

## Prevention and Detection of Money Laundering and Terrorism Financing Policy

NOVO BANCO DOS AÇORES, S.A. (“novobanco dos Açores”) office at Rua Hintze Ribeiro, N<sup>o</sup>2 - 8, Ponta Delgada, registered with the Commercial Registry Office of Ponta Delgada under the registration and taxpayer number 512.061.840 18,637,500.00, is a credit institution with its head office in Portugal, registered with the Bank of Portugal (“*Banco de Portugal*”) – the entity responsible for the regulation and supervision of credit institutions – and with the Portuguese Securities Market Commission (“*Comissão do Mercado de Valores Mobiliários*”) (CMVM) for the carrying out of specific financial intermediation activities.

Novobanco dos Açores is bound by the laws, regulations and instructions applicable in Portugal to the banking activity which it is authorized to pursue. Novobanco dos Açores owns a network of agencies, which are bound both by Portuguese laws.

Given that Portugal is a member-state of the European Union and a founding member of the Financial Action Task Force (FATF/GAFI), novobanco dos Açores develops its prevention and detection of money laundering and terrorism financing policy in accordance with the following legislation.

### INTERNATIONAL

- **Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018**, on combating money laundering by criminal law.
- **Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018** amending **Directive (EU) 2015/849**, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.
- **Council Directive (EU) 2016/2258 of 06 December 2016**, regarding access to anti-money-laundering information by tax authorities.
- **Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015**, on information accompanying transfers of funds.
- **Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005**, on controls of cash entering or leaving the Community.
- **Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016, supplementing Directive (EU) 2015/849** of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies.
- The **40 FATF recommendations on money laundering and terrorist financing**, dating from 1990 and revised in 1996, 2003, 2004 and 2012, including the latest revision of the 9 recommendations on terrorist financing, considered international standards with regard to these matters in mutually assessing the degree of compliance with these standards by members, together with identifying new risks and methodologies for combating criminal activities.
- The AML Principles of the Wolfsberg Group.

## NATIONAL

- **Law No. 58/2020, of 31 August**, transposes Directive (EU) No.2018 / 843, on the prevention of the Financial System for the purpose of money laundering and terrorist financing and Directive (EU) No. 2018 / 1673, on combating money laundering and terrorist financing through criminal law.
- **Law no. 89/2017 of 21 August**, approves the Legal Regime of the Central Register of Beneficial Ownership, provided for in article 34 of Law no. 83/2017, of August 18.
- **Law no. 83/2017 of 18 August**, establishes measures to combat money laundering and terrorist financing.
- **Regulation no. 2/2018**, issued by the Bank of Portugal, with regard to the preventive and repressive measures to combat money laundering and terrorist financing ("MLTF") established in Law no. 83/2017, of 18 August, this Notice contains regulations mainly on the duties to prevent and combat MLTF.

Novobanco dos Açores believes that effective policies for detecting and preventing money laundering and terrorist financing are greatly enhanced by efficiently managing available resources so that dispersion is reduced to a minimum and the appropriate focus is placed on pursuing an integrated knowledge of Counterparties, Transactions and Processes.

Accordingly, novobanco dos Açores develops an effective internal policy on the prevention and detection of money laundering and terrorism financing, strictly complying with the above mentioned legal instruments. Within the scope of such policy, novobanco dos Açores has in place an assessment model based on the elements characterizing Clients, which is applied from the opening of the relevant account.

Similarly, Transactions processed in the clients' accounts are monitored automatically pursuant to selected criteria regarding potential risk, allowing a rigorous analysis, both in what concerns behavioural monitoring and scoring against international exception lists. Circumstances deemed suspicious are always communicated to the competent Authorities in strict compliance with the applicable laws.

Paula Gramaça  
(Chief Compliance Officer – CCO)

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Executed on this 30<sup>th</sup> day of June, 2021