

GOOD GOVERNANCE SYSTEM



**International Committee of Museums and
Modern Art Collections**

**POLICY FOR COMPLIANCE WITH
PREVENTION OBLIGATIONS
OF MONEY LAUNDERING
and
FINANCING OF TERRORISM**

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1. INTRODUCTION

Considering that the potential abuse of non-profit organizations for money laundering and terrorist financing purposes (hereinafter referred to as "ML/TF") not only contributes to these serious criminal activities, but also jeopardizes the reputation of the sector with donors and society, these organizations have been incorporated into Law 10/2010 of April 28, 2010, on the prevention of money laundering and terrorist financing (hereinafter referred to as "Law 10/2010") as regulated entities.

Thus, Article 2 of Law 10/2010 establishes that, for the purposes of said law, foundations and associations shall be obligated parties, under the terms established in its Article 39 and in Article 42 of Royal Decree 304/2014, of May 5, approving the Regulation of Law 10/2010, of April 28, on the prevention of money laundering and terrorism financing (hereinafter, "Regulation of Law 10/2010") which develops the obligations of the obligated parties and the institutional organization in the matter.

CIMAM, aware of the economic and social damage caused by money laundering and the financing of terrorism, is committed to fighting this scourge, taking measures in accordance with its *raison d'être*, size, purpose and scope of action.

However, despite the low risk in the prevention of money laundering and terrorist financing, CIMAM, through this manual, establishes the protocols and procedures to ensure compliance with its obligations in the prevention of money laundering and terrorist financing, as well as specifying the internal regulations of the Association whose purpose is to comply with them.

2. CIMAM

The International Committee of Museums and Collections of Modern Art is a private association of civil character, constituted under the Organic Law 1/2002, of March 22, 2002, and complementary rules, with legal personality and full capacity to act, non-profit, and whose registered office is at MACBA Museu d'Art Contemporani de Barcelona, Plaça dels Àngels, 1, 08001 Barcelona, Spain.

The Association, in accordance with Article 3 of the Articles of Association, has as its objective:

- To provide a forum for communication, cooperation, information exchange and discussion on topics of common interest among museums, collections and non-profit artists, museum professionals and others interested in modern and contemporary art.
- To represent the interests anchored in the principles and values of not-for-profit museums and collections of modern and contemporary art, as well as all professionals associated with this sector, including artists.
- To promote research related to the field of modern and contemporary art museums in this area.
- Ensure that appropriate ethical and professional standards are established and met for modern and contemporary art museums.

The Association is made up of the following stakeholders:

- a) The members of CIMAM's Board of Directors.
- b) CIMAM's executive team.

- c) Individual members (and non-members) of CIMAM (Museum Professionals).
- d) CIMAM Institutional Partners.
- e) Cultural institutions not members of CIMAM.
- f) Individuals and funding and support entities (patrons, supporters and funding organizations).
- g) Honorary Members Members of CIMAM.

It also has groups of collaborators:

- a) Related Parties: any party, except CIMAM Members, with whom the Association has or plans to establish any type of professional or business relationship.
- b) ICOM - International Council of Museums.
- c) Artists.
- d) Academic and research communities.
- e) International partners.
- f) Local communities.

3. OBLIGATED PARTY STATUS AND OBLIGATIONS

In accordance with the provisions of Article 2.1.x) of Law 10/2010, CIMAM, as an association, is considered a regulated entity under a special regime, being subject exclusively to the obligations set forth in Article 39 of the Law and 42 of the Regulations of Law 10/2010.

Thus, in accordance with the provisions of Articles 39 of Law 10/2010 and 42 of its Regulations, CIMAM has the following AML/CFT obligations:

- The governing body or general assembly and the members of the representative body that manages the interests of the association shall ensure that the association is not used for money laundering or to channel funds or resources to persons or entities linked to terrorist groups or organizations.
- Identify and verify the identity of all persons who receive funds or resources from CIMAM free of charge.

When the nature of the project or activity makes individualized identification unfeasible or when the activity carried out involves a low ML/TF risk, the group of beneficiaries and the counterparts or collaborators in said project or activity shall be identified.

As well as identifying and verifying the identity of all persons who contribute to CIMAM free of charge funds or resources for an amount equal to or greater than 100 euros.

- Apply procedures to ensure the knowledge of its counterparties, including their appropriate professional background and the honorability of the persons responsible for their management.
- Collaborate with the Commission for the Prevention of Money Laundering and Monetary Infractions (hereinafter, "CPBCIM") and its support bodies, mainly with respect to requests for documentation or information that may be made, in accordance with the provisions of Article 21 of the PBC-FT Law.
- To inform the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offenses (hereinafter, "SEPBLAC"), of the facts that may constitute an indication or evidence of money laundering or financing of terrorism and to submit any documentation and information required by them in the exercise of their powers.
- Implement appropriate risk-based systems for monitoring the effective execution of CIMAM's activities and the application of its funds.
- Implement procedures to ensure the suitability of the members of CIMAM's governing bodies and other positions of responsibility.
- Maintain a record of compliance with the identification obligations of all persons who contribute or receive funds or resources from CIMAM free of charge, under the terms of Articles 3 and 4 of Law 10/2010.

- Retain for a period of ten years the documents or records evidencing the application of funds in the different projects / the documentation formalizing compliance with prevention obligations.

4. CONCEPTS

Article 1 of Law 10/2010 develops what is to be understood by money laundering and terrorist financing:

Money laundering

The following activities are considered money laundering:

- a) The conversion or transfer of property, knowing that such property is derived from criminal activity or from participation in criminal activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting persons involved in evading the legal consequences of their actions.
- b) The concealment or disguise of the nature, source, location, disposition, movement or beneficial ownership of property or rights to property, knowing that such property or rights derive from criminal activity or from participation in criminal activity.
- c) The acquisition, possession or use of property, knowing, at the time of receipt thereof, that it is derived from a criminal activity or from participation in a criminal activity.
- d) Participation in any of the activities mentioned in the preceding letters, association to commit these types of acts, attempts to commit them and the fact of aiding, abetting or advising someone to carry them out or facilitating their execution.

There will be money laundering even when the conduct described in the preceding letters is carried out by the person or persons who committed the criminal activity that generated the assets.

Property derived from a criminal activity shall be understood to be all types of assets whose acquisition or possession has its origin in a crime, whether tangible or intangible, movable or immovable, tangible or intangible, as well as legal documents or instruments regardless of their form, including electronic or digital, evidencing ownership of such assets or a right over them, including the defrauded quota in the case of offenses against the Public Treasury.

Money laundering will be considered to take place even if the activities that have generated the assets have been carried out in the territory of another State.

Terrorist financing

The supply, deposit, distribution or collection of funds or property, by any means, directly or indirectly, with the intention of using them or with the knowledge that they will be used, in whole or in part, for the commission of any of the terrorist offenses established in the Criminal Code, is considered to be the financing of terrorism. Financing of terrorism shall be deemed to exist even when the supply or collection of funds or goods has taken place in the territory of another State.

Individuals or entities linked to a terrorist group or organization

- a) Those whose link with a terrorist group or organization has been recognized in a judicial resolution, in a provision or resolution adopted by the competent body of the European Union or of any international organization to which Spain is a party.
- b) Those who act as de facto or de jure administrators or in the name, interest, on behalf of or on the legal or voluntary account or representation of the organization or of any person or entity integrated or controlled by a terrorist group.
- c) Those entities in whose management or administrative body or in whose capital or endowment participate, with significant influence, other persons or entities integrated or controlled by a terrorist organization.

- d) Those that constitute a decision-making unit with a terrorist group or organization, either because any of them holds or may hold, directly or indirectly, the control of the others, or because such control corresponds to one or several persons or entities that act systematically or in concert with the group or organization.
- e) Persons and entities created or interposed by a terrorist organization for the purpose of concealing the true identity of the originators or beneficiaries of an economic transaction or of the parties to any business or contract.
- f) Those that, not being included in any of the preceding paragraphs, economically support or favor a terrorist organization.
- g) Persons or entities with respect to which, in view of the persons who govern or manage them, or any other circumstances, it is considered that they materially constitute a continuation or succession in the activity of any person or entity provided for in the preceding paragraphs, all regardless of the legal form or title used for such continuation or succession.

Equivalent third countries

Equivalent third countries are considered to be those States, territories or jurisdictions that, by establishing equivalent requirements to those of Spanish legislation, are determined by the CPBCIM, at the proposal of its Secretariat. The updated list of these countries can be found in **Annex 1** "List of countries that establish equivalent AML/CFT requirements".

The qualification as an equivalent third country is understood to be without retroactive effect. The General Secretariat of the Treasury and International Finance, on its website, maintains an updated list of the States, territories and jurisdictions that enjoy the status of equivalent third country.

5. INTERNAL ORGANIZATION, PROCEDURES TO ENSURE THE SUITABILITY OF THE MEMBERS OF THE GOVERNING BODIES AND OTHER POSITIONS OF RESPONSIBILITY AND TRAINING.

As established in the bylaws, the General Assembly is the supreme governing body of CIMAM and exercises the functions corresponding to it. Likewise, the Association is administered and represented by a Board of Directors.

The Bylaws detail the governing bodies, their composition and competencies, the decision-making procedures that have been established in order to delimit the obligations and responsibilities of these bodies, as well as the system for adopting resolutions.

The governing body or general assembly, the members of the Board of Directors and the personnel with responsibilities in the management of CIMAM shall ensure that these are not used for money laundering or to channel funds or resources to persons or entities linked to terrorist groups or organizations.

The governing body shall ensure:

- That it has a minimum number of members sufficient to ensure proper decision making;
- It meets on a regular basis and documents the agreements adopted;
- Actively participates in the strategy, planning and monitoring of the institution's activities;
- Adopts the necessary mechanisms to promote adequate financial transparency (has internal controls over spending programs, etc.).
- Adopt mechanisms to prevent conflicts of interest.

For the selection and hiring of employees and appointment of members of the Board of Directors, the Association shall verify, in addition to compliance with the requirements established in the Association's bylaws, applicable collective bargaining agreements and other internal rules, that the person selected meets high ethical standards. As far as possible, compliance with the following requirements shall be verified:

- a) Professional background that accredits the capacity and experience in the development of the proposed position, and that collaborates to value the observance and respect to the commercial laws and others that regulate the economic activity and the life of the businesses, as well as the good practices in the sector.

- b) The reasons for dismissal or termination in previous positions and positions.
- c) The existence of an administrative sanction for a BC/FT infraction.
- d) The existence of a conviction for the commission of crimes against property, against the Public Treasury and Social Security, for money laundering and financing of terrorism.
- e) Both in the case of the existence of a conviction for the commission of a crime and of an administrative sanction, the final nature of the conviction or sanction imposed shall be considered, as well as the statute of limitations of the penalty or sanction or the possible extinction of the criminal liability.

For this purpose, a suitability questionnaire for members of the Board of Directors, employees and candidates may be signed **(Annex 8)**.

New employees and Board members prior to the commencement of employment or organizational relationship with the Association, as well as current employees and Board members, shall be required to sign the receipt and acceptance of this Policy **(Attachment 2)**.

CIMAM will inform and train the members of the Board of Directors and its staff on the adoption of money laundering prevention measures for their implementation and compliance.

6. SCOPE OF APPLICATION

This Policy regulates the rules and procedures applicable in the following cases:

- Third parties that (i) receive from CIMAM free of charge funds or resources for any amount, and/or (ii) contribute to CIMAM free of charge funds or resources for an amount equal to or greater than €100.
- Knowledge of their counterparties, including their appropriate professional background and the honorability of the persons responsible for their management, which are regulated in section 9 of this Policy.

7. RECEIPT AND/OR CONTRIBUTION OF FUNDS OR RESOURCES FREE OF CHARGE

CIMAM is obliged to identify and verify the identity, prior to the establishment of the relationship or the execution of any operations, of all individuals and/or entities with which it will collaborate that:

- (i) receive funds or resources from CIMAM free of charge; and/or
- (ii) contribute to CIMAM, free of charge, funds or resources equal to or greater than €100.

Therefore, the **following reliable documentation (original or certified copy) of the aforementioned subjects must be requested for identity verification purposes, and to identify the true beneficial owner:**

FORMAL IDENTIFICATION AND VERIFICATION OF THE IDENTITY OF THE THIRD PARTY:

Any of these documents is considered reliable:

Person	Valid identification documents (identification may be made by exhibiting or bringing any of them).
Individuals of Spanish nationality:	National Identity Card.
Individuals of foreign nationality:	<ul style="list-style-type: none"> ▪ Residence Card. ▪ Alien Identity Card. ▪ Passport
Citizens of the European Union or the European Economic Area:	<ul style="list-style-type: none"> ▪ Residence Card. ▪ Alien Identity Card. ▪ Passport. ▪ Document, letter or official personal identity card issued by the authorities of origin.
Personnel of diplomatic or consular representations of third countries in Spain:	<ul style="list-style-type: none"> ▪ Residence Card. ▪ Alien Identity Card. ▪ Passport.

	<ul style="list-style-type: none"> Document, letter or official card of personal identity card issued by the authorities of origin (EU and EEA citizens). Identity document issued by the Ministry of Foreign Affairs and Cooperation for diplomats and consular representatives of third countries in Spain.
Civil companies and Communities of property exercising economic activities	<ul style="list-style-type: none"> Official identification document of each of the civil partners or members of the community of property, according to those considered reliable according to nationality.
Partnerships and Communities of Property that do not engage in economic activities	<ul style="list-style-type: none"> Official identification document of the person acting on behalf of the entity, in accordance with those considered reliable according to nationality.
Trusts and other similar legal instruments without legal personality that may act in the course of trade and commerce	<ul style="list-style-type: none"> Constitutive document ("deed of trust" or similar). Official identification document of the person acting on behalf of the beneficiaries or in accordance with the terms of the trust or legal instrument. Document that accredits its condition of obligated subject; and proceeding to terminate the relationship and perform a special examination of Article 17 of Law 10/2010 if it does not accredit such condition of obligated subject.
Legal entities with Spanish nationality	<ul style="list-style-type: none"> Public documents accrediting its existence and containing its corporate name, legal form, domicile, the identity of the administrators, bylaws, and tax identification number. Deeds of Incorporation and, if applicable, amendments related to the above data. Tax Identification Number (NIF). The certification of the Provincial Mercantile Registry, provided by the counterparty or obtained through telematic consultation of the Central Mercantile Registry, shall be valid. Responsible declaration stating the validity of the data contained in the documentation provided by the third party for its identification. Formal identification of the representative (identity document). Public document accrediting the powers of attorney (the certification of the provincial Commercial Registry provided by the counterparty or obtained through telematic consultation containing such information shall be valid).
Foreign legal entities	<ul style="list-style-type: none"> Public documents accrediting its existence and containing its corporate name, legal form, domicile, the identity of the administrators, bylaws, and tax identification number. Responsible declaration stating the validity of the information contained in the documentation provided for identification purposes. Formal identification of the representative and public document accrediting the powers to act on behalf of the company.
Investment funds	<ul style="list-style-type: none"> The obligation to identify and verify the identity of the unitholders shall be carried out in accordance with the provisions of Article 40.3 of Law 35/2003, of November 4, 2003, on Collective Investment Institutions.

Legal or voluntary representation of the third party, natural or legal person

- (i) The identity of the representative and principal shall be verified in the manner provided in the above table, according to the type of person.
- (ii) Obtaining a copy of the public document evidencing the powers conferred, in order to verify that it has sufficient power to bind the principal. The verification of the powers conferred may also be carried out by means of the certification of the Provincial Commercial Registry, provided by the collaborator, counterparty or beneficiary or obtained by means of telematic consultation of the Central Commercial Registry.
- (iii) Responsible declaration stating the validity of the data contained in the documentation provided by the third party for the verification of the powers conferred.

Only the person will be formally identified, without being required to prove this identification by means of the exhibition of reliable documents, prior to the execution of the operation, unless:

- Are third parties classified as higher risk.
- There are or arise indications or certainty of ML/FT.

3. There are additional conditions or aspects that imply a higher risk.

With regard to those individuals and/or entities with which it will collaborate by means of the delivery of funds or resources free of charge, when the nature of the project or activity makes individualized identification unfeasible or when the activity carried out entails a low risk of money laundering or terrorist financing, the group of beneficiaries and the counterparties or collaborators in said project or activity shall be identified.

DILIGENCE OF IDENTIFICATION AND VERIFICATION OF BENEFICIAL OWNERSHIP

If possible, it will be sufficient to identify the actual ownership, except in the case of occasional transactions in excess of 15,000 euros.

The verification of the identification of the beneficial owner shall not be required prior to the execution of the transaction with the third party, unless:

1. Third parties classified as higher risk.
2. There are or arise indications or certainty of ML/FT.
3. There are additional conditions or aspects that imply a higher risk.

The identification of the beneficial owner of listed companies or their majority-owned subsidiaries shall not be mandatory when they are subject to reporting obligations that ensure adequate transparency of their beneficial ownership.

Consideration of beneficial ownership:

Pursuant to the provisions of Article 4.2 of Law 10/2010, they **shall be considered as beneficial owners:**

- a) The natural person or persons on whose behalf it is intended to establish a business relationship or to intervene in any operations.**
- b) The natural person or persons who ultimately own or control, directly or indirectly, more than 25% of the capital or voting rights of a legal person, or who otherwise exercise control, directly or indirectly, over a legal person.**

Thus, ownership or control may be direct or indirect: (i) Direct, when an individual is the immediate owner of more than 25% of the capital; and (ii) Indirect, when an individual is the owner through other companies or legal entities in which he/she is a shareholder. If applicable, the two types are added together to determine whether the shareholding exceeds 25%.

Control, in addition to being through the ownership of capital, can also be through agreements, provisions in the bylaws or by other means that bind or condition the exercise of voting rights. For the purposes of determining control, the criteria established in Article 42 of the Commercial Code and Article 22 of Directive 2013/34/EU of the European Parliament and the Council of June 26 shall apply.

Article 42 of the Commercial Code: established criteria: (i) it holds the majority of the voting rights; (ii) it has the power to appoint or dismiss the majority of the members of the administrative body; (iii) it can dispose, by virtue of agreements entered into with third parties, of the majority of the voting rights; (iv) it has appointed with its votes the majority of the members of the administrative body, who hold office at the time the consolidated financial statements are to be prepared and during the two immediately preceding fiscal years. In particular, this circumstance will be presumed when the majority of the members of the administrative body of the controlled company are members of the administrative body or senior executives of the controlling company or of another company controlled by the latter. This assumption will not give rise to consolidation if the company whose directors have been appointed is related to another company in any of the cases provided for in the first two points above. For the purposes of this section, to the voting rights of the parent company shall be added those held through other subsidiaries or through persons acting in their own name, but on behalf of the parent company or other subsidiaries, or those held in concert with any other person.

Article 22 (1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and other related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, establishes as indicators of control by other means, among others, the following:

- *to hold the majority of the voting rights of the shareholders or partners of another company (subsidiary);*
- *having the right to appoint or dismiss the majority of the members of the administrative, management or supervisory body of the other company (subsidiary) and at the same time is a shareholder or partner of that company;*
- *to have the right to exercise a dominant influence over a company (subsidiary company), of which it is a shareholder or partner, by virtue of a contract entered into with it or by virtue of its articles of association or a clause in the articles of association of that company;*
- *be a shareholder or partner of a company and meet one of the following requirements:*
 - *the majority of the members of the administrative, management or supervisory body of the other company (subsidiary), in function during the fiscal year, during the previous fiscal year and up to the establishment of the consolidated financial statements, have been appointed by the mere exercise of their voting rights or,*
 - *alone controls, by virtue of an agreement entered into with other shareholders or partners of that company (subsidiary), the majority of the voting rights of the shareholders or partners of that company (subsidiary).*

Exception: Companies listed on a regulated market and subject to disclosure requirements in accordance with Union law or equivalent international standards that ensure adequate transparency of ownership information are exempt.

c) Where there is no natural person who owns or controls, directly or indirectly, more than 25% of the capital or voting rights of the legal person, or who otherwise exercises control, directly or indirectly, over the legal person, such control shall be deemed to be exercised by the administrator or administrators. When the administrator appointed is a legal person, it shall be understood that the control is exercised by the natural person appointed by the administrator legal person. The regulated entities shall verify their identity and record the measures taken and the difficulties encountered during the verification process.

d) In the case of trusts, such as the Anglo-Saxon trust, all of the following persons shall be considered beneficial owners:

- 1.The settlor or settlors.
- 2.The trustee or trustees,
- 3.The protector(s), if any
- 4.The beneficiaries or, when yet to be designated, the category of persons for whose benefit the legal structure has been created or is acting; and
- 5.Any other natural person who ultimately exercises control of the trust through direct or indirect ownership or through other means.

e) In the case of legal instruments analogous to trusts, such as trusts or treuhand under German law, the obligors shall identify and take appropriate measures to verify the identity of persons occupying positions equivalent or similar to those listed in numbers 1 to 5 of the preceding paragraph.

f) Instrument or legal person administering or distributing funds. The beneficial owner shall be deemed to be the natural person or persons having control of 25% or more of the assets of the instrument or legal person administering or distributing the funds, or, in the event that the beneficiaries have not been designated, the category of persons for whose benefit the instrument or legal person has been created or is principally acting.

If there is no natural person who directly or indirectly owns or controls 25% or more of the assets, the natural person or persons responsible for the direction and management of the legal instrument, including through the chain of control or ownership, will be considered beneficial owners.

g) Associations and foundations. Natural persons who own or control 25% or more of the voting rights in the Board of Trustees of a foundation or the governing body of the association, in accordance with the agreements or statutory provisions that may affect the determination of beneficial ownership, shall be considered beneficial owners. If there is no natural person or persons who meet the above criteria, the members of the Board of Trustees of the foundations or the members of the representative body or Board of Directors of the Association shall be considered beneficial owners.

h) In the case of companies whose shares are represented by bearer securities, no business relations may be established with such companies, unless the Firm determines the ownership or control structure by other means. This prohibition shall not apply to the conversion of bearer securities into registered securities or book entries.

Identification of the beneficial owner:

It must be determined whether there is a beneficial owner of the third parties interacting with CIMAM except in the case of occasional transactions of an amount less than or equal to 15,000 euros. Once the beneficial ownership has been determined, a request must be made to the third party:

Individuals

In the case of third parties natural persons acting on behalf of a third party, the following information and/or documentation must be obtained to identify the beneficial owner(s):

- (i) Copy of the identity document of the natural person on whose behalf it is intended to establish a business relationship or to intervene in any operations,
- (ii) Copy of the authorized person's identity document and
- (iii) Document that accredits the express authorization of the real owner to the authorized person, dated and signed by both.

Legal entities

For the identification of the beneficial owner of legal entities, the following measures should be applied:

The identification of the identity of the beneficial owner **may be made, as a general rule, by means of a responsible declaration of the third party** issued by its governing body.

The responsible declaration of the third party regarding the actual ownership and validity of the information and documentation (Annex 3) shall be used for this purpose.

For these purposes, the administrators of the companies or other legal entities must obtain and maintain adequate, accurate and updated information on the real ownership of the same.

The identification of shareholders or beneficial owners of listed companies or their majority-owned subsidiaries shall not be mandatory when such companies are subject to reporting obligations that ensure adequate transparency of their beneficial ownership.

If the third party refuses to provide the information or the information provided is insufficient to determine the ownership or control structure, or, in any case, no contract shall be entered into or activities or operations shall be executed with persons or legal instruments whose ownership or control structure could not be determined.

Verification and verification of the beneficial owner: In the cases indicated below, in addition to the identification of the beneficial owner, the formal identity of the natural persons who are the beneficial owners of legal persons or instruments shall be verified and verified.

- 1.- Third parties are classified as higher risk.
2. There are or arise indications or certainty of ML/FT - When there are circumstances that determine the special examination or communication based on indications.
3. There are additional conditions or aspects that imply a higher risk.
4. When there are indications that the identity of the declared beneficial owner is not accurate or truthful.

For the aforementioned verification and verification of the real owner will be required:

- Proof of the identity manifestations of the real owner(s) in a notarized public document.
- Copy of the identification document of the beneficial owner(s), if any, and representation by the representative that the copy matches the original.
- It will also be valid, for the purposes of compliance with the obligation of identification and verification of the identity of the beneficial owner, the consultation of the database of beneficial ownership of the General Council of Notaries, after the execution of the corresponding formalization agreement, under the terms provided for in Article 8 of Law 10/2010 and 9.6. of the Regulations that develop it.

8. SITUATIONS OF HIGHER RISK / EXCLUDED

8.1 Superior risk: The following are considered superior risk relationships, among others:

- Geographic risk, depending on the location of the individual or legal entity, geographically risky places are those included in lists such as tax havens or non-cooperative territories, or with a strong presence of terrorism.

- Individuals or legal entities whose nationality, domicile or tax residence is in countries, territories or jurisdictions considered at risk, and/or with activities or with origin or destination of their funds in such risk jurisdictions, including in any case those countries for which the FATF requires the application of enhanced diligence measures.
 - The business relationship or transaction involves the transfer of funds from or to countries, territories or jurisdictions considered risky; including in any case those countries for which the FATF requires the application of enhanced due diligence measures.

See **Annex 6** for territories and jurisdictions at risk.

This circumstance will be taken into account when choosing collaboration projects, if applicable.

■ Activity risk:

- a) Persons with public responsibility (PRP), family and relatives (foreigners and nationals).
- b) Individuals or legal entities not resident in member countries of the European Union or in equivalent third countries.
- c) Offshore mandated companies.
- d) Asset holding companies.
- e) Companies whose shareholding and control structure is so complex that it is difficult to identify the real owner within a reasonable period of time.
- f) Legal entities whose shares are represented by bearer securities and whose ownership or control structure can be determined.
- g) Individuals or legal entities that present behaviors that appear to be aimed at hiding or camouflaging the real ownership or real origin of their funds, as well as those behaviors that determine unusual or uneconomical characteristics in the intended operations, with no logical explanation.
- h) Individuals or legal entities acting through intermediaries that are not subject to adequate supervision.
- i) Individuals or legal entities whose business activity is the operation of casinos, gaming machines, betting or other games of chance.
- j) Establishments engaged in currency exchange and/or transfer management.
- k) Individuals or legal entities whose activity is the trade of precious metals, jewelry, art, etc.
- l) Individuals or legal entities whose activity is the recycling of metals and scrap metal.
- m) Individuals or legal entities whose activity is the manufacture and/or distribution of weapons.
- n) Charities and other non-profit organizations operating on an international basis and not subject to control and supervision by public authorities and/or self-regulatory bodies.
- o) Individuals or legal entities with respect to which there is a mismatch between the amount of the transaction and their known income.
- p) Individuals or legal entities convicted of economic and/or tax crimes.
- q) Legal entities suspected of having a mismatch between the formal ownership and the actual ownership and/or actual composition of the governing and/or administrative body.
- r) Contributors or collaborators who carry out any activity, but who, nevertheless, their contribution is strange or inconsistent with their business volume, intermediaries are used, or contributions are intended to be conditioned to future actions by CIMAM unrelated to its purpose.
- s) Statements or documentation provided to CIMAM with indications of misrepresentation, simulation or fraud.
- t) Any other individuals or legal entities that upon analyzing their risk profile present characteristics, due to their nature, type of activity, origin of funds or other relevant circumstances, that must be considered of higher than average risk, and so decided by the Internal Control Body.
- u) Individuals on the sanctioned and terrorist lists **(see Annex 7)**

8.2 Excluded risk: For BC/FT risk control reasons, the following shall not be admitted as third parties:

- a) Persons included in any of the EU's official public lists of international financial sanctions and countermeasures.
- b) Persons about whom there is any information (e.g., criminal or police record) that suggests that they may be related to criminal activities, especially those that may be linked to drug trafficking, corruption, organized crime or terrorism.
- c) Persons who have businesses whose nature makes it impossible to verify the legitimacy of the activities or the origin of the funds.

- d) Persons who refuse to provide information or documentation that would allow full identification of the beneficial owner and/or beneficiary.
- e) Persons who provide false documents or who harbor doubts about their legality, legitimacy or manipulation, or who refuse to allow SECOT to obtain a copy of their identification document.
- f) Legal entities whose shareholding or control structure cannot be determined.
- g) Persons whose business activity is the operation of casinos, gambling machines, betting or other games of chance that are not officially authorized.
- h) Establishments engaged in currency exchange and/or money transfer activities that are not officially authorized.
- i) Financial entities resident in countries or territories where they have no physical presence (also called "shell banks") and which do not belong to a regulated financial group.
- j) Any other natural or legal person that, due to their characteristics or circumstances, it is considered that, due to the very high risk they present, they should not be admitted as third parties.

9. KNOWLEDGE OF COUNTERPARTIES

Obtaining guarantees on third party collaborators

Commercial, business or collaborative relationships to be entered into by CIMAM with third parties that are not subject to the prevention of money laundering (i.e. that do not relate to the operations indicated in section 8 of this Policy), shall be governed by the following rules:

CIMAM will make its best efforts to verify the appropriate professional background and the honorability of the referred third parties by formally identifying them by means of the identification documents indicated in section 7 of this Policy.

The identification data will be included in the contract, invoice or support generated for the provision of the service or initiation of the commercial, business or collaboration relationship.

In the event that it cannot be accredited by other means, CIMAM will ask the third party collaborators to sign a responsible statement guaranteeing the appropriate professional background of the same.

Excluded collaborators or counterparties

CIMAM will not collaborate or carry out projects with collaborators or counterparts such as the following:

- Financial entities whose territorial location is unknown.
- Entities or individuals convicted by a final judgment for money laundering or terrorist financing offenses.
- Individuals or legal entities that have not identified themselves in the manner established herein, or whose real owner, activity, domicile and/or origin of the fund could not be determined, after having been requested to this effect.
- Individuals or legal entities included in official lists of sanctions in this area. (EU, OFAC, UN).
- Any other entity, association or foundation of doubtful reputation or carrying out ill-defined activities or activities susceptible to money laundering.
- Those who are in any risk situation excluded in section 8.2 of this Policy.

10. REPORTING AND COOPERATION OBLIGATIONS THE MONEY LAUNDERING PREVENTION COMMISSION AND ITS EXECUTIVE SERVICE

Communication of evidence

CIMAM shall inform SEPBLAC of facts that may constitute an indication or evidence of money laundering or terrorist financing. In this regard, CIMAM will periodically review:

- Any fact or transaction, regardless of its amount, with respect to which there is an indication or certainty of being related to ML/FT.
- Any transaction that is complex, unusual or has no apparent economic or lawful purpose.

A model communication is attached as **Annex 4**.

Internal reporting of suspicious transactions by employees, partners and agents

Employees, members of the Board of Directors, partners and representatives of CIMAM shall inform the Board of Directors of any indication, suspicion or certainty that a transaction may be related to ML/TF.

In this regard, an internal model of "Internal Reporting of Suspicious Transactions" (**Annex 5**) shall be made available to them.

The Board of Directors shall be responsible for analyzing the communication, guaranteeing at all times the confidentiality of the identity of the complainant and may request from the complainant any additional information or documentation required for the correct analysis of the facts reported.

Employees, members of the Board of Directors, partners and representatives exposed to threats, hostile action or adverse employment action for communicating internally communications about ML/TF-related activities may file a complaint with SEPBLAC.

Collaboration with the Commission for the Prevention of Money Laundering and Monetary Infractions (CPBCIM) and its support bodies.

CIMAM will collaborate with the CPBCIM and its support bodies by providing them with the documentation and information required for the exercise of their competencies, responding fully and diligently, and informing them of any situations detected in the exercise of their competencies that may be related to money laundering or the financing of terrorism.

Employees, members of the Board of Directors, partners or representatives who may have knowledge, by reason of their functions, of the request received must maintain absolute confidentiality with respect to the counterparty and third parties regarding the data known and the response given to the communication.

Exemption from liability

Communications made in good faith to the Competent Authorities in accordance with current AML/CFT regulations by CIMAM shall not constitute a violation of the restrictions on disclosure of information imposed by contract or by any legal, regulatory or administrative provision, and shall not involve CIMAM, or its employees or lawyers, in any liability of any kind.

Prohibition of disclosure

CIMAM, its employees, members of the Board of Directors, partners and representatives shall not disclose to the third party, except to competent authorities in the framework of a criminal investigation, that information has been reported to SEPBLAC, or that any transaction is being or may be examined for its possible link to ML/TF. However, it shall not constitute a breach of this duty of non-disclosure when an attempt is made to dissuade a counterparty or collaborator from illegal activity.

The exceptions set forth in Article 24 of Law 10/2010 shall apply.

Duty to cooperate

Employees, members of the Board of Directors, partners and representatives of CIMAM are obliged to provide, in a diligent and truthful manner, all information and/or documentation relating to third parties that may be required by the Board of Directors in order to comply with the reporting obligations established in Law 10/2010.

Duty to abstain

CIMAM shall refrain from executing any act or operation, even the mere attempt, with respect to which there is an indication or certainty that they are related to ML/TF.

Therefore, projects or activities will not be implemented with third parties that refuse to provide information or complete documentation requested or there are well-founded suspicions about their possible link to BC/FT operations.

11. DOCUMENT RETENTION

CIMAM will keep a record of compliance with the identification obligations of all persons who contribute or receive free funds or resources from CIMAM and will keep for a minimum period of ten years the documents or records evidencing the application of the funds in the different projects and, in general, the documentation formalizing compliance with the obligations established in the Law.

For this purpose, it must be kept for the aforementioned minimum period of 10 years:

- Identification documents of natural persons.
- Identification documents of legal entities.
- Identification documents of the real ownership and activity, if applicable.
- Documents identifying the source of funds, if applicable.
- In case of risk or suspicion actions, all the documentation that has been generated in the specific file.
- Original or copy with probative force of the documents or records that adequately prove the operations, the parties involved in them and the business relationships.
- Duly signed declaration of responsibility of the collaborator or donor.
- Copy of the documents formalizing compliance with its reporting obligations (to report facts that may constitute an indication of money laundering or terrorist financing and to collaborate with the Commission for the Prevention of Money Laundering and Monetary Offenses (SEPBLAC) and its support bodies by providing the information required).

CIMAM shall keep such records and documentation at the disposal of the different administrative and/or judicial bodies with competencies in the field of prevention or prosecution of money laundering or financing of terrorism, so that the filing system shall ensure the proper management and availability of the documentation.

12. CONTROL SYSTEMS FOR THE EFFECTIVE EXECUTION OF THE ASSOCIATION'S ACTIVITIES AND THE APPLICATION OF ITS FUNDS.

CIMAM has a series of policies, procedures and controls related to the management of its financial resources that provide absolute transparency to its system and are described below:

- Code of Ethics
- Conflicts of Interest Policy
- Segregation of functions/responsibilities by positions and authorities
- Verification of compliance with annual budgets.

The aforementioned procedures and controls are also useful to ensure the proper management of financial resources, as required by the Criminal Code, since they seek to guarantee an adequate control system in the financial area, which is necessary to prevent the commission of certain crimes in CIMAM.

Accounting obligations:

The Association shall comply with the following documentary and accounting obligations: (i) to have an updated list of its members, (ii) to keep accounts that provide a true and fair view of the assets, results and financial situation of the entity, as well as the activities carried out, (iii) to keep an inventory of its assets and to record in a book the minutes of the meetings of its governing and representative bodies. The members may have access to this documentation through the representative bodies, under the terms provided for in the regulations on personal data.

13. PROTECTION OF PERSONAL DATA

The processing of personal data, as well as the files, automated or not, created for compliance with the provisions of the AML/CFT regulations, shall be subject to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 and Organic Law 3/2018 of 5 December on the Protection of Personal Data and the Guarantee of

Digital Rights and its implementing regulations, as well as the regulations relating to the prevention of money laundering and the financing of terrorism.

14. IMPLEMENTATION AND ENTRY INTO FORCE

This protocol is applicable to all components of CIMAM, members of the Board of Directors, Management, employees and volunteers that compose it, and shall enter into force from the day of its approval by the Board of Directors of CIMAM.

ANNEX 1 LIST OF COUNTRIES WITH EQUIVALENT BPC/FTP REQUIREMENTS

The Commission for the Prevention of Money Laundering and Monetary Offenses, at its meeting of July 17, 2012, has determined, in accordance with the criteria agreed by the Member States of the Community Committee for the Prevention of Money Laundering and Terrorist Financing, created by Article 41 of Directive 2005/60/EC, that the following jurisdictions establish requirements equivalent to those of the Spanish legislation are:

Australia, Brazil, Canada, Hong Kong, India, Japan, Mexico, Singapore, South Korea, South Africa, South Korea, Switzerland, and the United States.

The list does not apply to member states of the European Union and the European Economic Area, which benefit *de jure* from mutual recognition. The list also includes the territories and jurisdictions included in the delegations to the Financial Action Task Force of France (Mayotte, New Caledonia, French Polynesia, Saint Pierre-et-Miquelon and Wallis-et-Futuna) and the Kingdom of the Netherlands (Aruba, Curacao, Sint Maarten, Bonaire, Sint Eustatius and Saba).

Consult: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2012-11091

ANNEX 2 STATEMENT OF ACCEPTANCE OF THE CBP/FTP POLICY

I, Ms./Mr. _____, declare that I have received CIMAM's Policy for the Prevention of Money Laundering and the Financing of Terrorism and that I am aware of and expressly accept its contents. I also undertake, at all times, to comply strictly with the rules and procedures and other rules contained therein, as well as to attend all training activities provided by CIMAM in this regard.

I am informed that any doubts in relation to the application of these procedures, as well as the communication of operations on which I have detected indications or certainty of being related to money laundering or the financing of terrorism, or any violation of the regulations on the prevention of money laundering, must be communicated to the Board of Directors of CIMAM.

I undertake to act professionally in accordance with the principles of honesty, equality, respect, good faith, confidentiality and integrity.

I received on _____ from _____ from 20_____.

Signature

ANNEX 3

RESPONSIBLE STATEMENT OF THE THIRD PARTY ON THE ACTUAL OWNERSHIP AND VALIDITY OF THE INFORMATION AND DOCUMENTATION

Mrs./Mr. _____, with DNI/NIE/NIF/Passport No. _____, as (governing body) of the entity _____, domiciled at _____, in accordance with articles 4, 4 bis and 4 ter of Law 10/2010, of April 28, 2010, on the prevention of money laundering and terrorism financing, declares:

The ownership and control structure of the entity is as follows:

Natural or legal person	Percentage interest Direct (D) or Indirect (I)	Coincides with the equity interest recorded in the Public Records (yes/no)	Remarks

The individuals who have the status of beneficial owners in accordance with the provisions of article 4 of Law 10/2010 are the following:

First and Last Name	Date and place of birth	DNI/NIE NIF/ Passport (country of issue)	Country of residence	Nationality (es)	Percentage of ownership or criterion that qualifies you as a beneficial owner	In the case of beneficial ownership by direct or indirect ownership of shares or voting rights, the percentage of ownership, including, in the case of indirect ownership, the legal entities involved and their participation in each of them.	Civil servant or relative (Yes/No)

Likewise, it declares that all information and documentation provided to CIMAM, in application of due diligence measures, are up to date and in force, and undertakes to promptly report any alteration thereof.

Place and Date:	Signature of the declarant:

ANNEX 4 MODEL OF SUSPICIOUS TRANSACTION REPORT TO SEPBLAC

Obligor:	
Identification document no. of the obligated party:	
Name of Representative:	
Communication reference:	
Date of communication:	

Identification of the parties involved in the operations

Knowledge of the parties involved in the transactions
--

Description of operations	
Indications of money laundering	
Steps and verifications carried out	
Documentation submitted (list of documents to be attached)	
Place and Date:	Signature of the Representative before SEPBLAC of CIMAM:

ANNEX 5 INTERNAL REPORTING OF SUSPICIOUS TRANSACTION

Confidential communication

Communication data		Receiving data	
First and Last Name		Internal reference	
Date		Date	
Type of operation		Recipient's name and signature	

Identification of participants

Knowledge about the activity of intervening parties:

Description of the suspicious transaction or business relationship:

Additional comments:

Signature of the Communicator

ANNEX 6 TERRITORIES AND JURISDICTIONS AT RISK

Official lists published by the FATF, the European Union and the Spanish Competent Authorities, updated as of March 2023.

GAFI: JURISDICTIONS NOT COMMITTED TO THE FIGHT AGAINST BC/FTF

Black List. Countries for which the FATF has requested its members and other jurisdictions to apply appropriate countermeasures to protect the international financial system from the significant money laundering and terrorist financing risk they pose: North Korea and Myanmar.

Red List. The FATF calls on the international community to apply enhanced due diligence measures commensurate with the risks emanating from Iran.

Grey List. Countries that present strategic deficiencies in the system implemented to combat ML/FT and have developed an action plan with the FATF to address them, having committed in writing to its compliance at the highest political level: Albania, Barbados, Burkina Faso, Cayman Islands, Democratic Republic of Congo, Gibraltar, Haiti, Jamaica, Jordan, Mali, Mozambique, Nigeria, Panama, Philippines, Senegal, South Africa, Syria, South Sudan, Tanzania, Turkey, Uganda, United Arab Emirates, United Republic of Congo, United Republic of Tanzania, United Arab Emirates, Yemen.

Consult us:

[https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc\(fatf_releasedate\)](https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate))

EUROPEAN UNION LIST OF COUNTRIES AND TERRITORIES CONSIDERED HIGH-RISK AND TAX HAVENS

The lists drawn up by the European Union of high-risk jurisdictions and other jurisdictions that are monitored and the list of non-cooperative countries for tax purposes have been updated as follows:

HIGH-RISK COUNTRIES:

- Third high-risk countries that have submitted a written commitment at a high political level to address identified weaknesses and have developed an action plan with the FATF: Afghanistan, Barbados, Burkina Faso, Cambodia, Cayman Islands, Democratic Republic of Congo, Gibraltar, Haiti, Jamaica, Jordan, Mali, Morocco, Mozambique, Myanmar/Burma, Panama, Philippines, Senegal, South Sudan, Syria, Tanzania, Trinidad and Tobago, Uganda, United Arab Emirates, Vanuatu, United Republic of Congo, United States, Yemen.
- Third high-risk countries that have submitted a high-level political commitment to address the deficiencies identified and have decided to request technical assistance to implement the FATF Action Plan, and which have been identified in a FATF Public Statement: Iran.
- High-risk third countries that currently present significant money laundering and terrorist financing risks by repeatedly failing to address the deficiencies identified, and which have been identified in a FATF Public Statement: Democratic Republic of Korea (DPRK).

Consult us:

<https://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:02016R1675-20210207&from=EN>

NON-COOPERATIVE COUNTRIES AND TERRITORIES FOR TAX PURPOSES:

Council, October 4, 2022.

American Samoa, Anguilla, Bahamas, British Virgin Islands, Costa Rica, Fiji, Guam, Marshall Islands, Turks and Caicos Islands, U.S. Virgin Islands, Palau, Panama, Russia, Samoa, Trinidad and Tobago, Vanuatu.

Consult us:

<https://www.consilium.europa.eu/es/policies/eu-list-of-non-cooperative-jurisdictions/>

COUNTRIES OR TERRITORIES CONSIDERED AS TAX HAVENS OR NON-COOPERATING COUNTRIES

Order HFP/115/2023, of February 9, determining the countries and territories, as well as the harmful tax regimes, which are considered as non-cooperative jurisdictions.

Non-Cooperative Jurisdictions: Anguilla, Bahrain, Barbados, Bermuda, American Samoa, Dominica, Fiji, British Virgin Islands, British Virgin Islands, Cayman Islands, Cayman Islands, Fiji, Gibraltar, Guam, Guernsey, Isle of Man, Falkland Islands, Mariana Islands, Jersey, Palau, Samoa, Seychelles, Solomon Islands, Trinidad and Tobago, Turks and Caicos Islands, Vanuatu, United States Virgin Islands, United States Virgin Islands, Trinidad and Tobago.

Consult

us:

<https://www.boe.es/eli/es/o/2023/02/09/hfp115>

NON COOPERATORS

Order ECO/2652/2002, of October 24, 2002, which develops the obligations of communication of operations in relation to certain countries to the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Infractions and Order EHA/1464/2010, of May 28, 2010, which amends Order ECO/2652/2002, of October 24, 2002.

Ukraine, Egypt, Nigeria, Guatemala, Philippines, Indonesia, Myanmar (formerly Burma) and Iran.

ANNEX 7 SANCTIONED AND TERRORIST LISTS

Links and lists of terrorists and sanctioned persons:

- OFAC: <https://sanctionssearch.ofac.treas.gov/>
- EU: <https://www.consilium.europa.eu/es/policies/fight-against-terrorism/terrorist-list/>

The published lists should be consulted:

- List of individuals, groups and entities to which specific counter-terrorism measures apply.
- List of persons, groups and entities to which enhanced police and judicial cooperation measures apply (June 2009). Only those marked with an asterisk.

<https://www.sanctionsmap.eu/#/main>

- UN: <https://www.un.org/securitycouncil/es/content/un-sc-consolidated-list>

- CIVIL GUARD:

<https://www.guardiacivil.es/es/colaboracion/buscados/index.html> POLICE:
https://www.policia.es/_es/colabora_masbuscados.php

- PERSONS WITH PUBLIC RESPONSIBILITY: in Google and other public sources.

ANNEX 8 EMPLOYEE AND CANDIDATE SUITABILITY QUESTIONNAIRE

DNI/NIE	
Surname and first name	
Position held or aspired to:	

This questionnaire is conducted for the purpose of verifying the candidate's suitability and honorability, in compliance with AML/CFT obligations.

The signatory declares that the information included in this questionnaire is true, accurate and complete and, in the event of any change in any circumstance, undertakes to immediately inform CIMAM.

1.- Within the framework of your professional activity, have you previously maintained relations with national or foreign regulatory and supervisory authorities (Bank of Spain, CNMV, DGSFP, etc.)?	YES	NO
If yes, indicate which ones and briefly explain the activities carried out:		

2.- Do you have a criminal record that has not been expunged in Spain or abroad?	YES	NO
If yes, please explain briefly:		

3.- Have you been or are you being investigated or convicted in Spain or abroad?	YES	NO
If yes, please indicate whether they are crimes against assets or against the economic order, against the Public Treasury and Social Security, crimes against the Public Administration or falsehoods.		

4.- Are you, or were you in the past, disqualified (or dismissed) from the exercise of any profession, public office or administrative or managerial position?	YES	NO
If yes, please explain briefly:		

5.- Have you been sanctioned or are you being investigated in Spain or abroad for infringement of administrative regulations?	YES	NO
If yes, please explain briefly:		

6.- Do you perform any complementary activity, apart from your work for the Entity, in which there may be a conflict of interest with your duties at CIMAM?	YES	NO
If yes, indicate which ones and briefly explain:		

Have you received gifts, hospitality or invitations from third parties that exceed an estimated value of more than 100 euros or that have influenced or may influence your decision making?	YES	NO
If yes, please explain briefly:		

In Barcelona, on the ____ day of _____ of 20__.

Signature