



## **Buna Typologies Guidance for Buna Participants (V1.0)**

### ***Introduction & Objective***

Compliance with laws that are intended to combat money laundering, terrorist financing and fraud is a top priority for Buna. We view our Participants as partners in ensuring that Buna system is operated in full compliance with its own Rules and Procedures, and applicable international standards and sound risk management practices.

Buna has adopted the following guidance to supplement the Rules and Procedures governing the operation of your participation and services for payments in USD & EURO for your clients or other third parties. Our guidance, which is focused on the steps that we ask you to take to promote compliance, is set forth below.

### ***1 - Due Diligence***

For the purpose of Buna's ongoing Due Diligence and Periodic Review exercises on our participants, our compliance team from time to time will request information from you regarding your organization and your business to fulfil our "Participant Due-Diligence" responsibilities. In addition, for being Buna a cross border payment system, your sanction screening and transaction monitoring capabilities, as well as your compliance with FATF recommendation 16, adjusting the mitigation measures of the evaluation of risks. Our compliance team may also contact you to:

- (a) request information about your direct customers.
- (b) request information about transactions in your accounts and the parties to the transactions.
- (c) share pertinent information and best practices.
- (d) direct you to make changes to the activity in Buna, including to cease and desist from using your Buna platform access for particular types of transactions, for transactions involving particular parties or for initiating transactions with certain characteristics. It is essential that you provide complete responses to our requests and/or comply with our directions within the timeframes we may specify.

### ***2 - Prohibited Payments***

Transactions That Must Not Be Processed Through Your Buna Account. Your Buna account must not be used to initiate transactions with the following characteristics:

- A. Payments that appear to relate to any form of illegal activity, including without limitation, fraud, money laundering, terrorist financing, human trafficking, political corruption, and illegal wildlife trafficking.

- B. Payments that do not appear to have a legitimate purpose.
- C. Payments that involve the use of an Informal Value Transfer System, such as hawalas or money transmitters who do not comply with applicable registration or licensure requirements.
- D. Payments that would violate, or cause the system operator to violate, economic sanctions imposed or enforced by the United Nations, the United States, the European Union or any Member State, the United Kingdom, or any other applicable sanctions;
- E. Payments that would violate, or cause the system operator to violate, export controls, and other economic restrictions imposed by various governments.
- F. Payments arising from, or related to, transactions in Russian-origin oil or in other Russian-origin oil or petroleum products.
- G. Payments that appear to circumvent currency controls.
- H. Payments involving any Virtual Asset Service Providers (VASPs – as defined by FATF), including virtual currency exchanges, administrators and miners, that are our participants direct customers, and which are:
  - i) In a jurisdiction with strategic deficiencies as designated by the FATF.
  - ii) Not compliant with applicable regulatory money transmission licensing, money service business registration, and AML program requirements within the local jurisdiction; and/or
  - iii) Do not have an AML program generally consistent with FATF standards
- I. Payments involving unlawful internet gambling.
- J. Payments involving shell banks,
- K. Payments involving bearer share companies (and operating as such), except for those that are publicly traded on a recognized exchange.
- L. Payments associated with payable through accounts;
- M. Payments involving third-party payment processors or money transmitters that provide downstream processing for MSBs, financial institutions and Payment Service Providers that do not have an AML and Sanctions program in place.

We expect that your transaction monitoring controls will ensure that your accounts with us are not used for transactions in these categories and as provided in the Buna's Rules and Procedures, we may reject any such transactions.

### **3 - Risky Payments**

Certain other types of transactions may also present a high level of financial compliance risk. Our expectation is that your "know your customer" and anti-money laundering policies and your transaction monitoring controls are commensurate with the nature, scale, size, and complexity of your business and will assure that transactions in these categories will not violate our Rules and Procedures and/or present an unacceptable level of AML or other compliance risk. To the extent that your policies and controls are not capable of assuring that payments in the categories below will not violate our Rules and Procedures or present an

unacceptable level of AML or other compliance risk, please do not use your Buna account for such transactions:

- A. Payments involving arms and munitions, microchips, and/or other components that have dual use potential but are not otherwise subject to export control requirements.
- B. Payments involve precious metals dealers that purchase metals from pawnbrokers and other secondary sources.
- C. Payments involving shipping and general trading companies operating in free trade zones.
- D. Payments involving tour and travel companies including but not limited to companies where there is a potential nexus to sanctions exposure.
- E. Payments involving charities.
- F. Payments involving used motor vehicles dealers or auctions.
- G. Payments involving auctions including online auctions.
- H. Payments related to crowdfunding platforms.
- I. Payments related to transactions in penny stocks or microcap securities.
- J. Payments involving transactions designed to achieve a particular tax treatment.
- K. Payments involving embassies, consulates, and diplomatic missions.
- L. Payments involving economic citizenship or citizenship by investment programs.
- M. Payments involving government scholarship programs where the beneficiary is not an educational institution.
- N. Payments involving relationships established with universities or students for online tuition solutions.
- O. Payments involving adult oriented services (where such services are permitted by law).
- P. Payments involving online or in person gambling services (e.g. daily fantasy sports, online poker, casinos, gambling machines or the like).

### ***Contact Buna Compliance***

You may direct any questions concerning this document and its content to Buna compliance by email [compliance@buna.co](mailto:compliance@buna.co)

### ***Participant Obligation***

Please take the necessary steps to assure compliance, as failure to comply with this guidance could lead to rejection of payments and/or suspension or termination of your participation in Buna. Your cooperation in implementing this guidance will be greatly appreciated.