

FREQUENTLY ASKED QUESTIONS

Why is re-declaration needed?

Pursuant to the Act on the Prevention of Money Laundering (Act LIII of 2017 (Pmt.)), the representative of all legal entities or business organisations without legal personality that has a business relationship with our bank shall re-declare about the beneficial owner and the data of the beneficial owner of the legal entity or business organisation without legal personality as the scope of data required by law is extended.

What happens if I miss the deadline?

If the duly completed and signed declarations are not available by 31 October, 2019, the bank shall refuse to execute the orders and transactions of the client.

What documents shall I fill in?

Legal entities or business organisations without legal personality shall submit at least one, at most three, declarations.

1. The authorised representative shall make a statement in any case about the relevant data of beneficial owner in the form "Declaration on the identity of the beneficial owner" (surname, first name, surname and first name at birth, nationality, place and date of birth, address – or place of residence instead –, nature and extent of ownership interest, politically exposed person status).
2. The form on the politically exposed person status "Declaration on the politically exposed person status (beneficial owner)" should only be completed **if the beneficial owner is a politically exposed person or an immediate family member of a politically exposed person or a close associate of a politically exposed person**. In this case the exact point in Section 4 Subsection (2) of the law shall also be declared which the beneficial owner is considered as a politically exposed person.
3. The declaration on the ownership structure entitled "Declaration of ownership structure" should only be filled in by those organisations which have a corporation or an organisation in their ownership. In this case, the entire ownership structure shall be outlined up to the ultimate natural person owner. For this, the explanation under the Frequently Asked Questions can be helpful. The corporation or organisation does not need to complete this declaration if it has only natural person owners.

How can I submit the declarations?

Please fill-in and duly sign the declaration as soon as possible and:

1. hand over personally to the OTP branch where their accounts are kept or
2. send back by regular mail to the OTP branch where their account are kept.

Please find the address of your OTP branch:

<https://www.otpbank.hu/portal/en/BranchATMSearch>

Who is a beneficial owner?

The definition of the beneficial owner is not equal to the definition of the owner or joint owner.

The beneficial owner is a natural person who

- owns at least twenty-five per cent of the shares or voting rights in a legal person or in an unincorporated organization directly or indirectly, or
- has a dominant influence or
- on whose behalf a transaction is being conducted by the legal person or the unincorporated organisation.

A person has a dominant influence on a legal person, if

- it is a member of a shareholder in that company and
- it has the right to appoint and recall the majority of the executive officers or supervisory board members of the legal person; or
- other members of or shareholder in that legal person are committed under agreement with the holder of a participating interest to vote in concert with the holder of a participating interest, or they exercise their voting rights through the holder of a participating interest, provided that together they control more than half of the votes.

In the absence of the natural person referred to above, the executive officer of the legal person or unincorporated organization shall be treated as the beneficial owner.

In case of foundations, the beneficial owner is the natural person

- who is the beneficiary of twenty-five per cent or more of the property of the foundation, where the future beneficiaries have already been determined,
- in whose main interest the foundation is set up or operates where the individuals that benefit from the foundation have yet to be determined, or
- who exercises control in the management of the foundation or exercises control over at least twenty-five per cent of the property of a foundation, and/or who is authorized to represent the foundation

All members of the management shall be listed as beneficial owners in the declaration on beneficial owners.

A person has a dominant influence on a legal person, if

- it is a member of a shareholder in that company and
- it has the right to appoint and recall the majority of the executive officers or supervisory board members of the legal person; or
- other members of or shareholder in that legal person are committed under agreement with the holder of a participating interest to vote in concert with the holder of a participating interest, or they exercise their voting rights through the holder of a participating interest, provided that together they control more than half of the votes.

Who is the beneficial owner, when a company or other organisation is the owner?

When a legal company is owned by another company, those natural persons shall be listed as beneficial owners in the declaration who are the beneficial owners of the legal company that has the ownership.

Example:

- If AB Kft. is owned by CB Bt., the beneficial owners of CB Bt. shall be listed as beneficial owners in the declaration.

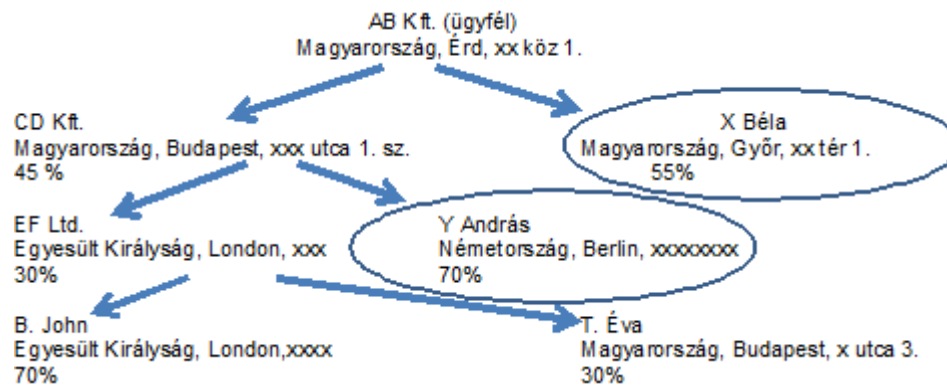
In case of indirect ownership, all participation levels shall be examined like a chain. If a natural person's indirect participation reaches at least 25%, the person shall be treated as beneficial owner.

Example:

- CB Kft. has 25% participation in AB Kft. CB Kft. has 4 beneficial owners and each natural person has 25% participation. In this case each natural person has 6,25% indirect participation in AB Kft. ($25\% \times 25\% = 6,25\%$). As these persons do not have 25% participation in AB Kft., they cannot be treated as beneficial owners of AB Kft.
- If there is a natural person who has 25% direct or indirect participation, that person can be treated as a beneficial owner.

How can you display the ownership structure?

Please provide an organizational chart displaying the ownership structure of your company/organisation up to the ultimate beneficial owner (final natural person). Please give direct/indirect owners' name, address/address of registration, country and percentage of ownership interest as well. Please find the example below (beneficial owners are indicated with a circle.)



Who shall be treated as politically exposed person, family members of politically exposed persons, persons known to be close associates of politically exposed persons?

Politically exposed person:

a natural person who is entrusted with prominent public functions, or who has been entrusted with prominent public functions within one year before the implementation of customer due diligence measures.

Types of prominent public functions:

- a) heads of State, heads of government, ministers and deputy ministers, state secretaries, in Hungary the head of State, the Prime Minister, ministers and state secretaries;
- b) members of parliament or of similar legislative bodies, in Hungary members of parliament and spokesmen for the nationality;
- c) members of the governing bodies of political parties, in Hungary members and officers of the governing bodies of political parties;
- d) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, in Hungary members of the Alkotmánybíróság (Constitutional Court), of the courts of appeal and the Kúria (Curia);
- e) members of courts of auditors or of the boards of central banks, in Hungary the President and Vice-President of the Állami Számvevőszék (State Audit Office), members of the Monetáris Tanács (Monetary Council) and the Pénzügyi Stabilitási Tanács (Financial Stability Board);
- f) ambassadors, chargés d'affaires and high-ranking officers in the armed forces, in Hungary the head of the central body of law enforcement bodies and organizations and his deputy, Chief of Staff of the Hungarian Army and Deputy Chiefs of Staff of the Hungarian Army;
- g) members of the administrative, management or supervisory bodies of enterprises with majority state ownership, in Hungary the managing directors of enterprises with majority state ownership, including members of the management body exercising control or supervisory rights of such enterprises;
- h) directors, deputy directors and members of the board or equivalent function of an international organization.

(3) For the purposes of this Act 'family members of politically exposed person' shall include the spouse or domestic partner of a politically exposed person; the biological and adopted children, stepchildren and foster children and their spouses or domestic partners, of a politically exposed person; the biological, adoptive, step- and foster parents of a politically exposed person.

(4) For the purposes of this Act, persons known to be close associates of politically exposed persons shall include:

a) any natural person who is known to have joint beneficial ownership of legal entities or unincorporated organizations, or any other close business relations, with a person referred to in Subsection (2);

b) any natural person who has sole beneficial ownership of a legal entity or unincorporated organization which is known to have been set up for the benefit of a person referred to in Subsection (2).

Family members of politically exposed person:

the spouse or domestic partner of a politically exposed person; the biological and adopted children, stepchildren and foster children and their spouses or domestic partners, of a politically exposed person; the biological, adoptive, step- and foster parents of a politically exposed person.

Close associates of politically exposed persons:

a) any natural person who is known to have joint beneficial ownership of legal entities or unincorporated organizations, or any other close business relations, with a person who is entrusted with prominent public functions

b) any natural person who has sole beneficial ownership of a legal entity or unincorporated organization which is known to have been set up for the benefit of a person who is entrusted with prominent public functions.