



Risk Appetite Statement (RAS)

pertaining to Anti-Money Laundering, Counter-Terrorist Financing, Sanctions, Anti-Bribery and Corruption

LTL credit union ('LTL') is committed to combating financial crime and ensuring that products offered are not misused for the purpose of money laundering, terrorism financing and fraud events. LTL has strict and transparent standards and continuously strengthens processes so as to ensure compliance with applicable laws and regulations.

In this view LTL has developed the following Risk Appetite Statement, which is applicable to all customers, products, employees and activities of LTL.

LTL reserves the right to reject any customer, payment, or business that is not consistent with its risk appetite.

Conduct risk

No risk appetite

1. Any breaches of local laws or other legal requirements, as well as instructions by the Bank of Lithuania or any other supervisory bodies.
2. Sanctioned customers, their beneficial owners, representatives or transactions related to sanctioned countries, persons or activities, regardless of Customer profitability, transaction amount or any other considerations. LTL complies with:
 - 2.1. The United Nations Security Council Sanctions List (UN);
 - 2.2. The Consolidated List of European Union Financial Sanctions (EU);
 - 2.3. Sanctions lists administered by the United States Office of Foreign Assets Control (OFAC), including the List of Specially Designated Nationals and Blocked Persons;
 - 2.4. Consolidated List of Financial Sanctions Targets in the UK, maintained by the Office of Financial Sanctions Implementation (OFSI), His Majesty's Treasury (HMT).
3. Residual risks determined as High or Very High in LTL's most recent Enterprise-Wide Risk Assessment.

Very low risk appetite (less than 1% of all cases within last 12 months)

4. Failures to conduct or complete customer Due Diligence, Enhanced Due Diligence or Ongoing Due Diligence and lack of further actions related to such instances, such as termination of business relationship. Each customer is subject to collection, verification, analysis and evaluation of due diligence information.



Customer risk

No risk appetite

5. Any illegal activities (including, but not limited to organized crime, drugs, weapons, money laundering, production and distribution of pornographic materials online, illegal gambling, betting, investment, etc.);
6. Unlicensed financial services (e.g., Hawala and other Informal Value Transfer Services, unlicensed Virtual Asset Service Providers (VASPs) etc.);
7. Unlicensed gambling, gaming, casino, betting or related services;
8. Foreign charitable or similar non-profit organizations (NPOs), except globally recognized ones (e.g., International Red Cross, UN World Food Programme, etc.);
9. Customers organized through bearer shareholdings;
10. Politically Exposed Persons (PEPs) residing outside the EU/EEA;
11. Customers engaging in pharmaceutical and dietary supplement business;
12. Customers providing any services to entities engaging in drug production or trade (regardless if the activity is legal or not);
13. Virtual Asset Service Providers (VASPs);
14. Customers engaging in Forex services.

Very low risk appetite (less than 1% of all customers and 5% of all transactions values)

15. Customers engaging in alcohol and tobacco trade (including e-cigarettes and similar production);
16. Customers whose beneficial owners are PEPs;
17. Customers with complex ownership structures¹ (especially ones with multi-layer ownerships and without economic reason for having such structures), including nominees and trusts or similar arrangements;
18. Residents or nationals as a result of “Golden Visa” or “Golden Passport” arrangements;
19. Gambling, gaming, casino, betting² and related³ businesses;

¹ A complex (or highly complex) ownership structure is considered to be one that meets at least one of the following criteria:

- a structure with two or more levels of ownership or more than one intermediate owner (legal entity);
- a structure that includes investment funds, trusts, holding companies, or similar legal constructs;
- a structure that includes legal entities registered abroad (in several different jurisdictions) or foreign nationals.

² This includes operation of casinos, gaming, gambling and betting venues, acting as payment agents to such venues, or companies that belong to (50%+) or hold (50%+), directly or indirectly, to casinos, gaming, gambling and betting venues, using bottom-up approach

³ More than 50% of company's revenues directly or indirectly is derived from casinos, gaming, gambling and betting venues, using bottom-up approach



20. Sports agency and similar activities.

Low risk appetite (less than 5% of all customers and 10% of all transactions values)

21. Legal service providers;

22. Crowdfunding platforms and related entities registered and licensed in EU/EEA;

23. Cash intensive businesses⁴.

Geographic risk

No risk appetite

24. Customers, their shareholders, beneficial owners or representatives residing or registered in:

24.1. Countries appearing on FATF's "Black List";

24.2. Countries appearing on the EU High-Risk Third Countries list;

24.3. Countries appearing in Annex I of the EU List of Non-cooperative Jurisdictions for Tax Purposes ("the EU Black List of Tax Havens");

24.4. Countries associated with very high terrorist activity (Global Terrorism Index >8)

24.5. Countries perceived as very corrupt (Corruption Perception Index less or equal to 25);

24.6. Countries deemed prohibited as a result of individual risk assessment of a jurisdiction;

24.7. Temporarily occupied Ukrainian territories (including Crimea and so called DNR/LNR), Iran, Cuba or North Korea;

24.8. Russia or Belarus, (except cases when individuals registered in these jurisdictions are permanently residing outside Russia or Belarus);

25. Transactions involving countries appearing on FATF's "Black List", Russia, Belarus or temporarily occupied Ukrainian territories (including Crimea and so called DNR/LNR).

Very low risk appetite (less than 1% of all customers or 5% of transaction values)

26. Customers, their shareholders, beneficial owners or representatives residing or registered in:

26.1. Countries appearing on FATF's "Grey List";

26.2. Target Territories;

26.3. Countries appearing in Annex II of the EU List of Non-cooperative Jurisdictions for Tax Purposes ("the EU Grey List of Tax Havens");

⁴ Cash intensive business involves bars, restaurants, motor vehicle retailers, car washes, art and antique dealers, auction houses, pawnshops, jewelries, textile retail, liquor and tobacco stores, retail/night shops, gambling services



- 26.4. Countries associated with high terrorist activity (Global Terrorism Index is between 6 and 8);
- 26.5. Countries perceived as having elevated levels of corruption (Corruption Perception Index is between 26 and 49).
- 27. Transactions involving:
 - 27.1. Countries appearing on FATF's "Grey List";
 - 27.2. Countries appearing on the EU High-Risk Third Countries list;
 - 27.3. Countries appearing in Annex I of the EU List of Non-cooperative Jurisdictions for Tax Purposes ("the EU Black List of Tax Havens");
 - 27.4. Countries associated with very high terrorist activity (Global Terrorism Index >8);
 - 27.5. Countries perceived as very corrupt (Corruption Perception Index less or equal to 25).
- 28. Customers, their shareholders, beneficial owners or representatives residing or registered in:
 - 28.1. High risk jurisdictions (as a result of geographic risk assessment).
- 29. Transactions involving countries that are subjects to international sanctions or embargoes.

Transaction risk

No risk appetite

- 30. Transactions, which have incomplete originator and/or beneficiary information according to the EU Regulation 2015/847.

Medium-Low risk appetite (less than 10% of all transaction value)

- 31. Large (over EUR 100 000 or equivalent) transactions when they are not related to credit issuance or credit repayment transactions;
- 32. Transactions structured in a way as to avoid thresholds.

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