SEPA/SWIFT). In Q4 COXIPAY will be offering debit cards linked to IBAN and card processing via partners that are incorporated and regulated in the EU. **The highest risk is Transaction risk with particular attributes, which include, but are not limited to:**

1. **Transaction type.**
 - Could the type of transaction be used for the purposes of money laundering or is it at a higher risk of money laundering? (e.g., Salary - low risk, Estate Agency - higher risk);
 - Does the transaction make sense or is it overly complex given the underlying nature of the business being conducted?
 - Does it make sense that your client has asked your firm to carry out this type of transaction? (e.g. is it within your area of expertise/local geographical area?)
2. **Value of transaction.**
 - Does the value of the transaction appear to fall within the financial means of the client, given their income and savings?
3. **Source of funds.**
 - Is the source of funds clear and identifiable?
 - Are funds coming from a recognized (regulated) financial/credit institution or are they personal funds?
 - Is any funding coming from overseas? Where from? Who from? Connection to the client?
 - Are any of the funds being paid by a third party otherwise unconnected to the transaction?



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4. Destination of funds

- Does transactional behaviour match money flow declared by the client?
- Any indications that account is used as transit?

5. Purpose of relationship.

- For what purposes customer use COXIPAY products?
- Is the account used for: operational purposes, settlement, trading etc?

Customers. Risks from COXIPAY's own customer base, their type of business or the ultimate beneficiary of funds needs to be considered when COXIPAY enters and conducts business. COXIPAY is using third-party provider „Accuity“ to conduct PEP's and Sanctions screening.

Customers are divided into two categories: Individuals and Entities. The risk level of Individual clients will be determined by the country of residence.

The risk level of the Entity will be determined by their type of business, Age of legal entity, group structure complexity and beneficial owners, directors, and Authorised signatories' risk.

Geography (Country) risk. Identifying geographic locations that may pose a higher risk is a core component of any inherent risk assessment and the business line will seek to understand and evaluate the specific risks associated with doing business in, opening and servicing accounts, offering products and services and/or facilitating transactions involving certain geographic locations.

Geography/Country risk may also be considered together with some of the other risk factors in other risk categories, for example, in Clients for FIs, and in Products and Services for Transactions. For example, the percentage of a business division, unit or business line's transactions with a high-risk country may provide an indication of the inherent risk from a Geography/Country perspective.

Monitoring.

An element of a COXIPAY AML Policy in which client activity is reviewed for unusual or suspicious patterns, trends or outlying transactions that do not fit a normal pattern. Transactions are often monitored using software that weighs the activity against a threshold of what is deemed "normal and expected" for any given client. COXIPAY will rely on internal anti-money laundering system and controls. Monitoring is done automatically and manually by receiving alerts generated by the internal rules-based monitoring system.

Internal controls.

Policies, procedures, systems and personnel within COXIPAY, are structured to protect against the materialisation of a ML risk, or to ensure that risk factors are promptly identified



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Unacceptable Levels of Risk.

COXIPAY will not knowingly conduct business with anyone who has engaged in any criminal activities. Further, COXIPAY will not enter into a business relationship with prohibited parties which include:

- Exact matches on Sanctions lists
- Foreign Shell Banks
- Unregistered Money Service Businesses (“MSBs”)
- Parties that are not transparent
- Bearer shares

The MLRO will work with the senior management team and the Board to conduct a comprehensive review of all relevant customer information to determine the proper course of action.

AML Risk Limits

The MLRO has the responsibility to oversee all components of the AML Policy. It is the responsibility of the Board to ensure that there are appropriate and proportional systems and controls in place to mitigate the furtherance of financial crime.

The MLRO may recommend restrictions on business activities, existing or prospective, and such restrictions will be reported to the Board stating the reasons for such action. Business clients risk depends on the type of industry and risk of individuals based on country of residence.

Jurisdiction risk

COXIPAY divides jurisdictions into different types of risks: not acceptable, High-risk, Medium-risk and Low-risk.

The Company undertakes not to enter into any business relationship with customers incorporated in not acceptable jurisdictions. However, COXIPAY keeps the right to onboard the customer incorporated in supported jurisdiction when it’s management or Ultimate beneficial owner has ties with prohibited countries (i.e. Directors citizenship is from Unsupported country, but he is residing from acceptable jurisdiction and has permanent residence in such country). All other possible exemptions may be applied with MLRO approval. Exemptions could not be applied to FATF sanctioned countries and occupied territories not recognized by UN.



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Not acceptable Jurisdictions:

Afghanistan	El Salvador	Mali	Sierra Leone
American Samoa	Equatorial Guinea	Moldova	Somalia
Aruba	Eritrea	Myanmar	Sudan
Azerbaijan	Ethiopia	Morocco	South Sudan
Bahamas	Fiji	Mozambique	Sri Lanka
Bangladesh	Ghana	Nicaragua	Syria
Belarus	Guinea	Nigeria	Trinidad and Tobago
Bosnia and Herzegovina	Guinea-Bissau	Niger	Tunisia
Botswana	Guam	North Korea	Turkmenistan
Burkina Faso	Guyana	Oman	Uganda
Burundi	Haiti	Pakistan	US Virgin Islands
Cambodia	Iran	Palestine	USA
Central African Republic	Iraq	Panama	Venezuela
Congo	Jamaica	Qatar	Yemen
Congo, Democratic Republic	Kuwait	Russian Federation	Zambia
Cuba	Laos	Samoa	Zimbabwe
Dominican Republic	Lebanon	Saudi Arabia	
Egypt	Libya	Serbia	

High, medium and low risk countries can be found in Annex No.1.

Sources:

European Commission; European Parliament and the Council - list of high-risk third countries with strategic deficiencies.

Consolidated List of European Union Financial Sanctions (EU sanction map).

TheFinancialActionTaskForce(FATF)-listofjurisdictionswithstrategicAML/CFTdeficiencies.

<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/fatf-compliance-june-2019.html>

<https://www.knowyourcountry.com/country-ratings-table>

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Industry risk

Declined Lines of Business Policy

You may not use COXIPAY services for the following activities:

- Collecting donations as a charity or non-profit organization, NGO's (*unregulated and incorporated outside EU*);
- Dating (*newly incorporated, not known*);
- Drug paraphernalia - product or accessory that is intended or modified for making, using, or concealing drugs, typically for recreational purposes;
- Drugs / Illicit substances, steroids and certain controlled substances or other products that present a risk to consumer safety;
- Encourage, promote, facilitate or instruct others to engage in illegal activity;
- Extractive Industries;
- High Risk File hosting / sharing and cyberlockers;
- Infringe any duly registered copyrights/trademarks or other violation of intellectual property rights;
- Unregulated pharmaceuticals, illegal drugs and or unlicensed drug related activity;
- Involve offering or receiving payments for the purpose of bribery or corruption any form of high yield financial investments (get rich quick schemes);
- Items that encourage, promote, facilitate or instruct others to engage in illegal activity;
- Oil & Gas Industries;
- PC Support sold via outbound telemarketing;
- Pyramid or Ponzi schemes;
- Relate to the sale of dangerous or hazardous goods;
- Replicas;
- Sale of government ID's or documents;
- Scottish LP, LLP;
- Services associated with prostitution, escort;
- Stolen goods including digital and virtual goods (fictitious social media likes, spam emails);
- Unlicensed lottery and gambling;
- Unregulated crypto companies (except EU);
- Unregulated Forex;
- Violate any law, statute, ordinance or regulation;
- Weapons, firearms and ammunitions;



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Activities that require MLRO or dedicated Senior officer approval:

- Activities involving gambling, gaming and/or any other activity with an entry fee and a prize, including, but not limited to casino games, lottery, games of skill and sweepstakes (*Only regulated*);
- Activities involving ferrous, non-ferrous or precious/rare metals, precious stones, jewelry, works of art.
- Adult services (*sale of goods, websites, etc.*);
- Auction services and websites (*regulated*);
- Audit of financial statements;
- Bars and nightclubs (*regulated*);
- Binary options (*only companies that has gambling license can be reviewed for the approval*);
- Collecting donations as a charity or non-profit organization, NGO's (*regulated in EU*);
- Crypto-related;
- Well known dating sites;
- Delivery of future services including airlines, travel agencies and hotel bookings and event ticketing;
- e-cigarette devices and non-cigarette tobacco products, food supplements;
- Financial services, money transfer services;
- ICO / Tokens;
- Insurance;
- Logistics;
- Personal health care;
- Provision of legal services, legal practice or notary practice;
- Pharmaceuticals activities or drug stores;
- Real Estate;
- Regulated Forex;
- Trade in alcoholic beverages, cigarettes and tobacco products;
- Vehicle trade;



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Annex No. 1

High Risk Jurisdictions

Albania	Costa Rica	Madagascar	St Kitts & Nevis
Algeria	Cote D'Ivoire	Malawi	St Lucia
Andorra	Curacao	Malaysia	St Maarten
Angola	Djibouti	Maldives	St Pierre & Miquelon
Anguilla	Dominica	Malta	St Vincent & the Grenadines
Antigua and Barbuda	Ecuador	Marshall Islands	Suriname
Argentina	Gabon	Mauritius	Swaziland
Armenia	Gambia	Mexico	Tahiti
Bahrain	Georgia	Mongolia	Taiwan
Barbados	Gibraltar	Montenegro	Tajikistan
Belize	Grenada	Montserrat	Tanzania
Benin	Guatemala	Namibia	Thailand
Bermuda	Guernsey	Nauru	Timor Leste
Bhutan	Honduras	Nepal	Togo
Bolivia	Iceland	New Caledonia	Tonga
Brazil	India	Niue	Turkey
Brunei	Indonesia	Palau	Turks & Caicos
British Virgin Islands	Isle of Man	Papua New Guinea	Ukraine
Cameroon	Japan	Paraguay	UAE
Cabo Verde	Jersey	Peru	Uruguay
Cayman Islands	Jordan	Philippines	Uzbekistan
Chad	Kazakhstan	Puerto Rico	Vanuatu
Chile	Kyrgyzstan	Rwanda	Vatican City
China	Lesotho	Sao Tome	Vietnam
Colombia	Liberia	Senegal	
Comoros	Macau	Seychelles	
Cook Island	Macedonia FYR	St Helena	

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Medium Risk Jurisdictions

Bulgaria	Israel	Monaco	South Africa
Canada	Kiribati	New Zealand	South Korea
Cyprus	Latvia	Romania	
Greece	Liechtenstein	Singapore	
Hong Kong	Micronesia	Solomon Islands	

Low Risk Jurisdictions

Australia	Finland	Luxembourg	Slovenia
Austria	France	Netherlands	Spain
Belgium	Germany	Norway	Sweden
Croatia	Hungary	Poland	United Kingdom
Czech Republic	Ireland	Portugal	
Denmark	Italy	San Marino	
Estonia	Lithuania	Slovakia	

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