

Anti-Money Laundering & Know Your Counterparty (KYC) Policy

This policy confirms Zarian Group (Zarian Co.,Ltd, Zarian Limited, Zarian Fabrikation GmbH)'s commitment to prevent money-laundering and the financing of terrorism in its business practices and transactions. Money laundering is the process of disguising the financial proceeds of crime to conceal their illegal origin. The financing of terrorism is any kind of financial support to those who attempt to encourage, plan or engage in terrorism.

Zarian Group has established Know Your Counterparty (KYC) procedures to combat money laundering and the financing of terrorism. These procedures allow us to identify every organization that we deal with, to understand the legitimacy of our business relationships and to identify and react to unusual or suspicious activity.

Our Sale Director is responsible for development and implementation of this policy and relevant procedures, and Zarian Group commits to review our KYC policy and procedure every year.

To support our KYC policy and procedures, Zarian Group has developed a KYC form which we send to all our counterparties (this is our business partners: suppliers and customers) to collect relevant business information to identify risks of money-laundering. We require the form to be completed for all existing and new counterparties.

This KYC form also has been combined with our supply chain information requests for COP7: Due Diligence for responsible sourcing from conflict- affected and high-risk areas.

By collecting and reviewing the information in completed KYC forms, Zarian Group commits to

- establishing the identity of our counterparties
- checking that our counterparties are not considered high-risk (this means checking whether counterparties are based in FATF high-risk jurisdictions, named on government sponsored watchlists or international (UN) sanctions lists and Thai AMLO, or if they source from conflict-affected and high-risk areas (CAHRAs))
- maintaining an understanding of the nature and legitimacy of all our counterparties' businesses
- maintaining KYC records for at least five years
- maintaining records of all single or linked cash (or cash-like) transactions above 10,000 USD
- monitoring transactions for unusual or suspicious activity – this type of activity will cause the counterparty to be considered high-risk.

Higher-risk counterparties have also been concerned as below

- Proposals for a transaction that makes no sense
- Requests for unusual financial terms and conditions
- Use of non-bank financial institutions for no apparent legitimate business purpose
- Located in higher-risk jurisdictions.

- Refusal to identify beneficial owners or controlling interests in cases where this would be commercially expected
- Attempted anonymity by conducting ordinary business through other intermediaries

If counterparties are considered as high-risk for any reason (for example named on a sanctions list or engaging in unusual activity) we may:

- Cease trading with the counterparty
- Identify the beneficial owners of the counterparty and check whether the beneficial owners are on any watch lists or sanctions list
- Make an on-site visit to the high-risk counterparty.

Source reference

- FATF: [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))
- United Nations Sanctions List: <https://sanctionscanner.com/knowledge-base/un-sanctions-list-50>
- Thai AMLO: <https://www.amlo.go.th/dpl/>

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