



Anti-Money Laundering

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Context and concepts – AML/CFT

Concepts – Money Laundering



Its objective is to introduce money from criminal activities into the economic system, concealing or disguising its nature, origin, location, disposition or movement so that its origin is apparently legal.

1 Collocation

Placing "dirty" money in the economic system



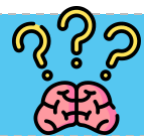
2 Occultation

Obstructing the accounting follow-up of illicit assets, breaking the chain of evidence in the event of an investigation



3 Integration

Money is incorporated into the formal economy



Did you know?

The law establishes that the prison sentence for these crimes is from 3 to 10 years. In addition to the prison sentence, the convicted person may also be subject to a fine.

Anti-Money Laundering Standards and Agencies



Laws 9.613/98 and 12.638/12

It typifies the crimes of laundering or concealment of assets, rights and values; the prevention of the use of the financial system for illicit acts; and creates the COAF

Circular SUSEP 612/20

Provides policy, procedures, and Internal controls specifically designed for preventing and combating money laundering offences

FATF – Financial Action Task Force

Intergovernmental body for the protection of the financial system through the development and promotion of international standards of prevention

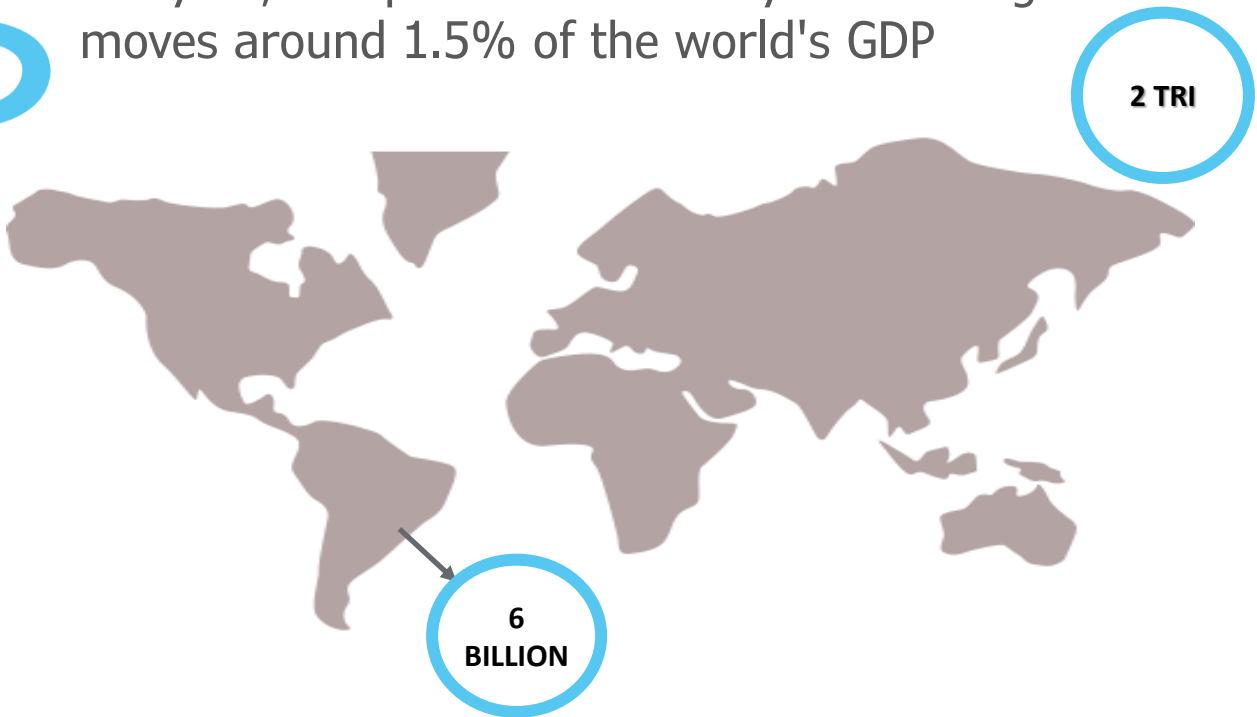
COAF - Council for the Control of Financial Activities

Receives, examines and identifies suspected cases of illicit activity and communicates with the competent authorities so that they can carry out the necessary procedures

Data



Per year, the practice of money laundering moves around 1.5% of the world's GDP



The resources come from crimes and often linked to extortion, threats and corruption, creating situations of insecurity for society.

Illicit money ensures the growth of criminal groups, the increase in the price of goods and services, as well as the intimidation of the population, in addition to the exploitation of labor in undignified conditions and environmental damage.

Main techniques used

Invest in legitimate businesses

They can use large companies, which handle so much money that it's easy to mix it up, or they can use small businesses that require a lot of cash like bars, restaurants, or gas stations

Tank structuring

Divide large amounts of money into smaller, less suspicious amounts

Banks abroad

Accounts opened in tax havens

Fictitious companies

They create the appearance of legitimate transactions through fake invoices, contracts, and balance sheets.

Internal risk assessment



We determined risk factors that would increase the likelihood of use in money laundering operations, which would require stricter controls and monitoring.

PPE counterpart

Public officials who hold or have held relevant public functions in the last five years, in Brazil or abroad, as well as their family members and close relatives.

Difficulty identifying the source of funds

Difficulty in understanding the company's field of activity and the means by which it can make a profit

Negative Media Association

News that points to a story or accusation of unethical or criminal conduct, at odds with our values and principles

Nonprofits

Organizations with social purposes that do not aim to make profits, but to generate a positive impact on society

Sectors susceptible to Money Laundering

Sectors at higher risk, known to be more vulnerable to this practice, due to the difficult traceability of products or transactions (e.g. jewellery, works of art, real estate)

Subletting of services subject to the contract

Outsourcing of the main activity or main activity in question

Optional reinsurance for individuals or companies with a single BF

Reinsurance contract in which the insured is a natural person or a company that has a single majority beneficial owner

Non-identification of the Beneficial Owner

Final beneficiary: individuals who own directly or indirectly, through the corporate chain + 25% of the Company.

Complex corporate structure

Corporate chains with a network of several legal entities, making it difficult to identify partners and beneficiaries

Not clearly identifying the subject matter of the contract

Object of the business without adequate specification of the transaction to be carried out, the established deadlines, etc.

Unnecessary intermediaries or complex network

Setting up business using multiple intermediaries, which are not necessary, or multiple counterparties

Countries susceptible to financial crime

Counterparty location in Federal Revenue Service ("Tax Havens") and FATF list of jurisdictions

FATF (Financial Action Task Force) Listing



An intergovernmental organization that sets standards and promotes the implementation of measures to combat money laundering and terrorist financing.

Countries susceptible to financial crime, according to a list published by the FATF. Therefore, the counterparty will be classified as high risk:



Countries with trade restrictions, according to the list published by the FATF. Therefore, the counterparty will be classified as prohibitive risk and we will not be able to continue with the business:

Iran



Myanmar



People's Republic of Korea



Sanctioned counterparties



Prohibitive risk



UN - United Nations

An international entity created to promote peace, security and cooperation between countries, with the aim of achieving sustainable development and the defense of human rights.



CEIS - Registry of Low-Reputation and Suspended Companies

It collects information on companies and legal entities that have been penalized or are restricted from participating in public tenders and contracts. The aim of the CEIS is to increase transparency and integrity in public procurement, preventing fraud and corruption.



OFAC - Office of Foreign Assets Control

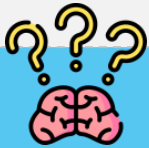
Responsible for implementing and administering economic and trade sanctions against countries, groups, and individuals that threaten U.S. national security and foreign policy.

List of tax havens



Counterparties located in countries susceptible to financial crimes, according to a list published by the Federal Revenue Service. Therefore, the counterparty will be classified as **high risk**.

Andorra	Gibraltar	Marshall Islands	Monaco
Anguilla	Grenada	Mauritius	Nauru
Antigua and Barbuda	Hong Kong	Montserrat	Panama
Aruba	Isle of Man	Solomon Islands	French Polynesia
Bahrain	Saint Pierre and Miquelon	Turks and Caicos Islands	American Samoa
Barbados	Niue Island	U.S. Virgin Islands	Western Samoa
Belize	Norfolk Island	British Virgin Islands	Saint Lucia
Brunei	Pitcairn Island	Ireland	Saint Maarten
Campione D' Italia	Qeshm Island	Kiribati	Saint Vincent and the Grenadines
Cyprus	Island Ascension	Labuan	Seychelles
Commonwealth of the Bahamas	Bermuda Islands	Lebanon	Swaziland
Curaçao	Cayman Islands	Liberia	Sultanate of Oman
Djibouti	Cook Islands	Liechtenstein	Tonga
Dominica	Saint Helena Islands	Macau	Tristan da Cunha
United Arab Emirates	Channel Islands	Maldives	Vanuatu
Federation of Saint Kitts and Nevis			



Why are they considered tax havens?

- Low tax rate: Tax havens offer significantly reduced taxes.
- Bank secrecy: what attracts investors who want to hide assets.
- Flexible regulation: Less stringent standards in areas such as company formation, audits, and financial reporting make it easier to operate businesses.
- Strategy: Companies use tax havens to reduce their overall tax burden by shifting profits to these jurisdictions. On the other hand, given this flexibility, it can be attractive to companies that want to hide the origin of their resources.

RIA - Internal Risk Assessment

IFC Listing – High Risk



Trade in jewellery and watches, including precious stones



Non-profit activities



Management and administration, Development of projects related to the real estate sector



Trade and brokering of works of art, such as the sale of paintings, sculptures and other forms of art

Listado IFC – Riesgos prohibitivos



Production or activities involving forms of labour exploitation, forced labour or child labour



Production or trade of radioactive materials, except medical equipment



Gambling, casino, and similar companies



Production or trade in alcoholic beverages (except beer and wine)



Trawler fishing in the marine environment



Production or trade of timber or other forest products that are not sustainably managed



Production or trade of tobacco and tobacco



Production or trade of asbestos fibres



Activities commercially exploited in primary humid tropical forests



Production or trade in arms and ammunition

Suspicious transaction monitoring

Constant monitoring of the areas that are in the day-to-day in relation to these factors is essential for the identification of operations characterized as suspicious, in view of the direct contact with the operations, which are not complied with.

Unnecessary use of a complex network of brokers to take out insurance

Repayments with abnormal frequencies or very close to the date of employment

Non-Resident Alien Insurance (FATF)

Transactions whose peculiar characteristics may characterize AML/CFT or any other unlawful act

Claims notifications that appear legitimate, but with abnormal frequency

Payment to a beneficiary with no apparent relationship to the insurance contractor

Proposals or operations that differ from normal market conditions

Relevant variation of the SI without apparent cause



Proposals or operations incompatible with the socio-economic profile of the counterparty

Proposals or transactions in which the final beneficiary cannot be identified

Change of business or asset owner immediately preceding the claim

It is essential that the employee of the Austral group has sufficient information to identify cases of suspicious transactions.

AND WHAT SHOULD I DO IF I SUSPECT AN OPERATION?



Immediately report to compliance for further investigation and understanding of the case:

compliance@australholding.com

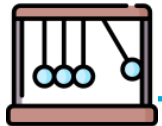
There is no problem for the operation to be normal after the analysis.
The important thing is to be attentive!

Prevention mechanisms and impacts



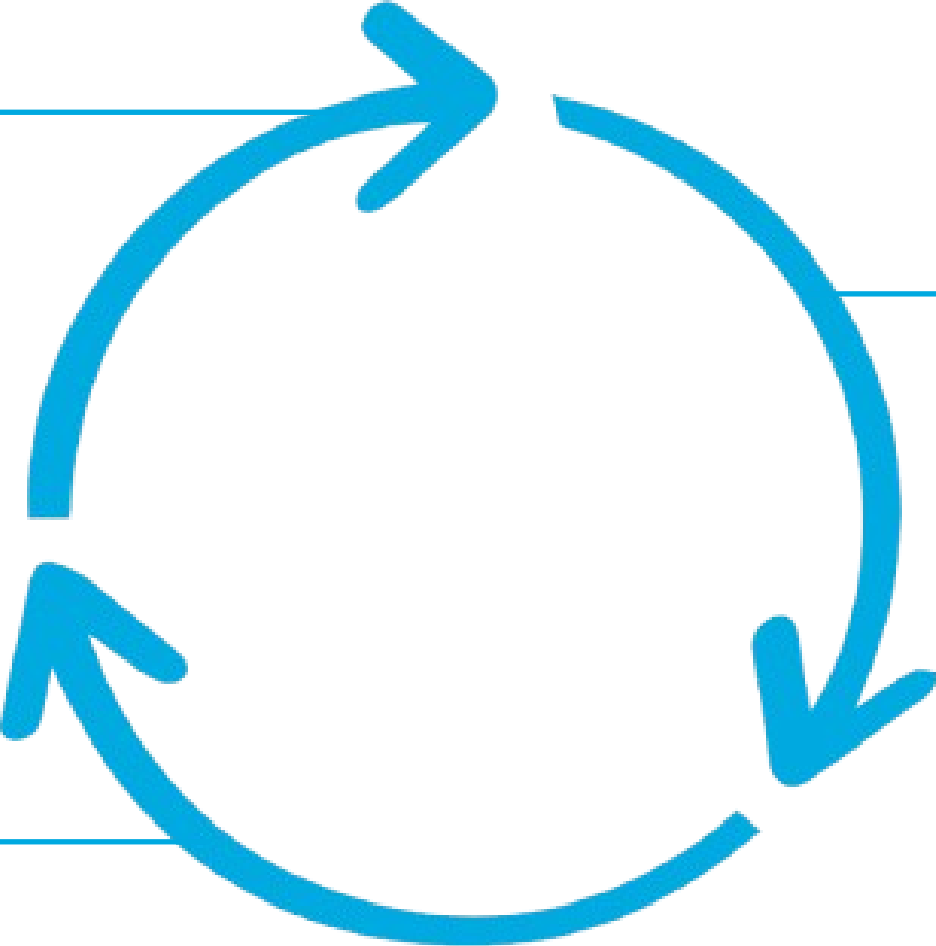
Diligence

Conducting the due diligence process aims to get to know our partners, going beyond the risk of money laundering. It can identify information that helps us more accurately measure the risk of doing business with the counterparty.



Consequences

The impact of associating ourselves with this type of transaction or counterparties can have immeasurable impacts in relation to the value perceived by our stakeholders and, consequently, the loss of market share in the market. In addition, of course: fines and revocation or suspension of the authorization to operate.



Monitoring



Continuous monitoring of transactions made with counterparties for suspicious activity by areas is a crucial part of prevention mechanisms. Everyone must be aware of the factors and be vigilant, preventing our brand from being associated with practices that are foreign to the Company's values.



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