

# ANTI MONEY LAUNDERING POLICY AND PROCEDURES



## Contents

1. DEFINITIONS.....	3
2. APPLICATION.....	3
3. PURPOSE .....	3
4. MONEY LAUNDERING REPORTING OFFICER (MLRO).....	4
5. MISSION .....	4
6. SERVICES PROVIDED .....	4
7. DONOR/PROJECT MANAGEMENT.....	6
8. RISK FACTORS & SUSPICIOUS ACTIVITY .....	7
8.1 RISK MITIGATION .....	7
8.2 VERIFICATION.....	8
8.3 REFUNDS .....	8
8.4 REGULAR ACTION (MONITORING AND DETECTION OF SIGNALS) .....	8
8.5 CURATIVE ACTION (PROVEN INCIDENT TREATMENT) .....	9
8.6 INVESTIGATIVE ACTION .....	9
9 RETENTION OF CDD DOCUMENTATION .....	10
10 OBLIGATIONS OF ALL EMPLOYEES, CONSULTANTS, SECONDED AND INTERNS .....	10
11 INFORMATION OF THE CORRESPONDENT LCB-FT .....	11
12 PROCEDURES FOR MONITORING COMPLIANCE WITH THIS POLICY.....	11

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## 1. DEFINITIONS

### **What is money laundering?**

Money laundering is the process of attempting to conceal the true origin and ownership of the proceeds of criminal activities in an effort to legitimate such funds. It is accomplished in three stages:

1. Placement – the physical disposal of cash proceeds derived from criminal activity through among others, converting them into financial instruments or bank deposits in a manner that will not raise suspicions;
2. Layering – separating the illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity; and
3. Integration – the provision of apparent legitimacy to wealth derived from crime. If the layering process succeeds, integration schemes place the laundered proceeds back into the economy in such a way that they re-enter the financial system appearing as normal business funds.

## 2. APPLICATION

This Policy is applied to all activities, services, products, workplaces of Enfluent Ltd (“ENFLUENTIAL”).

This Policy sets out, among other things, the systems and processes put in place by ENFLUENTIAL to manage and effectively mitigate the risks of money laundering and terrorist financing and how ENFLUENTIAL staff should formally raise concerns, in writing to the CEO and MLRO, if they suspect money laundering or inadvertently become involved in it in some way in the course of their ENFLUENTIAL activities. Staff have a positive obligation to act should they suspect or become involved in money laundering – doing nothing is not an option and leaves staff open to criminal liability if they do not report money laundering where they suspect, or should have reasonable grounds to suspect, that it is taking place.

In accordance with the Law, ENFLUENTIAL has set out policies and procedures for preventing money laundering activities that aim to adhere to the principles of KYC, monitoring the client’s activity and keeping appropriate records.

## 3. PURPOSE

The purpose of this Policy is to strengthen and support ENFLUENTIAL to enable it to realise its full potential in facilitating paying tribute and fund raising in memoriam. Through this Policy ENFLUENTIAL seeks to address the challenges of a changing global financial environment and meet its obligation to promote the transparency and integrity and to recognise that public confidence in ENFLUENTIAL’S management is paramount.

### **Main Objectives**

- Combating and preventing money laundering and terrorist financing and taking all the necessary preventive measures.

- Preventing the misuse of ENFLUENTIAL by anyone or anybody in illegitimate operations.
- Determining the legal and administrative responsibilities of ENFLUENTIAL and of all its employees related to anti-money laundering.
- Reporting the suspicious operations which include the probable activities of the operations of money laundering and terrorist financing to the competent authorities.
- Training all employees on the rules and internal procedures which have to be observed, the risks that they and ENFLUENTIAL face and how they can encounter the risks of money laundering and terrorist financing through their operations from their position.

The Policy aims to establish best practices in an Anti-Money Laundering (AML) Policy. The policy sets out ENFLUENTIAL'S basic goal and purpose so as to permit examination of funds disbursements accordingly and maintain information on the purpose and objectives of ENFLUENTIAL'S activities.

#### 4. MONEY LAUNDERING REPORTING OFFICER (MLRO)

ENFLUENTIAL has appointed an MLRO to receive disclosures about money laundering activity and be responsible for anti-money laundering activity within ENFLUENTIAL. The MLRO is Daphne Demetriades.

The MLRO will ensure that appropriate training and awareness is provided to new and existing staff and that this is reviewed and updated as required. The MLRO will also ensure that appropriate anti-money laundering systems and processes are incorporated by ENFLUENTIAL.

#### 5. MISSION

For ENFLUENTIAL to be a company recognized in intelligent solutions for life events (e.g. in memoriam) and develop and market products and services, promoting trust and respect and quality for its customers, society, and the environment.

To become a most trusted and feature rich online funeral and memorial listings platform.

We also aim to meet stakeholders' expectations and contribute toward the well-being of our global interconnected society. This requires transparent, efficient, profitable, and competitive company operations. Good economic performance establishes a platform for the other aspects of sustainability – environmental and social responsibility.

#### 6. SERVICES PROVIDED

The Website integrates purchase capabilities to enable funeral directors and individual users to create and post funerals and/ or memorials online.

## **POSTING FUNERAL / MEMORIAL ANNOUNCEMENTS**

The Website provides paid services for posting a funeral / memorial of a deceased person. To access this service, potential customers are required to register on the Website.

- **REGISTRATION:** To create an account, users must complete their details in the relevant online form and accept the Terms of Use of the Website. The requirements are:
  - Name
  - Last Name
  - Email
  - Password
  - Confirm email address
  
- **PRICE:** There are three different types of posts available. The Mini post is offered free of charge. Standard and VIP posts are charged at a fee.

The Website also integrates direct online payment capabilities to enable friends and relatives to pay tribute, by making donations to registered charities or other social organisations with accompanied condolences to the bereaved family.

## **SERVICE "DONATIONS"**

The Website provides integrated payment services through MANGOPAY for donations in memoriam of a deceased person (funeral and/or memorial service). Together with the donation, a registered user can send a condolence e-mail message to the family of the deceased. A condolence message cannot be sent without making a donation.

- **REGISTRATION:** Users are required to register to the Website to make donations and accept of the Terms of Use of the Website.
- **DONATION BENEFICIARIES:** Donation Beneficiaries (e.g. charities) must become members of the Website to receive donations. The family of the deceased may specify up to 4 different donation recipients in the section Family Preferences.
- **SERVICE FEE:** This service is free. ENFLUENTIAL does not charge any commission for donation transactions. There is no service fee to use services other than debit/credit card processing fees.
- **DONATIONS:** Donations received through the Service "Make Donation" of the Website's electronic payment order are binding.
- **CONFIRMATION OF DONATION:** A payment receipt with all details of the donation will be sent to donator by e-mail (the email address entered during the order confirmation process) as soon as the payment transaction has been effected successfully. At the same time, we will also send a notification of the donation to the beneficiary (eg charity) and to the family of the deceased (the email address selected and/or entered during the send condolence message process).
- **DONATION RECIPIENTS:** Beneficiaries are notified in real-time of each donation made together with all necessary details as soon as the payment transaction has been effected successfully by the donator.
- Once a payment donation is successful, the system automatically generates a payment receipt with a unique reference number.

## **SERVICE "CONDOLENCE BOOK" and SERVICE "LIGHT CANDLE"**

These services are offered free of charge.

### **SERVICE "CONDOLENCE BOOK"**

The Website allows users to post public messages in memory of the deceased (or funeral / memorial and) only with Registration.

- REGISTRATION: In order to post a public message displayed in the "Condolence Book" users are required to become a registered member on the Website. The requirements are:
  - Full name
  - Email
  - Password
  - Confirm email address

### **SERVICE "LIGHT CANDLE"**

The Website allows users to light a candle in memory of the deceased (or funeral / memorial and) only with Registration.

- REGISTRATION: In order to Light a Candle users are required to become a registered member on the Website. The requirements are:
  - Full name
  - Email
  - Password
  - Confirm email address

## **GENERAL CONDITIONS APPLICABLE TO ALL SERVICES / PRODUCTS PROVIDED**

### **PAYMENTS**

#### **MANGOPAY SERVICES**

The Website provides integrated payment services through MANGOPAY payment gateway. The 'Framework Agreement for Payment Services' of payment provider MANGOPAY is an integral part of our Terms and Conditions and accessible via: [www.obituaries.cy/mangopay-terms-EN](http://www.obituaries.cy/mangopay-terms-EN).

For donation beneficiaries that receive payments via Enfluent, additional Terms and Conditions may be applicable. These additional terms will be included in the Membership Agreement (contract) between Enfluent and the donation beneficiaries and have to be agreed to along with the Terms of Use.

For all third party sellers that receive payments via ENFLUENTIAL, additional Terms and Conditions may be applicable. These additional terms will be included in the Agreement (contract) between ENFLUENTIAL and the third-party seller and have to be agreed to along with the Terms of Use.

## **7. DONOR/PROJECT MANAGEMENT**

To avoid being an unknowing accomplice to money launders, ENFLUENTIAL operates the following guidelines in determining whether to accept donations for a funeral/donation:

- Accept only those Customers whose identity can be established and verified and whose source of funds can be reasonably established to be legitimate.
- Not establish a business relationship, open accounts or maintain accounts for anonymous persons or those with fictitious names including anonymous accounts.
- Make every possible effort to know the identity of the customer and the real beneficiary (Beneficiary Owner) of the account (i.e. the full name, the place and date of birth and verifying the identity by using valid, official and accredited documents "identification data" issued by the official bodies), in addition to the data and information available from trusted independent sources.
- Apply a risk-based approach, and enhanced Customer Due Diligence where required.
- Monitor and identify suspicious transactions and activities, and ensure that reportable ones get reported.
- Provide periodic and appropriate AML / TF training and information to all employees to increase their awareness using various methods.

## 8. RISK FACTORS & SUSPICIOUS ACTIVITY

ENFLUENTIAL has identified the following risks:

Fictitious donations:

- a) Someone setting up a fictitious funeral/memorial announcement where money donated goes to members of a fictitious 'bereaved family'.
- b) Someone setting up a fictitious funeral/memorial announcement where donated money goes to a fictitious charity.
- c) Suppliers/customers may be set up to provide such money laundering facilities (e.g. someone setting up a fictitious funeral home with fictitious funeral/memorial announcements where donations go to fictitious beneficiaries).

### 8.1 RISK MITIGATION

ENFLUENTIAL is instituting the following procedures to mitigate these risks:

#### 8.1.1 Purchasing funeral/memorial announcements

##### **Businesses**

The purchase of a funeral/ memorial announcement can be performed by a Funeral Home (acting as third-party reseller) and which receives commission from ENFLUENTIAL. The Funeral Home must already be a member of the website and will have undergone a KYC beforehand.

*The Funeral Homes industry is a regulated industry and only licensed funeral homes will be able to onboard therefore reducing the risk of onboarding fictitious funeral homes during the KYC process.*

##### **Individuals**

The purchase of a funeral/ memorial announcement can also be performed by a member of the bereaved family. In this instance, the funeral/ memorial announcement will be publicly displayed on the website. However, the Make Donation button will only be activated once the customer provides

official proof of death (i.e. death certificate) to ENFLUENTIAL via telephone or email. Once this is verified, ENFLUENTIAL will activate the Make Donation Button.

Furthermore, during the payment process of MANGOPAY, the following additional information is required for all payment transactions of the Website:

- Nationality
- Country of residence
- Date of Birth

### **8.1.2 Donation Beneficiaries**

Beneficiaries that wish to receive donor money through our website

- Undergo a KYC process to confirm each beneficiary as bone fide
- Sign a membership agreement with us and their official registration number where applicable (e.g. charities/ social organisations)
- Provide us with a bank IBAN number in the same country where the funeral is taking place
- Are registered with its regulator where applicable

## **8.2 VERIFICATION**

We carry out our own verification checks to ensure beneficiaries are legitimate.

For charities/ social organisations our verification team runs checks on every organisation we send donor money to. We use our standard verification process if the organisation is registered with its regulator. For individuals (family members of the bereaved) they will undergo a KYC process to establish the relationships and we will also contact the respective Funeral Home for verification.

All end-users are required to register to the website to use any of the free of services and provide the following information at a minimum:

- o Full name
- o Email
- o Password
- o Confirm email address

## **8.3 REFUNDS**

Refunds for donations are not accepted unless required by law. In such a case the amount to be refunded will be credited back to the debit/credit card from which the initial donation was made.

## **8.4 REGULAR ACTION (MONITORING AND DETECTION OF SIGNALS)**

The MLRO will monitor account activity for unusually large transactions or unusual types of transactions considering risk factors and red flags (*please see 8.3.1 below*) that are appropriate to our business.

The MLRO will be responsible for this monitoring and will review this activity that our monitoring system detects and will determine whether any additional steps are required.

### **8.4.1 Red Flags / Examples of Suspicious Activity (SA) and Suspicious Transaction (ST):**

- A funeral/memorial gets a lot of donations from the same people or where a card is used repeatedly or has been rejected before.



- Unusual or substantial one-off donations or a series of smaller donations from one card.
- Many transactions with a natural person or legal entity established in a third country of high risk.
- Donations from Trusts and Foundations.
- Donations from Politically Exposed Persons.
- Requesting the setting-up of non-local and/ or international donation beneficiaries.
- Someone setting up a funeral/memorial announcement where money donated goes to a charity not in the local country where the funeral/ memorial takes place.
- Someone setting up a funeral/memorial announcement where money donated goes to an international charity.
- Multiple donation transactions in a short period of time from multiple credit cards.
- A customer exhibits unusual concern regarding the firm's compliance with government reporting requirements and the firm's AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities or furnishes unusual or suspect identification or business documents.

## 8.5 CURATIVE ACTION (PROVEN INCIDENT TREATMENT)

- Increased awareness of higher-risk situations within business lines across ENFLUENTIAL business.
- Increased levels of KYC or enhanced due diligence.
- Escalation for approval of the establishment of an account or relationship.
- Increased monitoring of transactions.
- Increased levels of on-going controls and reviews of relationships.
- Continuous training of staff and keeping personnel abreast with changing regulatory requirements.

## 8.6 INVESTIGATIVE ACTION

### **Suspicious Activity Reporting (SAR)**

The MLRO will conduct an appropriate investigation and review relevant information from internal/ third party sources to determine if a report should be made to appropriate law enforcement or regulatory agencies.

The investigation will include, but not necessarily be limited to, review of all available information, such as payment history, birth dates, and address.

If the results of the investigation warrant, a recommendation will be made by the MLRP to file a blocked asset and/or a SAR with the appropriate law enforcement or regulatory agency.

### **Reporting process**

Suspicious or unusual transaction reporting process includes:

- a) Procedures to identify suspicious or unusual transactions or activity through various channels including employee observations or identification, inquiries from law enforcement or alerts generated by transaction monitoring systems;
- b) A formal evaluation of each instance, and continuation, of unusual transactions or activity;
- c) Documentation of the suspicious transaction reporting decision (i.e. irrespective of whether a report was submitted to the authorities);

- d) Notification of the board of directors of suspicious transaction submissions.
- e) Once a decision is made by the Board of Directors to report a suspicious matter, the SAR be submitted online via the MOKAS secured system.

**Steps that will be taken even if a report has not been submitted to MOKAS**

- ENFLUENTIAL will document decisions related to investigations of unusual activity.
- Records will be maintained as required by law, for at least five years from the date when the firm's relationship with the client was terminated or a transaction was completed. If an ongoing investigation is occurring, relevant CDD records will not be destroyed merely because the record retention period has expired.
- ENFLUENTIAL will determine the actual risk presented by a customer and take appropriate measures to mitigate the risk.
- ENFLUENTIAL will have sufficient controls and monitoring systems for the timely detection and reporting of potentially suspicious activity and large transaction reporting.
- ENFLUENTIAL will perform proper due diligence and increase monitoring the activity that may be inconsistent with a customer's source of income or regular business activities.
- ENFLUENTIAL's system for identifying, monitoring and reporting suspicious activity will be risk-based by directing additional resources at those areas the obliged entity has identified as higher risk such as the firm's size, the nature of its business, its location, the frequency and size of transactions and the types and geographical location of its customers.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. Under no circumstances shall any officer, employee or appointed agent disclose or discuss any AML concern, investigation, notice or SAR filing with the person or persons subject of such, or any other person, including members of the officer's, employee's or appointed agent's family.

## 9 RETENTION OF CDD DOCUMENTATION

ENFLUENTIAL will retain copies of all documentation provided at customer take on stage. ENFLUENTIAL will retain such copies for at least 5 years from the last date on which the customer transacts with ENFLUENTIAL. Such documentation and personal data contained therein will only be used for ENFLUENTIAL internal compliance purposes.

## 10 OBLIGATIONS OF ALL EMPLOYEES, CONSULTANTS, SECONDED AND INTERNS

Current criminal law places three obligations on all persons:

- not to assist in the money laundering process through acquiring, concealing, disguising, retaining or using the proceeds of crime
- not to prejudice an investigation

- not to contact any person who has been suspected of, and reported for, possible money laundering in such a way as to make them aware of the suspicion or report (“tipping off”)

It is important to note that the law requires all cases of suspicion to be reported, regardless of size.

## 11 INFORMATION OF THE CORRESPONDENT LCB-FT

### **MOKAS**

Unit for Combating Money Laundering,

P. O. Box 23768, 1686 Nicosia

Tel: + 357 22 446 018, fax: + 357 22 317063

e-mail: [mokas@mokas.law.gov.cy](mailto:mokas@mokas.law.gov.cy)

## 12 PROCEDURES FOR MONITORING COMPLIANCE WITH THIS POLICY

A minimum of once a year, the ENFLUENTIAL internal auditor and/or an independent third- party will review the MRLO’s SAR file. The auditor will ensure that all identified suspicious activity was reviewed and appropriately handled. The auditor will also review the accounting system in relation to cash donations and payments to search for suspicious activity that the MRLO may have missed.

If you have a complaint or would like to discuss our policy further, please find our contact details below:

Contact details for reporting concerns on ENFLUENTIAL AML Policy:

- MRLO Daphne Demetriades [daphne@enfluent.com](mailto:daphne@enfluent.com)