

**the
Wolfsberg
Group**

Financial Institution Name:
Location (Country):


SMBC NIKKO CAPITAL MARKETS LIMITED
UNITED KINGDOM

No #	Question	Answer
1. ENTITY & OWNERSHIP		
1	Full Legal name	SMBC NIKKO CAPITAL MARKETS LIMITED
2	Append a list of foreign branches which are covered by this questionnaire	London
3	Full Legal (Registered) Address	100 LIVERPOOL STREET LONDON UNITED KINGDOM EC2M 2AT
4	Full Primary Business Address (if different from above)	Same as above
5	Date of Entity incorporation/establishment	Date of Incorporation - 30 August 1989 Date of Establishment - 1 October 2010
6	Select type of ownership and append an ownership chart if available	
6 a	Publicly Traded (25% of shares publicly traded)	No <input type="checkbox"/>
6 a1	If Y, indicate the exchange traded on and ticker symbol	
6 b	Member Owned/Mutual	No <input type="checkbox"/>
6 c	Government or State Owned by 25% or more	No <input type="checkbox"/>
6 d	Privately Owned	Yes <input type="checkbox"/>
6 d1	If Y, provide details of shareholders or ultimate beneficial owners with a holding of 10% or more	SMBC Nikko Capital Markets Ltd is 85% owned by Sumitomo Mitsui Banking Corporation and 15% by SMBC Nikko Securities Inc who are in turn wholly owned by Sumitomo Mitsui Financial Group (listed on the Tokyo Stock Exchange).
7	% of the Entity's total shares composed of bearer shares	0%
8	Does the Entity, or any of its branches, operate under an Offshore Banking License (OBL) ?	No <input type="checkbox"/>
8 a	If Y, provide the name of the relevant branch/es which operate under an OBL	
9	Does the Bank have a Virtual Bank License or provide services only through online channels?	No <input type="checkbox"/>
10	Provide Legal Entity Identifier (LEI) if available	G7WFA3G3MTSYHH8CHG81
2. AML, CTF & SANCTIONS PROGRAMME		
11	Does the Entity have a programme that sets minimum AML, CTF and Sanctions standards regarding the following components:	
11 a	Appointed Officer with sufficient experience/expertise	Yes <input type="checkbox"/>
11 b	Adverse Information Screening	Yes <input type="checkbox"/>
11 c	Beneficial Ownership	Yes <input type="checkbox"/>
11 d	Cash Reporting	Not Applicable <input type="checkbox"/>
11 e	CDD	Yes <input type="checkbox"/>
11 f	EDD	Yes <input type="checkbox"/>

11 g	Independent Testing	Yes	<input checked="" type="checkbox"/>
11 h	Periodic Review	Yes	<input checked="" type="checkbox"/>
11 i	Policies and Procedures	Yes	<input checked="" type="checkbox"/>
11 j	PEP Screening	Yes	<input checked="" type="checkbox"/>
11 k	Risk Assessment	Yes	<input checked="" type="checkbox"/>
11 l	Sanctions	Yes	<input checked="" type="checkbox"/>
11 m	Suspicious Activity Reporting	Yes	<input checked="" type="checkbox"/>
11 n	Training and Education	Yes	<input checked="" type="checkbox"/>
11 o	Transaction Monitoring	Yes	<input checked="" type="checkbox"/>
12	Is the Entity's AML, CTF & Sanctions policy approved at least annually by the Board or equivalent Senior Management Committee?	Yes	<input checked="" type="checkbox"/>
13	Does the Entity use third parties to carry out any components of its AML, CTF & Sanctions programme?	Yes	<input checked="" type="checkbox"/>
13 a	If Y, provide further details	CM Limited engaged FinTru in August 2019 to assist with the KYC Periodic Review process. FinTru is a financial services company, based in Belfast, which specialises in providing resourcing solutions for global investment banks with a focus on financial crime and regulatory compliance.	
14	Does the entity have a whistleblower policy?	Yes	<input checked="" type="checkbox"/>
3. ANTI BRIBERY & CORRUPTION			
15	Has the Entity documented policies and procedures consistent with applicable ABC regulations and requirements to reasonably prevent, detect and report bribery and corruption?	Yes	<input checked="" type="checkbox"/>
16	Does the Entity's internal audit function or other independent third party cover ABC Policies and Procedures?	Yes	<input checked="" type="checkbox"/>
17	Does the Entity provide mandatory ABC training to:		
17 a	Board and Senior Committee Management	Yes	<input checked="" type="checkbox"/>
17 b	1st Line of Defence	Yes	<input checked="" type="checkbox"/>
17 c	2nd Line of Defence	Yes	<input checked="" type="checkbox"/>
17 d	3rd Line of Defence	Yes	<input checked="" type="checkbox"/>
17 e	Third parties to which specific compliance activities subject to ABC risk have been outsourced	Not applicable	<input checked="" type="checkbox"/>
17 f	Non-employed workers as appropriate (contractors/consultants)	Yes	<input checked="" type="checkbox"/>
4. AML, CTF & SANCTIONS POLICIES & PROCEDURES			
18	Has the Entity documented policies and procedures consistent with applicable AML, CTF & Sanctions regulations and requirements to reasonably prevent, detect and report:		
18 a	Money laundering	Yes	<input checked="" type="checkbox"/>
18 b	Terrorist financing	Yes	<input checked="" type="checkbox"/>
18 c	Sanctions violations	Yes	<input checked="" type="checkbox"/>
19	Does the Entity have policies and procedures that:		
19 a	Prohibit the opening and keeping of anonymous and fictitious named accounts	Yes	<input checked="" type="checkbox"/>
19 b	Prohibit the opening and keeping of accounts for unlicensed banks and/or NBFIs	Yes	<input checked="" type="checkbox"/>
19 c	Prohibit dealing with other entities that provide banking services to unlicensed banks	Yes	<input checked="" type="checkbox"/>
19 d	Prohibit accounts/relationships with shell banks	Yes	<input checked="" type="checkbox"/>
19 e	Prohibit dealing with another Entity that provides services to shell banks	Yes	<input checked="" type="checkbox"/>
19 f	Prohibit opening and keeping of accounts for Section 311 designated entities	Yes	<input checked="" type="checkbox"/>
19 g	Prohibit opening and keeping of accounts for any of unlicensed/unregulated remittance agents, exchanges houses, casa de cambio, bureaux de change or money transfer agents	Yes	<input checked="" type="checkbox"/>
19 h	Assess the risks of relationships with domestic and foreign PEPs, including their family and close associates	Yes	<input checked="" type="checkbox"/>
19 i	Define the process for escalating financial crime risk issues/potentially suspicious activity identified by employees	Yes	<input checked="" type="checkbox"/>
19 j	Outline the processes regarding screening for sanctions, PEPs and Adverse Media/Negative News	Yes	<input checked="" type="checkbox"/>

20	Has the Entity defined a risk tolerance statement or similar document which defines a risk boundary around their business?	Yes	<input type="checkbox"/>
21	Does the Entity have record retention procedures that comply with applicable laws?	Yes	<input type="checkbox"/>
21 a	If Y, what is the retention period?	5 years or more	<input type="checkbox"/>
5. KYC, CDD and EDD			
22	Does the Entity verify the identity of the customer?	Yes	<input type="checkbox"/>
23	Do the Entity's policies and procedures set out when CDD must be completed, e.g. at the time of onboarding or within 30 days?	Yes	<input type="checkbox"/>
24	Which of the following does the Entity gather and retain when conducting CDD? Select all that apply:		
24 a	Customer identification	Yes	<input checked="" type="checkbox"/>
24 b	Expected activity	Yes	<input checked="" type="checkbox"/>
24 c	Nature of business/employment	Yes	<input checked="" type="checkbox"/>
24 d	Ownership structure	Yes	<input checked="" type="checkbox"/>
24 e	Product usage	Yes	<input checked="" type="checkbox"/>
24 f	Purpose and nature of relationship	Yes	<input checked="" type="checkbox"/>
24 g	Source of funds	Yes	<input checked="" type="checkbox"/>
24 h	Source of wealth	Yes	<input checked="" type="checkbox"/>
25	Are each of the following identified:		
25 a	Ultimate beneficial ownership	Yes	<input checked="" type="checkbox"/>
25 a1	Are ultimate beneficial owners verified?	Yes	<input checked="" type="checkbox"/>
25 b	Authorised signatories (where applicable)	Yes	<input checked="" type="checkbox"/>
25 c	Key controllers	Yes	<input checked="" type="checkbox"/>
25 d	Other relevant parties	Yes	<input checked="" type="checkbox"/>
26	Does the due diligence process result in customers receiving a risk classification?	Yes	<input type="checkbox"/>
27	Does the Entity have a risk based approach to screening customers and connected parties to determine whether they are PEPs, or controlled by PEPs?	Yes	<input type="checkbox"/>
28	Does the Entity have policies, procedures and processes to review and escalate potential matches from screening customers and connected parties to determine whether they are PEPs, or controlled by PEPs?	Yes	<input type="checkbox"/>
29	Is KYC renewed at defined frequencies based on risk rating (Periodic Reviews)?	Yes	<input type="checkbox"/>
29 a	If yes, select all that apply:		
29 a1	Less than one year	Yes	<input checked="" type="checkbox"/>
29 a2	1 – 2 years	Yes	<input checked="" type="checkbox"/>
29 a3	3 – 4 years	Yes	<input checked="" type="checkbox"/>
29 a4	5 years or more	No	<input type="checkbox"/>
29 a5	Trigger-based or perpetual monitoring reviews	Yes	<input checked="" type="checkbox"/>
29 a6	Other (please specify)		
30	From the list below, which categories of customers or industries are subject to EDD and/or are restricted, or prohibited by the Entity's FCC programme?		
30 a	Arms, Defence, Military	Restricted	<input checked="" type="checkbox"/>
30 b	Respondent Banks	EDD on risk-based approach	<input checked="" type="checkbox"/>
30 b1	If EDD or EDD & restricted, does the EDD assessment contain the elements as set out in the Wolfsberg Correspondent Banking Principles 2022?	Yes	<input type="checkbox"/>
30 c	Embassies/Consulates	Restricted	<input checked="" type="checkbox"/>
30 d	Extractive industries	Restricted	<input checked="" type="checkbox"/>
30 e	Gambling customers	Restricted	<input checked="" type="checkbox"/>
30 f	General Trading Companies	EDD on risk-based approach	<input checked="" type="checkbox"/>
30 g	Marijuana-related Entities	Restricted	<input checked="" type="checkbox"/>
30 h	MSB/MVTS customers	Prohibited	<input checked="" type="checkbox"/>
30 i	Non-account customers	Prohibited	<input checked="" type="checkbox"/>
30 j	Non-Government Organisations	Restricted	<input checked="" type="checkbox"/>
30 k	Non-resident customers	EDD on risk-based approach	<input checked="" type="checkbox"/>

30 l	Nuclear power	Restricted	<input type="checkbox"/>
30 m	Payment Service Providers	Prohibited	<input type="checkbox"/>
30 n	PEPs	EDD on risk-based approach	<input type="checkbox"/>
30 o	PEP Close Associates	EDD on risk-based approach	<input type="checkbox"/>
30 p	PEP Related	EDD on risk-based approach	<input type="checkbox"/>
30 q	Precious metals and stones	Restricted	<input type="checkbox"/>
30 r	Red light businesses/Adult entertainment	Restricted	<input type="checkbox"/>
30 s	Regulated charities	EDD on risk-based approach	<input type="checkbox"/>
30 t	Shell banks	Prohibited	<input type="checkbox"/>
30 u	Travel and Tour Companies	EDD on risk-based approach	<input type="checkbox"/>
30 v	Unregulated charities	Restricted	<input type="checkbox"/>
30 w	Used Car Dealers	Do not have this category of customer or industry	<input type="checkbox"/>
30 x	Virtual Asset Service Providers	Prohibited	<input type="checkbox"/>
30 y	Other (specify)		
31	If restricted, provide details of the restriction	SMBC Nikko Capital Markets Ltd restricts certain business activities within the categories listed above, according to the stipulations within its Risk Appetite. As such, these will be considered on a case by case basis, and will be subject to EDD.	
6. MONITORING & REPORTING			
32	Does the Entity have risk based policies, procedures and monitoring processes for the identification and reporting of suspicious activity?	Yes	<input type="checkbox"/>
33	What is the method used by the Entity to monitor transactions for suspicious activities?	Combination of automated and manual	<input type="checkbox"/>
33 a	If manual or combination selected, specify what type of transactions are monitored manually	Front Office monitor customer transactions	
34	Does the Entity have regulatory requirements to report suspicious transactions?	Yes	<input type="checkbox"/>
34 a	If Y, does the Entity have policies, procedures and processes to comply with suspicious transactions reporting requirements?	Yes	<input type="checkbox"/>
35	Does the Entity have policies, procedures and processes to review and escalate matters arising from the monitoring of customer transactions and activity?	Yes	<input type="checkbox"/>
7. PAYMENT TRANSPARENCY			
36	Does the Entity adhere to the Wolfsberg Group Payment Transparency Standards?	Yes	<input type="checkbox"/>
37	Does the Entity have policies, procedures and processes to comply with and have controls in place to ensure compliance with:		
37 a	FATF Recommendation 16	Yes	<input type="checkbox"/>
37 b	Local Regulations	Yes	<input type="checkbox"/>
37 b1	If Y, Specify the regulation	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2019 (MLR 2019)	
37 c	If N, explain		
8. SANCTIONS			
38	Does the Entity have a Sanctions Policy approved by management regarding compliance with sanctions law applicable to the Entity, including with respect to its business conducted with, or through accounts held at foreign financial institutions?	Yes	<input type="checkbox"/>
39	Does the Entity have policies, procedures or other controls reasonably designed to prohibit and/or detect actions taken to evade applicable sanctions prohibitions, such as stripping, or the resubmission and/or masking, of sanctions relevant information in cross border transactions?	Yes	<input type="checkbox"/>

40	Does the Entity screen its customers, including beneficial ownership information collected by the Entity, during onboarding and regularly thereafter against Sanctions Lists?	Yes	<input type="button" value="v"/>
41	Select the Sanctions Lists used by the Entity in its sanctions screening processes:		
41 a	Consolidated United Nations Security Council Sanctions List (UN)	Used for screening customers and beneficial owners and for filtering transactions	<input type="button" value="v"/>
41 b	United States Department of the Treasury's Office of Foreign Assets Control (OFAC)	Used for screening customers and beneficial owners and for filtering transactions	<input type="button" value="v"/>
41 c	Office of Financial Sanctions Implementation HMT (OFSI)	Used for screening customers and beneficial owners and for filtering transactions	<input type="button" value="v"/>
41 d	European Union Consolidated List (EU)	Used for screening customers and beneficial owners and for filtering transactions	<input type="button" value="v"/>
41 e	Lists maintained by other G7 member countries	Used for screening customers and beneficial owners and for filtering transactions	<input type="button" value="v"/>
41 f	Other (specify)	Office of the Superintendent of Financial Institutions (OSFI - Canada): Used for screening customers and related parties.	<input type="button" value="v"/>
42	Does the Entity have a physical presence, e.g. branches, subsidiaries, or representative offices located in countries/regions against which UN, OFAC, OFSI, EU or G7 member countries have enacted comprehensive jurisdiction-based Sanctions?	No	<input type="button" value="v"/>
9. TRAINING & EDUCATION			
43	Does the Entity provide mandatory training, which includes:		
43 a	Identification and reporting of transactions to government authorities	Yes	<input type="button" value="v"/>
43 b	Examples of different forms of money laundering, terrorist financing and sanctions violations relevant for the types of products and services offered	Yes	<input type="button" value="v"/>
43 c	Internal policies for controlling money laundering, terrorist financing and sanctions violations	Yes	<input type="button" value="v"/>
43 d	New issues that occur in the market, e.g. significant regulatory actions or new regulations	Yes	<input type="button" value="v"/>
44	Is the above mandatory training provided to:		
44 a	Board and Senior Committee Management	Yes	<input type="button" value="v"/>
44 b	1st Line of Defence	Yes	<input type="button" value="v"/>
44 c	2nd Line of Defence	Yes	<input type="button" value="v"/>
44 d	3rd Line of Defence	Yes	<input type="button" value="v"/>
44 e	Third parties to which specific FCC activities have been outsourced	Yes	<input type="button" value="v"/>
44 f	Non-employed workers (contractors/consultants)	Yes	<input type="button" value="v"/>
10. AUDIT			
45	In addition to inspections by the government supervisors/regulators, does the Entity have an internal audit function, a testing function or other independent third party, or both, that assesses FCC AML, CTF, ABC, Fraud and Sanctions policies and practices on a regular basis?	Yes	<input type="button" value="v"/>
<p>Signature Page</p> <p>Wolfsberg Group Financial Crime Compliance Questionnaire 2023 (FCCQ V1.2)</p> <p>SMBC Nikko Capital Markets Limited (Financial Institution name)</p> <p>I, <u>Liz Beasley (MLRO)</u> (Senior Compliance Manager- Second Line representative), certify that I have read and understood this declaration, that the answers provided in this Wolfsberg FCCQ are complete and correct to my honest belief.</p> <p><u> 2/10/23</u> (Signature & Date)</p>			