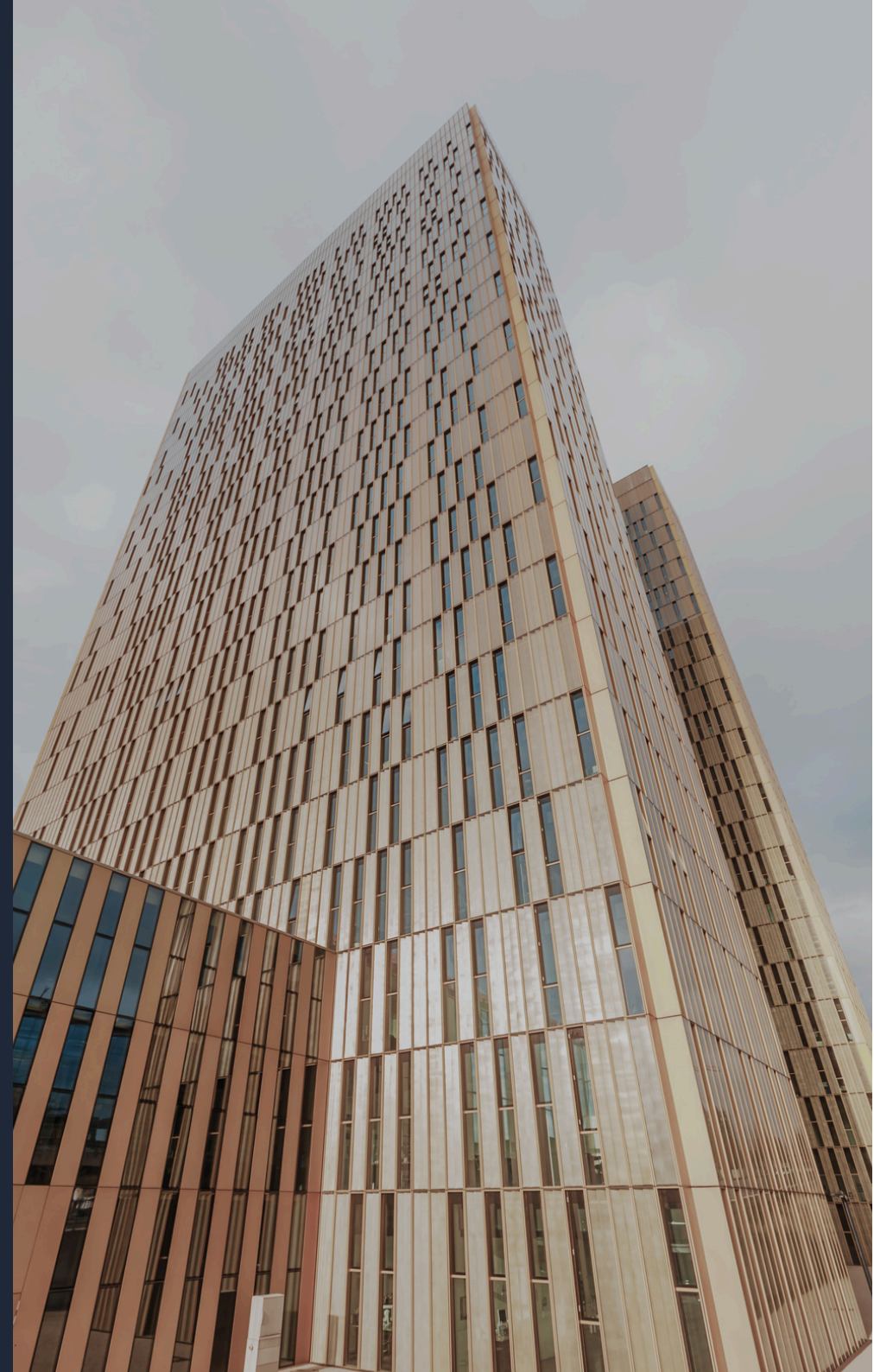


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Compliance Solution

The Complete Regulatory Application Guide





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Example of Client's Profile*

Name	Ivan Ivanov
Nationality	Russian (until June 2022), Cypriot (obtained citizenship under property investment program)
Residency	Relocated to Switzerland in 2016
Occupation	Former Deputy Director of state-owned enterprise in Russia; currently a private investor
Total Wealth	336,6 million US Dollars
Source Funds	Profits from multiple businesses and asset sales in Russia and Eastern Europe
Corporate Structure	Investments channelled through a complex network of offshore companies located in the British Virgin Islands

* Note: This report is no more than a simulated example of a fictitious client. Any resemblance to real people (living or dead), companies, service providers, banks, events, and/or countries is entirely coincidental.

Revealed Compliance Risk

Politically Exposed Person (PEP) Status	Mr. Ivanov is a former high-ranking official of a Russian state-owned enterprise, which qualifies him as a PEP. PEPs generally pose a higher risk due to potential exposure to corruption, bribery, and other financial crimes.
High-Risk Jurisdictions	Although Mr. Ivanov has renounced his Russian citizenship, much of his wealth originated in Russia. Russia has been flagged for inadequate AML controls, increasing the risk of money laundering. Despite his current residence and tax residency in Switzerland, the source of his funds from Russia remains a red flag.
Complex Corporate Structures	Mr. Ivanov uses a complex network of offshore companies in jurisdictions like the British Virgin Islands (BVI), Malta, and Cyprus. Such structures can obscure the ultimate beneficial owner (UBO), raising concerns about transparency and potential tax evasion. These offshore setups make it challenging to conduct comprehensive due diligence and can be exploited for money laundering or tax evasion.
Source of Wealth and Funds Uncertainty	Mr. Ivanov's wealth derives from various sectors, including real estate, telecommunications, and energy. While he exited Russia-related businesses post-2016, there is no clear documentation confirming the legitimacy of these sources, especially regarding the early accumulation of his wealth. This raises concerns about the transparency of the origin of funds, particularly since some of his businesses operated in industries prone to corruption.
Negative Media Exposure	Reports from the Organized Crime and Corruption Reporting Project (OCCRP) have mentioned Mr. Ivanov in relation to alleged corruption and tax evasion. This media exposure significantly heightens the AML risk, as it suggests possible involvement in illegal activities.

How Kuts & Co can assist clients in connection with the **revealed risk factors**

Risk factors	Kuts & Co Services
Politically Exposed Person (PEP) Status	<ul style="list-style-type: none"> ◦ Preparing enhanced due diligence documentation, including employment history with the emphasis on client's role within state owned enterprises that triggered the PEP status.
High-Risk Jurisdictions and Source of Wealth and Funds Uncertainty	<ul style="list-style-type: none"> ◦ In-depth documentation proving the legitimate origin of client's funds, including audited financial statements, tax returns, bank statements, and contracts. ◦ Structured presentation of financial information to demonstrate transparency and legitimacy. ◦ Legal opinions and reports from reputable law and /or forensic firms confirming the legality of client's business activities in Russia and sources of funds.
Complex Corporate Structures	<ul style="list-style-type: none"> ◦ Visual diagrams illustrating the complete ownership structure of client's businesses and assets. ◦ Clear identification of all entities involved, including offshore companies and trusts. ◦ Identification of Ultimate Beneficial Owners (UBOs) and their respective ownership percentages. ◦ Explaining a business and other legitimate purpose behind each corporate set-up
Negative Media Exposure	<ul style="list-style-type: none"> ◦ Comprehensive analysis of negative media coverage. ◦ Preparation of rebuttal statements addressing each allegation with factual evidence and supporting documentation.



Summary of Profile

- A concise overview of client's personal and professional background.
- Explanation of his/her current investment intentions and objectives.



Detailed Work History

- Comprehensive documentation of client's employment history, including positions held, responsibilities, and achievements.
- Emphasis on client's role within public and private enterprises.



Wealth Generation History

- Detailed overview (with visual diagrams) of the client's wealth generation history
- Net worth calculations and breakdown (assets, liabilities, net worth, bankable assets etc



Ownership Structure Chart

- Visual diagrams illustrating the complete ownership structure of client's businesses and assets.
- Clear identification of all entities involved, including offshore companies and trusts.
- Identification of Ultimate Beneficial Owners (UBOs) and their respective ownership percentages.



Rebuttal Reports on Negative Media

- Comprehensive analysis of negative media coverage.
- Preparation of rebuttal statements addressing each allegation with factual evidence and supporting documentation.



Explanation of Source of Funds

- In-depth documentation proving the legitimate origin of client's funds.
- Collection of supporting documents such as audited financial statements, tax returns, bank statements, and contracts.
- Structured presentation of financial information to demonstrate transparency and legitimacy.



Enhanced Due Diligence (EDD) Documentation

- All necessary identification documents, including certified copies of passports, national IDs, and proof of address.
- Verification reports confirming the authenticity of documents and information provided.
- Records of PEP screenings and findings.
- Professional references from regulated professionals or organizations attesting to client's integrity and business conduct.
- Copies of tax clearance certificates, tax returns, and correspondence with tax authorities.
- Official statements or certifications from legal counsel attesting to the legality of client's business activities.



Compliance Narrative

- A detailed written explanation that addresses each red flag identified.
- Contextual information to mitigate concerns related to PEP status, high-risk jurisdictions, complex ownership structures, source of funds, and negative media exposure.

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Deliverables



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Deliverables



Collaboration with Top Law and Forensic Firms

- Coordinating the preparation of rebuttal reports and legal opinions from top EU, UK, US reputation management and law firms
- Coordinating external forensic investigations by top forensic firms
- Ensure timely and precise delivery of documents in legal disputes or reputation-related cases.
- Managing communication and deadlines between various legal teams and stakeholders.



Work with Lobbying Firms

- Collaborating with lobbying firms to improve and reshape reputation.
- Address and mitigate reputational risks through advocacy and influence on key decision-makers.
- Develop strategic lobbying campaigns aimed at reputation correction or enhancement.



Engagement with Strategic Communication/PR Firms

- Working with top PR firms to remove or refute negative publications, and create positive media coverage.
- Manage public perception by eliminating harmful information and promoting favorable content.
- Coordinate media relations, reputation management, and communication strategies.



Compliance Database Management

- Address and correct information in compliance databases like World Check and similar platforms.
- Ensure compliance-related information is accurate and up-to-date, minimizing reputational and legal risks.
- Work on updating or correcting erroneous information in global compliance databases.

KYC PROFILE

(simulated example) *

Ivanov Ivan

Strictly Confidential

* **DISCLAIMER:** This report is no more than a simulated example of a fictitious client. Any resemblance to real people (living or dead), companies, service providers, banks, events, and/or countries is entirely coincidental.



Background	<p>Mr. Ivanov is an entrepreneur and private investor of Eastern European origin. Born on February 22, 1961, in Smolensk, Russia. He graduated from a Moscow State University in 1991 with a degree in Economics. Later, in 1997, he earned a PhD in Social Science. From 1991, Mr. Ivanov held senior management positions, initially in the banking sector and later in the energy industry and fund management.</p>
History	<p>Mr. Ivanov built his initial wealth of more than US\$ 80 million, during the period of 1991 to 2015, mainly through employment income, stock options, and other senior management incentives, including his role at a leading energy company of the time. Over the years, he expanded his fortune by investing in various industries, including real estate, telecommunications, stock markets, energy, and water supply sectors.</p>
Citizenship	<p>Now a citizen of Cyprus, Mr. Ivanov relocated to Switzerland in 2016, where he currently resides with his family.</p>
Russian Nexus	<p>In June 2022 Mr Ivanov renounced his Russian citizenship after the start of the Russia-Ukraine's war. At the same time, he exited from any Russia-related businesses and assets, including joint venture arrangement with Mr Z who was sanctioned by the EU, UK and US in May 2022. Mr Ivanov and his wife, who was born in Odessa, Ukraine, actively provided charitable assistance to Ukrainian refugees through Red Cross and other charitable organisations. The total amount of charity equals to more than 5,000,000 USD.</p>
Current	<p>Currently, Mr. Ivanov is an independent investor based in Switzerland, focusing on high-technology companies and mutual funds in the EU and the US. His personal wealth, estimated at over US\$ 300 million, is primarily held in reputable financial institutions in the US, EU, and Switzerland. Since 2016, the majority of his income comes from non-Russian sources. He has divested from any business in Russia and scrutinized his ventures for any connections. Neither he nor his companies engage with any sanctioned individuals.</p>

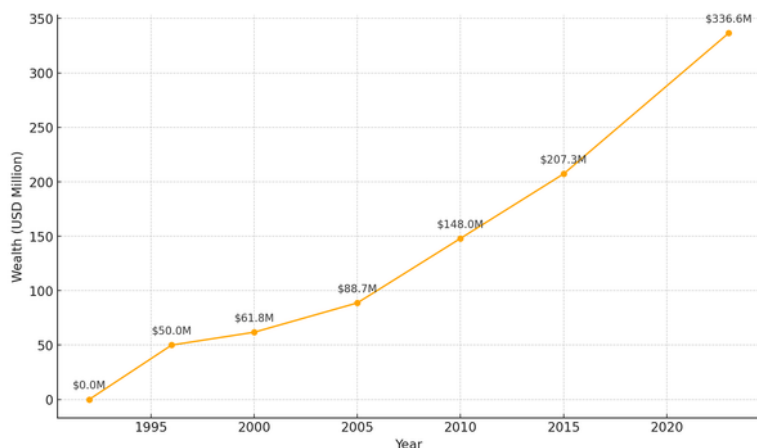


Full Name	Ivanov Ivan Petrovich (Иванов Иван Петрович in Cyrillic)
Date of birth	February 22, 1961 (age 63 years)
Nationalities	Citizen of the Republic of Cyprus (EU)
Family	Married to Maria Ivanova (Nehodko, prior to marriage), born on January 13, 1963, in Odessa, Ukraine. Ivan and Maria Ivanova have three children.
Current Residential Address & Tax Residency	Apartment, xxx, Geneva, Switzerland. Mr. Ivanov has been a “lump-sum” tax resident of Switzerland since 2016, currently taxed in the canton of Geneva. His personal tax affairs are handled by Deloitte’s office in Geneva.
Contact Details:	Email: ivanov_ivan@swissinvest.com
Education	<ul style="list-style-type: none">• 1986 – 1991: Moscow State University, Master’s Degree in Economics• 1997: Moscow State University, PhD in Social Sciences• 2004: Swiss Federal Institute of Technology, Postgraduate studies in Sustainable Energy



1992-1996	Co-Founder and President of Euro Bank, a medium size private bank in Russia
1997 – 2000	Board Member of RU Energy, a leading private energy company
2001 – 2005	Member of the Management Board of Global Power Corporation, the largest public electricity supplier in Eastern Europe
2005 – 2015	Chairman of the Management Board of InnoTech, a private investment firm investing in the technology sector
2001 - present	Independent Private Equity and Venture Capital Investor, based in Switzerland since 2016
Languages	<ul style="list-style-type: none">◦ Russian (native)◦ English and French (intermediate)

Wealth Accumulation 1992-2024



1992

The wealth journey begins with co-founding Euro Bank, primarily relying on employment income in the early years. Euro Bank was founded during a period of significant economic transition in Russia, capitalizing on the opportunities in the rapidly changing financial landscape after the collapse of the Soviet Union.

1996

After five years of significant growth, Euro Bank became an attractive acquisition target. Mr. Ivanov, owning a 40% stake, sold his shares for \$40 million. This led to a sharp increase in wealth, which was invested into high-growth assets such as the S&P 500 and other bankable portfolios.

2000

By this year, the cumulative wealth reached \$61,8 million, driven by employment income from positions at Ru Energy (\$5 million) and investment income from S&P 500.

2005

Continued growth through employment income at Global Power Corporation brought an additional \$10 million earned over these five years, which amounted to the total wealth of \$88,7 million jointly with investment income.

2010

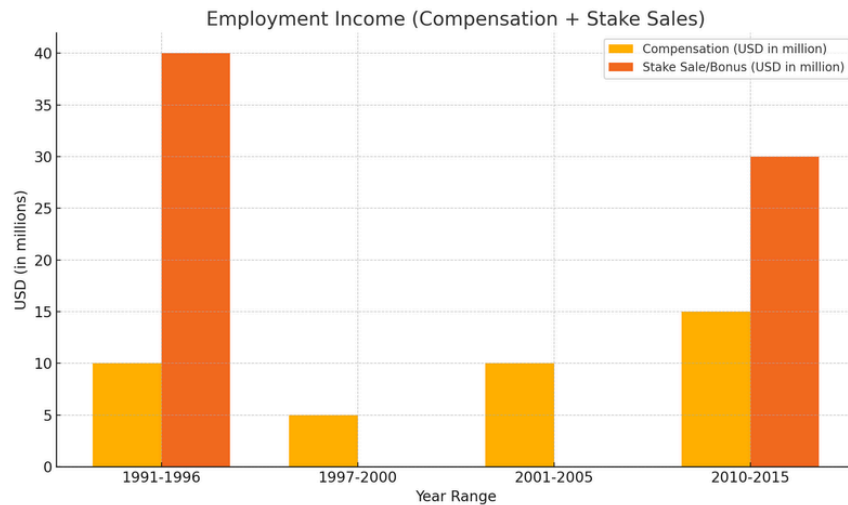
Another significant step up in wealth occurs, reaching \$148 million, due to a combined increase from employment income at Innotech and continued earnings from the investments made in 1996.

2015

By this time, wealth accumulation had risen to \$207,3 million, supported by continued earnings and the sale of shares in Innotech for \$30 million. Since 2015 Mr. Ivanov's wealth has been increased through investment income only.

2024

The total wealth reaches \$336.6 million, reflecting sustained investment growth over the years, particularly from the \$40 million stake sale in 1996, compounded through investments in S&P 500 and other bankable assets.



Euro Bank 1992 - 1996

In 1991, Mr Ivanov became a co-founder of EURO BANK, where he has been working as a President until 1996. Euro Bank positioned itself as a fast-growing, medium-sized private bank, focused on catering to emerging private and corporate clients in the early 1990s. This was a critical period when Russia was undergoing privatization, leading to a high demand for financial services, particularly in banking, loans, and corporate finance.

During that period, Mr Ivanov received an employment compensation of more US\$ 10 million. In addition, as one of the bank's founders Mr Ivanov received a stake of 40% which he sold for US\$ 40 million in 1996.

Ru Energy 1997 - 2000

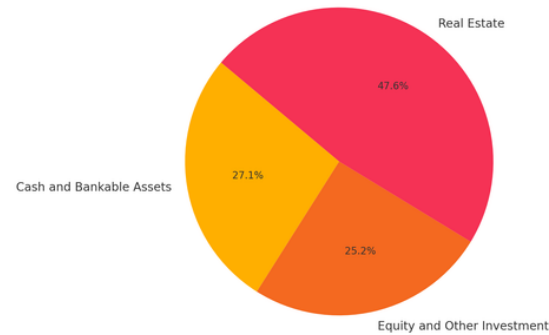
In 1997, Mr Ivanov accepted the post of Board Member of Ru Energy, at that time one of the leading Russian oil companies. His total employment package, including base salary and bonuses was above US\$ 5 million.

GP Corporation 2001 - 2005

From 2001 until 2005, Mr Ivanov worked as a member of the Management Board of Global Power corporation. His earnings over that period amounted to more than US\$ 10 million.

Inno Tech 2005 - 2015

From 2010 until 2015, Mr Ivanov worked as a Chairman of the Management Board of Innotech. It became one of the largest investment funds in Eastern Europe specialised on investments in the technology sector. His salary earnings over that period amounted to more than US\$ 15 million. He also became a shareholder of the management company of the fund in the course of a stock option program for top management. That stake was subsequently sold by Mr Ivanov for US\$ 30 million.



Initial Investment

The initial investment of **\$40 million** from the sale of the Euro Bank stake in 1996 marks the starting point of the investment growth journey.



Growth Rate

Over the years, this amount has been invested and reinvested in different classes of assets, making an average annual growth rate of **6.63%**.



Net Worth

By 2024, the investment grows to \$241.6 million, contributing significantly to the total wealth of **\$336,6 million**. This growth, combined with other income sources (employment and capital events), explains the total net worth.

By 2024, the wealth portfolio of Mr Ivanov is diversified across several asset classes:

Cash and Bankable Assets: This category accounts for a large share of liquid assets held in various bank accounts and managed portfolios. Key institutions include Zurich Private Bank, Swiss Alpine Bank, and Horizon Ventures. Together, they providing financial flexibility and security.

Equity and Other Investments: This includes investments in private ventures, including venture capital funds and equity holdings, primarily through AUM portfolios and Horizon Ventures. These investments represent a strategic diversification into growth sectors, notably technology.

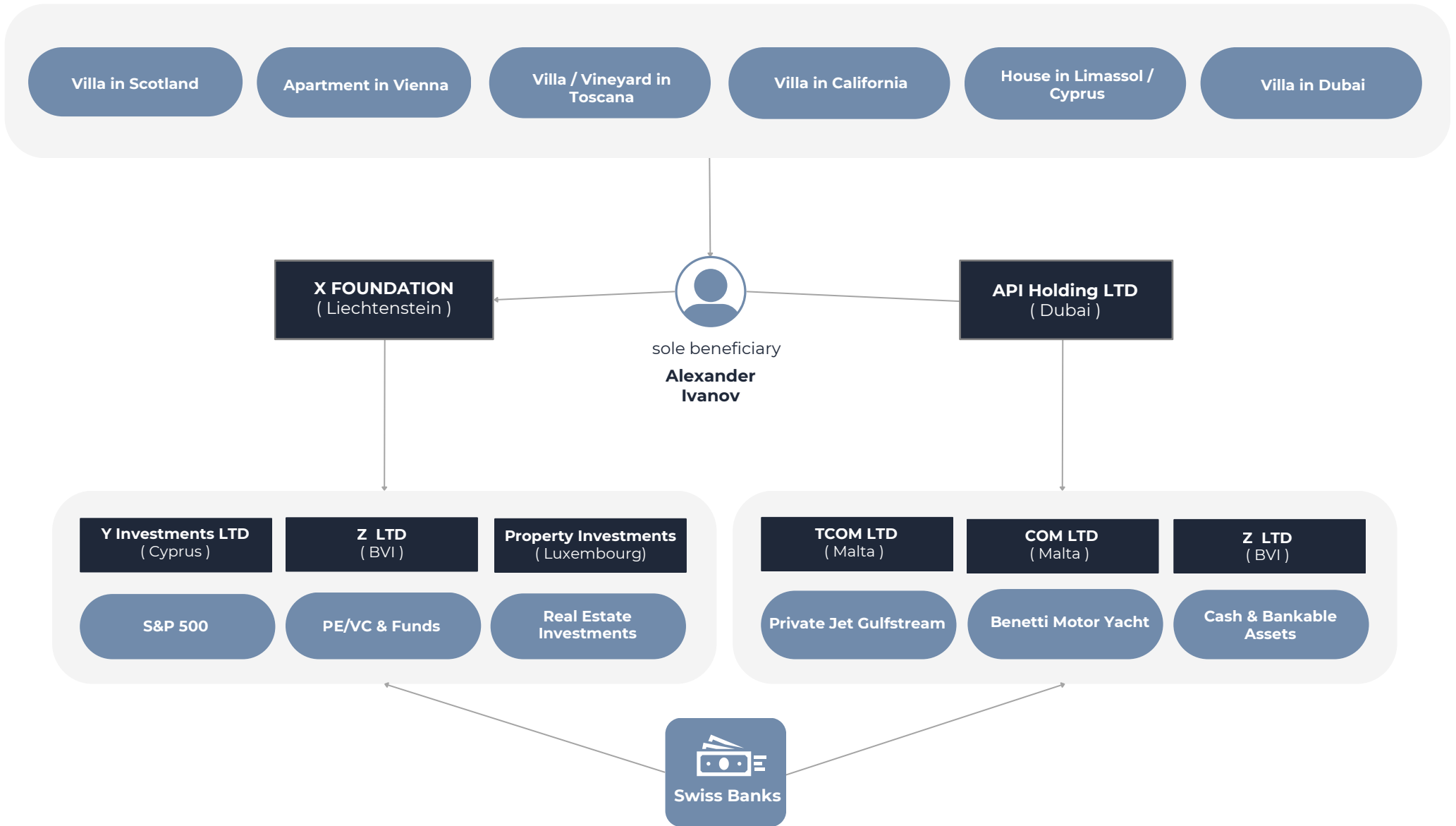
Real Estate: Comprising a range of luxury properties across the globe, from villas in Edinburgh, Tuscany, Malibu, and Dubai to an apartment in Vienna. This category forms a substantial part of the wealth, highlighting a focus on high-value real estate in prestigious locations.

Description	Market Value (USD, M)	Description	Market Value (USD, M)
Cash and bankable assets		Equity and other investments	
AUM portfolio with Zurich Private Bank	66,15	S&P 500 Index Fund	124,6
AUM portfolio with Swiss Alpine Bank	29,4	Tech Innovators Fund I (IT Venture Capital)	3,8
Horizon Ventures Ltd (Zurich Private Bank)	4,2	NextGen Solutions VC (IT Venture Capital)	3,2
Horizon Ventures Ltd (Geneva Private Bank)	42	Algarve Coastal Properties (Portugal Real Estate)	3,8
Other banks (Swiss Financial Network & Helvetia Trust Bank)	5,25	Lisbon City Development Fund (Portugal Real Estate)	3,2
Total	147,0	Total	138,4
Real estate		Long-term liabilities	
Villa in Edinburgh (Scotland)	10,5	Credit facility from Zurich Private Bank (Switzerland) secured by Villas in Tuscany, Malibu, and Edinburgh	39,9
Apartment in Vienna (Austria)	6,825		
Villa and Vineyard in Toscana (Italy)	16,8		
Villa in Malibu (California, USA)	18,9		
House in Limassol (Cyprus)	5,775		
Villa in Dubai (UAE)	12,6		
Benetti Motor Yacht	13,125		
Private Jet Gulfstream	6,5625		
Total	91,1		

Description	Market Value (M, USD)	Description	Market Value (USD, M)
Gross Annual Income		Annual Expenditures	
Dividends & capital gains from S&P 500 Index Fund	6,2	Personal assets maintenance costs	0,4
Returns from Tech Innovators Fund I (IT Venture Capital)	0,2	House staff	0,063
Returns from NextGen Solutions VC (IT Venture Capital)	0,2	UBO & spouse lifestyle personal expenses	2,1
Rental income from Algarve Coastal Properties (Portugal)	0,3	Family office expenses	1,26
Rental income from Lisbon City Development Fund (Portugal)	0,3	Zurich Private Bank (Switzerland) mortgage & credit facility costs	0,8
AUM & trading income from Zurich Private Bank, Swiss Alpine Bank, Horizon Ventures, Geneva Private Bank	17,3		
Total	24,5	Total	4,6

Net Worth Statement

Net Assets		Net Annual Income	
Total assets (liquid & non-liquid)	376,5	Total annual income	24,5
Total long-term liabilities	39,9	Total annual expenditures	4,6
Total net assets	336,6	Total net annual income	19,9



- For the purpose of any applicable law implementing the OECD Common Reporting Standard (CRS), from 2016 and onwards Mr Ivanov remains the tax resident of Switzerland with the current taxpayer's identification number [123456]. From 2017, Mr Ivanov is a "lump-sum" taxpayer in the Swiss canton Geneva.
- Following its adoption by the OECD, Switzerland has been implementing the Automatic Exchange of Information (AEOI) standard since 1 January 2017, with the first automatic exchange undertaken in 2018.
- Neither Mr Ivanov nor any of his close family members is currently entrusted with a prominent political or public function, including in the capacity of political, governmental, juridical or military officials, executives of state owned corporations, intergovernmental organisations, international sport associations, influential political party's officials or similar roles.
- Neither Mr Ivanov nor any of his family members has ever been restricted from conducting business activities or opening bank, insurance or brokerage accounts in any country of the world.
- Mr Ivanov has never been disqualified, suspended or otherwise restricted from holding CEO, CFO or similar senior managerial positions in any jurisdiction.
- Neither Mr Ivanov nor any of his family members is located across any publicly available restrictive measures or listings adopted by the Council of the European Union, the Specially Designated Nationals and Blocked Persons list ("**SDN List**") or other sanctions lists administered by the United States Office of Foreign Assets Control (**OFAC**), or across any sanctions regimes implemented in the United Kingdom and administered by the UK Office of Financial Sanctions Implementation (**OFSI**), or any similar restrictive measures implemented by any other countries, including those adopted in connection with the war in Ukraine.
- For the purpose of the US tax regulations relating to withholding and applicable agreements for cooperation to facilitate the implementation of the Foreign Account Tax Compliance Act (**FATCA**), Mr Ivanov :
 - is not a US citizen or person (including US specified person or other US person);
 - was not born in the US (or US territory);
 - is not a resident of the US (or US territory) or a US resident alien for the US tax purposes; and/or
 - does not hold a US Green Card or temporarily or permanent presence, residence or domicile in the US (or US territory) for the US substantial presence test.

Mr. Ivan Ivanov is not located across any of publicly available restrictive measures or listings adopted by the Council of the European Union, the Specially Designated Nationals and Blocked Persons list (“SDN List”) or other sanctions lists administered by the United States Office of Foreign Assets Control (OFAC), or across any of the financial sanctions regimes implemented in the United Kingdom and administered by the UK Office of Financial Sanctions Implementation (OFSI).

EU Sanctions Map

OFAC Sanctions List Search

OFSI Consolidated List Search

Financial Sanctions Search

The consolidated list of financial sanctions targets search enables users to find information relating to asset freeze and investment ban targets across all financial sanctions regimes implemented in the UK. Use of the search function does not remove an individual or entity's obligation to undertake appropriate due diligence in respect of financial sanctions targets. Reliance on, or use of, the information contained in the search results does not limit any criminal or civil liability for any act undertaken by an individual or entity. Please see the Consolidated List Format guide found on [this page](#) or OFSI's [general guidance](#) for more information on the consolidated list. If you have feedback on this search tool, please contact us by email at OFSI@hmtreasury.gov.uk, including relevant information or screenshots as necessary.

Search for

 Group results by Group ID

Fuzzy Search is **OFF**

Enabling Fuzzy search will find matches even when users misspell search terms or enter in only partial words for the search.

Increasing the optional Fuzzy Distance will increase the matches but may make the results less relevant. Increase the Fuzzy Distance in case the exact spelling of the search term is not known.

 Fuzzy Search

Fuzzy
Distance



Regime

- Any regime -

Group Type

Individual

Group Status

- Any group status -

Search

Clear

No results found. Please try a different search term or increase the fuzzy distance of your search.

Schneider & Partners Attorneys at Law
Vaduzer Strasse 10
9490 Vaduz
Liechtenstein

September 26, 2024

To Whom It May Concern:

This letter is to confirm that Mr Ivan Ivanov, residing at Rue de la Paix 17, 75001 Geneva, Switzerland, is the Ultimate Beneficial Owner (UBO) of X Foundation, a legal entity registered in Liechtenstein under registration number FL-00001.234.567-8. As part of our legal duties, we have conducted the necessary due diligence, verifying that Mr. Ivanov exercises full control over the foundation in accordance with Liechtenstein regulations governing beneficial ownership.

If further details are required, please contact us.

Sincerely,

Dr. Markus Shneider
Managing Partner
Schneider & Partners Attorneys at Law
Phone: +423 234 5678
Email : info@shneiderlaw.li

Liechtenstein Company Register Extract

Company Name: X Foundation

Registration Number: FL-0001.567.890-1

Legal Form: Foundation (Stiftung)

Incorporation Date: 20 March 2015

Registered Address:

Landstrasse 100,
9494 Schaan,
Principality of Liechtenstein

Purpose of the Foundation:

The purpose of the X Foundation is the management of assets for charitable purposes, supporting educational initiatives, and funding scientific research in the field of renewable energy and environmental protection.

Foundation Council Members:

- Peter Müller (Chairman)
- Claudia Meier (Member)
- Dr. Johannes Frei (Member)

Supervisory Body:

Government Supervisory Authority of Foundations, Liechtenstein

Capital: CHF 1,000,000 (initial endowment)

Republic of Cyprus

Department of Registrar of Companies and Official Receiver

Extract from the Register of Companies

- **Company Name:** Y Investments LTD
- **Registration Number:** HE 123456
- **Date of Incorporation:** 15 June 2018
- **Company Type:** Limited Liability Company (Private)
- **Registered Office Address:**
123 Financial Street
Nicosia, 1010
Cyprus

Directors:

1. John Doe
 - Address: 45 Investment Avenue, Limassol, Cyprus
2. Jane Smith
 - Address: 78 Wealth Road, Larnaca, Cyprus

Secretary:

- Cyprus Corporate Services LTD
 - Address: 90 Administration Blvd, Paphos, Cyprus

Shareholders:

- John Doe - 500 shares (50%)
- Jane Smith - 500 shares (50%)

Authorized Share Capital:

- €10,000 divided into 1,000 ordinary shares of €10 each

Issued Share Capital:

- €10,000 divided into 1,000 ordinary shares of €10 each

Main Activities:

- Investment management
- Asset allocation
- Financial consulting services

Certified by:

[Signature]
Registrar of Companies
Date: [Today's Date]

Ultimate Beneficiary Confirmation Letter

Extract from Trade Register confirming Board membership

kuts&co

Contact

info@kuts.co

Head Office

39 Grand Rue, L-1661 Luxembourg

Visit www.kuts.co

Thank you for considering Kuts & Co.

We value the opportunity to connect with you and discuss how our expertise can assist you in achieving your goals. For inquiries or consultations, please don't hesitate to get in touch.



Your success is
our priority