

# the Wolfsberg Group

Financial Institution Name:  
Location (Country):

DAIWA CAPITAL MARKETS EUROPE LIMITED  
UNITED KINGDOM

No #	Question	Answer
<b>1. ENTITY &amp; OWNERSHIP</b>		
1	Full Legal name	DAIWA CAPITAL MARKETS EUROPE LIMITED
2	Append a list of foreign branches which are covered by this questionnaire	DCME - Bahrain Branch
3	Full Legal (Registered) Address	5 King William Street, London, EC4N 7AX
4	Full Primary Business Address (if different from above)	As above
5	Date of Entity incorporation/establishment	25 March 1980
6	Select type of ownership and append an ownership chart if available	
6 a	Publicly Traded (25% of shares publicly traded)	Yes <input type="checkbox"/>
6 a1	If Y, indicate the exchange traded on and ticker symbol	The ultimate parent Daiwa Securities Group Inc is listed on Tokyo Stock Exchange - Code 86010
6 b	Member Owned/Mutual	No <input type="checkbox"/>
6 c	Government or State Owned by 25% or more	No <input type="checkbox"/>
6 d	Privately Owned	No <input type="checkbox"/>
6 d1	If Y, provide details of shareholders or ultimate beneficial owners with a holding of 10% or more	N/A
7	% of the Entity's total shares composed of bearer shares	0%
8	Does the Entity, or any of its branches, operate under an Offshore Banking License (OBL) ?	No <input type="checkbox"/>
8 a	If Y, provide the name of the relevant branch/es which operate under an OBL	N/A
9	Does the Bank have a Virtual Bank License or provide services only through online channels?	No <input type="checkbox"/>
10	Provide Legal Entity Identifier (LEI) if available	MM2K09LFYD4IB163W58
<b>2. AML, CTF &amp; SANCTIONS PROGRAMME</b>		
11	Does the Entity have a programme that sets minimum AML, CTF and Sanctions standards regarding the following components:	
11 a	Appointed Officer with sufficient experience/expertise	Yes <input type="checkbox"/>
11 b	Adverse Information Screening	Yes <input type="checkbox"/>
11 c	Beneficial Ownership	Yes <input type="checkbox"/>
11 d	Cash Reporting	No <input type="checkbox"/>
11 e	CDD	Yes <input type="checkbox"/>
11 f	EDD	Yes <input type="checkbox"/>

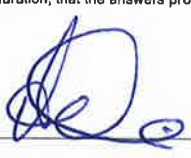
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11 g	Independent Testing	Yes	<input type="checkbox"/>
11 h	Periodic Review	Yes	<input type="checkbox"/>
11 i	Policies and Procedures	Yes	<input type="checkbox"/>
11 j	PEP Screening	Yes	<input type="checkbox"/>
11 k	Risk Assessment	Yes	<input type="checkbox"/>
11 l	Sanctions	Yes	<input type="checkbox"/>
11 m	Suspicious Activity Reporting	Yes	<input type="checkbox"/>
11 n	Training and Education	Yes	<input type="checkbox"/>
11 o	Transaction Monitoring	Yes	<input type="checkbox"/>
12	Is the Entity's AML, CTF & Sanctions policy approved at least annually by the Board or equivalent Senior Management Committee?	Yes	<input type="checkbox"/>
13	Does the Entity use third parties to carry out any components of its AML, CTF & Sanctions programme?	No	<input type="checkbox"/>
13 a	If Y, provide further details	N/A	
14	Does the entity have a whistleblower policy?	Yes	<input type="checkbox"/>
<b>3. ANTI BRIBERY &amp; CORRUPTION</b>			
15	Has the Entity documented policies and procedures consistent with applicable ABC regulations and requirements to reasonably prevent, detect and report bribery and corruption?	Yes	<input type="checkbox"/>
16	Does the Entity's internal audit function or other independent third party cover ABC Policies and Procedures?	Yes	<input type="checkbox"/>
17	Does the Entity provide mandatory ABC training to:		
17 a	Board and Senior Committee Management	Yes	<input type="checkbox"/>
17 b	1st Line of Defence	Yes	<input type="checkbox"/>
17 c	2nd Line of Defence	Yes	<input type="checkbox"/>
17 d	3rd Line of Defence	Yes	<input type="checkbox"/>
17 e	Third parties to which specific compliance activities subject to ABC risk have been outsourced	No	<input type="checkbox"/>
17 f	Non-employed workers as appropriate (contractors/consultants)	Yes	<input type="checkbox"/>
<b>4. AML, CTF &amp; SANCTIONS POLICIES &amp; PROCEDURES</b>			
18	Has the Entity documented policies and procedures consistent with applicable AML, CTF & Sanctions regulations and requirements to reasonably prevent, detect and report:		
18 a	Money laundering	Yes	<input type="checkbox"/>
18 b	Terrorist financing	Yes	<input type="checkbox"/>
18 c	Sanctions violations	Yes	<input type="checkbox"/>
19	Does the Entity have policies and procedures that:		
19 a	Prohibit the opening and keeping of anonymous and fictitious named accounts	Yes	<input type="checkbox"/>
19 b	Prohibit the opening and keeping of accounts for unlicensed banks and/or NBFIs	Yes	<input type="checkbox"/>
19 c	Prohibit dealing with other entities that provide banking services to unlicensed banks	Yes	<input type="checkbox"/>
19 d	Prohibit accounts/relationships with shell banks	Yes	<input type="checkbox"/>
19 e	Prohibit dealing with another Entity that provides services to shell banks	Yes	<input type="checkbox"/>
19 f	Prohibit opening and keeping of accounts for Section 311 designated entities	Yes	<input type="checkbox"/>
19 g	Prohibit opening and keeping of accounts for any of unlicensed/unregulated remittance agents, exchanges houses, casa de cambio, bureaux de change or money transfer agents	Yes	<input type="checkbox"/>
19 h	Assess the risks of relationships with domestic and foreign PEPs, including their family and close associates	Yes	<input type="checkbox"/>
19 i	Define the process for escalating financial crime risk issues/potentially suspicious activity identified by employees	Yes	<input type="checkbox"/>
19 j	Outline the processes regarding screening for sanctions, PEPs and Adverse Media/Negative News	Yes	<input type="checkbox"/>

20	Has the Entity defined a risk tolerance statement or similar document which defines a risk boundary around their business?	Yes
21	Does the Entity have record retention procedures that comply with applicable laws?	Yes
21 a	If Y, what is the retention period?	5 years or more
<b>5. KYC, CDD and EDD</b>		
22	Does the Entity verify the identity of the customer?	Yes
23	Do the Entity's policies and procedures set out when CDD must be completed, e.g., at the time of onboarding or within 30 days?	Yes
24	Which of the following does the Entity gather and retain when conducting CDD? Select all that apply:	
24 a	Customer identification	Yes
24 b	Expected activity	Yes
24 c	Nature of business/employment	Yes
24 d	Ownership structure	Yes
24 e	Product usage	Yes
24 f	Purpose and nature of relationship	Yes
24 g	Source of funds	Yes
24 h	Source of wealth	Yes
25	Are each of the following identified:	
25 a	Ultimate beneficial ownership	Yes
25 a1	Are ultimate beneficial owners verified?	Yes
25 b	Authorised signatories (where applicable)	Yes
25 c	Key controllers	Yes
25 d	Other relevant parties	Yes
26	Does the due diligence process result in customers receiving a risk classification?	Yes
27	Does the Entity have a risk based approach to screening customers and connected parties to determine whether they are PEPs, or controlled by PEPs?	Yes
28	Does the Entity have policies, procedures and processes to review and escalate potential matches from screening customers and connected parties to determine whether they are PEPs, or controlled by PEPs?	Yes
29	Is KYC renewed at defined frequencies based on risk rating (Periodic Reviews)?	Yes
29 a	If yes, select all that apply:	
29 a1	Less than one year	No
29 a2	1 – 2 years	Yes
29 a3	3 – 4 years	Yes
29 a4	5 years or more	No
29 a5	Trigger-based or perpetual monitoring reviews	Yes
29 a6	Other (please specify)	N/A
30	From the list below, which categories of customers or industries are subject to EDD and/or are restricted, or prohibited by the Entity's FCC programme?	
30 a	Arms, Defence, Military	Prohibited
30 b	Respondent Banks	Always subject to EDD
30 b1	If EDD or EDD & restricted, does the EDD assessment contain the elements as set out in the Wolfsberg Correspondent Banking Principles 2022?	Yes
30 c	Embassies/Consulates	Do not have this category of customer or industry
30 d	Extractive industries	Do not have this category of customer or industry
30 e	Gambling customers	Prohibited
30 f	General Trading Companies	Do not have this category of customer or industry
30 g	Marijuana-related Entities	Prohibited
30 h	MSB/MVTS customers	Do not have this category of customer or industry
30 i	Non-account customers	Prohibited
30 j	Non-Government Organisations	EDD on risk-based approach
30 k	Non-resident customers	EDD on risk-based approach

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30 l	Nuclear power	EDD on risk-based approach
30 m	Payment Service Providers	Do not have this category of customer or industry
30 n	PEPs	Always subject to EDD
30 o	PEP Close Associates	Always subject to EDD
30 p	PEP Related	Always subject to EDD
30 q	Precious metals and stones	Do not have this category of customer or industry
30 r	Red light businesses/Adult entertainment	Prohibited
30 s	Regulated charities	EDD on risk-based approach
30 t	Shell banks	Prohibited
30 u	Travel and Tour Companies	Do not have this category of customer or industry
30 v	Unregulated charities	EDD on risk-based approach
30 w	Used Car Dealers	Do not have this category of customer or industry
30 x	Virtual Asset Service Providers	Do not have this category of customer or industry
30 y	Other (specify)	N/A
31	If restricted, provide details of the restriction	
<b>6. MONITORING &amp; REPORTING</b>		
32	Does the Entity have risk based policies, procedures and monitoring processes for the identification and reporting of suspicious activity?	Yes
33	What is the method used by the Entity to monitor transactions for suspicious activities?	Automated
33 a	If manual or combination selected, specify what type of transactions are monitored manually	
34	Does the Entity have regulatory requirements to report suspicious transactions?	Yes
34 a	If Y, does the Entity have policies, procedures and processes to comply with suspicious transactions reporting requirements?	Yes
35	Does the Entity have policies, procedures and processes to review and escalate matters arising from the monitoring of customer transactions and activity?	Yes
<b>7. PAYMENT TRANSPARENCY</b>		
36	Does the Entity adhere to the Wolfsberg Group Payment Transparency Standards?	Yes
37	Does the Entity have policies, procedures and processes to comply with and have controls in place to ensure compliance with:	
37 a	FATF Recommendation 16	Yes
37 b	Local Regulations	Yes
37 b1	If Y, Specify the regulation	Financial Conduct Authority UK Money Laundering Regulations
37 c	If N, explain	N/A
<b>8. SANCTIONS</b>		
38	Does the Entity have a Sanctions Policy approved by management regarding compliance with sanctions law applicable to the Entity, including with respect to its business conducted with, or through accounts held at foreign financial institutions?	Yes
39	Does the Entity have policies, procedures or other controls reasonably designed to prohibit and/or detect actions taken to evade applicable sanctions prohibitions, such as stripping, or the resubmission and/or masking, of sanctions relevant information in cross border transactions?	Yes

40	Does the Entity screen its customers, including beneficial ownership information collected by the Entity, during onboarding and regularly thereafter against Sanctions Lists?	Yes
41	Select the Sanctions Lists used by the Entity in its sanctions screening processes:	
41 a	Consolidated United Nations Security Council Sanctions List (UN)	Used for screening customers and beneficial owners and for filtering transact
41 b	United States Department of the Treasury's Office of Foreign Assets Control (OFAC)	Used for screening customers and beneficial owners and for filtering transact
41 c	Office of Financial Sanctions Implementation HMT (OFSI)	Used for screening customers and beneficial owners and for filtering transact
41 d	European Union Consolidated List (EU)	Used for screening customers and beneficial owners and for filtering transact
41 e	Lists maintained by other G7 member countries	Used for screening customers and beneficial owners and for filtering transact
41 f	Other (specify)	
42	Does the Entity have a physical presence, e.g. branches, subsidiaries, or representative offices located in countries/regions against which UN, OFAC, OFSI, EU or G7 member countries have enacted comprehensive jurisdiction-based Sanctions?	No
<b>9. TRAINING &amp; EDUCATION</b>		
43	Does the Entity provide mandatory training, which includes:	
43 a	Identification and reporting of transactions to government authorities	Yes
43 b	Examples of different forms of money laundering, terrorist financing and sanctions violations relevant for the types of products and services offered	Yes
43 c	Internal policies for controlling money laundering, terrorist financing and sanctions violations	Yes
43 d	New issues that occur in the market, e.g. significant regulatory actions or new regulations	Yes
44	Is the above mandatory training provided to :	
44 a	Board and Senior Committee Management	Yes
44 b	1st Line of Defence	Yes
44 c	2nd Line of Defence	Yes
44 d	3rd Line of Defence	Yes
44 e	Third parties to which specific FCC activities have been outsourced	No
44 f	Non-employed workers (contractors/consultants)	Yes
<b>10. AUDIT</b>		
45	In addition to inspections by the government supervisors/regulators, does the Entity have an internal audit function, a testing function or other independent third party, or both, that assesses FCC AML, CTF, ABC, Fraud and Sanctions policies and practices on a regular basis?	Yes
<b>Signature Page</b>		
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DAIWA CAPITAL MARKETS EUROPE LIMITED		
_____ (Financial Institution name)		
Anton Aziz		
I, _____ (Senior Compliance Manager- Second Line representative), certify that I have read and understood this declaration, that the answers provided in this Wolfsberg FCCQ are complete and correct to my honest belief.		
 12/7/23 (Signature & Date)		

