



# Risk Analysis Flexado

flexado™

# Flexado Risk Analysis

This document sets out how Flexado conducts risk analysis in relation to its customers. It explains which risks are recognised and how Flexado deals with them. Flexado is of the opinion that in this way it complies with its obligations under the AML.

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## 1. General

Flexado conducts a standard regular client survey before entering into an agreement with the client. Based on several factors and taking into account national, European and FATF identified risks, a choice can be made for an intensified follow-up investigation. It may also be chosen not to get into the relationship with the client in advance.

Risks that, for whatever reason, deviate from the regular risk, are always identified by Flexado as 'high-risk' and will be followed by an enhanced client screening.

Flexado therefore considers risks identified by the FATF and also looks at the type of clients it serves. In addition, Flexado takes into account the AML guidelines for domiciliaries and the AML risk matrix (always the latest version) and its staff dealing with these are familiar with them.

Always before entering into an agreement with a client, all described risks are assessed on the basis of this risk analysis in combination with the aforementioned guideline and risk matrix.

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## 2. Risk factors

**Risk analysis within Flexado is made based on five different risk areas.**

Country risk

Product risk

Client risk

Transaction risk

Delivery channel risk

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## A. Country risk

For all countries outside the EU, Flexado carries out a heightened scrutiny as standard. In addition, enhanced screening is carried out for high-risk countries and countries on international sanctions lists.

### Sanctions list

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Afghanistan	Republic of Congo	Lebanon	Sudan
Belarus	Egypt	Libya	Somalia
Bosnia-Herzegovina	Guinea	Mali	Syria
Burundi	Guinea-Bissau	Moldova	Tunisia
China	Haiti	Nicaragua	Venezuela
Central African Republic	Iraq	Ukraine	Zimbabwe
	Yemen	Russia	South Sudan

\*The above list is dated 27-06-2023. For the current sanctions list, please consult the internet. Flexado regularly checks the publications of the FAFT and the EU/UN, among others.

#### High-risk countries

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Albania	Cayman Islands
Barbados	Malta
Burkina Faso	Morocco
Cambodia	Uganda
Philippines	Pakistan
Jamaica	Panama
Jordan	Senegal

#### FATF – Blacklist

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Iran  
Myanmar  
North-Korea

\*By definition, clients from these countries will not be dealt with.

In addition, a heightened scrutiny is routinely applied to clients wishing to establish themselves abroad. This can be from the Netherlands to abroad, but also vice versa.

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## B. Product/service risk

In determining product and service risk, several categories are identified as increased risk by default. These include:

- **Investments in hard-to-value goods, such as:**

Art

Whisky

Real estate

Antiques

Crypto

Products with unusual complexity

- **Asset management with private banking characteristics**
- **Transactions executed through a private bilateral agreement**

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## C. Client/sector risk

Clients that carry a higher risk are subject to heightened scrutiny by default. These include:

- **Legal entities with a complex structure**
- **Institutions not subject to any form of supervision and clients with professions closely related to fraud and money laundering. These include:**

Hospitality sector

Massage parlours

Car dealerships

Wholesale trade

Taxis

Roofers

In addition, an increased risk applies to PEPs by default.

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## D. Transaction risk

Finally, we distinguish transaction risk. We see from which country, company and bank account payments are made. If this is an unusual transaction or if the client has money coming from a high-risk country for financing, we proceed to a heightened investigation and/or make a report.

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## E. Supply channel risk

When a foreign customer is supplied through an intermediary (often in the role of a broker), there will be a heightened scrutiny.

Finally, an unacceptable risk may arise. This is the case when Flexado is unable to conduct client due diligence or is seriously impeded in doing so. In this case, no contractual relationship will be entered into with the client and the FIU will be reported.

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## 3. Companies under formation

In practice, it regularly happens that companies under formation require a business address to complete the company formation. In this case, we always proceed to a heightened investigation and monitor whether the company is established.

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## 4. Identification and verification

Flexado shall always follow the prescribed methods of identification and verification as laid down in the AML Guidelines and the AML Implementation Regulations. This guideline is known to the personnel dealing with it. We distinguish between natural persons and legal entities, and in the case of legal entities (but also general partnerships) we also check the UBO(s) as prescribed in the AML guideline.

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## 5. Establishing the purpose and nature of the relationship

Flexado also always establishes the purpose and nature of the intended relationship. However, both are clear given Flexado's services (including flexible or virtual office rental for the corporate market).

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## 6. Monitoring

Flexado regularly checks (once a year) whether the information provided by the client is still correct and up to date. Should the risk profile possibly change as a result, Flexado can respond in a timely and adequate manner.

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## 7. Structure of business operations

Flexado has procedures and measures in place to limit and control the risks described in the Wwft. The person in charge within Flexado is familiar with a possible reporting obligation and knows where to report. Flexado also has an internal compliance officer who monitors compliance.

The employee(s) dealing with this are familiar with the duty to report and know that if there may be money laundering or terrorist financing that this is an unusual transaction, and that there is then a duty to report.

Furthermore, Flexado keeps the knowledge of the employee(s) in the field of the AMLup to date by organising a knowledge session at least once a year, during which Flexado's external in-house lawyer provides the employee(s) with knowledge and information in the field of the AML and specifically focused on the domiciliation section.