



Policy on anti-money laundering and combating the financing of terrorism (“AML/CFT”)

Measures for preventing money laundering and the financing of terrorism:

01	Establish initial contact with clients.
02	Request identification of clients and information about the advisory service.
03	Complete a conflict-and-risk-check to assess whether AML/CFT legislation will apply and to assess the risk.
04	The Anti-Money Laundering and Compliance Group (“AML and Compliance”) analyzes the identification of the client (subject to AML/CFT legislation) according to the level of risk assigned. If the level of risk is high, the Internal Control Body (“OCI”) assesses the advisory service and the client, so as to decide whether they can be accepted.
05	If the analysis reveals signs or suspicions of money laundering or the financing of terrorism, the OCI will not authorize the starting of a business relationship with the potential client. If there are no such signs, and all the relevant information is available, the OCI will accept the client and the case.
06	During the course of the advisory service, there will be follow-up of the business relationship with the frequency established in relation to the level of risk.
07	When the advisory service has ended, the firm will keep the documents relating to the client’s identification and its relationship with the firm for 10 years.



AML/CFT system

Our AML/CFT system and processes are based on establishing internal control policies and measures relating to the level of risk of our clients and the advisory service requested.

This policy and the procedures it establishes apply to everyone at Cuatrecasas and to all the offices and regions where we provide legal advice.

We have a client acceptance policy for advisory services in which the firm is subject to AML/CFT legislation. Through the conflict-and-risk check, we check all the advisory services requested from the firm to analyze whether the AML/CFT legislation applies, we check the risk factors relating to type of client and the advisory service requested, establishing a system of alerts such as checking potential clients against databases of politically exposed persons and sanctioned persons, and countries with a possible risk involved in the advisory service.

After this analysis, we classify the potential clients according to the level of risk assigned and we assess the identification documents to check the correct identification of the clients, establishing the simplified, normal or reinforced due diligence process depending on the conclusions and registering the due diligence process carried out in our document manager.

Any potential clients or advisory services that are high risk must be referred to the OCI, so it can carry out a detailed analysis to decide whether the firm should accept or reject the commission.

As explained earlier, we have automatic processes for detecting any transaction with signs giving rise to a suspicion of money laundering or the financing of terrorism; we also have an internal reporting channel for employees to be able to directly and personally report issues to the OCI.

During the advisory service, the firm follows up on the business relationship, and when the service has ended, the firm keeps the corresponding documents for 10 years.

We have a continuous training policy in the area of AML/CFT, with an annual and continuous training plan approved by the OCI, including follow up.



We promote co-responsibility when it comes to meeting the applicable regulations at all times. We provide all the firm's staff with an AML/CFT guide explaining the requirements of the regulations and the tools needed to meet those regulations: standard forms for collecting identification information in an agile way, e.g., KYC, declarations of beneficial ownership.

Once a year the firm is audited by an external expert who prepares an annual report with recommendations and suggestions regarding the established AML/CFT checks.

Organizational structure

Internal Control Body for Anti-Money Laundering and Combating the Financing of Terrorism (“Internal Control Body” or “OCI”)

The OCI is the Cuatrecasas internal control body, created by the board of directors. It is responsible for applying the AML/CFT-related policies and procedures regarding due diligence, information, document preservation, internal control, risk assessment and management, guarantee of compliance with the corresponding provisions and communication to prevent money laundering and the financing of terrorism. The OCI comes under the board of directors although it has functional independence.

Its main duty, delegated by the board of directors, is to ensure the (i) correct operation throughout the firm of the internal standards in relation to obligations, and (ii) compliance with the AML/CFT processes by implementing procedures to detect risks in all matters and cases that reach the firm. Among its duties are to analyze, assess and resolve high-risk cases and to approve the annual training plan.

It is made up of partners from the firm's main practice areas and the person appointed as representative for the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offenses (“SEPBLAC”).

The OCI holds regular meetings and issues minutes for every meeting. It will also hold any special meetings necessary to handle communications of suspicious transactions and to discuss and decide on the adoption of special due diligence measures.

Anti-Money Laundering and Compliance Group (“AML and Compliance”)

Under our internal anti-money laundering policy, in addition to the OCI, we have an AML and Compliance team with specialized staff that provides support to the OCI, and



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implements and establishes the control measures approved by the OCI; analyzes whether the advisory services are subject to AML/CFT regulations; and analyzes the assigned risk and the identification documents.

It applies and reviews the due diligence measures carried out, follows up on the business relationship, provides support to the OCI to analyze high-risk clients and advisory services, and follows up on and analyzes transactions with signs or suspicions of money laundering or the financing of terrorism.

Both AML and Compliance, and the OCI act independently of the Committee for Accepting Matters and Managing Conflicts of Interest (which resolves potential conflicts of commercial or ethical interest), to ensure their autonomy.