

Announcement

Dear Customers,

Announcement on the due diligence and reporting rules applicable to customers pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing (hereinafter: Act on Money Laundering), Act XIX of 2014 on Announcing the Agreement between the Government of Hungary and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA and the Amendment of Specific Related Acts (hereinafter: FATCA Act), Act CXC of 2015 on the Promulgation of the Multilateral Agreement between the Competent Authorities on the Automatic Exchange of Financial Account Information (hereinafter CRS Act), and Act XXXVII of 2013 on Certain Rules of International Public Administration Cooperation Related to Taxes and Other Public Duties (hereinafter: Tax Cooperation Act).

Pursuant to the provisions of the Act on Money Laundering, the FATCA Act and the Tax Cooperation Act, our Company is under the obligation to perform a due diligence review of its customers, i.e. to record the personal identification data of all customers as required and stipulated by law.

Customer Due Diligence

The Company is required to carry out the due diligence procedure in the following four cases.

Due diligence of the Contracting Party:

- 1.) Upon the establishment of a business relationship for all life insurances combined with a savings plan with no threshold.
For risk only products, the due diligence proceeding is required if **the annual insurance premium exceeds HUF 260,000 or the single insurance premium exceeds HUF 650,000.**
- 2.) A) **For risk only life insurance products**, customers with whom our Company has not established a business relationship or where the due diligence proceeding has not been carried out are subject to the due diligence process if **the transaction order or the orders actually related reach or exceed the threshold of HUF 3,600,000.**
B) **For life insurance products combined with a savings plan**, customers with whom our Company **has not established a business relationship or where the due diligence proceeding has not been carried out for some reason**, are subject to the due diligence process without any threshold in terms of amount/value.
- 3.) **If there is any information, fact or circumstance giving rise to suspicion of money laundering or terrorist financing** and the due diligence proceeding has not been carried out yet.
- 4.) If there is **any doubt about the authenticity or compliance of any data** for customer identification recorded earlier.

Transaction orders in excess of **HUF 3,600,000 may only be accepted from customers** or any business relationship may only be established with a customer **already subjected to the due diligence proceeding** by our Company.

Our Company **may identify or verify** the identity of the **beneficiaries** or those **eligible for insurance services** under life insurance services **even after establishing the business relationship** if the identity of such parties was unknown at the time the insurance contract was concluded. In such cases the identification or the verification of the identity shall be carried out simultaneously with or prior to such payment or the beneficiary enforcing its rights originating from the contract (insurance policy).

Customer Due Diligence Measures

Pursuant to the relevant law, the following personal identification details **shall be listed** in our Company's records:

In the course of the identification procedure at least the following data of a natural person should be recorded in writing (minimum data set):

- family name and given name (name at birth),
- residential address (as recorded in the official document suitable for identification purposes or in the official address registration card; or the wording "no address" if no residential address is available),
- citizenship,
- number and type of identification document,
- in respect of foreign nationals: from the details specified above, those that can be verified from the identification document and the place of abode in Hungary.

In addition to the data specified above, in the course of identification our Company, depending on risk sensitivity, may record the following data (maximum data set) with respect to certain products:

- Place and date of birth,
- mother's maiden name.

Under the FATCA Act, the following additional data must be recorded:

- country of birth,
- expiration date of the identification document,
- tax residence,
- in case of foreign tax residency, the foreign tax identification number and the supporting copy of Certification of Residency document.

For legal persons or business associations lacking the status of a legal person, at least the following data should be recorded in writing in the course of identification:

- full name and abbreviated name,
- address of corporate headquarters and, for foreign-registered companies, the address of the Hungarian branch office,
- the registered number of legal persons listed in the corporate register, or the number of the resolution adopted upon foundation (registration, admission into the register) of other legal persons, or their other registration number.

In addition to the data specified above, in the course of identification our Company, depending on risk sensitivity, may record the following data (maximum data set) with respect to certain products:

- core activity,
- name and position of persons eligible for representation,
- data suitable for identifying the agent for service of process.

Under the FATCA Act, the following additional data must be included in the records:

- country of incorporation,
- tax residence,
- in case of foreign tax residency, the foreign tax identification number and the supporting copy of Certification of Residency document.
- FATCA registration number (GIIN), if available.

Identity is verified based on the documents specified by law.

For natural persons having Hungarian citizenship, our Company is required to inspect the following documents:

Personal identity card **and** official address registration card (if the identity card does not include the valid, registered residential address), or driver's license card **and** official address registration card, or passport **and** the official address

registration card.

For natural persons not having Hungarian citizenship:

Passport or personal identity card for foreign nationals, if it embodies an authorisation to reside in Hungary, or a document evidencing the right of residence, or a valid residence permit.

For legal persons and business associations lacking the status of a legal person, in addition to the documents of the persons authorised to act in their name or on their behalf, a document issued within thirty days to date, to verify:

- if a resident economic operator, that it has been registered by the court of registry, or that the application for registration has been submitted; if a private entrepreneur, that he has a private entrepreneur's license, or that the private entrepreneur has submitted an application to the competent regional notary for a private entrepreneur's license;
- for other resident legal persons whose existence is subject to registration by an authority or the court, the document of registration,
- for non-resident legal persons and business associations lacking the status of a legal person, the document evidencing that the person or body has been registered under the law of the country in which it is established, submitted together with a certified translation by the National Office for Translation and Attestation (OFFI),
- the articles of incorporation (articles of association, charter document) of legal persons and business associations lacking the status of a legal person that have not yet been registered by the court of registration, court or appropriate authority. In such cases, the legal person or business association lacking the status of a legal person shall produce documentary evidence of having been registered by the court of registration, court or appropriate authority, within thirty days of the registration.

It shall qualify as compliance with the customer due diligence obligation, if our Company is in possession of certified copies of the documents suitable for identification, which, however, shall only qualify as due identification and verification of personal identity if such certified copy was created by a **Hungarian consular officer** or a **notary public** and the document was supplied with the appropriate attestation clause, **or the Hungarian consular officer or notary public supplied such copy with an attestation clause that certifies the identity** of the copy with the original document. In the course of inspection, **a copy may also be accepted if it was prepared by an authority of the country where it was issued, if such authority is entitled to issue certified copies and** – unless otherwise provided for by an international agreement – the competent **Hungarian consular officer has authenticated** the signature and seal of the said authority.

Declaration obligation

In addition to providing their personal identification details, customers are also required to declare in writing that they proceed at our Company on their own behalf or on behalf or to the benefit of another person, i.e. the beneficial owner. (Declaration on the beneficial owner)

When customers proceed on behalf of someone else, in their Declaration they must disclose to our Company the name, residential address and citizenship of the beneficial owner.

In addition to the information specified above, our Company may also request the following data of the beneficial owner if it is needed for the identification of the customer, the business relationship or the transaction order:

- type and number of the identification document,
- for foreign nationals, the place of abode in Hungary,
- place and date of birth,
- mother's maiden name.

Customers residing abroad are required to declare in writing whether they qualify as politically exposed persons under the law of their own country of residence and if yes, in what capacity (PEP declaration).

If a customer residing abroad declares that it qualifies as a politically exposed person, our Company may only enter into a business relationship with the customer subject to the approval of our Legal and Compliance Officer.

Customer due diligence, declaration and reporting rules under the CRS Act and the Tax Cooperation Act

With respect to all Customers purchasing life insurance products combined with a savings plan and thereby being entitled to receive services, our Company is required to conduct a tax residency inspection.

The inspection shall be based on data furnished by the Customer and certified by documentation regarding the Customer's tax number and the country of tax residency. Without exception, any change in the aforementioned data shall be reported by the Customer.

Process of tax residency inspection for private individual Customers

- **If the tax residence and the tax ID are Hungarian** – as long as the data remain valid and the conditions specified in the Tax Cooperation Act are met –, our Company shall not disclose data to the National Tax and Customs Administration.
- **If the tax residence and the tax identification code are not Hungarian** – as long as the data remain valid –, our Company shall request a copy of the Certification of Residency verifying the tax residency issued, within thirty days to date, by the tax authority of the country issuing the tax ID (or a valid official document including the tax identification code). With respect to Customers having a tax residence outside of Hungary, our Company shall report the data specified by the Tax Cooperation Act to the National Tax and Customs Administration by the statutory deadline, of which the Customer shall be informed in accordance with Section 148/A (3) of Act LXXXVIII of 2014 on Insurance Institutions and the Insurance Business (hereinafter: Insurance Act).

In the case of tax residency outside of Hungary, our Company shall accept the Certification of Residency in the English language.

Process of tax residency inspection for non-natural person Customers (businesses and other organisations)

1. **If the tax residence and the tax number are Hungarian** – as long as the data remain valid –, our Company shall not disclose the data specified in the Tax Cooperation Act to the National Tax and Customs Administration.
2. **If the tax residence and the tax number are not Hungarian** – as long as the data remain valid –, our Company shall request a copy of the Certification of Residency verifying the tax residency issued, within thirty days to date, by the tax authority of the country issuing the tax ID. With respect to Customers having a tax residence outside of Hungary, our Company shall report the data specified by the Tax Cooperation Act to the National Tax and Customs Administration by the statutory deadline, of which the Customer shall be informed in accordance with Section 148/A (3) of Act LXXXVIII of 2014 on the Insurance Act).

Please note that in the absence of a Certification of Residency, our Company will be unable to accept an offer for a life insurance product combined with a savings plan or make any payments related to life insurance.

Effective from: 1 January 2016

Yours Sincerely,

Allianz Hungária Zrt.