

Anti Money Laundering and Terrorist Financing Policy

Updated on Sept 30, 2021



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Guiding Principles

This Policy aims to define, at the internal regulation level, the essential elements to be observed in the direction and prevention of money laundering activities, terrorist financing, and financing of the proliferation of weapons of mass destruction. This document was prepared in accordance with the provisions of the applicable legislation, namely Law No. 83/2017 of 18 August 2017, Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015, Law No. 97/2017 of 23 August 2017 and Bank of Portugal Notice No. 2/2018 of 26 September 2018, and Power Parity S.A. ("Goparity") complies with all the obligations imposed by that and other applicable legislation.

Scope

Money laundering is the "process by which the perpetrators of some criminal activities conceal the origin of illicitly obtained assets and income (benefits), transforming the liquidity from these activities into legally reusable capital by disguising the origin or true owner of the funds". Money laundering also includes the acquisition, possession or use of goods, knowing, at the time of receipt, that they come from criminal activity or participation in such activity, as well as the participation in these acts, the association to commit the act, the attempt and complicity in its practice, as well as the fact of facilitating its execution or advising someone to commit it.

Given the activity of Goparity as a crowdfunding platform owner, the prevention of money laundering and terrorist financing corresponds, in general terms, to the compliance of what are the best practices in terms of Know Your Customer ("KYC"), monitoring and tracking of transactions and compliance with other legal and regulatory duties on this matter. All payments, transfers, and withdrawals on the Goparity platform are handled by MangoPay S.A., an electronic money institution for which Goparity acts as agent.

This policy applies without exception to all Goparity employees.

Compliance Officer

The compliance officer is assigned the duties resulting from article 16 of Law 83/2017, of 18 August, of which the following are highlighted among others:

a) To participate in the definition and issue a prior opinion on the policies and procedures and controls aimed at preventing money laundering and the financing of terrorism;

b) To permanently monitor the adequacy, sufficiency and timeliness of policies and procedures and controls for the prevention of money laundering and the financing of terrorism, proposing the necessary updates;

c) To participate in the definition, monitoring, and evaluation of the internal training policy;

d) To play the role of interlocutor with the judicial, police, and supervisory and inspection authorities, namely by complying with the duty of communication provided for in Article 43 of Law 83/2017 and ensuring the exercise of other communication and collaboration obligations.



Goparity ensures that, as to the compliance officer, all elements of the rule of article 16 of Law 83/2017, of August 18 were and are complied with and fulfilled.

Duty of Identification and Diligence (“KYC”)

The duty to require identification is part of KYC – Know Your Customer – practices and applies to all clients before the start of operations.

Goparity's clients are the promoters (companies or organisations) who seek financing and the investors (individuals or companies) who provide this financing. Financial flows occur between these entities through the Goparity platform, as a distributor of MangoPay, an electronic money institution. There is a set of information that must be obtained and validated to ensure compliance with current regulations regarding fraud, money laundering and terrorism financing.



As a distributor of MangoPay, Goparity ensures the collection of information and documentation necessary for KYC compliance, according to the following levels:

-  **Light validation:** No limitation of amount to top-up the portfolio, regular validation required for portfolio withdrawal.
-  **Regular validation:** No limitation of amount to top-up and portfolio withdrawal.

Type of Validation	Type of User	Information required	Required documents
Light	Particular	Email First Name Last name Address Country of residence Date of birth Nationality	<i>None</i>
	Company/Organization	Name Email Address Legal representative's first name Legal representative's last name Date of birth of legal representative Nationality of legal representative Country of residence of the legal representative	<i>None</i>
Regular	Particular	Email First Name Last name Address Country of residence Date of birth Nationality	<i>National identification document or driver's license or residence permit for EU residents; passport for EU and non-EU residents</i>
	Company/Organization	Name Email Address Legal representative's first name Legal representative's last name Date of birth of legal representative Nationality of legal representative Country of residence of the legal representative Company identification number Declaration of the beneficial owner	<i>Articles of association, commercial registration proof and start of activity document</i>

As a MangoPay distributor, Goparity also contributes to a first level of control, namely by supervising client behaviour through the business and operations area and, if unusual situations are detected at the level of transactions without satisfactory justification, it notifies the electronic money institution.

Suspicious behaviour:

-  Withdrawal request without prior investment in project
-  Short period between top-up of the portfolio and request for withdrawal

Good practices:

- By default, withdrawals are only allowed 48h after top-up of the wallet
- Signalling top-ups made several times a day or week by the same user
- Flag withdrawal requests without prior investment

Beneficial owners

When the client is a legal entity or a legal arrangement, Goparity must obtain satisfactory knowledge of the client's beneficial owners and keep a written record of all actions intended to do so.

The following are considered to be beneficial owners:

- The natural person(s) who ultimately owns or controls, directly or indirectly, a sufficient percentage of the shares or voting rights or capital interest in a legal person;
- The natural person(s) who exercises control by other means over such a legal person;
- The natural person(s) who has (have) senior management if, after having exhausted all possible means and provided that there are no grounds for suspicion;

For the purposes of determining beneficial ownership, the following shall be considered: i) direct ownership means the ownership by a natural person of shares representing more than 25% of the client's share capital; ii) indirect ownership means the ownership of shares representing more than 25% of the client's share capital by a corporate entity that is under the control of one or more natural persons or several corporate entities that are under the control of the same natural person or persons iii) other circumstances that may indicate control by other means.

Due Diligence

In addition to identifying clients, counterparties, representatives and beneficial owners, Goparity's employees must:

- Take appropriate measures to understand the ownership and control structure of the client when the client is a legal person or a legal arrangement;

- When justified by the client's risk profile or the characteristics of the transaction, obtain information on the origin and destination of funds moved within a business relationship or in the course of an occasional transaction;
- Maintain an ongoing monitoring of the business relationship to ensure that such transactions are consistent with the entity's knowledge of the client's activities and risk profile; and
- Maintain up-to-date information obtained in the course of the business relationship.

Duty to Communicate

Goparity, through the Compliance Officer, must immediately inform the Department of Criminal Investigation and Prosecution (DCIAP) and the Financial Intelligence Unit (FIU) whenever it knows, suspects or has sufficient reason to suspect that certain funds or other assets, regardless of the amount or value involved, come from criminal activities or are related to terrorist financing.

Duty to Abstain

The execution of transactions which are suspected of being related to the practice of the crime of money laundering is prohibited. If there is such suspicion, the Compliance Officer, after analysis and internal discussion, notifies the DCIAP and the FIU, which may determine the suspension of the respective execution.

Goparity may execute the transactions for which it has exercised the duty to abstain in the following cases:

- When it is not notified, within six working days of the aforementioned communication of the decision of temporary suspension;
- When it is notified, within the time limit referred to in the previous sub-paragraph, of DCIAP's decision not to order the temporary suspension, which may then be carried out immediately.

Duty to Refuse

The people in charge of Goparity's business area must refuse to perform the transaction when the Client does not provide: i) his/her identification or the identification of the person on whose behalf it is actually acting, in accordance with the Law; or ii) information on the beneficial owner, the ownership and control structure, the nature and purpose of the business relationship and the origin of the funds.

Whenever the events indicated above occur, the Compliance Area must analyse the circumstances that determined it and, if it suspects that the situation may be related to the practice of a money laundering crime, it must make the communications provided for in the duty of internal and external communication and consider terminating the business relationship.

Duty of Storage

The documents proving the identification and the completion of the due diligence must be stored for a period of seven years after the moment the identification takes place or, in the case of business relationships, after their termination (e.g., closure of the account on the initiative of the holder, date of execution of the last occasional transaction).

Originals, copies, references or any durable medium having equal probative value of the supporting documents and records of the transactions must always be stored in a way that allows the reconstitution of the transaction for a period of at least seven years after its execution, even if, in the case of a business relationship, the business relationship has already ended.

Duty to Examine

Those responsible for Goparity's business and compliance areas are under the obligation to analyse with special attention any conduct, activity or operation, the characteristics of which make it particularly susceptible of being related to money laundering, especially:

- The apparent absence of an economic objective or lawful purpose associated with the conduct, activity or operation;
- The amounts, origin, and destination of the funds moved;
- The nature, activity, operating pattern, economic and financial situation and profile of those involved;
- Any other elements of risk identified in the transaction;

The result of this analysis must be recorded and stored for a minimum period of five years, being available to auditors and to supervisory and inspection entities.

Duty to Cooperate

Goparity, through the Compliance Officer, has the duty to provide the assistance required by the judicial or supervisory authorities, in particular by providing all the information and

submitting all documents requested by those entities and collaborate in any way with those entities in everything that proves to be convenient.

Duty of Non-disclosure

Goparity, through the members of its governing bodies, its employees and any other person providing services to Goparity, may not disclose to the client, or to third parties, that a criminal investigation is underway or the fact that it has transmitted any information to the authorities, or any other information, internal or external, where the prevention, investigation, and detection of money laundering depends on it.

Duty to Train

Goparity shall adopt the necessary measures so that the governing bodies, relevant employees and employees whose functions are directly related to the prevention of money laundering have an adequate knowledge of the obligations imposed by the laws and regulations in force.

Special Duties

For each project, Goparity ensures the registration of the following information elements:

- a) Complete identification of investors and beneficiaries (promoters);
- b) Amounts invested, individualised per investor and per operation;
- c) Investment completion dates, including dates of total or partial amortisation;
- d) Full identification of the people undertaking the total or partial redemption of the amounts invested where such operation is not undertaken by the beneficiary;
- e) Amount of remuneration received or shares in the capital or dividends and shared profits, individualised per investor.

Goparity stores, in a durable medium, the information referred to in the previous subparagraphs, as well as the support demonstrating them, for a period of 7 years.

Obligations of the payment service provider

Goparity ensures compliance with its obligations in this regard, resulting from Regulation (EU) 2015/847 of the European Parliament and of the Council, of 20 May 2015, on information accompanying transfers of funds and Bank of Portugal Notice No. 2/2018.

Data protection and processing

Goparity is authorised to carry out the processing of personal data necessary for compliance with the duties of prevention of money laundering, and such data may not subsequently be used for any other purposes.

Last update: 30 September 2021