



## **A n n o u n c e m e n t**

### **on OTP Bank Plc's rules of customer identification**

#### **Customer identification obligation**

In accordance with Act CXXXVI of 2007 on the prevention and combating of money laundering and the financing of terrorism a financial institution can only establish a business relationship with or accept a transactional order for cash reaching or exceeding the amount of HUF three million six hundred thousand (HUF or foreign currency) as well as a currency exchange transactions reaching or exceeding HUF five hundred thousand from a customer presenting his/her personal identification document to the financial institution, and the identification of whom has been performed by the financial institution.

The identification obligation – for currency exchange – includes transactional order comprising several items made within one week and reaching HUF five hundred thousand when the order reached or exceeded HUF five hundred thousand.

Identification obligation also applies to the person authorized by the customer and all authorized representatives as well as the agent for service of process of a foreign person if there is such person assigned.

If the customer is a legal person or an organization without legal personality, or a natural person acting on behalf thereof or based on the assignment thereof, beyond identification of the natural person, identification of the legal person or organization without legal personality shall also be performed.

A financial institution can only accept an order for bank or financial transaction from a company with registered address in foreign country which is an organization registered as a financial institution according to the law of its own country and names its client.

The above provisions do not apply if the foreign financial institution gives the bank transfer order on its own behalf due to the nature of the transaction, or the foreign – non-financial institution – client acts at the financial institution on its on behalf.

The Bank shall record:

- a) regarding business relationships, the type, the subject matter and the term of the contract;
- b) regarding transaction orders, the subject matter and the value of the transaction.

Beyond the previous data the Bank may record the particulars of the transfer (place, time, mode) and may also request to put the information about sources of cash and cash equivalents at Bank's disposal.

If the customer does not agree to perform the identification, no business relationship can be established therewith or the financial transaction shall be rejected.

### **Customer identification in case of natural person**

For natural persons customer identification comprises the registration of following data by the financial institution:

- family and first name (birth name),
- place and date of birth,
- mother's maiden family and first name,
- citizenship,
- address,
- number and type of the identification document.

For foreign natural persons

- family and first name (maiden name),
- place and date of birth,
- mother's maiden family and first name,
- address,
- citizenship,
- type and number of identification document,
- residency in Hungary (if any) shall be registered.

Customer identification shall be performed based on presentation of the following official documents:

- For inland natural persons: personal identification card; ID card and official card certifying the address together; passport and official card certifying the address together; new type driving license card and official card certifying the address together.
- For foreign natural persons: passport; personal identification card if it authorizes residence in Hungary; a document evidencing the right of residence or a valid residence permit.
- Personal ID card and official card certifying the address or passport and official card certifying the address of a natural person under 14 years of age.

For private entrepreneurs, in addition to the above, the presentation of the following documents is required :

- a) From private entrepreneurs, who pursue their activity according to Act CXV of 2009 on private entrepreneurs and one-person firms:
  - entrepreneur document or a certificate issued by the body keeping the records of private entrepreneurs (currently : the KEKKH) or a certificate issued by the local government
- b) From entrepreneurs, who pursue their activity according to other regulations:
  - copy of the document of the registration by the NAV, disclosure of the tax number

- certificate necessary for pursuing the activity (e.g. a document certifying a chamber membership and so on)
- c) From agricultural primary producers:
- i) agricultural primary producers with licence
    - copy of the document of the registration by the NAV, disclosure of the tax number
    - agricultural primary producer's certificate with a sales interleaf
  - ii) agricultural primary producers without licence
    - disclosure of the tax ID number

### **Customer identification in case of legal persons and organizations without legal personality**

- name, short name;
- registered address; for enterprises with registered address in a foreign country, the address of the site;
- for legal person or business organizations without legal personality registered by the Court of Registration, the registration number; for other registered legal persons or organizations without legal personality the number of decision on foundation (recording, registration) or the recording number of the legal person or organization without legal personality;
- and name, position of authorized representatives; or identification data of the agent for service of process, if applicable should also be recorded.

Following official documents – not older than 30 days – shall be used for identification of legal persons or other organization registered (or to be registered) in Hungary:

- a.) the inland business organization has been registered by the Court of Registration or the business organization has submitted the application for registration;
- b) for inland legal person, official or court registration is required for the foundation; the legal person has been registered;
- c) for foreign person or organization without legal personality the registration or recording in accordance with the law of the own country has been performed;
- d) prior to submission of application for registration by the Court of Registry, official or judicial registration to the Court of Registry, authority or court, deed of establishment (deed of foundation, articles of incorporation) of the legal person or organization without legal personality.

For a legal person or organizations without legal personality registered in a foreign country a certificate not older than 30 days certifying the registration or record of the organization in accordance with its own country with endorsement or Apostille and attested Hungarian translation of such documents is required. The National Agency of Translation and Translation Authentication (OFFI), a Hungarian specialised translator or a translator-lector can perform the official Hungarian translation of the documents necessary for identification. To a translation completed by a specialised translator or a translator-lector the copy of the document certifying a translator or an interpreter qualification shall be attached.

## **Declaration of the person of the beneficial owner\***

In case of customer identification the customer or the agent acting on the customer's authority shall make a written declaration on the beneficial owner of the customer. If such declaration does not exist, the financial institution shall reject the establishment of business relationship or the transaction.

\* 'Beneficial owner' shall mean:

- a) the natural person who owns directly or indirectly – the way enacted in Section 8:2 (4) of Act V of 2013 on the Civil Code of Hungary – controls at least twenty-five per cent of the shares or voting rights in a legal person or business association lacking the legal status of a legal person, if that legal person or business association lacking the legal status of a legal person is not listed on a regulated market and is subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards;
- b) the natural person who has a dominant influence in a legal person or business association lacking the legal status of a legal person as defined in Subsection (2) of Section 8:2 of Act V of 2013 on the Civil Code of the Republic of Hungary (hereinafter referred to as "Civil Code");
- c) the natural person on whose behalf a transaction is carried out; and
- d) in the case of foundations:
  1. where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of twenty-five per cent or more of the property of the foundation;
  2. where the individuals that benefit from the foundation have yet to be determined, the class of natural persons in whose main interest the foundation is set up or operates or
  3. the natural person(s) who exercises control in the management of the foundation or exercises control over twenty-five per cent of the property of a foundation, or who is authorized to represent the foundation, furthermore
- e) lacking a natural person defined in points a)-b) the executive officer of a legal person or business association lacking the legal status.

\* Civil Code Section 8:2:

(1) Majority control means a relationship where a natural or legal person (holder of a participating interest) controls over fifty per cent of the voting rights in a legal person, or in which it has a dominant influence.

(2) The holder of a participating interest is deemed to have dominant influence on a legal person if it is a member of or shareholder in that company and:

a) it has the right to appoint and recall the majority of the executive officers or supervisory board members of the legal person; or

b) other members of or shareholder in that legal person are committed under agreement with the holder of a participating interest to vote in concert with the holder of a participating interest, or they exercise their voting rights through the holder of a participating interest, provided that together they control more than half of the votes.

(3) Majority control is also deemed to exist if the entitlements referred to in Subsections (2)-(3) are ensured indirectly to the holder of a participating interest.

(4) Indirect control on a legal person means a relationship where a person is able to exercise influence on a legal person that has voting right in that legal person (intermediary legal person). The scope of indirect control means the percentage of control held by the intermediary legal person that correspond to the percentage of control the holder of a participating interest has in the intermediary legal person. If the holder of a participating interest controls more than half of the votes in the intermediary legal person, the control the intermediary legal person has in the legal person shall be taken into account in its entirety as indirect control held by the holder of a participating interest.

(5) The direct and indirect ownership interest and voting rights of close relatives shall be applied contemporaneously.

### **Announcement on the politically exposed person status**

In case of customer identification the customer with foreign residence shall make a written declaration to the service provider whether or not he/she is considered a politically exposed person in accordance with the law of his/her own country and if he/she is considered a politically exposed person, he/she shall make a declaration on the source of his/her cash and cash equivalents as well.

Politically exposed person: the natural person having residence only outside Hungary, consequently not having official card certifying Hungarian address who is entrusted with prominent public functions or was entrusted with prominent public functions within one year prior to the customer due diligence measures and immediate family member of such person and persons known to be close associate of such person.

Person entrusted with prominent public functions:

- a) heads of State, heads of government, ministers and assistant ministers;
- b) members of parliaments;
- c) members of the Constitutional Court or of other high-level judicial bodies whose decisions are not subject to further appeal;
- d) the head of the court of auditors, members of courts of auditors or of the senior decision making body of central banks;
- e) ambassadors, chargés d'affaires and high-ranking officers and generals in the armed forces;
- f) members of the administrative, management or supervisory bodies of State-owned enterprises.

Immediate family member: spouse, direct relative, adopted or stepchild or nursing, adopting or step- or foster-parent and sibling; furthermore, close relatives include common-law spouse, spouse of the direct relative, fiancé, direct relative and sibling of spouse and the spouse of sibling.

Person being a close associate of the politically exposed person:

- a) a natural person who is the beneficial owner of the legal person and organization without legal personality together with a person entrusted with prominent public functions or is in close business relationship with such person;
- b) a natural person who is one-man owner of a legal person or organization without legal personality founded for the benefit of a person entrusted with prominent public functions.

## **Registration of the minimum set of data**

In case of all cash remittance regardless of the amount, cash deposit paid directly – not applying money service businesses – to payment (bank) account not reaching HUF three million six hundred thousand, as well as transaction order reaching HUF three hundred thousand, but not reaching HUF three million six hundred thousand the following minimum set of data must be registered:

### **Minimum set of data in case of natural persons**

The registration of the minimum set of data in case of natural person customers comprises the registration of the following data by the financial institution:

- family and first name (birth name),
- citizenship,
- address,
- number and type of the identification document.

For foreign natural persons

- family and first name (maiden name),
- address,
- citizenship,
- type and number of identification document,
- residency in Hungary (if any) shall be registered.

### **Minimum set of data in case of legal persons and organizations without legal personality**

The registration of the minimum set of data in case of legal persons and organizations without legal personality comprises the registration of the following data by the financial institution:

- name, short name;
- registered address; for enterprises with registered address in a foreign country, the address of the site;
- for legal person or business organizations without legal personality registered by the Court of Registration, the registration number; for other registered legal persons or organizations without legal personality the number of decision on foundation (recording, registration) or the recording number of the legal person or organization without legal personality.

During the existence of contractual relationship customer shall notify the Bank on any changes to the data provided for identification concerning the person of the beneficial owner, within five (5) days from notice.

### **The rules of procedure concerning high amount cash payments affecting EUR and USD foreign currency accounts of nationals of third countries**

If a total amount of EUR 10,000, USD 10,000, equal to this amount in any foreign currency or above is intended to be paid per account within a calendar month into the retail foreign currency account held in EUR or USD of a national of a third country, then the order may only be complied with subject to the presentation of any of the certifications listed in the "Scope of certificates" Section.

The certificate shall be presented upon order of cash deposits where the amount of cash deposits made reaches or exceeds EUR 10,000, USD 10,000 or equal to this amount in any foreign currency in the relevant calendar month, and then, after that, sources must be verified in the case of each payment in the calendar month concerned.

#### *Scope of certificates*

As verification of the source of the cash to be deposited, the presentation of the following original documents issued to the name of the person performing the transaction or of the account holder may be acceptable:

- a) a final judicial or administrative decision not older than 1 year (e.g. decision on grant of probate),
- b) official certificate not older than 1 year (e.g. by land registry office),
- c) other public deed not older than 1 year (e.g. about sale of property or vehicle),
- d) payment (bank) account statement and cash payment certificate not older than 3 months (if the client is unable to present a payment (bank) account statement in the absence thereof, then also the individual certificate on cash withdrawal may be accepted),
- e) a certificate not older than 3 months on behalf of the company engaged in the organisation of gambling services about the winnings,
- f) a certificate not older than 3 months on behalf of the employer about wages, dividends and bonuses,
- g) a Cash Declaration Form not older than 3 months to be completed upon entry into territory of the European Union (to indicate personal details, the data of the owner of the cash, the data regarding the cash, the origin and intended use thereof, and the transport details).

If the certificate is issued in a language other than Hungarian, also the attested Hungarian translation thereof shall be attached. Attested Hungarian translations may be performed by the National Office for Translation and Attestation (OFFI), by a specialist translator or specialist translator/proof-reader. In the case of translations from a specialist translator or specialist translator/proof-reader also a copy of the document in proof of the specialist translator's/interpreter's qualification shall be attached.

*Refusal of order for cash deposit transaction*

The cash deposit order detailed hereunder may be refused based on the notification on the Bank's rules of client identification if:

- a.) the person performing the transaction fails to submit any of the certificates listed in the "Scope of certificates" Section or if the certificate submitted is inadequate (there is no attested Hungarian translation attached, it is not duly signed or issued to the name of other than the person performing the transaction/the account holder),
- b.) the data of the certificate presented are fully identical with the recorded data of the certificate presented upon the cash deposit(s) made in the previous three months and the amount indicated in the certificate does not provide cover for the cumulative amount of the deposits made.
- c.) with regard to the authenticity of the data submitted by way of the certificate there is doubt existing or the legal title indicated in the certificate is not contained in the "Scope of certificates" Section.

With the entering into force of this announcement the announcement entitled OTP Bank Plc's rules of customer identification and published on 09.08.2013. and having been valid from 09.08.2013. expires.

**OTP Bank Plc.**

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