



Policy and Procedure US Sanctions
Rev March 2020



Message from Our Executive Management

The Board of Directors, and Executive Management, are committed to complying with sanctions on countries or individuals, such as those applied by the Department of the Treasury of the United States of America, and that apply to its customers, related parties or markets that are served by AMV Global Group and subsidiaries.

Violations of the sanctions outlined by the U.S. Office of Foreign Assets Control (OFAC) can lead to serious consequences. All our employees are informed that those who do not comply with the regulations:

- **You may be subject to severe disciplinary action.**
- **They may individually face civil and criminal penalties or fines and/or prison time.**

All institutions and employees should read and be familiar with all policies and procedures.

Thank you for your continued commitment to this policy and procedures.

The Board of Directors
AMV Global Group



OFAC Introduction

The Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury administers and oversees a series of laws that impose economic sanctions against governments, private and public and individual institutions to promote U.S. foreign policy. OFAC is responsible for promulgating, developing, and administering sanctions by the Department of the Treasury under eight federal statutes. All U.S. regulatory agencies cooperate to ensure financial institutions' compliance with OFAC Regulations.

Sanctions can be comprehensive or targeted, using asset lockups and trade restrictions to achieve foreign policy and national security objectives.

In the case of the Bolivarian Republic of Venezuela in particular, on January 29, 2019, OFAC designated Petróleos de Venezuela, S.A. (PDVSA) as a "Specially Designated National (SDN)" under Venezuela's Executive Order (EO) 13850. Because PDVSA owns a majority stake in various partnerships and clients in the market served by AMV Global Group and subsidiaries (AMVGG), all these partnerships and clients are also treated as an SDN and are therefore subject to the same restrictions as PDVSA for the purposes of U.S. sanctions.

This principle also applies to any SDN through direct or association of any entity of the Government of the Republic of Venezuela, and those natural persons or private entities, are associated or identified in OFAC sanctions.

U.S. persons ¹ are generally prohibited from engaging in any dealings or activities related to SDN, including PDVSA, as well as certain dealings with the Government of Venezuela.

AMVGG must not cause or facilitate conduct by U.S. persons that violates U.S. sanctions. Prohibited facilitation includes, but is not limited to, allowing U.S. persons, including customers participating in the Venezuela market who are U.S. persons, to use U.S. dollars (USD) in connection with any activity related to projects in Venezuela with potential sanctions or related to an SDN.

Prohibited transactions are commercial or financial transactions and other dealings in which U.S. persons may not engage unless authorized by OFAC or expressly exempted by law. Because each program is based on different foreign policy and national security goals, prohibitions can vary between programs.

¹ U.S. Person - U.S. citizens (including dual citizenship); Lawful permanent residents of the U.S. (including green card/US green card holders), wherever they reside; and any person present or resident in the USA. Legal Entities are considered U.S. persons if they are incorporated under the laws of the United States or operating in that country.



OFAC regulations often provide general licenses that authorize certain categories of transactions to be conducted. In addition, in some circumstances, U.S. law exempts certain transactions from embargoes. OFAC also issues specific licenses on a case-by-case basis under certain limited situations and conditions. Guidance on how to apply for a specific license is found at 31 CFR 501.802.

Due Diligence

Report to the Company's compliance line or contact Executive Management in accordance with the following procedure:

- 1 Is the match with the OFAC SDN list or target countries, for some other reason (i.e., part of without limitation: Politically Exposed Person or Control List, Non-Cooperating Countries and Territories, Blocked Officials File, or Government Official of a Designated Country)
 - If you are on OFAC's SDN list or target countries, continue to 2 below.
 - If you are identified for any other reason, you should contact Executive Management to determine how to proceed

- 2 Now that you have established that the match is against the OFAC SDN list or the target countries, you need to assess the quality of the match. Compare the name in your match to the name in the SDN list. Is the name on your transaction an individual while the name on the SDN list is a vessel, organization, or company (or vice versa)?
 - a. If yes, you don't have a valid match. *
 - b. If the answer is no, continue to point 3 below.

- 3 How much of the SDN name matches the name of your transaction/operation? Does only one of two or more names (i.e., only the last name) match?
 - a. If yes, you don't have a valid match. *
 - b. If the answer is no, continue to 4 below.

- 4 Compare the full SDN entry with all the information you have about the matching name in your transaction. An SDN entry will often have, for example, a full name, address, nationality, passport, tax ID or ID number, place of birth, date of birth, previous names, and alias. Do you miss a lot of this name information in your transaction?
 - a. If yes, go back and learn more and then compare your complete information with the SDN input.
 - b. If the answer is no, continue to 5 below.

- 5 Are there a series of exact similarities or coincidences?
 - a. If yes, report the incident to the Executive Management of the Company or Directly to OFAC
 - b. If not, you don't have a valid match.



Where Do I Get OFAC Lists?

The list of sanctioned can be consulted online at the following link:

<https://sanctionssearch.ofac.treas.gov>

Procedural Compliance

Check Existing Customers and New Customers

- 1- All names are checked in the customer database annually
- 2- Every new customer is verified. This applies to institutional as key personnel
- 3- The customer database will be checked each time OFAC publishes new data that is known as the applicable OFAC SDN list

According to the U.S. Department of the Treasury, conceptually:

The OFAC SDN list contains the names of individuals and entities that are owned or controlled by, or act for or on behalf of the government of the targeted countries or are associated with international narcotics trafficking or terrorism. These individuals and entities are placed on the Treasury Department's list of blocked persons and specially designated nationals so that persons subject to United States jurisdiction know that they are prohibited from dealing with them and that they must block all property in their possession or control. in which these persons and entities have an interest.

In addition, each transaction involving a person or entity that is not a current customer must be individually verified against the OFAC SDN list. If there is no match, then the transaction can proceed. If a potential match exists, further review should be conducted to determine a true or false positive match to the name on the OFAC list. If the name is determined to be a true match, appropriate action must be taken to reject the transaction and then file the appropriate report with Executive Management.

In all cases, a manager or executive of the company, usually the compliance officer, should be notified immediately. The customer's name and account details will be required to file the appropriate report.

Reports

3 (three) types of Reports/Databases will be maintained, and their due presentation or reporting to the Board of Directors and regulatory entities in the applicable countries:

- 1- Any rejected transaction (with due detail)
- 2- Issuance of annual report of rejected transactions to be submitted and endorsed by the Board of Directors



3- Retention of all blocked or rejected transaction reports and logs for five years

Minimum information to include in any report or list of rejected transactions:

- 1- Full name of account holder or account party
- 2- A description of the property
- 3- The location of the property
- 4- Type of transaction, account, or property description
- 5- Amount (actual or estimated)
- 6- Date of transaction
- 7- Date of submission of the report
- 8- Account Status and Location 9- Any information necessary to identify the property.

How to Report a Concern or Potential Sanctions Policy Violation

- Contact your supervisor, manager, or executive
- You can also call +58-412-7713649
- Write email to amvglobal.operations@gmail.com

If you wish, your contact can be anonymous. There will be no retaliation against any employee for reporting potential violations or concerns.