

# INFORMATION REGARDING THE CSOB EMBARGO POLICY



International organizations and authorities such as the United Nations, the European Union and local or other national authorities can all impose restrictive measures against countries, organizations, legal entities and / or individuals for committing or being suspected of infringement of human rights and international law, acts of crime, terrorism, money-laundering etc. These measures are most commonly referred to as sanctions or embargoes.

CSOB has a responsibility towards customers and authorities to conduct business in a lawful and ethical way. Therefore, we will observe laws and binding requirements of applicable laws and regulations, and for reasons of social responsibility, we may also choose to be more strict than legally imposed.

## Embargoes

An embargo is a restrictive measure or sanction on national and/or international level. Although provisions differ by country, person or agency, we distinguish two common types of embargoes:

- **Financial embargoes:** restrictions related to financial operations and financial resources
- **Trade embargoes:** restrictions on the import or export of certain goods or trade with certain countries or parties

CSOB Bank complies with financial and trade embargoes issued by the United Nations (made enforceable in Slovakia), the European Union and by the Slovak legislator, and any other embargo issued by a number of Third Countries that it determines are relevant such as the USA (OFAC).

For more information on UN, EU and OFAC sanctions, please click on the respective links below.

Observing embargo regulations means that CSOB will not provide funds or economic resources to persons, entities or government agencies that appear on embargo sanction lists or support any kind of transaction with these parties. This not only helps us to avoid penalties for breaching international sanctions, it also helps you, as our customer, manage some of the risks associated with international trade.

CSOB has implemented certain screening measures in its different processes to ensure compliance with the applicable restrictions and regulations and with its own policy where this is stricter. As a result, a customer may be requested to provide CSOB with more information or documentation on transactions or counterparties before CSOB can process a transaction or payment.

Please note that Correspondent Banks also have the right to suspend any transaction in case their monitoring system detects a potential breach of embargoes. In case of suspended transactions CSOB Bank acts only as intermediary between the customer and the correspondent bank, without having any influence on the result of their investigation.

In order to avoid complications customers are advised to contact the bank when considering doing business with countries, persons, entities or government agencies against which restrictive measures have been imposed. For more information on applicable embargoes or on specific CSOB policies, please get in touch with your CSOB contact person.

## CSOB specific country policies

CSOB has decided to go further than the legally applicable sanction programs and to apply a stricter policy with respect to the following countries: Crimea, Cuba, Iran, North-Korea, Russia, South-Sudan, Sudan, Syria and Venezuela. CSOB deems these countries to be more sensitive, for instance because comprehensive or complex embargoes or export control regulations are imposed under UN, EU or Third Country legislation or regulations, and/or because of the presence of a significant number of blocked individuals or entities. Therefore, please always contact your contact person at CSOB when you have questions regarding our policy with respect to one of these countries.

Through a thorough screening of the transaction details CSOB wants to make sure that the transaction is legally allowed and within the limits of our own policy.

The details for each country policy may change at any given time, due to changing regulations or political circumstances.

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## Belarus

Due to the situation associated with sanction mechanisms towards Belarus, the ČSOB is adjusting its embargo policy. Pursuant to these changes effect from 1 August 2023, ČSOB will not execute payment orders delivered by the client to ČSOB if the payee / payee's bank is located in Belarus, regardless of the payment currency. ČSOB will continue to process incoming payments from the Belarus after this deadline, in accordance with ČSOB's embargo policy, unless other restrictions are adopted at the national or international level.

At the same time, we would like to remind you that due to the constantly changing situation, with an impact also on the payment system, the processing time of incoming payments may continue to be visibly extended, due to their detailed verification. Clients may be invited to cooperate (additional information and documentation) in verifying payments and their compliance with applicable sanctions and ČSOB policies.

Until the above-mentioned restriction takes effect, ČSOB will only process payments for its own clients. Given the volatility of the situation and the vulnerability of Belarus financial market, the belarusian currency and the liquidity of this currency, ČSOB would like to remind its clients of the risks associated with all transactions involving Belarus or belarusian currency, as well as the fact that the bank cannot guarantee that our clients' transactions will be completely and processed without problems. Clients may be asked to provide additional information and documents related to the payment.

Please note that although some companies or entities have not been explicitly sanctioned, they may be owned or controlled by individuals or entities subject to sanctions (asset freeze). It is forbidden to continue any business activities with these entities. In this context, we ask clients to pay due attention to their own business and to make sure that they do not deal with the counterparty that is subject to sanctions, even indirectly.

## Cuba

CSOB will not process any payments in USD, CAD or GBP that involve Cuban parties. CSOB will only process non-USD, CAD or GBP payments for its own customers, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy.

## Iran

CSOB will not process any payment or transaction that is related to Iran.

## Myanmar/Burma

Besides financial transactions to and from sanctioned persons and entities, various other transactions and related financial transactions can be excluded, regardless of the currency.

Therefore, a financial transaction regarding Myanmar/Burma will only be processed after thorough screening of the transaction details, to make sure that the transaction is transparent, legally allowed and also, within the boundaries of CSOB internal policy regarding Myanmar/Burma.

## North-Korea

CSOB will not process any payment or transaction that is related to North-Korea.

## Russia, Ukraine

Until 31<sup>st</sup> July 2022, ČSOB will only process payments to/from Russia for its own clients. Given the instability of the situation and the vulnerability of the Russian financial market, the Russian currency and its liquidity, ČSOB would like to remind its clients of the risks associated with all transactions involving Russia or Russian currency, as well as the fact that the bank cannot guarantee that our clients' transactions will be processed completely and without any problems. Clients may be asked to provide additional information and/or documents related to the payment.

**From 1<sup>st</sup> August 2022, ČSOB will not execute payment orders delivered to ČSOB by clients if the payee / payee's bank is located in the Russian Federation, regardless of the payment currency. ČSOB will continue to process incoming payments from the Russian Federation after this deadline, in accordance with ČSOB's embargo policy, unless other restrictions are adopted at the national or international level.**

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At the same time, we would like to remind you that due to the constantly changing situation, with an impact also on the payment system, the processing time of incoming payments may continue to be visibly extended due to their detailed verification. Clients may be invited to cooperate (to provide additional information and/or documentation) in verifying payments and their compliance with applicable sanctions and ČSOB policies.

Please note that even though some companies or entities have not been explicitly sanctioned, they may be owned or controlled by individuals or entities that are subjects to sanctions (asset freeze). It is forbidden to continue doing any business activities with these entities. In this context, we ask clients to pay close attention to their own business and to make sure that they do not deal with any counterparty that is subject to sanctions, even indirectly.

Several Russian banks have been sanctioned and some have been disconnected from the SWIFT payment information system. Therefore, ČSOB will not be able to process payments from or to these banks.

All payments to or from the regions Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia are prohibited and will not be processed. In addition to these regions, ČSOB will continue to process payments to and from Ukraine for its own customers. Any transaction that violates ČSOB's sanction regulations or internal policies will not be processed.

**After 31.10.2023 ČSOB will not maintain any accounts and/or other products in the RUB currency (Russian Ruble).** All accounts and/or products in this currency will be converted into EUR currency (Euro) latest on 31.10.2023.

## Sudan and South-Sudan

The majority of sanctions wrt. Sudan and South-Sudan have been revoked, however with the exception of the so-called name sanctions and asset freezes.

Irrespective of the currency, CSOB will only process transactions (both trade related and retail transactions) for its own customers and after thorough screening of the transaction details, to make sure, the transaction is transparent, legally allowed and within the limits of CSOB internal policy.

## Syria

CSOB will not process any payments in USD, CAD or GBP that involve Syrian parties.

CSOB will only process non-USD, non-CAD or non-GBP payments for its own customers, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy.

## Venezuela

Sanctions on Venezuela are not only very diverse and comprehensive: EU and Third Country sanctions also cover a range of various types of activities, persons, entities and currencies.

CSOB will not process payments in USD, GBP nor CAD, involving Venezuelan parties. CSOB will only process non-USD, non-GBP or non-CAD payments for its own customers and after a thorough screening of the transaction details to ensure that the transaction is legally allowed and within the limits of CSOB internal policy regarding Venezuela.

**UN:** <https://www.un.org/securitycouncil/sanctions/information>

**EU:** [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en)

**US (OFAC):** <https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>