

Regulation no. 13/2019

on the establishment of measures in the field of anti-money laundering and countering the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority

Effective as of December 10, 2019

The consolidation of April 06, 2023 is based on the publication in the Official Journal, Part I no. 991 of December 10, 2019 and includes the amendments brought by the following documents:

Regulation 15/2019; Regulation 10/2020; Regulation 29/2020; Regulation 18/2022;

Last amended on February 9, 2023.

Considering the provisions of Article 1 paragraph (4) and (8) - (10), Article 5 paragraph (1) section b) and c), Article 6 paragraph (1), Article 10 paragraph (6), Article 11, 12, Article 13 paragraph (4), Article 14, Article 15 paragraph (1) section c), Article 16, Article 17 paragraph (1), (5) - (7), (9) and (11) - (14), Article 18 paragraph (1) and (3), Article 19 paragraph (1) - (5), Article 21-25, Article 26 paragraph (1) section a), paragraph (2) and (4) - (8), Article 28, Article 33 paragraph (2), Article 37, 38, 43, Article 44 paragraph (1) section b), c), e) -i), paragraph (3) and (5) - (7), Article 45, 46, 48, Article 59 paragraph (1), (3) and (4) and Article 60 paragraph (3) of Law no. 129/2019 for preventing and controlling money laundering and countering the financing of terrorism, as well as for amending and supplementing some regulatory documents, with subsequent amendments,

June 15, 2020 - the preamble was amended by Regulation 10/2020

pursuant to the provisions of Article 2 paragraph (1), Article 3 paragraph (1) section b), Article 6 paragraph (2) and Article 212 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and supplements by Law no. 113/2013, with subsequent amendments and supplements,

June 15, 2020 - the preamble was amended by Regulation 10/2020

having regard to the provisions of:

June 15, 2020 - the preamble was amended by Regulation 10/2020

- Article 173 paragraph (1) section t) of Law no. 237/2015 on the authorization and supervision of the insurance and reinsurance activity, with subsequent amendments and supplements;

- Article 36 paragraph (2) section g) of Law no. 236/2018 regarding the insurance distribution, with subsequent supplements;

- Article 280 paragraph (1) of Law no. 126/2018 regarding the financial instruments markets;

- Article 63 paragraph (6) of Law no. 74/2015 regarding the managers of alternative investment funds, with subsequent amendments and supplements;

- Article 151 of Law no. 24/2017 on issuers of financial instruments and market operations;

- Government Emergency Ordinance no. 32/2012 on collective investment undertakings in investment securities and investment management companies, as well as for amending and supplementing Law no. 297/2004 regarding the capital market, approved with amendments and supplements by Law no. 10/2015, with subsequent amendments and supplements;

- Law no. 411/2004 on privately managed pension funds, republished, with subsequent amendments and supplements;

- Law no. 204/2006 on voluntary pensions, with subsequent amendments and supplements;

- Law no. 1/2020 on occupational pensions,

considering:

- The ESAs guide pursuant to Article 17 and Article 18 paragraph (4) of Directive (EU) 2015/849 on simplified and enhanced precautionary measures for customers and the factors that credit and financial institutions must take into account when assessing the risk of money laundering and countering the financing of terrorism associated with individual business relationships and occasional transactions;

- the ESAs Guide on the characteristics of a risk-based approach for the surveillance action with regard to preventing and controlling money laundering and countering the financing of terrorism, as well as the steps to be taken when carrying out risk-based surveillance,

according to the deliberations of the Board of the Financial Supervisory Authority dated November 27, 2019,

The Financial Supervisory Authority issues the present regulation.

CHAPTER I General dispositions

ARTICLE 1 Purpose of the regulation

(1) This Regulation sets the measures for anti-money laundering and countering the financing of terrorism through the financial sectors regulated, supervised and controlled by the Financial Supervisory Authority, hereinafter referred to as ASF.

(2) The provisions of the present regulation are applied by the reporting entities mentioned in Article 2 section g) points 2-7 and Article 5 paragraph (1) section b) and c) of Law no. 129/2019 for preventing and controlling money laundering and countering the financing of terrorism, as well as for amending and supplementing some regulatory documents, with subsequent amendments, hereinafter referred to as Law no. 129/2019, and by ASF, in the process of identifying and assessing the risks of money laundering and countering the financing of terrorism, as well as in the activity of supervision, monitoring and review of assessments on these risks.

(3) The risk-based approach, intensity and frequency of surveillance actions carried out by ASF in terms of preventing and controlling money laundering and countering the financing of terrorism shall be established, proportionally based, on the identification and assessment of money laundering and terrorism financing risks impacting the regulated entities.

(4) This Regulation lays down the factors to be taken into account in assessing the money laundering and terrorist financing risk (hereinafter referred to as ML/TF risk) associated with a business relationship or an occasional transaction and the assessment of ML/TF risk at the level of activity of regulated entities.

February 9, 2023 - the paragraph was introduced by Regulation 18/2022.

(5) The provisions of this Regulation set out the roles and responsibilities of the ML/TF compliance officers, the directly responsible ML/TF managers and the management structure.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022

ARTICLE 2 Definitions

(1) The terms and expressions used in this regulation have the meaning provided by the Law no. 129/2019.

(2) For the purposes of this Regulation, the following terms, acronyms and expressions shall have the following meanings:

a) risk-based approach - approach by which ASF and the regulated entities identify, assess and understand the risks of money laundering and countering the financing of terrorism to which ASF regulated entities are exposed and take measures to prevent and control them, proportionally to those risks;

b) threat - possible damage caused by a person or a group of persons, an object or an activity or a possible damage caused by criminals, terrorist groups and persons who facilitate their actions, their funds, as well as past, present and future ML/TF activities;

b1) authority responsible for consolidated supervision - the coordinating supervisor defined in Article 1 paragraph (2) point 67 of Law no. 237/2015 on the authorization and supervision of the insurance and reinsurance activity, with subsequent amendments and supplements, respectively the consolidating supervisor defined in Article 4 paragraph (1) point 41 of Regulation no. 575/2013 on prudential requirements for credit institutions and investment companies and amending Regulation (EU) no. 648/2012;

January 13, 2021 - the section was introduced by Regulation 29/2020.

b2) lead supervisory authority:

January 13, 2021 - the section was introduced by Regulation 29/2020.

I. for cross-border units established in at least three Member States, the lead supervisory authority means:

1. the competent authority of the Member State in which the authority responsible for consolidated supervision referred to in point b¹) or, where the authority responsible for consolidated supervision is the European Central Bank (ECB), the competent authority of the Member State in which the authority responsible for consolidated supervision was located before the application of Regulation (EU) No. 1024 / 2013;

or

2. for an entity with cross-border units, other than a credit institution or insurer:

(i) which are subsidiaries, the competent authority of the home Member State of the parent company;

(ii) which are not subsidiaries, the competent authority of the home Member State of that entity;

or

3. in the case of an entity operating on a cross-border basis, which is a subsidiary of an entity other than the entities provided in Article 2 section f) -g) of Law no. 129/2019, the competent authority of a Member State, as defined in section 2 points (i) and (ii);

II. for EU units established in at least three Member States, the lead supervisory authority means:

1. between branches and subsidiaries, the competent authority of the Member State in which the subsidiary is established;

2. between subsidiaries or branches, the competent authority of the Member State in which the subsidiary or branch with the highest level of ML/TF risk is established, in accordance with the risk assessment carried out by the authority referred to in section b³);

3. between subsidiaries or between branches with the same risk of ML/TF, the competent authority of the Member State in which the subsidiary or branch with the highest total asset value is established. If the main supervisory authority cannot be identified, the European Securities and Markets Authority or the European Insurance and Occupational Pensions Authority may, on its own initiative or at the request of ASF, provide assistance, including through mediation;

b3) prudential supervisory authority - the competent authority and / or the supervisory authority:

January 13, 2021 - the section was introduced by Regulation 29/2020.

1. empowered by virtue of an act of law or an administrative rule to supervise the activity of credit institutions;

2. empowered by law or regulation to supervise investment companies;

3. responsible for the authorization and prudential supervision of payment institutions, respectively public authorities / bodies recognized by national legislation or by public authorities particularly authorized for this purpose by national legislation, including national central banks;

4. authorized, by virtue of an act of law or of an administrative rule, to control insurance or reinsurance undertakings;

5. designated to perform the duties provided for in Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision;

6. public authorities, bodies recognized by national law or bodies recognized by public authorities expressly empowered in this respect by national law;

b4) AML/CTF board - permanent structure consisting of the main supervisory authority, permanent members and observers in order to cooperate and exchange information between them, in order to supervise an entity operating at cross-border level;

b5) risk appetite - the level of risk a regulated entity is willing to accept and manage;

February 9, 2023 - the section was introduced by Regulation 18/2022.

b6) directly responsible ML/TF manager - the member of the executive management/senior management, respectively, in the case of companies with the legal form of a limited liability company, the chief executive officer/managing director directly responsible for the implementation of Law no. 129/2019, the regulations issued in application thereof and the administrative procedures incident to ML/TF;

February 9, 2023 - the section was introduced by Regulation 18/2022.

b7) executive/senior management - persons referred to in Article 2 paragraph (2) section g) of the Regulation of the Financial Supervisory Authority no. 1/2019 on the evaluation and approval of members of the management structure and persons holding key positions in entities regulated by the Financial Supervisory Authority, hereinafter referred to as Regulation ASF no. 1/2019, or the chief executive officer/managing director in the case of companies with the legal form of a limited liability company, as appropriate;

February 9, 2023 - the section was introduced by Regulation 18/2022.

b8) council - the structure referred to in Article 2 paragraph (2) section f) of ASF Regulation no. 1/2019 or the board of directors/sole shareholder in the case of companies with the legal form of a limited liability company, as appropriate;

February 9, 2023 - the section was introduced by Regulation 18/2022.

c) AML/CTF - preventing and controlling money laundering and countering the financing of terrorism;

c1) entities operating at cross-border level - regulated entities with branches established in another Member State or in a third country or a group with subsidiaries and branches established in a Member State or in a third country;

January 13, 2021 - the section was introduced by Regulation 29/2020.

d) reporting entities - the Romanian legal entities financial institutions and the branches of the foreign legal entities financial institutions, mentioned in Article 2 section g) points 2-7 and Article 5 paragraph (1) section b) and c) of Law no. 129/2019, hereinafter referred to as regulated entities;

January 13, 2021 - the section was amended by Regulation 29/2020

e) execution by third parties - the use in order to apply the know-your-customer measures of the reporting entities provided in Article 5 of Law no. 129/2019, as well as of other institutions or persons applying know-your-customer measures and requirements for keeping documents similar to those provided in Law no. 129/2019 and are supervised regarding their application in a manner similar to that provided in Law no. 129/2019;

f) ML/TF risk factors - variables which, either individually or in combination, may increase or decrease the risk of money laundering and financing of terrorism posed by an individual business relationship or an occasional transaction;

g) jurisdictions associated with a higher risk of ML/TF states that, based on an assessment of risk factors, have a higher risk of ML/TF; this term includes, inter alia, "high - risk third countries" identified by the European Commission as having strategic shortcomings in their ML/TF regime, which poses a significant threat to the European Union 's financial system;

h) ML/TF compliance officer - a person from the regulated entity designated in accordance with Art. 71 paragraph (7) section g), art. 8 and 9;

February 9, 2023 - the section was amended by Regulation 18/2022

i) Office - National Office for Prevention and Combating of Money Laundering;

j) person designated for ML/TF- person within the regulated entity responsible for the application of Law no. 129/2019 and the regulations issued in application thereof, i.e. the directly responsible ML/TF manager and the ML/TF compliance officer;

February 9, 2023 - - the section was amended by Regulation 18/2022

j1) the principle of proportionality - seeks to relate the following criteria: the nature of the regulated entity's business, taking into account its geographical exposure, customer base, distribution channels, product and service offering, the size of its operations, the legal form of the regulated entity, i.e. whether it is part of a group;

February 9, 2023 - the section was introduced by Regulation 18/2022.

k) risk profile - general characteristics, including the type and level of ML/TF risk assigned to an entity;

k1) remote business relationship or transaction - a business relationship or transaction in which the customer is not physically present and the customer's identity is required to be verified by video connection or similar technological means;

February 9, 2023 - the section was introduced by Regulation 18/2022.

k2) emerging risk - risk that has not been previously identified or existing risk that has increased significantly;

February 9, 2023 - the section was introduced by Regulation 18/2022.

k3) Inherent risk - the level of ML/TF risk identified prior to the application of mitigation measures;

February 9, 2023 - the section was introduced by Regulation 18/2022.

k4) residual risk - the level of risk remaining after the application of inherent risk mitigation measures;

February 9, 2023 - the section was introduced by Regulation 18/2022.

l) ML/TF risk - the likelihood and impact of money laundering or terrorist financing materialising;

February 9, 2023 - the section was amended by Regulation 18/2022

l) risk of ML/TF - the impact and probability of involvement of regulated entities in ML/TF operations. Risk means the inherent risk, namely the level of the risk of money laundering and financing of terrorism before it is mitigated;

m) ML/TF - money laundering and terrorism financing, where ML - money laundering, as defined in Article 2 section a) of Law no. 129/2019, and TF – terrorism financing, as defined in Article 2 section b) of Law no. 129/2019;

n) financial sectors supervised by ASF - the financial supervision sectors that fall under the incidence of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and supplements by Law no. 113/2013, with subsequent amendments and supplements, respectively the Financial Instruments and Investments Sector, the Insurance-Reinsurance Sector, the Private Pension System Sector;

o) management structure - as defined in Article 2 paragraph (2) section x) of ASF Regulation 1/2019.

February 9, 2023 - the section was amended by Regulation 18/2022

p) subject of the assessment - regulated entity, category of regulated entities or financial supervision sector to which ML/TF risks are assigned;

q) source of funds - the origin of funds involved in a business relationship or an occasional transaction. This includes both the activity that generated the funds used in the business relationship and the means by which the client's funds were transferred.

r) EU unit - a direct or indirect subsidiary established in a Member State of a third country entity or a branch established in the EU or reporting entities operating units in another Member State belonging to that third country entity, or any of its EU subsidiaries;

January 13, 2021 - the section was introduced by Regulation 29/2020.

s) cross-border unit - a branch or reporting entity of an entity operating in a Member State other than the Member State in which it is headquartered or in a third country or a subsidiary of a parent company established in another Member State than the Member State in which the parent company was established or in a third country;

January 13, 2021 - the section was introduced by Regulation 29/2020.

CHAPTER II Obligations of regulated entities

SECTION 1 General requirements

ARTICLE 3 Components of ML/TF risk assessment and management

(1) In application of Article 25 paragraph (1) of Law no. 129/2019, regulated entities shall conduct, review and document their own risk assessments identifying, assessing and managing ML/TF risk, both at the level of the whole activity incident to Law no. 129/2019 and at the individual level, taking into account all the risk factors set out in Annexes 1 to 4, which form an integral part of this Regulation, so that they can demonstrate to ASF that they understand how they have been conducted and are adequately managing the ML/TF risk to which they are or may be exposed.

February 9, 2023 - the paragraph was amended by Regulation 18/2022

(11) The own risk assessments referred to in paragraph (1) shall include:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(a) the assessment of the ML/TF risk to which the regulated entity is exposed at the level of the business conducted, commensurate with the nature, size and complexity of the business; and

(b) the assessment of the ML/TF risk to which the regulated entity is exposed on an individual basis as a result of establishing a business relationship or entering into an occasional transaction.

(2) The risk assessments referred to in paragraph (1) shall be updated annually or whenever there are changes in the national and sectoral ML/TF risk assessments, the relevant regulatory technical standards adopted by the European Commission and the risk factors set out in Law no. 129/2019, the requirements of this Regulation and, where applicable, the assessments carried out at the level of the group to which the regulated entities belong.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

(3) The regulated entities draw up a methodology (risk management) based on which the risk identification, assessment and management (mitigation measures) shall be performed, which shall include at least the following:

- a) the specification of the categories and sources of information used in conducting the evaluation;
- b) the procedure for identifying the relevant risk factors associated with the activity performed;
- c) the way of determining the weights associated with the identified risk factors according to their importance;
- d) the procedure for taking into account the risk factors identified in determining the degree of risk associated with customers, products and services, distribution channels for products and services and, as appropriate, outsourced activity and activity carried out through branches and subsidiaries owned in majority in EU Member States and third countries;

January 13, 2021 - the section was amended by Regulation 29/2020

- e) the procedure for establishing and re-evaluating the risk classes related to customers, products and services, depending on the degree of associated risk. The periodicity of the evaluations is established depending on the size and nature of the activity, the frequency and severity of the deficiencies found in the internal controls / supervision by ASF, the regulatory changes;
- f) the procedure for establishing the degree of risk at the level of the entire activity.

(4) The assessment and management of ML/TF risk by regulated entities shall include at least the following components:

- a) identification and global evaluation of all risk factors: identification of the ML/TF risk associated with the products and services offered, of the jurisdictions in which the customers and potential customers operate, of the distribution channels used;
- b) know-your-customer measures: use of findings from the business risk assessment and substantiation of the decision on the appropriate level and type of know-your-customer measures;
- c) obtaining a general perspective on the risk associated with the client, a certain business relationship or an occasional transaction by gathering all the necessary information in order to identify all relevant risk factors and evaluate them;
- d) monitoring of transactions and services offered, correlated with the risk profile, activity and financial situation of the client, in order to detect unusual or suspicious transactions;

February 9, 2023 - the section was amended by Regulation 18/2022

(e) reviewing and updating documents, data and information to understand whether the risk associated with the business relationship has changed, i.e. updating and reviewing the risk assessment on an ongoing basis.

February 9, 2023 - the section was introduced by Regulation 18/2022.

(5) In applying the provisions of paragraph (1) the regulated entities establish internal policies and norms, internal control mechanisms and ML/TF risk management procedures, corresponding to the nature and volume of the activity carried out, which include at least the following elements:

- a) applicable know-your-customer measures, whereby the identity of the customer and the beneficial owner is verified, how the nature and purpose of the business relationship is determined, which establish the categories of diligence in relation to certain categories of customers and the actual processes of permanent

monitoring in relation to their activity, their classification in the client category corresponding to the degree of risk, respectively from one category of clientele to another;

February 9, 2023 - the section was amended by Regulation 18/2022

(a1) measures applicable to occasional transactions in the context of the business conducted and the actual processes for determining the circumstances in which a series of one-off transactions constitutes an individual business relationship, rather than an occasional transaction, taking into account factors such as the frequency with which the customer returns for the occasional transaction and the extent to which the relationship is expected to have, or appears to have, a lasting element; a series of occasional transactions may constitute a business relationship even where the threshold in Article paragraph 13(1) section b) of Law 129/2019;

February 9, 2023 - the section was introduced by Regulation 18/2022

- b) the client acceptance strategy, from the perspective of the implemented precautionary measures;
- c) risk assessment mechanisms for customers and their operations, in order to detect unusual and suspicious transactions, as well as to detect changes in the information held and used to establish the client's risk profile;
- d) ways of approaching transactions and customers in and / or from jurisdictions that do not require the application of procedures for knowing the clientele and keeping records related to it equivalent to those provided in Law no. 129/2019, if their application is not supervised in a manner equivalent to that established by the specified legislation;
- e) applicable reporting and prompt data measures at the request of the competent authorities, in the format and methodology established by them;
- f) applicable measures in the field of internal control, risk assessment and management, compliance management and communication;
- g) applicable measures for the protection of its own personnel involved in the process of implementing these policies against any hostile or discriminatory threats or actions;
- h) the standards for employment and the verifications performed in this respect, as well as the training programs for the personnel with attributions in the field of ML/TF and for the training and periodic evaluation of the employees;
- i) ways of drawing up and keeping records, including secondary ones, and of all documents regarding the transactions performed and those regarding the application of measures to know the clientele, as well as establishing the access to them of the personnel holding attributions and responsibilities in application of Law no. 129/2019 at the level of the regulated entity;
- j) the internal processes for verifying the way in which the policies and procedures elaborated in the application of Law no. 129/2019 are implemented, as well as to evaluate their efficiency;
- k) internal reporting procedures and procedures for reporting to the competent authorities;
- l) risk assessment in relation to the types of products and services that the regulated entity intends to offer, risk appetite and tolerance, as well as the maximum level of risk considered acceptable by the regulated entity at the level of customers, products and services, such as and at the level of the entire activity;
- m) the directions and general measures considered appropriate for reducing the risk of ML/TF established by risk assessment, by components and at the level of the entire activity carried out, including, if applicable, for the

activity carried out through the majority branches and subsidiaries located in EU members states or third countries;

January 13, 2021 - the section was amended by Regulation 29/2020

n) the way in which the compliance with the policies and procedures at group level is ensured.

o) the relevant deadline for the common elements of the related operations, as well as any other scenarios that could give rise to related transactions.

January 13, 2021 – the section was introduced by Regulation 29/2020.

(51) The internal policies and rules, internal control mechanisms and ML/TF risk management procedures referred to in paragraph (5) meet the following requirements:

February 9, 2023 - the paragraph was introduced by Regulation 18/2022.

(a) be based on and reflect the assessment of the ML/TF risk to which the regulated entity is exposed at the level of the business conducted;

b) are accessible and understood by the ML/TF staff.

(52) Regulated entities shall ensure that the activity-wide ML/TF risk assessment relevant to Law no. 129/2019 reflects the measures taken to assess the ML/TF risk associated with individual business relationships or occasional transactions and their ML/TF risk appetite.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(53) In order to comply with the provisions of paragraph (52), regulated entities shall use the activity-wide risk assessment incident to Law no. 129/2019 to inform the level of additional know-your-customer measures they apply in specific situations, as well as certain types of customers, products, services and distribution channels.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(6) Regulated entities shall record and document the risk assessments performed in relation to business relationships, as well as any changes to those assessments, as part of monitoring and review actions, to ensure that they can demonstrate at ASF's request that risk assessments and ML / TF risk management measures are adequate.

ARTICLE 4

Rules for approving and monitoring internal procedures and policies for preventing and controlling ML/TF

(1) The regulated entities approve, monitor and review annually and whenever necessary, based on the own risk assessments provided in Article 3, the policies, internal norms, mechanisms and procedures for managing the ML/TF risks, as well as the methodology, in accordance with the provisions of Article 24 paragraph (1), (3) and (7) and Article 25 paragraph (3) of Law no. 129/2019, taking into account, at the same time, the elements mentioned in Article 3 paragraph (3) and (4) of this Regulation.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

(2) The factors underlying the assessment of the ML/TF risk associated with business relationships and occasional transactions are constantly analyzed by regulated entities in order to keep their relevance up to date.

(3) The regulated entities evaluate and integrate the information obtained within their permanent ongoing process of monitoring a business relationship and analyze if they affect the risk assessment.

ARTICLE 5

Monitoring and reviewing initial assessments

(1) Regulated entities shall ensure that they have established internal control systems and procedures to identify emerging ML/TF risks, as well as measures to verify how they are implemented and to assess their effectiveness, including through the independent audit function. Regulated entities shall implement internal control systems and procedures to identify emerging ML/TF risks and to assess them in order to integrate them as soon as possible into the activity level assessments incident to Law no. 129/2019 and at individual level.

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

(11) Regulated entities shall put in place measures to verify the implementation and assess the effectiveness of internal control systems and procedures, including through the independent audit function.

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

(2) The internal control systems and procedures referred to in paragraph (1) shall include at least the following:

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

a) processes that ensure that internal information obtained in the ongoing monitoring of business relationships is regularly reviewed to identify trends and emerging risks in relation to individual business relationships and the regulated entity's business;

b) processes that ensure regular reviews of the information sources used in risk assessments and, in particular:

1. on individual risk assessment:

(i) regular verification of media reports relevant to the sectors or jurisdictions in which the regulated entity operates or has occasional business relationships;

(ii) ensuring that the regulated entity is aware of changes to the level of terrorist alerts and sanctions regimes as soon as they are issued or communicated;

2. on risk assessment of the whole activity:

(i) regular verification of warnings and reports from the FIU, ASF, other competent national authorities or relevant international bodies;

(ii) periodic verification of thematic analyses and similar publications issued by the competent authorities and relevant international bodies;

(iii) processes for capturing and analysing information on ML/TF risks related to new categories of customers, countries or geographical areas, new products and services, new distribution channels, new compliance control systems and procedures;

c) establishing links with other representatives in the industry / professional organizations, with ASF and with the FIU, as well as providing answers regarding certain specific findings;

3. The related internal control systems and procedures that regulated entities establish to ensure that their individual and activity risk assessments remain updated shall include in particular:

(a) annual planning of risk assessments at the level of the whole business and setting a date during the year, depending on the risks, when individual risk assessments shall be carried out to ensure that new or emerging risks are included; where the regulated entity becomes aware that a new risk has emerged or an existing risk has increased, this shall be reflected in the risk assessments as soon as possible;

January 13, 2021 - the section was amended by Regulation 29/2020

February 9, 2023 – the section was amended by Regulation 18/2022.

b) keeping and monitoring records of issues during the year that may have an impact on risk assessments, such as internal reports of suspicious transactions, cases of non-compliance and information from client relations staff.

ARTICLE 6

Policies, procedures at group level

(1) In the application of Article 24 paragraph (7) of Law no. 129/2019, the regulated entities that are part of a group apply internal policies and procedures in order to prevent and control ML/TF at the group level, including regarding the exchange of information within the group and the protection of the profile data used.

(2) The regulated entities provided in paragraph (1) ensure that all internal AML/CTF policies and procedures are effectively implemented and enforced at the level of branches and subsidiaries owned by a majority of Member States and third countries, including those where there are specific requirements in the field of AML/CTF less strict than those in Romania.

(3) The regulated entities apply additional measures to face the risk of ML/TF, in case the legislation of the state where the branch or subsidiary is held in a majority proportion does not allow the application of the policies provided by paragraph (1), and inform ASF immediately.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(4) The additional measures provided in paragraph (3) are proportionate to the risk of ML/TF, without being lower than those provided by the technical standards established by the European Commission, by the European Supervisory Authorities, respectively by this Regulation.

(5) If ASF considers that the additional measures provided in paragraph (3) are not sufficient, it may apply additional surveillance measures, including imposing the following measures at group level:

- a) to refuse to establish the business relationship or to terminate the already established business relationship;
- b) to refuse to carry out transactions in that jurisdiction;
- c) to close operations in that jurisdiction.

ARTICLE 7

Independent audit of procedures, rules, policies and internal mechanisms to prevent and combat ML/TF

(1) The significant regulated entities, as defined according to the provisions of Article 1 paragraph (2) section k) of ASF Regulation no. 1/2019, ensures an independent audit function that periodically tests the efficiency of ML/TF risk policies, internal rules, mechanisms, IT systems and risk management procedures, including risk assessments and the methodology for their implementation and updating.

(2) When it deems it necessary, ASF may request that certain verifications be carried out by the auditors of the regulated entity, the conclusions of the verifications being made available to ASF within the deadlines established by it.

(3) The regulated entities shall ensure that the results of the verifications performed according to paragraph (1) and (2), including, as the case may be, the identified deficiencies, the recommendations for their reduction and the terms in which they should be implemented, are communicated and analyzed at the level of the management structure.

(4) The regulated entities establish the test frequency according to the ML/TF risk to which they are exposed, without exceeding an interval of 1 year from the last test.

February 9, 2023 – the section was amended by Regulation 18/2022.

(5) Depending on the sectoral risk assessments and profile analyses, ASF may extend the obligation to ensure the audit function provided in paragraph (1) and other categories of regulated entities than the significant ones.

SECTION 2

AML/CTF governance framework

February 9, 2023 - SECTION 2 was amended by Regulation 18/2022

ARTICLE 71

Roles and Responsibilities of the Management Structure February 9, 2023 - ARTICLE 7¹ was introduced by Regulation 18/2022.

(1) In application of Article 23 and Article 59 paragraph (4) of Law no. 129/2019, regulated entities shall designate one or more persons who have responsibilities for the application of AML/CTF, taking into account the provisions of paragraph (2).

(2) The management structure of the regulated entity shall ensure an appropriate and effective governance framework for AML/CTF and shall have at least the following responsibilities:

a) approves the overall AML/CTF strategy and oversees its implementation;

(b) assess, taking into account the principle of proportionality and on the basis of the criteria set out in paragraph (8), the need to designate a separate person, other than the directly responsible ML/TF manager, as ML/TF compliance officer.

(3) The Board shall supervise and monitor the implementation of the governance framework and ensure compliance of the regulated entity with the legal requirements applicable to ML/TF prevention.

(4) In the application of paragraph (3), the responsibilities of the Board shall include at least the following:

(a) supervise and monitor the adequacy and effectiveness of the ML/TF risk management policies, internal rules, arrangements and procedures in relation to the ML/TF risk to which the regulated entity is exposed and, if necessary, order measures to review them;

(b) appoint the directly responsible ML/TF manager and assess his/her suitability or review the suitability assessment, as appropriate, in accordance with Article 6 paragraph (4) section (d), Art. 10 paragraph (31) and Art. 14 paragraph (1) section a) of ASF Regulation no. 1/2019;

(c) designate the person who ensures the performance of the duties of the ML/TF compliance officer in accordance with the provisions of Article 23 paragraph (2) of Law no. 129/2019, taking into account the outcome of the assessment referred to in paragraph (2) section (b);

(d) approve the ML/TF Compliance Officer's activity report or, where appropriate, order its review;

(e) receive regular updates on the activities that expose the regulated entity to increased ML/TF risk and be informed of the results of the activity-wide ML/TF risk assessment;

(f) communicate to the directly responsible ML/TF manager the decisions that may affect the ML/TF risks to which the regulated entity is exposed;

(g) evaluate annually the effective functioning of the ML/TF compliance function, taking into account the findings of independent audit reports, including by assessing the adequacy of human and technical resources allocated to the ML/TF compliance function.

(5) The Board shall have direct and permanent access to all data and information held at the level of the company necessary to fulfil the obligations under the applicable ML/TF legislation, i.e. the reports of the ML/TF compliance officer, the independent auditor, as well as the regulated entity's communications with the Office, findings, remedial measures and sanctions imposed by ASF.

(6) Executive Management/Senior Management shall ensure the implementation of the internal policies and rules, internal control mechanisms and ML/TF risk management procedures referred to in Article 3 paragraph (5) and shall exercise the following in this regard:

(a) assess the need to establish an AML/CTF structure to assist the ML/TF compliance officer and inform the council of the outcome of the assessment;

b) establish and implement the organisational and operational structure necessary to achieve the AML/CTF strategy and ensure the adequacy of the human and technical resources allocated;

(c) endorse the ML/TF compliance officer's activity report or, where appropriate, order its review;

(d) transmit the data and information referred to in Art. 43 paragraph (2).

(7) The duties of the directly responsible ML/TF manager appointed in accordance with paragraph (4) section (b) shall include at least the following:

(a) ensure that the internal policies and rules, internal control mechanisms and ML/TF risk management procedures referred to in Article 3 paragraph (5), take into account the characteristics and ML/TF risks to which the regulated entity is exposed;

b) assess with the management structure the need for the appointment of an ML/TF compliance officer;

See also Regulation 18/2022.

(c) assess with the management structure, commensurate with the nature, scale and complexity of the business and the exposure of the regulated entity to ML/TF risk, the need to establish a AML/CTF structure to assist the ML/TF compliance officer;

See also Regulation 18/2022.

(d) report regularly to the management structure the ML/TF risk to which the regulated entity is exposed and the work performed by the ML/TF compliance officer;

(e) inform the management structure of significant ML/TF risks and recommend actions to remedy them;

f) ensure that the ML/TF compliance officer:

(i) has direct access to all information necessary to carry out its tasks;

(ii) has sufficient human resources and technical tools to be able to adequately perform the tasks assigned to it;

(iii) is informed of AML/CTF-related incidents identified by internal control systems and of deficiencies identified by ASF in relation to the implementation of the provisions of the AML/CTF regulations;

g) exercise the duties and responsibilities of the compliance officer if the regulated entity does not designate a person as ML/TF compliance officer.

(8) The assessments referred to in paragraph (7) sections (b) and (c) shall be carried out on the basis of the following criteria:

a) geographical exposure;

b) number of customers;

c) distribution channels;

d) the products and services offered;

e) the number and volume of transactions;

f) the number of employees;

g) legal form;

h) the membership of the regulated entity in a group.

(9) The decision of the management structure following the assessment referred to in paragraph (2) section (b) shall be justified and documented in accordance with the criteria referred to in paragraph (8).

ARTICLE 8

Appointment of compliance officers January 13, 2021 - ARTICLE 8 was amended by Regulation 29/2020

February 9, 2023 – ARTICLE 8 was amended by Regulation 18/2022

(1) In application of Article 23 paragraph (2) of Law no. 129/2019, regulated entities shall designate the ML/TF compliance officer, taking into account the principle of proportionality and the outcome of the assessment referred to in Article 71 paragraph (7) section (b), determined on the basis of the criteria referred to in Article 71 paragraph (8).

(2) The ML/TF compliance officer, appointed according to paragraph (1), may be any person who meets the conditions established in Law no. 129/2019, including those of adequate training and management of conflicts of interest, as follows:

a) the directly responsible ML/TF manager;

b) the person exercising the key function corresponding to the compliance / internal control officer, defined according to Article 2 paragraph (2) section p) point (ii) of ASF Regulation no. 1/2019, provided that it is exercised by a person with a senior management position, as defined in Article 2 section o) of Law no. 129/2019;

c) another person with a management position with specific attributions in the ML/TF matter, directly subordinated to the council.

(3) In the situation referred to in paragraph (2) section (a), the provisions of Law no. 129/2019 and of this Regulation applicable to the ML/TF compliance officer shall apply accordingly to the directly responsible ML/TF manager

(4) The ML/TF Compliance Officer shall not be in a subordinate relationship to a person who has management responsibility for the activities monitored by the ML/TF Compliance Officer.

(5) In the application of Article 23 paragraph (3) of Law no. 129/2019, the regulated entity appoints one or several ML/TF designated persons with responsibilities in the implementation of Law no. 129/2019 and of the regulations issued in its application.

(6) Notification of the ML/TF compliance officer to ASF shall be made by submitting the completed form set out in Annex no. 5 at least 15 working days before the commencement of the duties, specifying the nature and limits of the responsibilities entrusted.

(7) In the application of Article 23 paragraph (3), corroborated with Article 24 paragraph (5) and (6) of Law no. 129/2019, the regulated entities establish and document the requirements and conditions for the appointment of the ML/TF designated persons, as well as regarding the recruitment of employees.

(8) In the application of Article 23 paragraph (3), corroborated with Article 24 paragraph (6) of Law no. 129/2019, the regulated entities establish and document the standards for designating the ML/TF compliance officer who shall coordinate the implementation of internal policies and procedures in the field of ML/TF prevention and combating.

(8) The standards for the designation of the compliance officer, mentioned in paragraph (8), shall be made available to ASF, at its request, and shall include requirements established by the regulated entity in the recruitment process to ensure that the designated person has sufficient experience and knowledge to effectively perform its tasks, as well as a good reputation.

ARTICLE 9

Duties and responsibilities of ML/TF compliance officers
February 9, 2023 – ARTICLE 9 was amended by Regulation 18/2022

(1) Regulated entities shall define and document the role of the ML/TF compliance officer, whose responsibilities shall include at least the following:

(a) ensure the development, coordination, implementation and review of internal policies and procedures for the application of legal provisions relating to ML/TF prevention, commensurate with identified ML/TF risks;

(b) develop and update the ML/TF risk assessment framework at individual and activity-wide level as set out in this Regulation;

(c) inform the ML/TF head periodically and annually, by means of the report referred to in section (e), ASF of the results of the ML/TF risk assessment and of the plan of measures to manage and mitigate the risks identified;

(d) provide the independent audit function with all information necessary to test/verify the effectiveness of the ML/TF prevention and control mechanism;

(e) draw up the annual activity report;

f) submit the annual activity report to ASF and respond to its requests.

(2) The ML/TF compliance officer shall inform the directly responsible ML/TF manager and, as appropriate, executive management/senior management of areas where the conduct of ML/TF controls needs to be implemented or, as appropriate, improved and propose remedial measures to mitigate and effectively manage ML/TF risk.

(3) The annual activity report of the ML/TF compliance officer referred to in paragraph 1 section (e) shall contain at least the elements referred to in Annex no. 7 and shall be submitted to ASF by 31 March each year for the previous year, starting with the report for the year 2023.

(4) In the application of Article 23 paragraph (3) of Law no. 129/2019, the regulated entities shall ensure that the ML/TF compliance officer, the directly responsible ML/TF manager and the auditor:

a) have direct and permanent access to all data and information held at company level necessary to fulfil the obligations laid down by the legislation in force;

b) have the resources and tools necessary to carry out ML/TF tasks;

c) have permanent access to all records kept by the regulated entity in accordance with the provisions of this Regulation and other applicable legal provisions.

(5) In the situation where, temporarily, the access to information and documents provided in paragraph (4) cannot be done directly, it will be performed in due time to fulfill the incidental obligations, without prejudice to the attributions and responsibilities provided by Law no. 129/2019 for directly responsible ML/TF manager.

(6) To the extent that the manner of compliance with the AML/CTF legal obligations is the subject of an audit mission, the regulated entity shall ensure the auditor's access to all necessary information and documents, in a timely manner and in a complete and correct form.

(7) The ML/TF compliance officers and the directly responsible ML/TF manager are responsible for fulfilling the tasks established in the application of Law no. 129/2019 and of this regulation, insofar as the regulated entity provided the internal operational and procedural framework for fulfilling the legal obligations of AML/CTF.

January 13, 2021 - the paragraph was previously amended by Regulation 29/2020

(8) The regulated entity shall ensure the necessary framework for compliance with paragraphs (4) and (6) and shall be responsible for the fulfilment of these obligations.

January 13, 2021 - the paragraph was previously amended by Regulation 29/2020

ARTICLE 10

Recruitment, training and professional verification of ML/TF compliance officers and directly responsible ML/TF managers February 9, 2023 - ARTICLE 10 was amended by Regulation 18/2022

(1) The regulated entities establish criteria for the selection, internal / external recruitment and appointment of the persons eligible for the fulfillment of the attributions of the compliance officers and of the directly responsible ML/TF managers, observing at least the following requirements:

- a) fulfilling the adequacy criteria of the evaluated persons provided in ASF Regulation no. 1/2019;
- b) participation of the candidates in the training and instruction internships regarding the implementation of the provisions of the legislation in force and of the techniques for preventing and controlling ML/TF established / organized by the Institute of Financial Studies, the Romanian Banking Institute or other accredited training and professional training bodies / certificates;
- c) non-existence of a conflict of interests with other situations that would have an impact on the accomplishment of the attributions provided in Article 9.

(2) The regulated entities ensure the continuous professional training regarding the techniques for preventing and controlling ML/TF for the persons mentioned in Article 8 paragraph (5), whenever necessary, but not later than an interval of 2 years.

(3) The documents drawn up for the purpose of applying paragraph (1) and (2) shall be made available to ASF, at its request.

ARTICLE 11

Recruitment and training of employees

(1) The regulated entities shall implement screening procedures to ensure high standards of employment, verifying whether the persons are competent and appropriate, including regarding the reputation, as provided in Article 2 paragraph (2) section a) and d) of ASF Regulation no. 1/2019. In this regard, the regulated entities verify from reliable sources the information provided by the candidates.

(2) The regulated entities shall communicate to all employees the policies, mechanisms and procedures for preventing and controlling ML/TF, upon employment and whenever changes occur, and shall implement verification procedures regarding their knowledge.

(3) Regulated entities shall provide training in accordance with paragraph (2) and the continuous training of their employees in accordance with Article 24 paragraph (6) of Law no. 129/2019 and the provisions of paragraph (4), and shall ensure that training programmes are:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(a) relevant to the regulated entity's business;

(b) tailored to the needs of employees and their specific functions;

(c) update regularly.

(4) Training programs must ensure that employees of regulated entities:

a) know their obligations in accordance with the laws, regulations, policies and procedures regarding the prevention and control of ML/TF;

a1) understand both the policies, mechanisms and procedures for preventing and combating ML/TF set out in paragraph (2) and how they are to be applied;

February 9, 2023 - the section was introduced by Regulation 18/2022.

a2) understand the assessment of ML/TF risks across the business and how it affects their business;

February 9, 2023 - the section was introduced by Regulation 18/2022.

b) have the necessary competence to recognize operations that may be related to ML/TF and know how to proceed in such cases;

c) have the necessary competence to adequately analyze the services or transactions requested or performed in order to identify ML/TF risks;

d) know in full the reporting requirements;

e) know the legal requirements in terms of preventing and controlling ML/TF;

f) know their responsibilities according to the internal rules of knowing the clientele and the risks to which the regulated entity is exposed according to its own risk assessment;

g) is aware of the consequences of not adequately fulfilling their responsibilities in this field and the implications for the regulated entity and its employees in case of risks.

(5) The regulated entities verify annually that the persons with responsibilities in the implementation of AML/CTF measures are adequately prepared and know their attributions.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(6) Regulated entities shall include in the mandate contract of the directly responsible ML/TF manager and in the job descriptions of employees the specific and concrete tasks they are required to perform with regard to the application of the AML/CTF rules.

January 13, 2021 – the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(7) The documents drawn up for the purpose of applying paragraph (1) - (6) shall be made available to ASF, at its request.

1. Regulated entities shall establish internal mechanisms to protect ML/TF designated persons, compliance officers and employees who report violations of ML/TF legislation.

(2) The regulated entities shall establish reporting internal mechanisms for their employees for the situations or suspicions in connection with acts or facts of ML/TF or non-compliance with the incidental legislation in force or of the internal procedures.

(3) The internal mechanisms provided in paragraph (1) contain at least the following provisions:

a) specific procedures for receiving reports on violations of any kind of Law no. 129/2019 and taking further measures;

b) adequate legal protection of employees or persons in a similar contractual relationship with regulated entities, within regulated entities, which report violations of any kind of Law no. 129/2019 and of the present regulation, committed within them;

c) legal protection of the persons provided in paragraph (1) and (2) to exposure to threats, repression or hostile actions and, in particular, to unfavorable or discriminatory actions at work;

d) protection of personal data of the person who reports the violation of any nature of Law no. 129/2019 and of this Regulation, as well as of the natural person suspected of being responsible for the infringement, in accordance with the principles set out in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to data processing. personal data and on the free movement of such data and repealing Directive 95/46 / EC (General Data Protection Regulation), hereinafter referred to as Regulation (EU) 2016/679;

e) clear rules to ensure that confidentiality is guaranteed in all cases regarding the identity of the person reporting violations of any kind of Law no. 129/2019 and of the present regulation, committed within the regulated entity, unless the disclosure is imposed by other legal provisions.

(4) The employment or mandate contracts concluded by the regulated entity with the ML/TF designated persons and the compliance officers include clauses that confer their right to address directly, in their own name, ASF and / or the Office to report violations of any nature in connection with legislation on preventing and controlling money laundering and countering the financing of terrorism.

(5) The communication channels through which the ML/TF designated persons, the ML/TF compliance officers and the employees report violations of the AML/CTF profile legislation shall be established by ASF and notified in this respect.

SECTION 3

Risk identification and assessment

ARTICLE 13

Risk identification and assessment

(1) The regulated entities identify and evaluate the risks of the activity carried out regarding the exposure to ML/TF risk, taking into account at least the following:

a) the risk factors, including those referring to customers, countries or geographical areas, products, services, transactions or distribution channels, mentioned in annex no. 1;

b) the purpose of initiating a relationship or performing an occasional transaction;

b1) the type of evidence provided by the customer and the identification method used to verify the identity of the customer and, where applicable, the beneficial owner;

February 9, 2023 - the section was introduced by Regulation 18/2022.

c) the level of assets to be traded by a client or the size of the transactions already performed;

d) regularity of transactions or duration of the business relationship;

e) sectoral regulations and instructions issued by national and European supervisory authorities.

(11) The ML/TF risk management process carried out by regulated entities includes the following distinct but interrelated steps:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

a) identification of ML/TF risk factors;

b) ML/TF risk assessment.

(12) In assessing the overall level of residual ML/TF risk associated with the business, individual business relationships and occasional transactions, regulated entities shall take into account the level of inherent risk, the quality of control procedures and other risk mitigants.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(2) The risk assessments mentioned in paragraph (1) are documented and updated, including based on national and sectoral assessments and regulations issued by ASF, European sectoral supervisory authorities or other international bodies in the field.

(21) The ML/TF compliance officer shall report to the management structure the results of the individual and activity-wide risk assessment, propose measures to mitigate the risks and ensure that the management structure understands and takes into account the ML/TF risk to which the regulated entity's business is exposed.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(3) «abrogated» The factors underlying the assessment of the ML/TF risk associated with business relationships and occasional transactions are constantly analyzed by regulated entities in order to keep their relevance up to date.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 - the paragraph was abrogated by Regulation 18/2022

(4) Regulated entities shall periodically identify, evaluate and document in writing the ML/TF risk generated by the development of new products and new business practices, including new distribution channels and the use of technologies for new or pre-existing products, before launch, as well as subsequently. Regulated entities shall take appropriate measures to mitigate these risks.

ARTICLE 14
Sources of information

(1) The information on ML/TF risk factors comes from various, credible and independent sources, established by the regulated entity, accessed individually or through available tools or databases.

(2) Regardless of the nature and type of risks identified, regulated entities shall take into account the following sources of information:

- a) risk assessment at European level carried out by the European Commission;
- b) information and assessments carried out by the competent national authorities regarding risks at national level, political statements and warnings or explanatory statements for the relevant legislation;
- c) information from the Office, ASF and other authorities and institutions provided in Article 1 paragraph (1) of Law no. 129/2019, such as:
 - (i) specific guidelines, guides, instructions or warnings, but also, where appropriate, reasons for the application of fines for infringements of the applicable ML/TF regulations;
 - (ii) reports on threats, alerts, typologies;
- d) information obtained during the process of applying the AML/CTF measures, including those for knowing the clientele.

(3) Other sources of information that may be considered by regulated entities in the context of the identification of ML/TF risks include, inter alia:

- a) own knowledge and professional expertise of the regulated entity;
- b) information from financial entities, such as typologies and emerging risks;
- c) information from civil society, such as corruption perceptions and country reports;
- d) information from international standardization bodies, such as mutual evaluation reports or lists of states or jurisdictions that have deficiencies in the implementation of international profile standards within national systems for preventing and controlling ML/TF;
- e) information from credible and secure open sources, including those obtained from free sources;
- f) information from credible and secure commercial organizations;
- g) information from statistical organizations and academia.

(4) In addition to the sources of information referred to in paragraphs (2) and (3), regulated entities shall consult the Financial Action Task Force (FATF) typologies on terrorist financing and EBA Opinion EBA-OP-2016-07 on the application of customer due diligence measures for customers who are asylum seekers from third countries or from countries at high risk of ML/TF.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(5) Regulated entities shall determine the sources of information referred to in paragraph (2) to (4) on a risk-sensitive basis, taking into account the nature, scale and complexity of their business.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

ARTICLE 15
ML/TF risk factors

The regulated entities obtain an overall perspective on the ML/TF risk associated with a situation, taking into account, without the enumeration being exhaustive, the relevant risk factors mentioned in annex no. 1, interpreted in correlation with the guidelines specific to the categories of regulated entities presented in annex no. 2, 3 or 4, as appropriate.

ARTICLE 16
ML/TF risk assessment and weighting of risk factors

(1) Regulated entities assess the level of ML/TF risk associated with a business relationship or transaction after outlining the overall picture of the identified risk factors and may decide in this assessment to weigh the factors differently depending on their importance.

(2) The measurement of different factors and the assignment of scores corresponding to a higher or lower level of ML/TF risk, in the context of each business relationship or occasional transaction, as well as their relevance are established by the regulated entities by own procedures. Unless the law provides otherwise, the presence of isolated risk factors does not necessarily place a business relationship in a higher or lower risk class.

(21) Regulated entities shall ensure that risk assessment at the level of the business is tailored to their business profile and takes into account business-specific factors and risks, including where risk assessment is outsourced.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(22) Regulated entities which are part of a group that produces a group-wide risk assessment shall consider whether the risk assessment reflects the business and risks to which the regulated entity is exposed as a result of the group's links with different countries and geographical areas and shall amend the regulated entity's assessment where necessary.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022

(23) Where the group to which the regulated entity belongs is based in a country associated with a high level of corruption, this should be reflected in the risk assessment of the regulated entity.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(3) When assessing the ML/TF risks, the factors characteristic of the situations with increased potential risk mentioned in Article 17 paragraph (1) and to Article 171 paragraph (1) of Law no. 129/2019.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(4) The weight assigned to each of the identified risk factors may vary from one product to another and from one client / category of customers to another and from one regulated entity to another. When measuring risk factors, regulated entities shall ensure that:

a) the measurement is not improperly influenced by only one factor;

- b) considerations of an economic or profit nature do not influence the risk assessment;
- c) the measurement does not lead to a situation in which it is impossible for any business relationship to be classified as presenting a high risk;
- d) the provisions of Law no. 129/2019 or those of the secondary legislation issued in its application regarding situations that always present a high risk of money laundering cannot be ignored in favor of the measurement performed by the regulated entity;
- e) automatically generated risk scores may not be taken into account by the regulated entity, if necessary and if the justification for the decision not to take such scores into account is properly documented in writing.

(5) The regulated entities periodically update the risk assessments of ML/TF and the methodology for their implementation and updating whenever necessary, including taking into account the changes in the development strategy and organizational structure of the entity.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(6) Updating the risk assessment mentioned in paragraph (3) and the adaptation of client awareness measures must be proportionate and commensurate with the ML/TF risk.

January 13, 2021 - the paragraph was introduced by Regulation 29/2020.

SECTION 4 ML/TF risk management

ARTICLE 17 General provisions

(1) The regulated entities have adequate risk management systems to determine the set of know-your-customer measures applicable to each client, with a particular focus on the need to establish whether the provisions of Article 17 and 171 of Law no. 129/2019 are incidental.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(2) The ML/TF risk assessments performed are the basis of ML/TF own risk management policies and procedures, as well as the determination of the set of customer knowledge measures that are applicable to each client, according to the provisions of Article 25 of Law no. 129/2019; the evaluations prepared for this purpose are recorded, documented, updated and made available to ASF at its request.

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(3) The regulated entities identify and analyze the aspects arising from the risk assessment at the level of the whole business and at the individual level that involve a concentration of risk management measures in the context of preventing and controlling ML/TF, which are taken both at the time of the initiation of the business relationship and during the business relationship.

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(4) Regulated entities shall ensure a balance between the need for financial inclusion and the need to mitigate ML/TF risk, in applying a risk-based approach, regulated entities do not have the obligation to automatically

refuse or terminate business relationships with entire categories of customers that they associate with a higher risk of ML/TF. The risk associated with individual business relationships varies even within a single category.

February 9, 2023 – the paragraph was amended by Regulation 18/2022

ARTICLE 18

Control systems for ML/TF risk management

(1) Regulated entities shall establish specific control systems and procedures to verify that their ML/TF risk assessments and the methodology for conducting and updating them are relevant, including through the independent audit function.

(2) During this process, regulated entities shall take measures to ensure that their risk management control systems and procedures, in particular those related to the application of the correct level of client awareness measures, are effective and proportionate.

(3) If the regulated entity uses IT systems for the allocation of general risk scores in order to classify business relationships or occasional transactions and does not develop such systems internally, but purchases them from an external supplier, it shall ensure that:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

- a) understands how the system works and how it combines risk factors to obtain a general risk score;
- b) always has the possibility to ensure that the assigned scores reflect the understanding of the regulated entity regarding the risk of ML/TF;
- c) can demonstrate the aspects mentioned in section a) and b) at the request of ASF.

(4) «abrogated» The update of the risk assessment mentioned in paragraph (3) and the adaptation of client awareness measures must be proportionate and commensurate with the risk of ML/TF.

January 13, 2021 - the paragraph was abrogated by Regulation 29/2020.

(5) The regulated entities shall record and document, in writing, the risk assessments performed by them on the business relations, as well as any changes to the risk assessments, as part of their review and monitoring actions. The assessment is performed periodically and / or permanently on the changes in the entity's portfolio and business, to ensure that they can demonstrate, at the request of ASF, that their risk assessments and related risk management measures are adequate.

ARTICLE 19

Proportionality of the measures adopted

Regulated entities shall take measures to identify and assess the risk of ML/TF in proportion to the nature, scale and complexity of the activity.

ARTICLE 20

Classification of business relationships and occasional transactions

(1) Following the risk assessment and after taking into account the inherent risks and mitigating factors it has identified, the regulated entity classifies its business lines and business relationships and occasional transactions according to the perceived level of ML/TF risk.

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(2) The regulated entities establish an adequate way of classifying the risks (high, medium, low or other classifications) in correlation with the nature and scope of the activity carried out and the types of ML/TF risks to which they are exposed.

(3) The regulated entities have the obligation not to initiate a business relationship, not to open accounts and not to carry out an occasional transaction or to terminate the business relationship if they cannot apply the know-your-customer measures, including in cases in which they cannot establish the legitimacy of the purpose and nature of the business relationship, cannot update the information held about the client or cannot adequately manage the ML/TF risk. In such situations, regulated entities consider the submittal of a suspicious transaction report.

ARTICLE 21

Internal rules for preventing and controlling ML/TF

(1) In the implementation of Article 11 paragraph (7), Article 24 paragraph (1) and Article 25 paragraph (3) of Law no. 129/2019, in order to transpose the policy for managing and reducing the risk of ML/TF, based on their own risk assessment and recommendations issued by ASF, regulated entities adopt internal rules for preventing and controlling ML/TF in which they establish all applicable know-your-customer measures, procedures, processes, limits and controls to ensure the identification, assessment, monitoring, mitigation and reporting of the risk associated with the activities they carry out and at the level of the entity as a whole.

(2) The internal rules mentioned in paragraph (1) are part of the internal rules and procedures of the AML/CTF implemented at the level of the regulated entity.

(3) For the purpose provided in paragraph (1), the entities shall establish in the ML/TF prevention and control rules at least the following elements:

a) the decision-making process, with the highlighting of the hierarchical positions, of the tasks and of the level of responsibility allocated on the structures and persons involved in the application of the measures provided in the client knowledge rule;

b) the hierarchical level of approval of the customers' acceptance established on the basis of clearly identified criteria;

c) the types of products and services that may be provided to each category of clientele and, as the case may be, in each relevant jurisdiction;

d) the procedures for classifying the customers in the corresponding clientele category and for passing from one clientele category to another;

e) the frequency of the periodic update, based on risk, of the information and documentation about the customers, as well as the situations in which the update is required, in addition to the periodic one;

f) the content of the know-your-customer measures for each risk class related to the customers, products and services subject to these measures, with the explicit identification of the documents and information used;

g) the procedures for permanent monitoring of the operations carried out by the customers, regardless of the degree of risk in which they are included, in order to detect unusual and suspicious transactions, and the criteria for prioritizing the investigation of alerts and establishing maximum deadlines for solving them;

h) the criteria, aspects and scenarios according to which the identification of the related transactions is pursued, as well as the time intervals for following the different categories of transactions from the perspective of framing the transactions for this purpose;

i) the ways of approaching transactions and customers to and / or from third countries, referred to in Article 17 paragraph (1) section d), paragraph (4), Article 171 and Article 24 paragraph (8) of Law no. 129/2019 or identified by the regulated entity as having a high risk;

January 13, 2021 - the section was amended by Regulation 29/2020

j) the procedures for managing situations in which incidents occur in the process of knowing the clientele, including the procedure applicable in case it is necessary to postpone the execution of the operation or refuse to execute a requested operation, as well as the procedure for managing situations of repeated requests for information in the context of a correspondent relationship;

k) the rules for terminating the business relationship, by which to establish at least the situations in which the termination of the relationship is mandatory, the hierarchical level of approval of the decision, the additional measures provided in Article 17 of Law no. 129/2019 and the minimum elements that the communication to the client in question must contain;

l) the modalities of drawing up and keeping the records, as well as establishing the access to them;

m) internal reporting obligations and procedures and reporting to the competent authorities, including channels, related documents and reporting deadlines;

n) specific procedures applicable for the purpose of ensuring the implementation of the rules in the case of outsourced activities or in the case of execution by third parties;

o) the hierarchical level, tasks and responsibilities of the compliance officer;

p) the deadlines for accomplishing the tasks provided in the internal rules for preventing and controlling ML/TF.

(4) «abrogated» In the implementation of Article 24 paragraph (3) of Law no. 129/2019, the regulated entities approve the internal rules for preventing and controlling ML/TF at the level of the management structure.

February 9, 2023 – the paragraph amended by Regulation 18/2022

(5) The regulated entities shall ensure that the internal rules for preventing and controlling ML/TF are formulated in a language that allows the understanding of tasks, are structured so as to facilitate their consultation, are centralized in a single document, are made available and are known to all persons with responsibilities for the application of the measures contained therein.

(6) The regulated entities evaluate and review the internal rules of knowing the clientele whenever it is necessary or once at an interval of at least annually, according to the provisions of Article 5, including in order to correct the deficiencies identified as a result of internal audits and supervisory actions carried out by ASF.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022

(7) «abrogated» If the annual assessment of the internal standard for preventing and controlling ML/TF shows that it is not necessary to update it, as no deficiencies have been identified and no changes have been made in the regulated entity or risks to which it is exposed, the regulated entity must document the analysis that led to this conclusion and make this documentation available to ASF upon request.

January 13, 2021 - the paragraph was abrogated by Regulation 29/2020.

SECTION 5 Obligation to know the clientele

ARTICLE 22 Identifying customers and beneficial owners

(1) In the application of Article 11 paragraph (1), (3) and (81) and Article 15 paragraph (1) of Law no. 129/2019, when establishing a business relationship or performing an occasional transaction, the regulated entities must obtain and take over in their own records, in order to verify the identity of the individual client, the beneficial owner and their specific risk factors, prior to initiating or completing the business relationship or carrying out the occasional transaction, at least the following information in complete and accurate form regarding:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

1. in the case of natural persons:

- a) name, surname and pseudonym, if applicable;
- b) date and place of birth;
- c) the personal identity number or its equivalent for foreign persons or, if applicable, another similar unique identification element;
- d) the number and series of the identity document;
- e) permanent residence / residence (full address - street, number, building, entrance, floor, apartment, city, county / district, country) and identification of its legal regime, respectively if it is domicile, residence or other identification attribute of the same type;
- f) citizenship and country of origin;

January 13, 2021 - the section was amended by Regulation 29/2020

- g) the occupation and, as the case may be, the name of the employer or the nature of his/her own activity;
- h) telephone number, e-mail address, if any;
- i) «abrogated» the public position held, if applicable;

January 13, 2021 - the section was abrogated by Regulation 29/2020.

- j) the purpose and nature of the business relationship with the regulated entity;
- k) the source of the funds to be used in the development of the business relationship;

l) classification in the category of publicly exposed persons or holding the quality of member of the family of the publicly exposed person or of a person known as a close associate of a publicly exposed person;

m) information regarding the beneficial owner, if different from the client, respectively name and surname, date of birth, personal numerical code or its equivalent for foreigners or, if applicable, another similar unique identification element, country of residence, citizenship, the nature of the relationship that generated the qualification in this capacity, as well as the nature of the activity they carry out, classification in the category of publicly exposed persons or holding the quality of family member of a publicly exposed person or of a person known as a close associate of a publicly exposed person and information regarding his/her specific risk factors;

January 13, 2021 - the section was amended by Regulation 29/2020

2. in the case of legal entities, trusts or legal constructions similar to them or entities without legal personality, in application of Article 11 paragraph (1) and (3) and Article 15 paragraph (1) section b) and c) of Law no. 129/2019, information on:

January 13, 2021 - the section was amended by Regulation 29/2020

a) name;

b) legal form;

c) tax identification code and / or the registration number in the trade register / European identification code (EUID) and / or equivalent information for foreign legal entities;

January 13, 2021 - the section was amended by Regulation 29/2020

d) «abrogated» subscribed and paid-in share capital;

January 13, 2021 - the section was abrogated by Regulation 29/2020.

e) unique registration code (CUI) or its equivalent for foreigners;

f) the credit institution and the IBAN code through which the payment of the equivalent value of the activities or services provided by the regulated entity is made;

g) «abrogated» the list of persons having the right to sign in the account, of the administrators, of the persons with management positions or with a mandate to represent the client, as the case may be, the list of constituents and trustees;

January 13, 2021 - the section was abrogated by Regulation 29/2020.

h) the information provided in section 1 for the persons representing the client in relation to the entity and their powers of employment of the entity;

i) the registered office and, if applicable, the actual office or, as the case may be, the registered office of the branch;

January 13, 2021 - the section was amended by Regulation 29/2020

j) the structure of shareholders / associates;

k) telephone, fax and, as the case may be, e-mail, website;

l) the purpose and nature of the business relations, especially of the operations carried out with the regulated entity;

m) the name of the beneficial owner and his identification data, the nature of the relationship that generated the qualification in this capacity, the nature of the activity he carries out or, in the case of trusts, all the following persons:

January 13, 2021 - the section was amended by Regulation 29/2020

(i) the constituent (s);

(ii) the trustee (s);

(iii) the protector (s), if any;

(iv) the beneficiaries or, if the persons benefiting from the legal construction or legal entity have not yet been identified, the category of persons in whose main interest the legal construction or legal entity is established or operates;

(v) any other natural person exercising ultimate control over the trust by the direct or indirect exercise of ownership or by other means;

m¹) proof of registration of the beneficial owner or information from the central registers provided in Article 19 paragraph (5) of Law no. 129/2019 or similar registers from other jurisdictions, if these data are available;

January 13, 2021 - the section was introduced by Regulation 29/2020.

n) the type and nature of the activity carried out;

o) the classification of the beneficial owner in the category of publicly exposed persons or the possession of the quality of family member of the publicly exposed person or of a person known as a close associate of a publicly exposed person.

(2) In the implementation of Article 11 paragraph (4) of Law no. 129/2019, if a client is represented in relation to the regulated entity by another person, acting as legal representative, proxy, trustee, guardian or in any other legal capacity, the entity obtains and verifies the appropriate information and documents regarding the identity of the representative, the nature and limits of the representation. In order to identify the person representing the client, the entities obtain at least the following information:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

a) name and surname;

b) date and place of birth;

c) personal identity code or, if applicable, another similar unique identification element;

d) address where he lives and the identification of its legal regime, respectively if it is domicile, residence or other type of identification attribute of the same type;

e) citizenship.

(3) Regulated entities shall apply know-your-customer and record keeping measures to all their majority - owned branches and subsidiaries located in EU Member States and third countries.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(4) The regulated entities apply the know-your-customer measures not only to new customers, but also to existing customers, depending on the materiality and based on the risk assessment, taking into account the moment when the know-your-customer measures were previously applied and their relevance, including when

relevant client circumstances change or if regulated entities have a legal obligation to contact the client during the relevant calendar year to examine all relevant information about the beneficial owner or if regulated entities have this obligation pursuant to the provisions of Article 62 of Law no. 207/2015 on the Fiscal Procedure Code, with subsequent amendments and supplements.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(5) When performing the occasional transactions provided in Article 2 section j) of Law no. 129/2019, the regulated entities obtain the information provided in paragraph (1).

(6) In applying the provisions of paragraph (1) and (2) the regulated entity verifies the information regarding the customers on the basis of the documents from the category of the most difficult to falsify or to obtain illegally under a false name, such as the identity documents that include a photograph of the holder, issued by an official authority or, as the case may be, the constitutive documents registered at the trade register or an equivalent structure or the documents issued by these structures from which the legal existence of the legal person or entity without legal personality results or by means of electronic identification provided by Law no. 129/2019.

(7) The verification of those information provided in paragraphs (1) and (2) which cannot be proved according to paragraph (6) and, as the case may be, of the veracity of the documents provided in paragraphs (1) and (2) shall be made from other credible and independent sources, such as the databases of the National Office of the Trade Register or of any public authorities or private databases containing information from public authorities, operating permits, audit reports, tax documents, account statements or by accessing public information.

(8) The regulated entities verify the information on the beneficial owner provided by natural or legal customers, by any appropriate method adapted to the situation, taking into account the source and volume of funds involved in the business relationship or occasional transaction, and in the case of customers, trusts or legal constructions similar to them or to entities without legal personality have the obligation to obtain the proof of registration of the beneficial owners or information from the registers provided in Article 19 paragraph (5) of Law no. 129/2019 or similar registers from other jurisdictions, if these sources are available.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(81) Where the risk associated with the business relationship is high or the regulated entities have doubts as to the veracity or sufficiency of the information identifying the beneficial owner obtained from the registers referred to in Article 19 paragraph (5) of Law no. 129/2019 or from similar registers in other jurisdictions, regulated entities shall take additional measures to identify and verify the beneficial owner; the use of the information provided in the said registers is not sufficient to fulfil the obligation to take appropriate and risk-based measures to identify the beneficial owner and verify its identity.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(9) In the application of Article 11 paragraph (1) section b) and paragraph (3) and Article 17 paragraph (1) of Law no. 129/2019, in the case of customers of legal entities, trusts or other similar constructions, the entities verify the information regarding the beneficial owner by methods such as those provided in paragraphs (7), (8) and (81) or, if such verifications are not available, by other appropriate methods, in cases where from the documents and information they hold or in relation to the plausibility of the information obtained from customers:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2022.

a) they cannot establish or verify the identity of the beneficial owner;

- b) they cannot establish or verify the risk factors specific to the beneficial owner;
- c) the proposed business relationship or the requested occasional transaction presents an increased risk of ML/TF.

(91) Regulated entities shall use the identification of senior management who take binding decisions on behalf of the client only under the following conditions:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

- a) all possible means of identifying the natural person who owns or controls the customer have been exhausted;
- b) there is no suspicion of ML/TF due to the inability to identify the natural person who owns or controls the customer;
- c) the reason given by the customer for not being able to identify the natural person who owns or controls it is plausible.

(92) Regulated entities shall record and document the reasons for the identification of senior management referred to in paragraph (91).

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(10) In the application of Article 15 and Article 19 paragraphs (1) and (4) of Law no. 129/2019, the regulated entity keeps copies of the supporting documents underlying the identification of real customers and beneficiaries.

(11) The regulated entities complete the identification data mentioned in paragraph (1) with information derived from the know-your-customer measures, corresponding to the degree of risk in which each client is involved.

(12) The regulated entities shall demonstrate, at the request of ASF, that the know-your-customer measures they have applied are proportionate to the risks of ML/TF.

(13) The know-your-customer measures are also applied in the situation of taking over a portfolio of customers as a result of a merger by absorption. The taken over customers must be evaluated according to the risk management methodology, all incidental know-your-customer measures being applicable.

ARTICLE 23

Periodic verification systems of client and beneficial owner information

(1) The regulated entities must have mechanisms for the periodic or any necessary verification, both in terms of veracity and in terms of adequacy, of the information held about the client and about the beneficial owner, proportional to the level of associated risk, which provides the entity with a reasonable assurance that the established transactional profile is correct and the monitoring process is efficient.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(2) The regulated entities shall update the client information and the ML/TF risk factors of the customers, taking into account at least the changes in the client information, the offer of products and services addressed to him or, as the case may be, the risks identified in connection with the products and services already offered

to the client, as well as changes in the source of funds, in the ownership structure/partnerships, changes in the transactional behaviour of the customer.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(3) In the case of existing customers who pass into a client category with a higher level of risk, in order to continue the business relationship, the regulated entity shall ensure that it has applied all measures to know the client corresponding to the higher category.

ARTICLE 24

Anonymous accounts. Fictitious banks

(1) The regulated entities have the obligation not to open or to continue a business relationship and not to provide anonymous accounts or with obviously fictitious name, respectively accounts for which the identity of the holder or of the beneficial owner is not known, verified and highlighted accordingly.

(2) The regulated entities shall apply as soon as possible the know-your-customer measures to all holders and beneficiaries of the anonymous accounts existing in the portfolio; the use of existing anonymous accounts in any way is only allowed after the application of client awareness measures.

(3) The regulated entities have the obligation to close the anonymous accounts for which they failed to identify the client in accordance with the provisions of paragraph (2).

(4) The regulated entities shall take the necessary measures in the case of operations that favor anonymity or allow interaction in the absence of the client, in order to prevent their use in ML/TF operations.

(5) The regulated entities apply appropriate measures according to the provisions of Law no. 129/2019 and this Regulation in order to ensure that it does not enter into correspondent relations or does not continue such a relationship with a credit institution or financial institution that is known to allow another fictitious credit institution to use its accounts.

ARTICLE 25

Standard know-your-customer measures

(1) In applying the provisions of Article 11 paragraph (1), Article 12 and 13 of Law no. 129/2019, the regulated entities apply standard know-your-customer measures, as follows:

- a) when establishing a business relationship;
- b) when performing occasional transactions as defined in Article 2 section j) of Law no. 129/2019;
- c) when there is a suspicion of ML/TF, regardless of any exception, derogation or threshold;
- d) in case the regulated entity has doubts regarding the veracity or sufficiency of the identification information previously obtained by applying the know-your-customer measures.

January 13, 2021 - the section was amended by Regulation 29/2020

(2) Standard customer due diligence know-your-customer measures include:

a) identification of the client and verification of his identity on the basis of documents, data or information obtained from secure and independent sources, including, if available, by means of electronic identification and relevant reliable services provided by Regulation (EU) no. 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1.999 / 93 / EC, hereinafter referred to as Regulation (EU) no. 910/2014, or by any other secure identification process, remote or electronic, regulated, recognized, approved or accepted at national level by the Authority for the Digitalization of Romania;

January 13, 2021 - the section was amended by Regulation 29/2020

b) identification of the beneficial owner and taking reasonable steps to verify his identity, so that the regulated entity ensures that it has identified the beneficial owner, including legal persons, trusts, companies, associations, foundations and similar entities without legal personality;

c) understanding and, as the case may be, obtaining additional information regarding the purpose and nature of the business relationship;

d) continuous monitoring of the business relationship, including by analyzing the transactions concluded during it, in order to ensure that these transactions correspond to the information held about the client, his risk profile and activity profile, including, as appropriate, the source of funds, and ensuring that the documents, data and information previously obtained are updated and relevant, by carrying out periodic checks, especially for customers in the high-risk category.

(3) The regulated entities must understand the nature of the activity, the structure of the shareholders / property and the control structure of the client legal person, trust, association, foundation and entity without similar legal personality.

(4) The regulated entities verify the identity of the client and of the beneficial owner before establishing a business relationship or carrying out the occasional transaction.

(41) The regulated entities have the obligation to obtain a proof of the registration of the beneficial owners or information from the central registers of the beneficial owners provided in Article 19 paragraph (5) of Law no. 129/2019, in compliance with the rules regarding the protection of personal data, whenever they start a new business relationship with persons who are subject to the obligation to register information regarding the beneficial owner.

January 13, 2021 - the paragraph was introduced by Regulation 29/2020.

(42) Regulated entities shall inform the Office and the authorities managing those registers of any discrepancy between the information available in the central registers concerning the beneficial owners and the information they hold concerning the beneficial owners.

January 13, 2021 - the paragraph was introduced by Regulation 29/2020.

(5) The regulated entities are allowed not to complete the application of the know-your-customer measures in the cases where they suspect a ML/TF activity and consider that the application of the measures would alert the client on this aspect. In this case, the regulated entity shall immediately submit a report of suspicious transactions to the Office.

(6) The regulated entities adapt the standard know-your-customer measures according to the risk, taking into account the provisions of Article 16-19 of Law no. 129/2019, supplement them and correlate them to the results of the activity-wide risk assessment as well as to the simplified or additional know-your-customer measures

relevant to the different categories of regulated entities, according to the guidelines presented in Annexes no. 2, 3 or 4.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(7) The regulated entities apply the standard know-your-customer measures and may establish the manner of application of these measures depending on the identified risks, associated with the business relationship or the occasional transaction.

(71) For the purposes of applying standard know-your-customer measures, regulated entities shall set out in policies and procedures the data and information obtained from reliable and independent sources that they use, taking into account the following:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

a) the elements that determine the degree of security of the data and information based on:

(i) checks carried out to obtain data and information on the customer;

(ii) the status of the person/entity that carried out the checks, if applicable;

(iii) the level of security associated with the digital identification systems used;

(iv) the degree of difficulty with which the information or identity data provided can be falsified;

(b) the elements determining the independence of the data or information.

(72) Regulated entities shall assess the risks associated with each type of evidence provided and customer identification and verification method used and ensure that the method and type chosen are proportionate to the ML/TF risk associated with the customer.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(73) Regulated entities shall take into account different degrees of independence of data and information, which they shall determine depending on the extent to which the person or entity that originally issued or provided the data or information:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

a) has a relationship with the client through direct personal, professional or family ties;

b) could be influenced by the customer.

(8) In the case of life insurance or other types of insurance that include an investment component, the regulated entity must apply in addition to the know-your-customer measures towards the client and the beneficial owner the following measures towards the beneficiaries of the insurance policy, as soon as they are identified:

a) obtaining the name of the beneficiary natural or legal person and applying the know-your-customer measures, at the moment of designation or at the moment when the regulated entity becomes aware of the award of the policy, and its verification at the time of payment of policies;

b) in the case of beneficiaries designated by characteristics or category or by other means, obtaining sufficient information on the respective beneficiaries, so as to ensure that, at the time of payment, it will be able to establish and verify the identity of the beneficiary of these types of insurance.

ARTICLE 26

Simplified know-your-customer measures

(1) In the application of Article 16 paragraph (1) of Law no. 129/2019, the classification of customers at a low degree of risk is achieved by evaluating the risk factors mentioned in Article 15, taking into account the factors mentioned in Article 16 paragraph (2) of Law no. 129/2019.

(2) The simplified know-your-customer measures constitute an adaptation of the application of all or only of some of the standard measures mentioned in Article 25, without understanding the complete elimination of any of them, applied by the regulated entity according to the volume of information, the number of information sources, the frequency and intensity of monitoring transactions and updating information, so that they are proportionate to the low risk they identified.

(3) In applying the provisions of Article 16 paragraph (2) of Law no. 129/2019, regulated entities may apply simplified know-your-customer measures, without the enumeration being limiting, if:

a) the customers reside in geographical areas with low risk and / or have efficient systems for preventing and controlling ML/TF; have a low level of corruption or other criminal activities that can be deduced from credible sources;

b) the life insurance policies with insurance premiums or the total annual payment rates are less than or equal to the equivalent in lei of the amount of 1,000 euros or the single paid insurance premium is up to the equivalent in lei of EUR 2,500;

c) are insurance policies for pension systems, in case there is no early redemption clause and the policy cannot be used as a guarantee;

d) in pension schemes, annuities or similar schemes that provide employees with pension benefits, if the contributions are represented by amounts paid by participants or employers on their behalf to a pension fund;

e) products for which the risks of ML/TF are managed by other factors, such as financial limits or transparency of ownership;

f) products which, by their nature and the way of trading, are classified following the sectorial or national evaluations in the low-risk categories of ML/TF.

(4) The simplified client measures that regulated entities may apply include:

a) adapting the amount of information obtained for the purpose of identification, verification or monitoring, for example by:

(i) verification of identity on the basis of information obtained from a small number of credible and independent documents or sources; or

January 13, 2021 - the sub-item was amended by Regulation 29/2020

(ii) establishing the nature and implicit purpose of the business relationship, as the product is designed for a single specific purpose only;

b) adapting the quality or source of the information obtained for the purpose of identification, verification or monitoring, for example:

(i) by accepting information obtained from the client instead of from an independent source when verifying the identity of the beneficial owner (this is not permitted when verifying the identity of the client); or

(ii) where the risk associated with all aspects of the relationship is very low, to rely on the source of funds to meet client requirements, for example when the funds constitute payments for state benefits or when the funds have been transferred from an account opened in the name of the client at a company in the European Economic Area;

c) adapting the frequency of updates to know-your-customer measures and business relationship reviews, for example performing them only when triggering events such as when the client seeks to obtain a new product or service or when a certain transaction threshold is reached; regulated entities shall ensure that this does not lead to a de facto exemption from keeping up to date information obtained by applying know-your-customer measures;

d) adapting the frequency and intensity of transaction monitoring, for example by monitoring only transactions above a certain threshold; In this case, the regulated entities shall ensure that the threshold is set at a reasonable level and that they have established systems to identify related transactions that, together, would exceed that threshold.

5. When deciding to apply simplified know-your-customer measures, the regulated entity shall ensure that:

a) the information obtained demonstrates that such an assessment is reasonable;

b) has sufficient information about the nature of the business relationship to identify any unusual or suspicious transactions.

(6) Simplified know-your-customer measures do not exempt the regulated entity from reporting suspicious transactions to the Office.

(7) Simplified know-your-customer measures shall not be applied by regulated entities:

a) if there are indications that the risk may not be low, for example if there are grounds for suspecting that ML/TF actions are being tried or if the regulated entity has doubts about the veracity of the information obtained;

b) in the case of specific scenarios with high risk and for which there is the obligation to apply additional know-your-customer measures;

c) if there are suspicions of ML/TF.

ARTICLE 27

Additional know-your-customer measures

(1) The regulated entities apply in addition to the standard measures additional know-your-customer measures, in accordance with the provisions of Article 17 of Law no. 129/2019, in all situations that by their nature may present an increased risk of ML/TF.

(2) In the case of transactions or business relations with publicly exposed persons or with customers whose beneficial owners are publicly exposed persons, the regulated entity must adopt the following measures:

a) obtain the approval of the senior management regarding the establishment or continuation of the business relationship. The senior management representative who approves the establishment or continuation of the business relationship with the publicly exposed person must have sufficient experience and an overview to make informed decisions on issues that have a direct impact on the risk profile of the regulated entity; the approval decision granted by the executive / senior management assesses the level of risk of ML/TF to which the regulated entity would be exposed if it established a business relationship and the extent to which the regulated entity can manage that risk effectively;

b) obtain information about the source of funds and assets of the client and of the beneficial owner of the client and the source of funds to be used in the business relationship or in transactions with such persons;

c) to permanently carry out an increased monitoring of the business relationship with these persons. In enhanced business risk monitoring actions, regulated entities shall identify unusual transactions and regularly review the information in their possession to ensure the prompt identification of any new or emerging information that may affect the risk assessment; the frequency of the permanent monitoring action is established according to the high level of risk associated with the relationship.

d) to have regard to the list of important public functions published by the European Commission, the National Integrity Agency and to ensure that the holders of the functions are identified.

February 9, 2023 - the section was introduced by Regulation 18/2022.

(3) The provisions of Article 11 paragraph (3) of Law no. 129/2019 and of paragraph (2) of this article shall also apply to the family members of the persons publicly exposed, as well as to the persons known as their close associates.

(4) In applying the provisions of Article 17 paragraph (7) of Law no. 129/2019, regarding the cross-border correspondent relations, the regulated entities have and apply policies and procedures that allow the understanding of the nature of the activity of the respondent institution and the evaluation of the mechanisms implemented by it. In its own assessments regarding the responding institution, the regulated entity takes into account the recommendations issued by ASF and other institutions provided in Article 1 paragraph (1) of Law no. 129/2019.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

5. In the case of cross-border correspondent relations with credit and financial institutions in other States or jurisdictions, the regulated entity shall apply the following measures, before establishing a correspondent relationship, without limiting the enumeration:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

- a) identify and verify the identity of the respondent and of his beneficial owner;
- b) obtain from public and independent sources information regarding the respondent's reputation;
- c) understand the type and nature of the activity carried out by the respondent;
- d) understand the client's activity and whether his activity is associated with a sector of activity with a high degree of risk;
- e) verify if the respondent was the subject of an investigation or if he was sanctioned by the supervisory authority;

f) evaluate the internal control procedures regarding the prevention and control of ML/TF of the responding institution;

g) obtain the approval of the senior management regarding the establishment of new correspondence relationships;

h) verify that the respondent applies know-your-customer measures on customers who have direct access to the accounts of the respondent banks;

i) ensure that the responding institution can provide, at the request of the corresponding institution, relevant information regarding its customers identification.

(6) In applying the provisions of Article 6 paragraph (1) section d) and Article 17 paragraph (2) and (3) of Law no. 129/2019, regulated entities establish adequate systems to detect complex and unusual transactions, including in terms of their value, applicable to detect all customers and all transactions that are not limited to a common typology. Without limiting the listing, transactions may be considered unusual in at least the following situations:

a) are higher than the regulated entity would normally expect based on its knowledge about the client, the business relationship or the category in which the client is included;

b) present an unusual or complex pattern compared to the client's risk profile or to the pattern of transactions associated with the client, similar products or services;

c) are complex compared to other similar transactions associated with similar types of customers, products or services and the regulated entity does not know their economic justification or legal purpose or has doubts about the veracity of the information provided to it;

d) do not have an obvious economic, commercial or legal purpose.

7. In the case of complex and unusually large transactions or unusual patterns of transactions which do not have an obvious economic or legal purpose, the regulated entities shall apply the following measures:

a) establish systems for detecting transactions from the perspective of their value, source of funds and transactional profile or of those that do not have economic motivation or obvious legal appearance;

b) examine, as soon as possible, the context and purpose of all complex transactions which have unusually high values or of all types of unusual transactions which do not have an obvious economic, commercial or legal purpose;

c) request from the client additional documents to justify the transaction;

d) increase the degree and nature of monitoring the business relationship in order to establish whether the respective transactions or activities are suspicious;

January 13, 2021 - the section was amended by Regulation 29/2020

e) record in writing the verifications performed and the findings made available to ASF, whenever requested.

(8) Through the additional know-your-customer measures, the regulated entities establish whether the identified unusual transactions give rise to suspicions and provide:

a) reasonable and appropriate measures to understand the context and purpose of these transactions, for example by establishing the source and destination of funds or finding out more information about the client's activity to confirm the likelihood of such transactions by the client;

b) monitoring the business relationship and subsequent transactions more frequently and with more attention to detail; the regulated entity may decide to monitor individual transactions if this measure is proportionate to the risk it has identified;

c) establishing parameters and typologies within which the transactions carried out are located, such as: value thresholds by client category, product, transaction or field of activity, in the case of legal entity or similar customers.

9. When dealing with natural or legal persons established or residing in a third country identified by the European Commission as a high-risk third country and in any other high-risk situations, regulated entities shall take informed decisions with additional client precautions, which are appropriate for each high-risk situation and can be demonstrated at the request of ASF.

(10) In the case of business relationships and transactions involving customers / investors from countries that do not apply or insufficiently apply international standards in the field of preventing and controlling ML/TF or that are known internationally as non-cooperating countries, regulated entities apply the following measures:

a) ask the future client to declare whether he invests in his own name or through an intermediary;

b) inform ASF, through the communication channel provided for this purpose, regarding the business relationship and transactions that the client / investor wants to open / perform prior to the initiation of the business relationship / transaction;

c) obtain information about the client's reputation and history before establishing the business relationship;

d) obtain information about the source of funds and / or the source of wealth of the client and of the client's beneficial owner;

e) obtain the approval of the senior management regarding the establishment or continuation of the business relationship or at the moment of performing the transactions.

(11) The regulated entity shall decide on the appropriate type of additional know-your-customer measures, including the amount of additional information required, and the extent of the increased monitoring action, depending on why an occasional transaction or business relationship has been classified as high risk.

(12) Additional know-your-customer measures that regulated entities apply in certain high-risk situations may include, but are not limited to, the following:

a) requesting additional information in order to apply know-your-customer measures:

(i) information about the identity of the client or beneficial owner or the ownership and control structure of the client in order to determine the risk associated with the relationship, obtaining and evaluating information about the reputation of the client and / or beneficial owner and verifying any negative allegations against the client or beneficial owner, such as:

1. information about family members and close business partners;

2. information about the past and present economic activities of the client and / or of the beneficial owner;

3. information with an impact on reputation, honesty and integrity, available from free sources;

(ii) information on the nature and purpose of the business relationship to determine its legitimacy and to establish a more detailed risk profile for the client, such as:

February 9, 2023 - the subsection was introduced by Regulation 18/2022.

1. the number, size and frequency of transactions that could be made through the account / services provided to allow the regulated entity to identify deviations that may give rise to suspicion (in some cases, it may be appropriate to request evidence);

2. the reason why the client is looking for a particular product or service and how the customer will use the product or service, especially if it is unclear why the client's needs cannot be better met in another way or in another jurisdiction;

3. the amount and source as well as the destination of the funds;

4. the nature of the activity of the client or of the beneficial owner in order to allow the regulated entity to better understand the probable nature of the business relationship;

b) increasing the quality of the information obtained by applying the know-your-customer measures in order to confirm the identity of the client or of the beneficial owner, including by:

(i) requesting that the first payment be made to a verifiable account, opened in the name of the client with a credit institution subject to client precautionary standards that are no less stringent than those provided for in Chapter IV of Law no. 129/2019;

(ii) finding that the client's assets and funds used in the business relationship are not the proceeds of criminal activity and that the source of the assets and funds is consistent with what the regulated entity knows about the client and the nature of the business relationship; the source of funds or assets may be verified, inter alia, by reference to VAT and income tax returns, copies of audited financial statements, salary certificates, public documents or independent media reports;

c) increasing the frequency of analyses in order to establish the regulated entity's continuing ability to manage the risk associated with the individual business relationship or, as the case may be, to conclude that the relationship no longer corresponds to the regulated entity's risk appetite and to help identifying any transactions that require further analysis, including by:

(i) increasing the frequency of business relationship analyses to determine whether the client's risk profile has changed and whether the risk can continue to be managed;

(ii) obtain the approval of senior management to initiate or continue the business relationship, to ensure that it is aware of the risk to which the regulated entity is exposed and that it can make an informed decision as to the extent to which the required equipment exists in order to manage that risk;

(iii) examining the business relationship more regularly to ensure that any changes in the client's risk profile are identified and assessed and, where appropriate, acted upon accordingly;

(iv) more frequent or in-depth monitoring of transactions to identify any unusual or complex transactions that may give rise to the suspicion of ML/TF, for example determining the destination of funds or finding the reason for certain transactions.

(13) In applying the provisions of Article 17 paragraph (11) - (13) of Law no. 129/2019, the regulated entity applies reasonable measures to establish, at the latest at the time of payment or at the time of total or partial award of the policy, whether the beneficiaries of a life insurance policy or another insurance policy with investment component / insurance-based investment and / or, as the case may be, the beneficial owner of the policy beneficiary is a publicly exposed person, and this should be taken into account as a risk factor for ML/TF; If increased risks are identified in relation to it, regulated entities shall apply, in addition to standard know-your-customer measures, the following measures:

a) informing the executive / senior management before paying the revenues corresponding to the policy;

b) performing an increased examination of the entire business relationship with the insured.

(14) The detection systems provided in paragraph (6) also consider the establishment of parameters and typologies within which the usual transactions are located, such as: value limits per category of client, product or transaction, categories of transactions carried out in relation to different categories of customers and, in the case of legal persons and other entities, also the field and sector of activity.

ARTICLE 271

Business relations and occasional transactions conducted at a distance February 9, 2023 - ARTICLE 27¹ was introduced by Regulation 18/2022.

(1) In the case of a business relationship initiated, established and continued at a distance or the conduct of an occasional transaction at a distance, regulated entities shall:

(a) put in place appropriate measures to verify the identity of the customer;

b) assess whether the conclusion of the business relationship or occasional transaction leads to an increase in ML/TF risk, with a view to applying additional know-your-customer measures.

(2) Regulated entities using innovative technological means for customer identification and verification purposes shall ensure that the evidence obtained is based on data and information from reliable, credible and independent sources.

(3) In order to assess the extent to which the use of the technological means referred to in paragraph (2) may have an impact on the ML/TF risk, regulated entities shall consider the following:

(a) the risks associated with the use of information and communication technology, the risks associated with cyber security, i.e. the risk that the innovative solution is inadequate, insecure or may be modified;

b) qualitative risks, in particular the risk that the sources of information used for verification purposes are not sufficiently reliable and independent and do not comply with the relevant legislation in force;

c) the risk that the identity verification provided by the innovative solution is not proportionate to the level of ML/TF risk associated with the business relationship;

d) legal risks, in particular the risk that the technology solution provider does not comply with applicable data protection legislation;

e) the risks of identity fraud, respectively:

(i) the risk that a customer is not who they claim to be;

(ii) the risk that the person is not a real person.

(4) Regulated entities using an innovative solutions provider for the purposes of implementing standard customer insight measures shall contractually establish the following obligations for the innovative solutions provider:

a) comply with the provisions of Regulation (EU) 2016/679;

(b) access and use a sufficient range of data from different and up-to-date sources, taking into account in particular the following elements:

- (i) electronic evidence based on a customer's identification is not sufficient in a remote context without checks to ensure that the customer is who they say they are and that the document has not been altered;
- (ii) a single data source is not sufficient to meet the standards for verifying customer identity;
- (c) comply with contractual and legal obligations and inform the regulated entity immediately of any changes;
- (d) operate in a transparent manner so that the regulated entity knows at all times what checks have been carried out, what sources have been used, what the results have been and how reliable those results have been;
- (e) mitigate legal and operational risks and comply with data protection requirements.

ARTICLE 28

Owning information and monitoring the business relationship

(1) Regulated entities shall have adequate up-to-date information and monitor all operations performed by their customers in connection with the regulated entity, and with priority the operations performed by customers in the high-risk category.

(2) In the implementation of Article 16 paragraph (4) and Article 21 of Law no. 129/2019, the regulated entities perform, in all cases, the adequate, documented and formalized monitoring in writing of the transactions and business relations in order to allow the detection of unusual or suspicious transactions.

(21) Depending on the nature, scale and complexity of the business conducted and the ML/TF risk to which it is exposed, the regulated entity shall adapt the intensity of monitoring and the frequency of checks in accordance with the risk-based approach and determine:

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

a) transactions that are monitored in real time and transactions that are monitored ex-post, with the establishment:

- (i) ML/TF high-risk factors that trigger real-time monitoring;
- (ii) transactions associated with an increased ML/TF risk that are monitored in real time, especially if the ML/TF risk associated with the business relationship is increased;

(b) the arrangements for monitoring transactions, in particular where they process a large volume of transactions, the use of an automated transaction monitoring system;

c) the frequency of verification of transactions.

(22) In addition to the monitoring provided for in paragraph (21) and irrespective of the level of automation used, regulated entities shall periodically conduct ex-post checks on a selected sample of all transactions processed in order to identify trends that may underlie their risk assessments and to test and, where appropriate, improve the reliability and appropriateness of the transaction monitoring system; regulated entities shall use the information obtained from the information sources referred to in Article 14.

February 9, 2023 – the paragraph was introduced by Regulation 18/2022.

(3) In order to identify high-risk customers, the following information is taken into account:

a) type of client - natural / legal person or entity without legal personality;

- b) state of origin;
- c) public office or important position held;
- d) the type of activity carried out by the client;
- e) the source of the client's funds;
- f) other risk indicators.

(4) The regulated entities pay increased attention to the business relations and transactions with publicly exposed persons and to those with persons from jurisdictions that do not benefit from adequate systems for preventing and controlling ML/TF.

(5) The regulated entities pay special attention to all complex transactions, unusually large or not limited to the usual typology, including operations that do not seem to have an economic, commercial or legal meaning, as well as those involving people from countries with vulnerabilities in ML/TF prevention and control systems, that do not apply or apply insufficiently the international standards in the field.

(6) «abrogated» The circumstances and the purpose of the transactions mentioned in paragraph (5) must be examined as soon as possible by the regulated entity, including based on additional documents required by the client to justify the transaction.

January 13, 2021 - the paragraph was abrogated by Regulation 29/2020.

(7) «abrogated» The findings of the verifications performed according to the provisions of paragraph (6) must be recorded in writing and will be available for further verification or for the competent authorities and auditors for a period of at least 5 years.

January 13, 2021 - the paragraph was abrogated by Regulation 29/2020.

SECTION 6 Execution by third parties

ARTICLE 29 Information obtained from third parties February 9, 2023 - ARTICLE 29 was amended by Regulation 18/2022

(1) In the implementation of Article 18 paragraph (4) of Law no. 129/2019, the regulated entities may use in order to apply the standard know-your-customer measures information obtained from third parties, in compliance with the provisions of Article 18 paragraph (1) and (6) of Law no. 129/2019.

(2) Prior to concluding a business relationship with third parties, the regulated entities must ensure that they obtain from them immediately:

a) all the necessary information according to the own procedures for the application of the standard know-your-customer measures provided in Article 11 paragraph (1) section a) -c) of Law no. 129/2019;

b) upon request, copies of the documents on the basis of which the third party applied the standard know-your-customer measures provided by Law no. 129/2019 and this Regulation, including, where available, data obtained by electronic means of identification, relevant trusted services provided for in Regulation (EU) no.

910/2014 or through any other secure identification process, remote or electronic, regulated, recognized, approved or accepted by the Authority for the Digitalization of Romania .

January 13, 2021 - the section was previously amended by Regulation 29/2020

c) information that the third party is supervised and complies with standards on know-your-customer measures and record-keeping requirements in a manner similar to that required by Law 129/2019.

(3) In the case of regulated entities that use for the purpose of applying the standard know-your-customer measures a third party from the same group, it can be considered that the requirements listed in paragraph (2) are met if:

a) the group applies standard know-your-customer measures, record keeping requirements and ML/TF control programs similar to those provided in Law no. 129/2019 and this regulation;

b) compliance with the requirements provided in section a) is supervised at group level by the competent authority of the state in which the third party carries out its activity.

(4) In the application of Article 18 paragraph (8) of Law no. 129/2019, regulated entities may outsource to other entities the application of standard know-your-customer measures.

(5) In the situation mentioned in paragraph (4) the regulated entities establish on a contractual basis the obligation of the entity to which the activity of applying the standard know-your-customer measures was outsourced to comply with the provisions of Law no. 129/2019 and of this regulation, as well as the mechanisms by which the regulated entity ensures compliance.

(6) In the situations mentioned in paragraphs (1) and (4) and art. 271 paragraph (4), the regulated entity remains responsible for the implementation of the obligations provided by Law no. 129/2019 and this regulation.

SECTION 7

Organizational requirements

ARTICLE 30

Data protection, record keeping

(1) The regulated entities keep, in compliance with the provisions of Article 21 of Law no. 129/2019, in a form admitted in judicial proceedings, at least the following documents and information, in order to prevent, detect and investigate possible cases of ML/TF and to demonstrate to ASF that the measures taken are appropriate, taking into account the ML/TF risk:

February 9, 2023 - paragraph amended by Regulation 18/2022

a) all records obtained by applying know-your-customer measures, such as copies of identification documents, monitoring and verifications performed and the results of analyses performed in connection with the client, client files and correspondence, including information obtained through the means of electronic identification, the relevant trusted services provided for in Regulation (EU) no. 910/2014 or through any other secure identification process, remote or electronic, regulated, recognized, approved or accepted by the Authority for the Digitalization of Romania , necessary for the observance of the know-your-customer requirements;

January 13, 2021 - the section was amended by Regulation 29/2020

b) all documents necessary for the reconstitution of transactions.

c) ML/TF risk assessments.

February 9, 2023 - the section was introduced by Regulation 18/2022.

(2) The documents and information provided in paragraph (1) shall be kept for the entire period of the business relationship and subsequently, for a period of 5 years from the termination of the business relationship or from the date of the occasional transaction, except for the situation provided in Article 21 paragraph (3) of Law no. 129/2019.

(3) The regulated entities establish through the internal policy adequate and proportional mechanisms regarding the keeping of the documents and the access to them, according to Article 3 paragraph (5) section i).

(4) In the implementation of Article 21 paragraph (3) of Law no. 129/2019, the regulated entities comply with the terms indicated by the Office or ASF, when it is necessary to extend the period of retention of documents in order to prevent, detect or investigate ML/TF activities.

ARTICLE 31 Personal data

(1) The personal data are processed by the regulated entities in accordance with the provisions of Law no. 129/2019 and Regulation (EU) 2016/679.

(2) The regulated entities inform the new customers, prior to the beginning of the business relationship, regarding the purpose of personal data processing and the legal obligations incumbent on them under Law no. 129/2019 when processing personal data in order to prevent ML/TF.

(3) At the expiration of the storage period mentioned in Article 30 paragraph (2), the regulated entities may delete the personal data, except for the situation in which the regulated entity is, at the fulfillment of this term, in an evaluation, supervision or control procedure performed by the competent authorities, according to the legal competences. In this situation, the data can be deleted only after the completion and implementation of the measures ordered by the individual documents issued by the competent authorities.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

ARTICLE 32 Internal control

(1) In the application of Article 24 paragraph (1) and (2) of Law no. 129/2019, the regulated entities establish, in compliance with the prudential requirements, the ML/TF risk management framework and the internal control mechanisms that specifically and effectively cover the entire system of the ML/TF risk management entity.

(2) The regulated entities implement, in compliance with the prudential requirements regarding the activity management framework, effective and adequate measures, including information systems in order to:

a) cover all activities, the entire client portfolio and all transactions that have ML/TF risk associated;

- b) monitor, collect and analyze data related to the ML/TF risk;
- c) facilitate the performance of adequate internal and external reports.

(3) In applying the provisions of paragraph (2), the regulated entities adopt, based on a risk-based approach, procedures and measures for verifying the effectiveness and correct functioning of the IT systems used for ML/TF risk management, including through specific audit missions, in compliance with the provisions of the Authority Rule of Financial Supervision no. 4/2018 on the management of operational risks generated by the IT systems used by the entities authorized / approved / registered, regulated and / or supervised by the Financial Supervisory Authority, with subsequent amendments.

(4) The regulated entities update the information systems used for the management of the ML/TF risk, for the development and implementation of new functionalities and for the correction of the deficiencies found following the verifications performed according to paragraph (3) and of the supervision and control actions carried out by ASF.

SECTION 8 Transaction reporting

ARTICLE 33

Rules for reporting and immediate provision of data requested by competent authorities

(1) In accordance with the nature and volume of the activity carried out, the regulated entities establish internal policies and rules, internal control mechanisms and ML/TF risk management procedures, regarding the applicable measures regarding reporting, record keeping and all documents, according to requirements of Law no. 129/2019 and of this regulation, as well as the prompt provision of data at the request of the competent authorities.

(2) The regulated entities establish internal procedures and have systems that allow them to promptly transmit, at the request of the Office, respectively at the request of ASF and / or the criminal investigation bodies, the information obtained following the application of client recognition measures and records related to transactions for the period provided in Article 21 paragraph (2) and (3) of Law no. 129/2019.

(3) The regulated entities shall ensure that all the information regarding the know-your-customer measures and the transaction documents are immediately made available to ASF, under the conditions of the request according to the provisions of Article 33 paragraph (3) of Law no. 129/2019 and of Article 43 paragraph (3) of this Regulation.

(4) In applying the provisions of paragraph (3), the regulated entities shall establish systems that allow them to respond fully, immediately and directly to ASF, through secure channels that guarantee the full confidentiality of requests for information.

(5) Confidentiality contracts, legislation or provisions on professional secrecy may not be invoked to restrict the reporting capacity of the entities.

(6) The regulated entities shall communicate directly to the Office the data and information requested in the format and within the term indicated by it, without exceeding a maximum of 15 days from the date of receipt

of the request, and for requests of an urgent nature, marked in this meaning, within the time limit indicated by the Office.

ARTICLE 34 Reporting suspicious transactions

1. Regulated entities shall identify transactions or types of suspicious transactions performed in the name or on behalf of their customers.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(2) The regulated entities have the obligation to send a report for suspicious transactions to the Office, regardless of their value, in the situations mentioned by Article 6 of Law no. 129/2019, before carrying out any transaction related to the client, which is related to the reported suspicion.

3. Where regulated entities have reasonable grounds to suspect the existence of attempts or threats of ML/TF, they shall report this to the Office.

ARTICLE 35 Reporting transactions that do not show indicators of suspicion

(1) The regulated entities report electronically to the Office, on the channels made available, the transactions that fall under Article 7 paragraph (1) and (3) of Law no. 129/2019, within 3 business days from the moment of the transaction.

(2) The regulated entities comply with the conditions and reporting methods established in Article 6-9 of Law no. 129/2019 and in the reporting methodologies or instructions issued in its application.

(3) In order to carry out the AML/CTF profile surveillance activity, ASF may request statistical information on the reports made to the Office, in the format and methodology provided by the instructions issued in the implementation of this Regulation.

CHAPTER III Supervision and control of entities regulated by ASF

SECTION 1

Supervision regarding ML/TF prevention and control according to risks

ARTICLE 36 General considerations on the identification of risk factors regarding ML/TF

(1) ASF shall identify the ML/TF risk factors to which the regulated entities are exposed, taking into account:

- a) the risk profile of the regulated entity, including the previous assessments;
- b) the ML/TF risk identified at the level of the financial supervision sector in which the regulated entity operates;
- c) the type and quantity of information obtained from the sources listed in paragraph (2).

(2) In order to identify ML/TF risk factors, ASF shall consider and evaluate relevant information from sources such as:

- a) the supranational risk assessment carried out by the European Commission;
- b) the opinion of the European Supervisory Authorities (European Banking Authority - EBA, European Securities and Markets Authority - ESMA, European Insurance and Occupational Pensions Authority - EIOPA) on the ML/TF risk affecting the financial market;
- c) information provided by the Government of Romania or by the governments of other states;
- d) relevant findings from the supervision and control activities or information collected in the process of authorization, endorsement, approval or notification of the European passport;
- e) exchange of information with other authorities in Romania or in other states;
- f) information from delegated acts adopted by the European Commission to identify high-risk third countries;
- g) information provided by the Office or by authorities with similar status from other states, such as reports on threats, alerts, typologies;
- h) information requested from regulated entities;
- i) other sources of information that may be considered, such as information from:
 - (i) professional associations operating in the financial supervision sector, such as: typologies and information on the risks that may arise;
 - (ii) civil society, such as evidence of corruption;
 - (iii) international standard-setting entities, such as mutual assessments of actions taken by States to prevent and control ML/TF, the anti-corruption system and the tax regime;
 - (iv) sources of public information, such as reports published in the press;
 - (v) trade organizations;
 - (vi) academic institutions.

ARTICLE 37

Reports on the violation of the legislation on ML/TF and the protection system established by ASF

(1) In applying the provisions of Article 23 paragraph (5) of Law no. 129/2019, any person who has knowledge of a violation of any kind of the legislation on ML/TF may submit to ASF a report in this regard.

(2) ASF shall make available, by publishing on its website, a mechanism for reporting violations or potential violations of the applicable ML/TF legislation through dedicated communication / reporting channels specifically dedicated to this purpose.

(3) Persons who report ASF and / or the Office violations of any kind of the applicable legislation in the matter of ML/TF are not considered guilty of violating any restriction on the disclosure of information imposed by contract, legislation or administrative acts and have no liability regarding that disclosure.

(4) Persons who report ASF and / or to the Office violations of the legislation on preventing and controlling ML/TF are protected against retaliation, discrimination or other types of ill-treatment that occur due to or in connection with reporting violations of ML/TF legislation, according to domestic law.

(5) ASF ensures to the persons mentioned in paragraph (4) a protection system that includes the elements provided in Article 23 paragraph (6) of Law no. 129/2019.

(6) The person making the report, the person / persons subject to the report, as well as the information received through this reporting mechanism benefit from a strict confidentiality regime, the identity of the persons and the communicated information may be disclosed only in cases and conditions expressly provided by law.

ARTICLE 38

Identification of ML/TF risk factors internally and externally

(1) The ML/TF risks identified at national level, as well as the sources mentioned in Article 35 paragraph (2) are the basis for determining the following aspects:

- a) the type and extent of the money laundering phenomenon associated with the main crimes committed at national level;
- b) the extent of the phenomenon of money laundering from crimes committed in other states;
- c) the extent and level of support provided for the activities and terrorist groups identified at national level;
- d) the typologies of relevant ML/TF actions identified by the Office and other public authorities or private entities.

(2) The identification of ML/TF risk factors deriving from external factors involves the examination of the risks to which the subjects of the assessment are exposed as a result of maintaining, at a significant level, their link with other Member States or third countries; maintaining the link at a significant level includes cases where:

- a) the regulated entity maintains a business relationship at a significant level with counterparties established in other Member States or third countries;
- b) the regulated entity is part of a financial group established in another Member State or another third country;
- c) the beneficial owners of the regulated entity are established in another Member State or in another third country;
- d) there are any other relevant links with another Member State or another third State, which means that the regulated entity is exposed to the ML/TF risk associated with that State.

3. In order to identify third countries that have strategic shortcomings in their national regimes on actions to prevent and control ML/TF or that significantly threaten the financial system of the European Union, ASF shall take into account delegated acts adopted by the European Commission for identification of high-risk third countries, as well as public statements issued by relevant international standard-setting bodies, including the International Financial Action Task Force (FATF), Moneyval or other regional bodies similar to the FATF.

ARTICLE 39

Identification of ML/TF risk factors at sector level

(1) The identification of ML/TF risk factors at the level of each financial supervision sector / category of regulated entities implies the identification of the related organization and functioning models, the risks associated with common characteristics, such as the type of financial products and services offered, supply channels or distribution used and the type of customers they serve.

(2) The overall picture at the level of a financial supervision sector or at the level of the category of regulated entities is based on all the information obtained from the regulated entities in a certain sector or in a certain category in relation to ML/TF risks; Based on these, ASF identifies the common points within each category of regulated entities and respectively at the level of the financial supervision sector as a whole.

ARTICLE 40

Identification of ML/TF risk factors at the level of the evaluation subject

(1) ASF collects relevant, sufficient and reliable information to obtain the overview on the aspects associated with the subject of the evaluation, regarding the inherent ML/TF risk factors and respectively their reduction / diminution.

(2) In the case of the assessment of regulated entities, ASF shall take into account the information that can be obtained from the prudential supervision and / or conduct at general level, which may include, but are not limited to, the following:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

a) the shareholding structure and the governance structure of the regulated entity, considering whether the subject of the valuation is an international, foreign or Romanian legal entity, a parent company, a branch, a subsidiary or other form of incorporation, as well as the degree of complexity and transparency of its organization and structure;

b) the reputation and integrity of the members of the management structure and of the significant shareholders;

c) the nature and complexity of the financial products and services offered, as well as the activities and transactions carried out;

d) the distribution channels used, including the free provision of services and the use of main or secondary intermediaries;

e) the types of customers to whom the financial products and services offered are addressed;

f) the geographical area of the economic activities, in particular if they are carried out in third countries with a high level of risk, as well as, where applicable, the countries of origin or establishment of a significant number of customers of the subject of the assessment;

g) the quality of internal governance arrangements and structures, including the adequacy and effectiveness of internal audit and compliance functions, the level of compliance with legal and regulatory requirements for preventing and controlling ML/TF, and the effectiveness of policies and procedures regarding the prevention and control of ML/TF insofar as they are already known;

h) the dominant "corporate culture", in particular the "culture of compliance" and the culture of transparency and trust in the relationships with ASF or other competent authorities;

i) other prudential and general aspects, such as years of operation, liquidity or capital adequacy.

(3) In the case of evaluation of a category of regulated entities, ASF identifies the relevant factors according to paragraph (1) to define the risk profile it assigns to the category. For this purpose, the information collected shall also include the results of previous supervisory actions carried out on the regulated entities included in that category.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

ARTICLE 41

Risk assessment and monitoring

1. In determining the risks associated with the subject of the assessment, ASF shall consider the risk factors identified in accordance with this section and analyze the extent to which:

a) the inherent risk factors affect the subject of the evaluation;

b) the control systems and means regarding the prevention and control of ML/TF established by the subject of the evaluation are in accordance with the provisions of Article 24 of Law no. 129/2019 and adequate for the effective mitigation / reduction of the inherent ML/TF risks to which the subject of the evaluation is exposed.

(2) The ML/TF risk assessment at the level of the financial supervision sectors is performed by ASF in accordance with Article 1 paragraph (4), (6) and (8) of Law no. 129/2019.

(3) After the completion of the risk assessment provided in paragraph (2), ASF publishes on its website the relevant elements of the ML/TF risk assessment at the level of the supervised sectors so that the regulated entities be able to review their own risk assessments.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

(4) In the risk-based surveillance process for preventing and controlling ML/TF, ASF shall establish a general risk profile assigned to the subject of the assessment as a result of the assessment of the degree of inherent risk and mitigation factors weighted according to the level of deficiencies. In the evaluation, ASF may decide to weigh the inherent risk factors and mitigating factors by giving a higher weight to significant deficiencies that have the potential to seriously impact the effectiveness of measures of preventing and controlling ML/TF rather than to medium or low deficiencies.

(5) The findings from the ML/TF risk assessment complement the substantiation of the prudential supervision process and the conduct of regulated entities and are relevant for the risk assessment at the level of financial

supervision sectors and for the cooperation process with other competent authorities in the field of ML/TF prevention and control.

(6) ASF performs periodic analyses on the assessment of ML/TF risks and ensures their updating and relevance as well as of the risk-based supervision plan.

ARTICLE 42

Notification of regulated entities regarding the relevant elements of the ML/TF risk assessment

(1) In applying the provisions of Article 1 paragraph (8) and of Article 39 paragraph (3) section h) of Law no. 129/2019, ASF publishes on its website, for the attention of regulated entities, the information communicated by the Office regarding:

- a) the relevant elements of the risk assessment at sectoral and national level;
- b) vulnerabilities of ML/TF prevention and control systems in other states;
- c) the list of countries that present vulnerabilities in the systems for preventing and controlling ML/TF and that do not apply or insufficiently apply the international standards in the field, in accordance with the public communications of the international bodies in the field.

(2) The regulated entities update their own assessments of ML/TF risks taking into account the information provided in paragraph (1).

ARTICLE 43

The risk-based approach to the supervisory action in the field of ML/TF of regulated entities January 13, 2021 - ARTICLE 43 was amended by Regulation 29/2020

(1) The risk-based approach of the action of supervising the observance of the provisions of the legislation in the field of ML/TF by the regulated entities includes a supervision plan proportional to the risk profile of the regulated entity which includes:

- a) the supervision performed based on the reports provided by the regulated entities;
- b) the supervision performed through control actions performed at the headquarters of the regulated entities, the main or secondary intermediaries with which they collaborate, their territorial units and the entities to which they have outsourced activities or the third entities used in accordance with Article 29, insofar as it falls within the scope of regulation and supervision of ASF.

(2) The regulated entities provide at the request of ASF:

- a) the methodology for performing and updating the ML/TF risk assessment related to the activity performed;
- b) ML/TF risk assessment related to the activity performed;
- c) the policy for managing and reducing the risk of ML/TF;

d) internal rules of AML/CTF, including internal know-your-customer rules;

(e) information on the business model, type of products and services offered, type of customers served and operations performed for them, distribution channels used, main ML/TF risks, emerging risks and risk profile;

February 9, 2023 - the section was amended by Regulation 18/2022

e1) information on mitigation measures for inherent ML/TF risks;

February 9, 2023 - the section was introduced by Regulation 18/2022.

e2) the reports of the independent audit functions and the compliance officer;

February 9, 2023 - the section was introduced by Regulation 18/2022.

f) the internal analyses performed by the entities for detecting the transactions provided in Article 17 paragraph (2) of Law no. 129/2019;

g) documents and correspondence containing the substantiation of the decision to launch new products or services, to provide certain products or services or to grant exemptions to certain customers, despite a contrary opinion expressed by persons or the structure with responsibilities in applying measures in the field of ML/TF prevention;

h) the reports on the way in which the regulated entity applies the policies and procedures for the prevention of ML/TF in third countries, at the level of majority owned branches and subsidiaries located in Member States and in third countries;

January 13, 2021 - the section was amended by Regulation 29/2020

i) reports on the way in which the regulated entity applies the policies and procedures for preventing and controlling ML/TF in relation to outsourced activities;

j) the results of the tests performed through the independent audit process;

k) substantiation of the standards for designating the ML/TF compliance officer and the ML/TF designated persons;

l) any other information and documents necessary for ASF to carry out the supervision in the field, in the form and terms specified in the request.

(3) In applying the provisions of Article 26 paragraph (4) of Law no. 129/2019, the regulated entities make available to ASF representatives all the data and information requested for the accomplishment of their specific attributions, within the indicated terms and form. The empowered representatives of ASF, in the exercise of their supervisory and control attributions, may retain copies of the verified documents.

(4) In the application of Article 28 paragraph (4) of Law no. 129/2019, the auditors of the regulated entities perform verifications, at the request and within the term established by ASF, including the exposure of the regulated entity to the risks of ML/TF and provide the related conclusions, as well as any details, clarifications or explanations on which those conclusions are grounded, based on information gathered from the regulated entity, its headquarters and territorial units, as well as from the entities to which they have outsourced activities, including agents and distributors.

SECTION 11

Cooperation and exchange of information with other authorities

January 13, 2021 - SECTION 1 ^ 1 was introduced by Regulation 29/2020.

ARTICLE 431

Cooperation and exchange of information with authorities and institutions with responsibilities for preventing and controlling ML/TF

1. ASF shall cooperate and exchange information with:

- a) the authorities and institutions provided in Article 1 paragraph (1) of Law no. 129/2019 for the implementation of policies and activities to control ML/TF;
- b) the authorities and national bodies of other Member States responsible for the supervision of credit institutions and financial institutions, based on cooperation agreements on controlling money laundering and countering the financing of terrorism;
- c) the competent authorities of third countries with similar responsibilities, based on cooperation agreements on controlling money laundering and countering the financing of terrorism concluded on the basis of reciprocity and only on condition that the information disclosed is subject to a guarantee of professional secrecy at least equivalent to those mentioned in Article 381 paragraph (1) of Law no. 129/2019.

ARTICLE 432

AML/CTF Board

(1) In order to identify the fulfillment of the conditions for the establishment of a ML/TF control board, for the cooperation and exchange of information with other competent authorities, in order to prevent and control ML/TF, ASF shall ensure the following steps:

1. identification and correspondence of information on:

- (i) regulated entities authorized by ASF performing cross-border activities and their cross-border units in other Member States or in third countries;
- (ii) cross-border units and EU units carrying out activities supervised by ASF in Romania;
- (iii) third country entities that have links (subsidiary / branch) with the EU units referred to in point (ii);

2. the notification to the relevant European Supervisory Authorities (ESMA, EIOPA) of the completion / updating of the correspondence, including at least:

- (i) the names of all Member States, the European Free Trade Association (EFTA) States that are part of the European Economic Area (EEA) and the third countries in which the regulated entity operates across borders;
- (ii) the names of all Member States, of the European Free Trade Association (EFTA) states that are part of the European Economic Area (EEA) in which a third country entity has units in Romania and in the Member States, if this situation is known by ASF;
- (iii) the name of the third country in which the entity in the third country in connection (subsidiary / branch) with a regulated entity in Romania has its head office;
- (iv) the level of ML/TF risk associated with the regulated entity operating at cross-border level, with cross-border units and with EU units, as far as this level is known to ASF, in accordance with the provisions of this Regulation.

(2) After the correspondence of the information presented at paragraph (1), the main supervisory authority shall identify the entities operating at cross-border level and fulfilling the conditions for the establishment of an ML/TF control board.

(3) ASF, as the main supervisory authority, establishes and maintains ML/TF control boards in the following situations:

a) the entity regulated by ASF carrying out its activity at cross-border level has set up cross-border units in at least two Member States, other than Romania;

b) an entity from a third country has established units in Romania and in at least two other Member States, and the unit in Romania is an entity regulated and supervised by ASF at a consolidated level.

(4) In case of application of paragraph (3), ASF shall identify the competent authorities to be invited as permanent members or observers, establish the form and frequency of meetings of the ML/TF control board and draw up the list containing the names and contact details of the members of the ML/TF control board thus constituted:

a) permanent members: the competent authorities responsible for the supervision of ML/TF control of cross-border units of entities operating at cross-border level, the competent authorities responsible for the control of ML/TF of EU, ESMA or EIOPA units, as the case may be;

b) observers: the prudential supervisory authorities of entities operating at cross-border level, cross-border and EU units and ML/TF control authorities in third countries where cross-border units operate; the prudential supervisory authorities of the third countries in which the cross-border establishment operates and the Office of the Member State in which the principal supervisory authority is located may be invited to participate;

c) guests: ASF, on its own initiative or at the request of a permanent member, also invites other relevant participants, for example, the Office from another Member State than the one mentioned in section b), auditors, consultants, resolution authorities, the Single Resolution Committee or deposit guarantee schemes.

(5) ASF shall review and update the correspondence periodically and on an ad hoc basis when there are relevant changes in the ownership structure of the regulated entity operating across borders or of the third country entity.

6. ASF shall participate as a permanent member or observer in ML/TF control boards set up by other supervisory authorities in other Member States at the invitation of the lead supervisory authority, conclude a written agreement for cooperation and exchange of information and keep the confidentiality of non-public information obtained within boards.

(7) Upon receipt of the invitation to participate as a permanent member, ASF shall confirm to the main supervisory authority its participation within 10 business days.

(8) ASF shall request and provide mutual assistance in any matter related to the fight against ML/TF and shall cooperate in the field of surveillance and exchange of information.

SECTION 2

Remedial and sanctioning measures

ARTICLE 44

Remedial and sanctioning measures

(1) In accordance with the provisions of Article 26 paragraph (1) section a) of Law no. 129/2019 and according to the prerogatives provided by the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and supplements by Law no. 113/2013, with the subsequent amendments and completions, ASF supervises and controls the implementation of the provisions of Law no. 129/2019 and of the present regulation, by the reporting entities provided in Article 1 paragraph (2).

(2) In accordance with the provisions of Article 28 paragraph (6) and of Article 44 paragraph (5) and (7) of Law no. 129/2019, ASF may apply sanctions and / or remedial measures in cases where it finds that an entity provided in Article 1 paragraph (2) and / or any of the members of the management structure, ML/TF compliance officers, ML/TF designated persons, other natural persons within the entity exercising de jure or de facto functions or activities in connection with the legal obligations established on the line of AML/CTF or the persons in charge of the branches that have ML/TF responsibilities do not comply with the legal provisions regarding AML/CTF.

(3) In applying the provisions of Article 28 paragraph (1), (2), (6) and (7) of Law no. 129/2019, ASF may issue or dispose the following recommendations and / or remedial measures for the entities provided in Article 1 paragraph (2) which violate the provisions regarding the prevention of ML/TF from Law no. 129/2019 and of this regulation or do not implement a measure imposed by ASF in order to reduce the risks or eliminate the deficiencies and their causes:

a) recommendations regarding the completion, modification or implementation of policies, internal rules, internal control mechanisms that effectively cover the entire system of the ML/TF risk management entity;

b) plan of measures to remedy or eliminate deficiencies or to reduce the risks by which ASF establishes, without being limited to, supervisory measures, such as:

(i) require the regulated entity to improve the management framework, policies, procedures and controls in place to effectively mitigate and manage the risks of ML/TF, indicating areas for improvement;

(ii) impose the obligation to apply standard know-your-customer measures for products, operations and / or customers where the regulated entity's internal policies and procedures provide for the application of simplified measures and / or impose the obligation to apply additional measures for operations or customers for whom they establish the application of standard or simplified know-your-customer measures;

(iii) require the entity to reduce the risks associated with its operations, products, services and IT systems, stating the risks that have been identified and need to be reduced.

(4) In accordance with the provisions of Article 28 paragraph (6) and of the provisions of Article 44 paragraph (7) of Law no. 129/2019, ASF applies sanctioning measures according to the provisions of chap. X of Law no. 129/2019 and / or of the specific legislation applicable to the regulated entity.

(5) ASF may apply to the offender, in addition to the sanction with a contravention fine provided in Article 43 paragraph (2), (3) or (5) of Law no. 129/2019, one or several complementary sanctions provided in Article 44 paragraph (1) of Law no. 129/2019 and / or one or several remedial measures provided in paragraph (3).

(6) The remedial measures provided in paragraph (3) may be applied independently or simultaneously with the application of other sanctions.

(7) In the implementation of the provisions of Article 26 paragraph (5) of Law no. 129/2019, the regulated entities carry out the measures ordered by ASF within the term indicated by it.

ARTICLE 45

Failure to comply with the provisions of the Regulation

Violation of the provisions of this regulation is sanctioned according to the provisions of chap. X of Law no. 129/2019 and / or the specific legislation applicable to the regulated entity.

ARTICLE 46

Exchange of information and notification of the Office

1. ASF shall notify the Office of the following:

January 13, 2021 - the paragraph was amended by Regulation 29/2020

a) facts that could be related to ML/TF identified within the exercise of the attributions of authorization, supervision and control of the regulated entities;

b) violation of the provisions of Law no. 129/2019.

(2) ASF sends to the Office, at its request, specialized opinions, points of view and proposals regarding the form and content of the reports submitted by the regulated entities according to Article 6 and 7 of Law no. 129/2019.

(3) ASF elaborates and notifies to the Office the statistics provided in Article 1 paragraph (9) of Law no. 129/2019 related to the financial supervision sectors, taking into account the data and information derived from:

a) the records, analyses and decisions adopted, mentioned in paragraph (1);

b) the notifications sent by the regulated entities according to Article 22 paragraph (1);

c) the data and information provided by the regulated entities, at the request of ASF.

(4) In applying the provisions of Article 35 paragraph (1) of Law no. 129/2019, ASF may make reasoned requests to the Office in order to obtain information regarding the existence of ML/TF indices at the regulated entities, indicating the relevant facts, the context and the reasons for requesting the information, as well as the way in which the information will be used.

(5) ASF has the obligation to communicate to the Office the manner in which it used the information provided by the Office as mentioned in paragraph (4).

CHAPTER IV

Transitional and final provisions

ARTICLE 47

Transitional provisions

1. For the purpose of providing a direct communication channel, ASF shall notify the regulated entities of instructions on the format and manner of communication of statistical data, information or documents provided for in this Regulation.

(2) The regulated entities, ML/TF compliance officers and ML/TF designated persons shall observe the communication channels established by ASF for the information and documents of the AML/CTF profile, in accordance with the instructions and methodology issued in this regard.

(3) In the implementation of Article 60 paragraph (3) of Law no. 129/2019, the regulated entities operating on the date of entry into force of this Regulation shall comply with the provisions of this Regulation until January 17, 2020.

(4) The regulated entities carry out, until the expiration of the term provided in paragraph (3), the necessary changes regarding the allocation of attributions and the establishment of the ML/TF designated persons and of the compliance officers at the level of the senior management.

(5) The persons designated for the application of Law no. 656/2002 for the prevention and sanctioning of money laundering, as well as for the establishment of measures to prevent and counter the financing of terrorism, republished, with subsequent amendments and supplements *), notified to ASF in accordance with the provisions of ASF Regulation no. 1/2019, prior to the entry into force of Law no. 129/2019, are considered ML/TF designated persons within the meaning of this regulation, except for the situation in which the regulated entity decides to replace them and notifies in this sense until the expiration of the term provided in paragraph (3).

*) Law no. 656/2002 was abrogated by Article 65 section a) of Law no. 129/2019, published in the Official Journal of Romania, Part I, no. 589 of July 18, 2019.

(6) The regulated entities shall notify ASF of the designation of ML/TF compliance officers and the ML/TF designated persons according to the present regulation at the latest at the expiration of the term provided in paragraph (3).

(7) The regulated entities shall use the internal framework for preventing and controlling ML/TF applicable at the date of publication of this regulation until the date of updating the internal rules, without exceeding the term provided in paragraph (3).

(8) In the application of Article 14, second sentence of Law no. 129/2019, the regulated entities shall ensure that the know-your-customer measures provided for in the internal know-your-customer rules updated according to the provisions of this regulation are applied to all existing customers, as soon as possible, based on risk, but not later than 18 months since the approval of the rules by the governing entities.

January 8, 2020 - the paragraph was amended by Regulation 15/2019

(9) If the regulated entities cannot apply the provisions of paragraph (8), the provisions of Article 11 paragraph (9) of Law no. 129/2019.

ARTICLE 48 Final provisions

(1) This regulation shall be published in the Official Journal of Romania, Part I, and shall become effective on the date of its publication.

(2) Annexes no. 1-7 are an integral part of this regulation.

January 13, 2021 - the paragraph was amended by Regulation 29/2020

February 9, 2023 – the paragraph was amended by Regulation 18/2020

3. On the date of entry into force of this Regulation, the following shall be abrogated:

a) Order of the National Securities Commission no. 83/2008 for the approval of the Regulation of the National Securities Commission no. 5/2008 on the establishment of measures to prevent and control money laundering and countering the financing of terrorism through the capital market, published in the Official Journal of Romania, Part I, no. 525 of July 11, 2008, with subsequent amendments;

b) Order of the chairman of the Insurance Supervisory Commission no. 24/2008 for the implementation of the Rules on preventing and controlling money laundering and countering the financing of terrorism through the insurance market, published in the Official Journal of Romania, Part I, no. 12 of January 7, 2009, with subsequent amendments and supplements;

c) Decision of the Private Pension System Supervisory Commission no. 12/2009 for the approval of the Rule no. 9/2009 on client identification in order to prevent money laundering and countering the financing of terrorism in the private pension system, published in the Official Journal of Romania, Part I, no. 288 of May 4, 2009;

d) any contrary provisions.

(4) Whenever reference is made to the provisions abrogated according to paragraph (3) in the regulatory actions, the reference shall be deemed to be made to the provisions of this Regulation.

p. President of the Financial Supervisory Authority,
Elena-Doina Dascălu

Bucharest, November 28, 2019.

No. 13.

ANNEX No. 1

Risk factors

A. Risk factors associated with the client and the beneficiary

(1) In order to identify the risk associated with their customers, including the one related to the beneficial owner, the regulated entities take into consideration the associated risk:

February 9, 2023 – the paragraph was amended by Regulation 18/2020

- a) the economic activity or professional activity of the client and of the beneficial owner;
- b) the reputation of the client and of the beneficial owner;
- c) the nature and behaviour of the customer and the customer's beneficial owner, including whether this might indicate an increased risk of terrorist financing.

(2) The analysis of the following exemplary situations may be relevant in order to identify the risk factors associated with the activity or professional activity of the client or of the beneficial owner:

- a) the client or the beneficial owner is related to:
 - (i) sectors frequently associated with a higher risk of corruption, such as construction, the pharmaceutical and healthcare industries, the arms trade and defense sector, the extractive industries or public procurement;
 - (ii) sectors associated with a higher risk of money laundering or financing of terrorism, hereinafter referred to as ML/TF, for example, certain segments of the sector of payment institutions and exchange offices, casinos or traders of precious metals;
 - (iii) sectors involving significant cash amounts;
 - (iv) political activities, being a publicly exposed person or having relevant links with a publicly exposed person (for example, the publicly exposed person exercises significant control over the client or beneficial owner as a result of subordinate relationships in the client's activity);
- b) the nature of the activity or the constitution of the legal construction, in the case of the customers of legal entities;
- c) the client or the beneficial owner holds an important position or enjoys a status of high public dignity that may allow him to abuse this position in his own interest (for example, has decision-making power or may influence the actions of central or local public administration) ;
- d) the client is a legal person subject to obligations of transparency and publication of information that guarantees that reliable information about the beneficial owner is accessible to the public (for example, company listed on a stock exchange that conditions the listing of such publication);
- e) the client is a credit institution or a financial institution that acts on its own account in a jurisdiction where there is an effective regime for preventing and controlling ML/TF actions and is supervised to comply with local obligations in terms of prevention and control of ML/TF shares; there is evidence that the client has been subject to surveillance sanctions or that measures have been imposed for non-compliance with ML/TF prevention and control obligations or for non-compliance with more general conduct requirements in recent years;
- f) the client is an institution or enterprise within the public administration in a jurisdiction with low levels of corruption;
- g) the profile of the client or of the beneficial owner is in accordance with what the regulated entity knows about the past activity, the present or the expected one, about the turnover of its company, the source of funds and the source of wealth of the client or of the beneficial owner.

(3) The following risk factors may be relevant in analyzing the risk associated with the reputation of a client or of the beneficial owner:

- a) the existence of negative media reports or other relevant sources of information about the client, such as accusations against the client or the beneficial owner regarding the commission of crimes or acts of terrorism; regulated entities determine the credibility of allegations based on the quality and independence of the data

source and the persistence of those allegations, among other considerations, without considering that the absence of a criminal conviction is sufficient to dismiss allegations of illicit deeds;

b) the assets of the client, of the beneficial owner or of any person known publicly as being in close connection with him have been blocked as a result of administrative or criminal actions or of accusations of terrorism or financing of terrorism; the regulated entity shall examine whether it has reasonable grounds to suspect that, at some point in the past, the client or beneficial owner or any person publicly known to be closely related to him has been the subject of such an asset foreclosure action;

c) the regulated entity verifies whether the client or the beneficial owner has been the subject of a report of suspicious transactions in the past;

d) the regulated entity has inside information on the integrity of the client or of the beneficial owner, obtained, for example, in a long-term business relationship.

(4) The following risk factors, perceptible at the initiation or after the establishment of the business relationship, may be relevant when considering the risk associated with the nature and behavior of the client and of the beneficial owner:

a) the regulated entity has doubts regarding the veracity or accuracy of the identity of the client or of the beneficial owner;

b) there are indications that it is possible for a client to seek to avoid the establishment of a business relationship (for example, the client intends to carry out a single transaction or several transactions in several tranches when, from an economic point of view, it would make more sense to establish a business relationship);

c) the structure regarding the client's property and control is transparent and logical or is complex or opaque, in which case there is an obvious commercial or legal justification in this respect;

d) the client issues bearer shares or has nominal shareholders;

e) the client is a legal entity or has a legal agreement that can be used as an investment vehicle;

f) there is a good reason for the changes produced at the level of the structure regarding the ownership and control of the client;

g) the client requests transactions that are complex, unusual or unexpectedly large or that have an unusual or unexpected pattern, apparently without an economic or legal purpose or without a good commercial justification; there are reasons to suspect that the client is trying to evade certain thresholds, such as those provided in Article 13 paragraph (1) section b) of Law no. 129/2019 for preventing and controlling money laundering and countering the financing of terrorism, as well as for amending and supplementing some regulatory actions, with subsequent amendments (Law no. 129/2019);

h) the client requests the establishment of unnecessary or unreasonable levels of secrecy (for example, the client is reluctant to share information in the process of applying know-your-customer measures or seems to want to conceal the true nature of his activity);

i) the source of the wealth or the source of the client's or the beneficiary's funds can be easily explained; for example, due to his occupation, inheritance or investment and the explanation is plausible or not;

j) the client uses the products and services he has obtained as provided when the business relationship was initiated or for other purposes;

k) if the client is a non-resident, there is a solid economic and legal justification for which the client requests the type of financial service sought or his needs can be better met elsewhere;

l) the client is a non-profit organization whose activities can be abused in order to finance terrorism.

m) the client is a third-country national requesting residence rights or Romanian citizenship in exchange for capital transfers, the acquisition of state property or bonds or investments in corporate entities.

January 13, 2021 - the section was introduced by Regulation 29/2020.

B. Risk factors associated with states and geographical areas

1. In order to identify the risk associated with certain states and geographical areas, the regulated entities shall consider the risk associated with the jurisdictions in which the customer and the beneficial owner are established/have residence, have their head office or have relevant personal or commercial connections or relevant financial or legal interests.

February 9, 2023 – the section was amended by Regulation 18/2022

(2) Depending on the nature and purpose of the business relationship, the regulated entities may establish the relative importance of the risk factors in each state and geographical area and may order risk weighting measures according to the Regulation of the Financial Supervisory Authority no. 13/2019 on the establishment of measures to prevent and control money laundering and counter the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority. The following issues may be relevant to identifying these risks:

a) verification of the level of the main crimes associated with money laundering and the effectiveness of the legal system of the state of origin of the funds used in the business relationship with the regulated entity, when the funds were generated abroad;

b) the analysis of suspicions that may arise based on the information held by the regulated entity regarding the purpose and nature of the business relationship when the funds are received from or transmitted to jurisdictions in which groups that commit criminal acts of terrorism are known to act;

c) paying special attention to the adequacy of the ML/TF prevention and control regime, to the supervision action on the ML/TF prevention and control line in case the client of the regulated entity is a credit institution or a financial institution;

d) determining the extent to which the state in which the client is registered and, where applicable, the beneficial owner effectively complies with international standards on fiscal transparency and information exchange, if the client of the regulated entity is a legal entity or trust.

February 9, 2023 – the section was amended by Regulation 18/2022

C. Some of the risk factors that regulated entities should consider when identifying the effectiveness of a jurisdiction's money laundering or counter-terrorist financing prevention and countervailing regime are the following:

a) the customers of the regulated entity, natural or legal persons, are resident or established in third countries that the European Commission has identified as presenting a high risk of ML/TF; In such situations, regulated entities always apply additional know-your-customer measures;

b) there is information from several credible and relevant sources on the quality of ML/TF prevention and control procedures in the jurisdiction, including information on the quality and effectiveness of the application of regulatory and supervisory rules, such as:

(i) the mutual evaluation reports of the International Financial Action Task Force (FATF) or other FATF similar regional entities (ORSG);

(ii) the FATF list of high-risk and non-cooperating jurisdictions;

(iii) International Monetary Fund (IMF) evaluations and reports under the Financial Sector Assessment Program (FSAP).

D. Risk factors that regulated entities should consider when identifying the level of terrorism financing risk associated with a jurisdiction include:

a) the existence of information, for example, from law enforcement agencies or from relevant and reliable open media sources, suggesting that a jurisdiction provides funding or support for terrorist activities or that groups that commit terrorist offenses are known to operate in that state or territory;

b) whether the jurisdiction is subject to financial sanctions, embargoes or measures which are related to terrorism, terrorism financing or proliferation and which are issued, for example, by the United Nations or the European Union.

E. Some of the risk factors that regulated entities must consider when identifying the level of transparency and tax compliance of a jurisdiction are the following:

a) the existence of information from several relevant and reliable sources showing whether the state has been considered to be in compliance with international standards on fiscal transparency and information exchange; the existence of evidence that specific rules are effectively put into practice;

b) the jurisdiction is committed to complying with and effectively implementing the Common Reporting Standard on Automatic Information Exchange, which was adopted at the G20 in 2014;

c) the jurisdiction has created relevant and accessible registers regarding the beneficial owners.

F. Risk factors that firms need to consider when regulating entities identify the risk associated with the level of major money laundering offenses include:

a) the existence of information from relevant and reliable sources¹⁾ regarding the level of crimes predicted for money laundering, for example, corruption, organized crime, tax crimes and serious fraud;

1) Examples include: corruption perceptions; OECD country reports on the implementation of the OECD Anti-bribery Convention; report of the United Nations Office on Drugs and Crime.

b) the existence of information from several relevant and reliable sources regarding the capacity of the investigation and judicial system of the jurisdiction to investigate and prosecute these crimes effectively.

G. Risk factors associated with products, services and transactions

Regulated entities identify the risk associated with products, services and transactions, pursuing, without limiting themselves to the associated risk:

a) assessment of the level of transparency or opacity allowed by the product, service or transaction in question:

(i) the extent to which the client or beneficial owner or beneficiary structures may remain anonymous or their identity may be concealed, for example, in the case of products or services such as bearer shares, fiduciary deposits, legal constructions or offshore entities and certain trust funds, as well as legal entities such as foundations that can be structured in such a way as to take advantage of anonymity and allow transactions with fictitious companies or companies with nominal shareholders;

(ii) the possibility for a third party who is not part of the business relationship to issue instructions, as in the case of correspondent banking relationships;

b) examining the complexity of the product, service or transaction:

the extent to which the transaction is considered complex and whether or not it involves, for the purpose of financing, several parties or several jurisdictions or the extent to which the transactions are direct, for example, the making of regular payments;

(ii) the extent to which the products or services provided allow third parties to make payments or accept overpayments when they are not normally expected; where payments are expected from third parties, the extent to which the identity of the third party is known, for example, whether the third party is an authority acting for the benefit of the State or a guarantor; the extent to which the products and services are financed exclusively by transfers of funds from the client's own account opened with another financial institution subject to standards for preventing and controlling ML/TF and supervision, comparable to those provided under Law no. 129/2019;

(iii) the extent to which the regulated entity understands the risks associated with its new or innovative product or service, in particular if it involves the use of new technologies or payment methods;

c) the value or size of the product, service or transaction:

the extent to which the products or services provided involve a high cash flow, as do many payment services, but also certain current accounts;

(ii) the extent to which the products or services provided facilitate or encourage high value transactions; verifying the existence of ceilings related to transaction values or premium levels, which may limit the use of the product or service for purposes related to money laundering and countering the financing of terrorism.

H. Risk factors associated with the distribution channel

1. When identifying the risk associated with the way the client obtains the products or services he requests, regulated entities shall examine the risk associated with the situation where the business relationship does not take place in the physical presence of the client, as well as the risk associated with representatives or intermediaries. respectively the nature of their relationship with the regulated entity.

(2) In the application of paragraph (1) the regulated entities take into account a series of factors, insofar as the provisions of Article 18 paragraph (6) and (7) of Law no. 129/2019 are observed and can be applied:

a) the physical presence of the client for identification purposes or, as the case may be, the recourse to a safe way for the application of the know-your-customer measures without the physical presence; establishing measures to prevent false identity, based on resemblance, or identity fraud;

b) the extent to which the regulated entity can rely on know-your-customer measures, performed according to European Economic Area standards by another entity, and the assessment of the regulated entity's exposure to excessive risk of ML/TF, if the client is presented by another entity that belongs to the same financial group or to a third party, financial or non-financial institution, that is not part of the same group as the regulated entity;

c) determining the measure and the manner in which the regulated entity may have access to sufficient information about the client and through which it can ensure the permanent management of risks, in case it uses intermediaries, independent or related agents (delegated agents); where a third party is established in a high-risk third country, which the European Commission has identified as having strategic deficiencies, the regulated entities do not rely on that intermediary;

d) the surveillance method for the observance of the obligations similar to those applied in the European Economic Area in terms of preventing and controlling ML/TF;

e) the extent to which the provisions of Article 18 paragraph (6) and (7) of Law no. 129/2019 are complied with and can be applied.

ANNEX No. 2

Aspects related to risk factors and examples of client awareness measures for life insurance companies and by the intermediaries that ensure the distribution of life insurance policies

Life insurance companies and intermediaries take into account the following risk factors and the following measures, in addition to those presented in chapter III of the Regulation of the Financial Supervisory Authority no. 13/2019 on the establishment of measures to prevent and control money laundering and counter the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority:

I. Risk factors

1. Risk factors associated with products, services and transactions

1.1. Factors that may contribute to increased risk:

a) flexibility of payments, for example, the product allows:

(i) making payments by unidentified third parties;

(ii) payment of policies of large or unlimited values, payment of policies in excess or in large volumes of low values;

(iii) making cash payments;

b) easy access to accumulated funds, for example, the product allows partial withdrawals or early withdrawal of the insurance policy at any time, with reduced commissions or fees;

c) the possibility of negotiation, for example, the product can be:

(i) traded on a secondary market;

(ii) used as collateral for a loan;

d) anonymity, for example, the product facilitates or allows the anonymity of the client.

1.2. Factors that may contribute to risk reduction relate to situations where the insurance product:

a) pays only in case of a predetermined event, for example, death, or at a certain date, as in the case of life insurance policies related to credits that are paid only at the death of the insured person;

- b) does not have a waiver value for the insurance policy;
- c) does not have an investment element;
- d) does not have a payment facility for third parties;
- e) requires that the total investment be limited to a low value;
- f) it is a life insurance policy in which the insurance premium has a reduced value;
- g) allows only regular and low value payment of premiums, for example, without overpayments;
- h) is accessible only through employers, for example, a pension, annuity or similar scheme that offers employees retirement benefits if contributions are made by deduction from wages, and the rules of the scheme do not allow the allocation of benefits to a member under the scheme;
- i) it cannot be redeemed in the short or medium term, as is the case of retirement schemes without an option to give up the insurance policy early;
- j) cannot be used as a tangible security;
- k) does not allow cash payments;
- l) provides conditions that must be met in order to benefit from the tax exemption.

2. Risk factors associated with the client and the beneficiary

2.1. Factors that may contribute to increased risk:

- a) the nature of the client, for example:
 - (i) legal persons whose structure renders the identification of the beneficial owner difficult;
 - (ii) the client or beneficial owner is a publicly exposed person;
 - (iii) the policyholder or the actual beneficiary of that policyholder is a publicly exposed person;
 - (iv) the age of the client is unusual for the type of product requested (for example, the client is very young or very old);
 - (v) the contract is not in accordance with the client's assets;
 - (vi) the client's profession or activities are considered to be likely to be linked to money laundering, for example, they are known to generate very large cash flows or are exposed to a high risk of corruption;
 - (vii) the contract is signed by a "controller", such as a trust company acting on behalf of the client;
 - (viii) the policyholder and / or the beneficiary of the contract is / are company/companies with nominal shareholders and / or bearer shares;
- b) client behavior:
 - (i) in connection with the contract:
 1. the client frequently transfers the contract to another insurer;
 2. the insurance policy is frequently and inexplicably waived, especially when the refunds are made in different bank accounts;

3. the client frequently or unexpectedly uses "free look" provisions 1 / withdrawal periods, in particular where the refund is made on behalf of a seemingly unaffiliated third party;

1 A "free look" provision is a contractual provision, often of a legally binding nature, which allows a policyholder or beneficiary of an annuity under a life insurance or annuity contract to examine a contract for a certain number of days and return it for full refund.

4. seeking early termination of a product, the client bears a high cost;

5. the client transfers the contract to a seemingly unaffiliated third party;

6. the client's request to change or increase the insured amount and / or the payment of the premium is unusual or excessive;

(ii) in relation to the beneficiary:

1. the insurer is informed of the change of the beneficiary only when the claim is submitted;

2. the client changes the clause regarding the beneficiary and nominates a seemingly unaffiliated third party;

3. the insurer, the client, the beneficiary or the beneficial owner of the beneficiary are in different jurisdictions.

(iii) in connection with payments:

1. the client uses unusual payment methods, such as cash or structured monetary instruments or other forms of payment vehicles that encourage anonymity;

2. making payments from various bank accounts without explanation;

3. making payments from banks that are not based in the client's country of residence;

4. the client frequently makes surplus or high value payments when they are not provided for;

5. receiving payments from unaffiliated third parties;

6. payment of contributions for recovery to a retirement plan near the date of retirement.

2.2. Factors that can contribute to reducing the risk in the case of life insurance held by a company include situations in which the client is:

a) credit or financial institution subject to ML/TF prevention and control requirements and ensures supervision for compliance with these ML/TF prevention and control requirements and equivalent to those provided by Law no. 129/2019 for preventing and controlling money laundering and countering the financing of terrorism, as well as for amending and supplementing some normative acts, with subsequent amendments (Law no. 129/2019), and ensures supervision for compliance with them;

b) a public limited company listed on the stock exchange and subject to the requirements of transparency and presentation of regulated information (either according to the rules on the stock exchange or according to the law), which require ensuring the proper transparency of the beneficial owners, or a branch of such a company, which is held by majority;

c) a public administration body or a public institution from a jurisdiction of the European Economic Area.

3. Risk factors associated with the distribution channel

3.1. Factors that may contribute to increased risk:

a) sales that are made without the physical presence of the client, such as online, postal or telephone sales, without appropriate safeguard measures, such as electronic signature or electronic identification documents in accordance with (EU) Regulation no. 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93 / EC, hereinafter referred to as (EU) Regulation no. 910/2014;

b) long chains of intermediaries;

c) an intermediary is used in unusual situations (for example, unexplained geographical distance).

3.2. Factors that can help reduce risk:

a) the insurer has ensured that the intermediary applies precautionary measures regarding the clientele in proportion to the risk associated with the relationship and in accordance with the provisions stipulated in Law no. 129/2019;

b) the product is only available to employees of certain companies who have entered into a contract with the insurer to provide life insurance to their employees, for example, under a benefits package.

4. Risk factors associated with the state or geographical area

4.1. Factors that may contribute to the increased risk of ML/TF:

a) the insurer, the client, the beneficiary or the beneficial owner of the beneficiary has its headquarters in or is related to the jurisdictions associated with a higher ML/TF risk; special attention is paid to jurisdictions where there is no effective surveillance to prevent and control ML/TF;

b) premiums are paid into accounts held with financial institutions having their headquarters in jurisdictions associated with a higher ML/TF risk; special attention is paid to jurisdictions where there is no effective surveillance to prevent and control ML/TF;

c) the intermediary has its registered office in or is related to jurisdictions associated with a higher risk of ML/TF; special attention is paid to jurisdictions where there is no effective surveillance to prevent and control ML/TF.

4.2. Factors that can help reduce risk:

a) states in which there are effective systems for preventing and controlling ML/TF are identified through credible sources, such as mutual evaluations or detailed evaluation reports;

b) credible sources identify states in which there is a low level of corruption and other criminal activities.

II. Know-your-customer measures

1. Standard know-your-customer measures

a) In the implementation of Article 13 paragraph (4) of Law no. 129/2019, as soon as the beneficiaries of the policies are identified or designated, the life insurance companies apply measures to identify them as follows:

(i) obtain the name of the beneficiary if either a natural person or a legal person or an agreement is identified as the beneficiary;

(ii) obtain sufficient information to ensure that the identities of policyholders can be established at the time of payment of the policies if the beneficiaries are a category of persons or are designated by certain characteristics; for example, if the beneficiaries are "my future grandchildren", the insurer can obtain information about the policyholder's children.

b) The insurance companies verify the identities of the beneficiaries at the latest at the time of payment of the policies.

c) If the insurance company knows that the life insurance has been assigned to a third party who will receive the value of the policy, it identifies the beneficial owner at the time of assignment.

2. Additional know-your-customer measures

a) In a high-risk situation, the following additional client precautions may be appropriate:

(i) if the client uses the "free look" provision / withdrawal period, the premium must be refunded to the client's bank account from which the funds were paid; life insurance companies must ensure that they have verified the client's identity in accordance with the provisions of Article 11 of Law no. 129/2019 before the return of funds, especially when the premium is of high value or in other situations, when the circumstances seem unusual. Regulated entities also consider whether the cancellation raises suspicions about the transaction and whether it would be appropriate to report suspicious activities.

(ii) additional measures to better understand the client, the beneficial owner, the beneficial owner of the policy, and third-party payers and beneficiaries, such as:

1. verification of the identity of other relevant parties, including payers and third party beneficiaries, before starting the business relationship;

2. obtaining additional information to establish the nature of the business relationship;

3. obtaining additional information about the client and periodically updating and whenever there have been changes in the identification data of the client and the beneficial owner;

4. if the payer is different from the client, establishing the reason for this difference;

5. verification of identities based on several secure and independent sources;

6. establishing the source of the client's assets and funds, for example, details of employment and remuneration, dividends, donations, inheritances or divorce decisions;

7. if possible, the identification of the beneficiary at the beginning of the business relationship, without waiting until his identification or designation, taking into account the fact that the beneficiary may change during the policy;

8. identification and verification of the identity of the beneficial owner of the beneficiary;

9. in accordance with Article 17 paragraph (9) - (12) of Law no. 129/2019, taking measures to establish whether the client is a publicly exposed person and taking reasonable measures to establish whether the beneficiary or the beneficial owner of the beneficiary is a person publicly exposed at the time of awarding the policy, in part or in full, or at the latest the time of payment of the policy;

10. requesting that the first payment be made to an account in the name of the client at a bank subject to standards regarding the know-your-customer measures that are not less firm than those provided in Law no. 129/2019 and those of the regulation.

b) In the case of a relationship with a publicly exposed person, the life insurance companies apply additional measures to know the clientele in accordance with the provisions of Article 17 paragraph (1) section c) and paragraph (9) of Law no. 129/2019.

c) If it is established that the beneficiary of a life insurance policy or other insurance component investment / insurance-based investments - and / or, as the case may be, the actual beneficiary of the policy is a publicly exposed person, this is considered a risk factor for ML/TF; If increased risks are identified in relation to it, regulated entities shall apply, in addition to standard know-your-customer measures, the following measures:

(i) inform the executive / senior management before paying the corresponding income to the policy;

(ii) carry out an increased examination of the entire business relationship with the insured.

d) in the case of identifying a higher risk, a more frequent and in-depth monitoring of transactions is necessary (including, if necessary, establishing the source of funds).

ANNEX No. 3

Risk Factors and Examples of Client Precautionary Measures for Financial Investment Services Companies (FISCs)

Financial investment services companies, hereinafter referred to as FISCs, manage the investment portfolios of different categories of private or institutional customers. The risk of ML/TF associated with the management of investors' assets in order to meet the specific investment objectives is determined mainly by the risk associated with the type of customers with whom discretionary investment management contracts are concluded or in case of offering investment advice.

The following risk factors and the following measures, in addition to those established in the Regulation of the Financial Supervisory Authority no. 13/2019 on the establishment of measures to prevent and control money laundering and to counter the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority, may be relevant:

1. Risk factors

1. Risk factors associated with products, services and transactions

Factors that may contribute to increased risk:

a) the transactions are unusually large;

b) there is the possibility of payments to third parties;

c) the product or service in question is used for subscriptions which are quickly followed by redemption possibilities, with limited intervention by the person within the FISC who ensures the management of the investment portfolio.

2. Risk factors associated with the client

2.1. Factors that may contribute to increased risk:

a) client behavior:

(i) there is no obvious economic purpose in the justification for the investment;

(ii) the client requests to redeem or repurchase a long-term investment shortly after the initial investment or before the date of payment of the policy without a clear justification, in particular if it results in financial loss or payment of high trading fees;

(iii) the client requests the repeated purchase and sale of the shares in a short period of time without an obvious strategy or economic justification;

(iv) unavailability to provide information related to know-your-customer measures regarding the client and the beneficial owner;

(v) frequent exchange of information related to know-your-customer measures or payment details;

(vi) the client transfers funds in addition to those provided for investments and requests repayment of excess amounts;

(vii) the circumstances in which the client avails himself of the withdrawal period give rise to suspicions;

(viii) the use of multiple accounts without prior notice, especially when these accounts are held in more than one jurisdiction or in jurisdictions with a high risk of money laundering and financing of terrorism, further ML/TF;

(ix) the client wishes to structure the relationship in such a way as to use multiple parties, for example companies designated in different jurisdictions, in particular where those jurisdictions are associated with a higher risk of ML/TF;

b) nature of the client:

(i) the client is a company or trust fund established in a jurisdiction associated with a higher risk of ML/TF (FISC pays particular attention to those jurisdictions that do not effectively meet international standards of fiscal transparency);

(ii) the client is an investment vehicle that shows little or no caution towards its customers;

(iii) the client is a third-party investment vehicle, not regulated on the financial markets;

(iv) the client's ownership and control structure is opaque;

(v) the client or beneficial owner is a publicly exposed person or holds another important position that may allow him or her to abuse his or her position for personal gain;

(vi) the client is a designated unregulated company with unknown shareholders;

c) the client's activity (for example, related to the client's funds) comes from the activity carried out in sectors associated with a high risk of financial crimes.

2.2. Factors that can help reduce risk:

a) the client is an investment investor whose status has been verified by a government agency in the European Economic Area, for example, a government-approved pension scheme;

b) the client is a governmental body from a jurisdiction of the European Economic Area;

c) the client is a financial institution established in a jurisdiction of the European Economic Area.

3. Risk factors associated with the state or geographical area

3.1. Factors that may contribute to increased risk:

a) the investor or his custodian has his domicile or headquarters in a jurisdiction associated with a higher risk of ML/TF;

b) the funds come from a jurisdiction associated with a higher risk of ML/TF.

II. Know-your-customer measures

1. The FISC that manages investment portfolios must be well acquainted with its customers and understand their income-generating activity used in transactions to help them identify appropriate investment portfolios. The information collected will be similar to that obtained for the purpose of preventing and controlling ML/TF.

2. The FISC applies the simplified measures for knowing the customers in low-risk situations or, as the case may be, the additional measures for knowing the customers, provided in the Regulation of the Financial Supervisory Authority no. 13/2019 on the establishment of measures to prevent and control money laundering and countering the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority. In high-risk situations, the FISC ensures that:

a) identifies and, if necessary, verifies the identity of the investors related to the FISC client, in case the client is an unregulated third-party investment vehicle;

b) understands the reason behind any payment or transfer to or from an unverified third party.

ANNEX No. 4

Issues related to risk factors and client precautionary measures for collective investment undertakings¹

¹ Regulated entities involved in the administration of collective investment undertakings and in the distribution of equity securities - collective investment undertakings in investment securities, investment management companies, alternative investment funds, administrators of alternative investment funds, deposits of assets of collective investment undertakings in securities and alternative investment funds and regulated entities that ensure the distribution of equity securities; any reference to the fund / fund manager refers to all categories of collective investment undertakings and the companies that manage them.

The type and number of parties involved in the distribution of participation funds related to investment funds depend on the nature of the fund and may affect the level of knowledge of the client and of its investors by the fund / its manager. The Fund / Fund Manager undertakes responsibility for preventing and controlling money laundering and countering the financing of terrorism, further ML/TF, although some aspects of the fund's know-your-customer obligations may be met by one or several of the entities involved in the distribution of participation titles, subject to certain conditions.

Investment funds may be used by persons or entities for the purpose of ML/TF, the following considerations being relevant:

a) the participation titles related to the funds for the retail customers are often distributed without the physical presence of the client; access to such funds is often provided easily and relatively quickly, and holdings in such funds may be transferred between different parties;

b) alternative investment funds, such as hedging funds, real estate funds and investment funds in unlisted companies, tend to have a smaller number of investors, these can be individuals and institutional investors (pension funds, investment funds); funds that are intended for a limited number of high net income individuals or family businesses may inherently have a higher risk of abuse for the purpose of ML/TF than funds for retail customers or in other situations where investors are more likely to be able to exercise control over the fund's assets;

c) regardless of the nature of the investment, often in the medium or long term, which may contribute to limiting the attractiveness of these money laundering products, they may still be attractive to those involved in money laundering due to their ability to generate growth and income.

I. Risk factors

1. Risk factors associated with products, services and transactions

1.1. The following factors may contribute to the increase in the risk associated with the fund:

a) the fund is intended for a limited number of individuals or family businesses, for example, a private fund or a single investor fund;

b) it is possible to subscribe to the fund and then to redeem the investment quickly without the investor incurring significant administrative costs;

c) the participation titles of the fund may be traded without the fund or the fund administrator being notified at the time of the transaction and, as a result, the investor information is shared between several subjects (similar to the case when closed-end funds are traded on secondary markets).

1.2. The following factors may contribute to the increase in the risk associated with the underwriting:

a) the underwriting involves accounts or third parties from several jurisdictions, especially if they are associated with a risk of money laundering or high terrorist financing, as provided in the Regulation of the Financial Supervisory Authority no. 13/2019 on the establishment of measures to prevent and control money laundering and countering the financing of terrorism through the financial sectors supervised by the Financial Supervisory Authority;

b) the underwriting involves third party subscribers or beneficiaries, especially if this is unexpected.

1.3. The following factors may help reduce the risk associated with the fund:

a) it is not allowed to make payments by third parties;

b) the fund is open only to small investors, with capped investments.

2. Risk factors associated with the client

2.1. The following factors related to the client's unusual behavior may contribute to the increased risk:

a) the justification of the investment does not present any obvious strategy or economic purpose or the client makes investments that are not in accordance with the general financial situation of the client, if this is known by the fund or the fund manager;

b) the client requests a new redemption of fund units in a short period of time from the last purchase of fund units, especially if it leads to financial losses or the payment of large redemption fees;

c) the client requests the repeated purchase and sale of the fund units in a short period of time without an obvious strategy or an economic justification;

d) the client transfers financial funds in addition to those provided for investments and requests the repayment of surplus amounts;

e) the client uses multiple accounts without prior notice, in particular if these accounts are held in more than one jurisdiction or in jurisdictions associated with a high risk of money laundering or terrorist financing;

f) the client wishes to structure the relationship in such a way as to use multiple parties, in different jurisdictions, especially if these jurisdictions are associated with a higher risk of money laundering or terrorist financing;

g) the client suddenly changes his settlement location without a justification, for example, changing the country of residence;

h) the client and the beneficial owner are located in different jurisdictions and at least one of these jurisdictions is associated with a high risk of ML/TF;

i) the funds of the beneficial owner have been generated in a jurisdiction associated with a high risk of ML/TF, especially if the jurisdiction is associated with high levels of crime predicated for the crime of money laundering or terrorist financing.

2.2. The following factors may help reduce the risk:

a) the client is an institutional investor whose status has been verified by a government agency in the European Economic Area, for example, a government-approved pension scheme;

b) the client is a company from a state in the European Economic Area or from a third state in which there are requirements for preventing and controlling ML/TF no less firm than those provided in Law no. 129/2019 for preventing and controlling money laundering and countering the financing of terrorism, as well as for amending and supplementing some normative acts, with subsequent amendments (Law no. 129/2019).

3. Risk factors associated with the distribution channel

3.1. The following factors may contribute to an increased risk:

a) unclear or complex distribution channels that limit the ability of the fund / fund manager to oversee its business relationships and restrict its ability to monitor transactions, for example, the fund uses a large number of subdistributors for distribution in third countries;

b) the distributor is in a jurisdiction associated with a higher risk of money laundering or terrorist financing, as defined in the general part of the Risk Factors Guide JC 2017/37.

3.2. The following factors may indicate a low risk:

a) the fund admits only one type designated by the low-risk investor, such as regulated companies that invest as parent entities (for example, life insurance companies) or retirement schemes for companies;

b) participation titles related to the fund can be bought and repurchased only through a company, for example, a financial intermediary, from a state in the European Economic Area or from a third country where there are requirements to prevent and control ML FT no less firm than those provided in Law no. 129/2019.

4. Risk factors associated with the state or geographical area

4.1. The following factors may contribute to the increased risk:

a) the amounts of investors were generated in jurisdictions associated with a high risk of ML/TF, especially in those associated with higher levels of major money laundering offenses;

b) the fund / fund manager invests in sectors with a high risk of corruption (e.g., extractive industries or arms trade) in jurisdictions identified by credible sources as having significant levels of corruption or other major money laundering or financing crimes terrorism, especially if the fund is a single-investor fund or a limited number of investors.

II. Know-your-customer measures

1. General information about customers

a) The measures that funds or fund managers must take to meet their know-your-customer obligations depend on how the client or investor (if the investor is not a client) reaches the fund; the fund or fund manager must take risk-based measures to identify and verify the identity of legal entities, if any, that ultimately own or control the client (or on whose behalf the transaction takes place), for example, by asking the prospective investor to declare, when registering for the first time in the fund, whether it is investing in its own name or whether it is an intermediary investing in the name of another person.

b) When purchasing participation titles of a fund, the client can be:

(i) a natural or legal person who directly buys shares in a fund on its own account, and not on behalf of other support investors;

(ii) a legal person which, in the course of its economic activity, directly buys shares in its own name and exercises control over the investment in the final benefit of a third party or several third parties that do not control the investment or investment decisions;

(iii) a legal person, for example, a financial intermediary, which acts in its own name and is the registered owner of the participation titles, but acts on the basis and according to certain orders from a third party or several third parties (for example, because the financial intermediary is a designated person, a broker, who holds a joint account for several customers);

(iv) a client of the legal person, for example, a client of a financial intermediary, if the legal person is not the registered owner of the units; for example, when the investment fund uses a financial intermediary to distribute the fund's equity securities, the investor buys these equity securities through the intermediary legal entity and in this situation the intermediary legal entity does not become the legal owner of those equity securities.

2. Simplified and additional measures to know the clientele in the situations described in point 1 section b) subsection (i) and (ii)

2.1. Additional know-your-customer measures that a fund or fund manager should apply in high-risk situations may be:

a) obtaining additional information about the client, such as the client's reputation and history, before establishing the business relationship;

b) taking additional measures to verify more carefully the documents, data or information obtained;

c) obtaining information about the source of funds and / or the source of the client's and the client's beneficial owner's wealth;

d) requesting that the redemption payment be made in an initial account used for investments or in an account in the unique or common name of the client;

e) increasing the frequency and intensity of transaction monitoring;

f) requesting that the first payment be made to a payment account held in a single or common name by the client in a regulated credit or financial institution in the European Economic Area or in a regulated credit or financial institution in a third state in which there are requirements for preventing and controlling ML/TF no less firm than those provided in Law no. 129/2019;

g) obtaining approval from senior management at the time of the transaction when a client uses a product or service for the first time;

h) application of increased monitoring actions for the relationship with customers and in the case of individual transactions.

2.2. Among the simplified client awareness measures that a fund or fund manager may apply in lower risk situations is the verification of the source of financial funds, provided that they are verifiably transferred to or from a payment account held in the sole or common name of the client at a regulated credit or financial institution in the European Economic Area.

3. The simplified and additional measures for knowing the clientele in the situations described in point 1 section b) subsection (iii)

If the financial intermediary is the client of the fund or of the fund manager, the fund or fund manager must apply client awareness measures according to the risks related to the financial intermediary. The fund or fund manager must take risk-based measures to identify and verify the identity of the support investors of the financial intermediary, as these investors are beneficial owners of the funds invested through the intermediary.

3.1. Additional know-your-customer measures, where the risk is increased, in particular if the fund is designated for a limited number of investors, may include those provided for in section 2.1.

3.2. The simplified, low-risk measures that funds or fund managers may apply include:

- a) identification and verification of the client's identity, including the beneficial owners of the client;
- b) analysis of the purpose and the foreseen nature of the business relationship;
- c) carrying out an action of permanent monitoring of the business relationship.

3.2.1. The simplified measures provided for in paragraph 3.2 shall apply only subject to the following conditions:

a) the financial intermediary is subject to the obligations of preventing and controlling ML/TF in a jurisdiction of the European Economic Area or in a third state where there are requirements for preventing and controlling ML/TF no less firm than those provided in Law no. 129/2019;

b) the financial intermediary is effectively supervised to comply with these requirements;

c) the fund or fund manager has taken risk-based measures to ensure that:

(i) the risk of ML/TF associated with the business relationship is reduced, inter alia, based on the assessment by the fund or fund manager of the financial intermediary's activity, the types of customers that the intermediary's activity serves and the jurisdictions to which the activity of the intermediary is exposed;

(ii) the intermediary applies firm precautionary measures regarding customers also based on risks with respect to its customers and the actual beneficiaries of its customers; In this action, the fund or fund manager must take risk-based measures to assess the adequacy of the intermediary's client precautionary policies and procedures, for example, by consulting public information on the intermediary's record of compliance or taking direct contact with the intermediary;

(iii) the intermediary will provide information and documents with regard to the precautions related to customers about support investors immediately upon request, for example, by including relevant provisions in a contract with the intermediary or testing on samples the intermediary's ability to provide client precautionary information on demand.

4. The simplified and additional measures for knowing the clientele in the situations described in paragraph 1 section b) subsection (iv)

The fund or fund manager must apply know-your-customer measures based on the risks regarding the final investor who is the fund's client or fund manager's client. In order to fulfill its obligations to know the clientele, the fund or the fund manager may call on the intermediary in accordance with and subject to the observance of the provisions of Article 18 of Law no. 129/2019.

4.1. Additional know-your-customer measures, where the risk is increased, in particular if the fund is designated for a limited number of investors, may include those provided for in paragraph 2.1.

4.2. The simplified measures, in low-risk situations, may consist in the fact that the fund or the fund manager obtains identification data from the fund's share register, as well as the information provided in Article 18 paragraph (6) of Law no. 129/2019 [article 27 paragraph (1) of Directive (EU) 2015/849], which the fund or fund manager must obtain from the intermediary within a reasonable time; the fund or fund manager must set that deadline in accordance with the risk-based approach.

4.2.1. The simplified client awareness measures provided for in paragraph 4.2 shall apply only subject to compliance with the conditions set out in point 3.2.1.

ANNEX No. 5

January 13, 2021 - ANNEX Nr. 5 was introduced by Regulation 29/2020.

ML/TF CONFORMITY OFFICER NOTIFICATION

Item	Subject / Question	Answer		Explanation												
		YES	NO													
1.	Regulated entity			<table border="1"> <tr> <td>Designation</td> <td>Headquarters</td> <td>Type of entity</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	Designation	Headquarters	Type of entity									
Designation	Headquarters	Type of entity														
2.	Identity of the candidate (Foreign nationals also specify the date on which they have			<table border="1"> <tr> <td>First and last name</td> <td></td> </tr> <tr> <td>Name on the birth certificate (if different)</td> <td></td> </tr> <tr> <td>PIN (persona identity number)</td> <td></td> </tr> <tr> <td>Series and number of the identity document, issuer and date of issue</td> <td></td> </tr> <tr> <td>Date and place of birth</td> <td></td> </tr> <tr> <td>Citizenship / Nationality</td> <td></td> </tr> </table>	First and last name		Name on the birth certificate (if different)		PIN (persona identity number)		Series and number of the identity document, issuer and date of issue		Date and place of birth		Citizenship / Nationality	
First and last name																
Name on the birth certificate (if different)																
PIN (persona identity number)																
Series and number of the identity document, issuer and date of issue																
Date and place of birth																
Citizenship / Nationality																

	established or are to establish their domicile or residence in Romania.)			Domicile and / or residence					
				Contact details: telephone and e-mail					
3.	Position held			Description of attributions and responsibilities					
				Start date and term of office					
4.	Function of ML/TF compliance officer			Description of attributions and responsibilities					
				Start date of the activity					
				The person who replaces him / her					
5.	Access to information for the ML/TF compliance officer			Type of access		Information access method			
				direct	indirect	letric support	electronic support		other type of access
				necessary documents or profile information	see note *	access to original documents	access to IT applications of AML/CTF profile		(specify according to the case)
						YES	NO	YES	NO

6.	ML/TF professional training			
7.	Relevant experience			
8.	The result of the internal evaluation			
9.	Conflicts with regulatory and supervisory authorities in the financial-banking and fiscal field in Romania or in other states: ongoing litigation or investigations; refusal of approval / registration; sanctions for minor offenses applied by these authorities or other measures ordered			<p>Explanations:</p> <p>In case of sanctions / measures ordered by the authorities, mention the date of application / type of sanction / contravention committed / measure ordered and, as the case may be, the duration of rehabilitation provided in the national legislation:</p>

10.	Sanctions following enquiries, investigations or professional, disciplinary, administrative, judicial proceedings in Romania or in another state (Information is also provided if rehabilitation has been carried out.) Exclusion by a regulatory authority, a governmental body or by a professional body or association	The entity that ordered the sanction	Subject of the sanction	Sanction	Date of sanction application
11.	Recorded incidents likely to damage reputation and integrity, including information on criminal cases, investigations and proceedings, ongoing civil and administrative cases or, as the case may be, their non-existence	Explanations: mentions of the incriminated facts in the case of ongoing proceedings / detailed information on civil, administrative or criminal proceedings pending before the courts:			
12.	Details of disciplinary sanctions in a position or function of administrator, fiduciary relationship or similar relationship - dismissal or termination / revocation of mandate	The entity that ordered the sanction	Subject of the sanction	Sanction	Date of sanction application
13.	Any financial and non-financial interests that could create possible conflicts of interest				
14.	Information on the minimum time that will be devoted to the performance of the function of compliance officer				
15.	Any other information relevant for evaluation				

* Punctually detail the flow of obtaining information regarding the relationship with customers or financial operations, including the persons / employees who mediate the obtaining of such information, specifying their quality within the entity.

Declaration signed by the legal representative of the company, according to which:

I, the undersigned,, acting as legal representative of, hereby mention that the assessment of the notified person was carried out following the observance of the legal provisions and internal policies regarding the requirements of professional competence and moral probity, according to which the notified

person was deemed suitable to exercise the assigned duties, and declare that the information provided in the notification is correct and complete.

Date
.....

Signature
.....

Declaration signed by the person proposed for the position of ML/TF compliance officer, stating that:

I, the undersigned¹,, being aware of the provisions of Article 326 of the Criminal Code regarding false statements, hereby declare on my own responsibility the following:

1 Fill in the name and surname as they appear in the identity document.

- a) all the information provided is correct, complete and in accordance with reality;
- b) there are no other facts on which the Financial Supervisory Authority (ASF) and the regulated entity should be informed.

At the same time, I mention that I agree with the processing of personal data² for the purpose of exercising the attributions of ASF and of the regulated entity and I undertake to communicate to ASF and to the regulated entity all the changes regarding the information provided.

2 (EU) Regulation 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC.

Signature
.....

Date
.....

NOTE:

ASF and the regulated entity shall maintain the confidentiality of the information contained in the responses to this statement, except as provided by law.

ANNEX no. 6

«abrogated»

January 13, 2021 - ANNEX no. 6 was introduced by Regulation 29/2020.

February 9, 2023 – ANNEX no. 6 was abrogated by Regulation 18/2022.

NOTIFICATION OF THE ML/TF DESIGNATED PERSON

I, the undersigned,, acting as legal representative of., hereby notify

the appointment of Mrs/Mr.

the replacement of the ML/TF designated person1, of Mrs. / Mr., having regard to the termination of office as from., with Mrs. / Mr., PIN., nationality., citizenship., telephone number2. and email address., also occupying the position of.3, as of.

1 The name of the person who is replaced and the date of termination of the position, the decision of termination shall be mentioned.

2 Contact details of the ML/TF designated person.

3 The function it cumulates.

The attributions and responsibilities of the ML/TF designated persons are. according to.4 and to the job description.

4 Act of appointment (decision, resolution).

The ML/TF designated person has:

- direct access to necessary profile documents or information YES / NO;
- direct access to original documents YES / NO;
- direct access to IT applications of AML/CTF profile YES / NO;
- other type of access (Indicate which type of access) YES / NO.

I hereby mention that the assessment of the notified person was carried out in compliance with the legal provisions and internal policies regarding the requirements of professional competence and moral probity, according to which the notified person was deemed suitable to perform the assigned tasks, and declare that the information provided in the notification is correct and complete.

Signature
.....

Date
.....

NOTE:

The Financial Supervisory Authority and the regulated entity shall keep the information contained in the responses to this statement confidential, except as provided by law.

February 9, 2023 - ANNEX no. 7 was introduced by Regulation 18/2022.

Annual activity report of the compliance officer

In accordance with Article 9 paragraph (3), the annual activity report of the compliance officer shall include at least the following:

I. Issues related to ML/TF risk assessment:

(a) a summary of the findings of the ML/TF risk assessment and the plan of measures to manage and mitigate the identified risks;

(b) the way in which the customer's risk profile is assessed and a description of the changes to the approach used to assess the customer's risk profile, highlighting that the assessment is tailored to the assessment of ML/TF risk at the level of the regulated entity's business;

(c) the classification of customers by risk category, including the number of customers in each category, and the categories for which customer awareness measures have been improved;

d) information and statistical data on:

(i) the number of unusual transactions detected as a result of the entity's monitoring;

(ii) the number of unusual transactions analysed;

(iii) the number of suspicious transactions reported to the Office;

(iv) the number of customers with whom the regulated entity has terminated the business relationship due to suspicions of ML/TF acts or facts;

(v) the number of requests received from the Office, prosecution authorities and courts;

II. resource issues:

(a) a brief description of the organisational structure of the AML/CTF and, where appropriate, any significant changes made in the last year and the rationale for the change;

b) a brief description of the human and technical resources allocated to the AML/CTF compliance function;

(c) a list of the AML/CTF processes outsourced and a description of the regulated entity's control over those activities, where applicable;

III. issues relating to internal policies and rules, internal control mechanisms and ML/TF risk management procedures:

a) AML/CTF measures and procedures adopted during the year, including a brief description of recommendations, problems, deficiencies and irregularities identified;

b) compliance monitoring actions taken to assess the application of internal policies and rules, internal control mechanisms and ML/TF risk management procedures by employees, agents, distributors and service providers, and the adequacy of any monitoring tools employed by the regulated entity for AML/CTF purposes;

c) activities relating to training, education and continuing vocational training completed and the training plan for the following year;

d) the compliance officer's business plan for the following year;

e) the AML/CTF assessments performed by the independent audit function and the actions taken by the regulated entity;

f) ASF's communications with the regulated entity, the reports submitted to ASF, the breaches identified and the sanctions imposed by ASF, the manner in which the regulated entity undertakes to remedy the deficiencies identified by ASF and the status of the remedial action, without prejudice to any other report that may be requested by ASF or the remedial action.