



## Buna Financial Crime Typology Guidance

March 2025

### ***Introduction & Objective***

As cross border payments continue to evolve, they face increasing risks related to money laundering, terrorist financing, proliferation financing, fraud and sanctions violations. Criminal networks exploit the speed, complexity, and cross-border nature of payment infrastructures to disguise illicit activities, making it essential for Buna and its participants to identify, assess, and mitigate financial crime risks proactively.

The primary objective of this document is to enhance the detection, prevention, and mitigation of financial crime risks in Buna by providing a structured framework for identifying and addressing emerging threats. It will also help Buna participants strengthen their financial crime compliance programs and safeguard the integrity of Buna network.

### ***Due Diligence & Request for Information:***

As part of Buna's ongoing Due Diligence and Periodic Review exercises on our participants, our compliance team will request information from you regarding your organization and your business to fulfil our "Participant Due-Diligence" responsibilities. (You are expected to provide complete responses to our requests within acceptable timeframe.

Such requests may include, but not limited to:

- (a) request information about your direct customers.
- (b) request information about transactions in your accounts including the related parties to the transactions.
- (c) share pertinent information and best practices.
- (d) direct you to make changes to the activity in Buna, including to cease and desist from using your Buna platform access for types of transactions, for transactions involving parties or for initiating transactions with certain characteristics.

### ***Prohibited Payments***

Transactions That Must Not Be Processed Through Your Buna Account. Your Buna account must not be used to initiate transactions with the following characteristics:

- A. Payments that appear to relate to any form of illegal activity, including without limitation, fraud, money laundering, terrorist financing, human trafficking, political corruption, and illegal wildlife trafficking.
- B. Payments that do not appear to have a legitimate purpose.

- C. Payments that involve the use of an Informal Value Transfer System, such as hawalas or money transmitters who do not comply with applicable registration or licensure requirements.
- D. Payments that would violate, or cause the system operator to violate, economic sanctions imposed or enforced by the United Nations, the United States, the European Union or, the United Kingdom, or any other applicable sanctions.
- E. Payments that would violate, or cause the system operator to violate, export controls, and other economic restrictions imposed by various governments.
- F. Payments that appear to circumvent currency controls.
- G. Payments involving unlawful internet gambling.
- H. Payments involving shell banks,
- I. Payments involving bearer share companies (and operating as such), except for those that are publicly traded on a recognized exchange.
- J. Payments associated with payable through accounts.
- K. Payments involving third-party payment processors or money transmitters that provide downstream processing for MSBs, financial institutions and Payment Service Providers that do not have an AML and Sanctions program in place.

We expect that your transaction monitoring controls will ensure that your accounts with us are not used for transactions in these categories and as provided in the Buna's Rules and Procedures, we may reject any such transactions.

### ***Payments subject to Additional Controls***

Certain other types of transactions may also present a high level of financial compliance risk. Our expectation is that your "know your customer" and anti-money laundering policies and your transaction monitoring controls are commensurate with the nature, scale, size, and complexity of your business and will assure that transactions in these categories will not violate our Rules and Procedures and/or present an unacceptable level of AML or other compliance risk. To the extent that your policies and controls are not capable of assuring that payments in the categories below will not violate our Rules and Procedures or present an unacceptable level of AML or other compliance risk, please do not use your Buna account for such transactions:

- A. Payments involving arms and munitions, microchips, and/or other components that have dual use potential but are not otherwise subject to export control requirements.
- B. Payments involve precious metals dealers that purchase metals from pawnbrokers and other secondary sources.
- C. Payments involving shipping and general trading companies operating in free trade zones.
- D. Payments involving tour and travel companies including but not limited to companies where there is a potential nexus to sanctions exposure.
- E. Payments involving charities.
- F. Payments involving used motor vehicles dealers or auctions.
- G. Payments involving auctions including online auctions.

- H. Payments related to crowdfunding platforms.
- I. Payments related to transactions in penny stocks or microcap securities.
- J. Payments involving transactions designed to achieve a particular tax treatment.
- K. Payments involving embassies, consulates, and diplomatic missions.
- L. Payments involving economic citizenship or citizenship by investment programs.
- M. Payments involving government scholarship programs where the beneficiary is not an educational institution.
- N. Payments involving relationships established with universities or students for online tuition solutions.
- O. Payments involving adult oriented services (where such services are permitted by law).
- P. Payments involving online or in person gambling services (e.g. daily fantasy sports, online poker, casinos, gambling machines or the like).
- Q. Payment involving Physical Cash Activity (either Direct or Indirect)
- R. Payments involving any Virtual Asset Service Providers (VASPs – as defined by FATF), including virtual currency exchanges, administrators and miners, that are our participants direct customers, and which are:
  - i) In a jurisdiction with strategic deficiencies as designated by the FATF.
  - ii) Not compliant with applicable regulatory money transmission licensing, money service business registration, and AML program requirements within the local jurisdiction; and/or
  - iii) Do not have an AML program generally consistent with FATF standards

## ***Linked Participants***

Participants must submit a list of their linked participants before onboarding or engaging in any transaction. It is subject to a Compliance approval process.

Additional controls must be implemented by the Participants:

- Perform a KYC Due Diligence on all Linked Participants, including their ownership structure, UBOs, and regulatory requirement.
- Verify and monitor the purpose of the proposed transaction flow by the Linked Participant
- Flag transactions involving high-risk corridors, sudden surges in activity, or payments routed through multiple intermediaries.
- Ensure payments are not structured to conceal the ultimate recipient's identity.
- Evaluate whether the Linked Participant operates in high-risk jurisdictions identified by FATF, OFAC etc.
- Screen all Linked Participants against Sanctions Lists such as OFAC, UN, HMT, EU, etc.
- Ensure transactions do not indirectly benefit sanctioned country or sanctions entity.
- Identify whether the Linked Participant is allowing any Nesting/ Downstream activity

## ***Payment subject to Economic Sanctions License***

When processing a USD transaction that require an OFAC license, our participants must implement enhanced controls designed to identify, notify and present a copy of the OFAC License for the related payment for approval before processing the payment through Buna.

Participants are required to present the license details, supporting documents and information to establish the applicability of the license so Buna will assess the transaction according to its risk appetite.

## ***Contact Buna Compliance***

You may direct any questions concerning this document and its content to Buna compliance Team by email [compliance@buna.co](mailto:compliance@buna.co)

## ***Participant Obligation***

Please take the necessary steps to assure compliance, as failure to comply with this guidance could lead to rejection of payments and/or suspension or termination of your participation in Buna. Your cooperation in implementing this guidance will be greatly appreciated.