

Information memo „Politically exposed person“

I. Preliminary

Investment service provider¹ LYNX B.V., Branch Czech Republic (hereinafter referred as „LYNX“; ID no: 02451778; Address: Vaclavske sq. no. 776/10, Nove Mesto, 110 00 Prague 1, CZ; legal form: Branch, file no. A 76398 kept by the Municipal Court in Prague

Clients² LYNX would like to inform clients about Czech Financial Intelligence Unit (hereinafter known as “FIU”) guideline no. 7 „*Measures against politically exposed persons*“, available [here](#).

Published information is relevant for clients due to the law fulfillment of Act no. 253/2008 Coll., on selected measures against legitimisation of proceeds of crime and financing of terrorism (hereinafter “[AML Act](#)”)

I. Terms explanation

„Politically exposed person“ ³	<p>(5)</p> <p>a) Politically exposed person shall mean: a) a natural person, who is or was in a prominent public function with nation-wide or regional responsibilities, such as a head of State, head of government, minister and deputy or assistant minister, member of parliament, member of governing bodies of political parties, leading representative of local government, member of the Supreme Court, Constitutional Court and other high-level judicial body, decisions of which are not subject to further appeal, except in exceptional circumstances, member of central bank board, high-ranking military officer, member or representative of member which is a legal person of statutory body of a state owned business corporation controlled by the State, ambassador or chargé d'affaires, and/or natural person, who is or was in a similar function in another state or in a European Union body and/or in an international organisation,</p> <p>b) a natural person, who is:</p> <ol style="list-style-type: none"> 1. a person known to be a close associate to a person under letter a), 2. a business partner or beneficial owner of the same legal person, trust or other legal arrangement without legal personality as a person under letter a) or is known to the obliged entity as a person in a close business relationship with the person under letter a), or 3. a beneficial owner of a legal person, trust or other legal arrangement without legal personality known to the obliged entity to be created in favor of a person under letter a).
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¹ LYNX B.V. has been regulated by the Czech National Bank and has been listed as „Branch of foreign investment company (non-bank)“ at [List of regulated and registered entities of financial market](#). Customer (“a LYNX client”) means investor, customer, consumer, agent, statutory representative of legal entity, UBO.

² Polish and Slovak clients are being pre-accepted by the LYNX Branch Czech Republic.

³ AML Act, Section 4 (5)
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„Close person“ ⁴	<i>“A close person is a relative in the direct line, sibling and spouse or a partner under another statute governing registered partnership (hereinafter a “partner”); other persons in a familial or similar relationship shall, with regard to each other, be considered to be close persons if the harm suffered by one of them is perceived as his own harm by the other. Persons related by affinity and persons permanently living together are also presumed to be close persons”.</i>
„Close business relationship“ ⁵	<i>„For the purpose of this Act, a close business relationship shall mean such material interconnection in the course of the business activity, where the effect of benefit or harm of one person can be reasonably perceived as benefit or harm of another person“.</i>

II. PEP example

An example of the Politically exposed person (hereinafter „PEP“):

- natural persons, who are or have been in a significant public function with national or regional importance are considered to be PEP, and the foreign factor is no longer (amendment to the AML Act with effect from 1 January 2017) as a condition of the natural person's declaration for PEP⁶.
- Domestic PEP (citizens of the Czech Republic) who reside or reside abroad or perform their functions abroad. It may be:
 - Ambassador of the Czech Republic abroad,
 - Commissioner of the European Parliament,
 - Member of the European Parliament.

III. Final provisions

PEP is detected by LYNX via: (a) the use of client control systems, as well as (b) by own investigation and (c) by the client's declaration. The applied measures referred to in Section 9 of the AML Act and in Section 15 of the AML Act. LYNX staff is regularly trained to the topic *“preventing money laundering and terrorist financing.”* LYNX cannot use simplified client identification and due diligence towards a client that is considered as PEP (Section 13 of the AML Act).

Final approval of PEP will issue a LYNX Board of directors. Customers can also use the Info memo related to the measures against the legalisation of proceeds of crime and terrorist financing (“AML/CFT”) and Rules of using the asset account, for further details see section [“Documents”](#).

We kindly ask clients to become familiar with LYNX documents published via webpage. Thank you.

A printed version of this document is available at LYNX office.

LYNX B.V. reserves the right to update this document continuously.

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⁴ Civil Code § 22 (1)

⁵ AML Act § 4 (11)

⁶ AML Act will be changed due to the implementation of the 5th AML directive

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