

MERCHANT ACCOUNT OPENING APPLICATION

Date (dd/mm/yyyy) ____/____/20____ **COMPLETE IN BLOCK CAPITALS** Approved at JSC "Rietumu Banka" Board Meeting on May 20, 2016, Minutes No. 25

Company _____
(full name)

Registration No. _____ **Registration date** (dd/mm/yyyy) ____/____/____

Legal address _____
(street, house, flat, city, country, postal code)

Actual address _____
(if differs from the legal address) (country, city, house, street, flat, postal code)

Correspondence address _____
(if differs from the legal address and/or actual address) (country, city, house, street, flat, postal code)

Telephone + _____ Fax + _____ E-mail _____
(country code) (country code)

Please state the country(-ies) and/or place(-s), where the Company is a tax resident, and the taxpayer identification number, assigned to the Company as a tax resident¹:

_____	_____
(country or place of tax residence)	(taxpayer identification number)
_____	_____
(country or place of tax residence)	(taxpayer identification number)
_____	_____
(country or place of tax residence)	(taxpayer identification number)

Please state the character of the Client's business activities²: active business
 passive business

Web sites used by the Company for e-commerce: _____

Registration on the website: Login _____ **Password** _____

Trade mark _____

Descriptor name (max 22 characters) _____
(information that appears on a cardholder's payment card statement)

Number of employees _____ **Working experience in this sphere** _____
(years)

Company's economic activity description _____

MCC code: _____
(if known)

X _____ Client Representative signature

Does the Company require a license / permission to conduct its business activity? Yes No

Does the Company own a licence / permission? Yes No

Merchant account transaction types: Payments via the web site _____% Recurring transactions _____% MOTO _____%

Money Transfers to a card (OCT, MoneySend) _____%
(OCT – Original Credit Transactions)

Is the Company's business related to the Republic of Latvia?

Yes _____ No _____
(explain)

Main business partners of the Company: _____

Income sources of the Company:

loans income from the economic activity dividends / interest income
 investments other (please state) _____

Main countries of the Company's product suppliers: _____

Main countries of the Company's product / service buyers: _____

Main regions of business transactions: _____% EU _____% CIS _____% US and Canada
_____ % Asia _____% others

Company's contact person _____
(name, surname)

Telephone + _____ Fax + _____ E-mail _____
(country code) (country code)

Contact person for the Company's accounting queries _____
(if differs from the Company's contact person) (name, surname)

Telephone + _____ Fax + _____ E-mail _____
(country code) (country code)

Contact person for technical queries _____
(if differs from the Company's contact person)

Telephone + _____ Fax + _____ E-mail _____
(country code) (country code)

INFORMATION ON THE COMPANY REPRESENTATIVE

Name, surname _____

Date of birth (dd/mm/yyyy) ____/____/____ Passport / Identity document No. _____

X _____ Client Representative signature

Place of birth: _____
(country, province, state, region/ district, city, settlement)

Actual residence address: _____
(street, house, flat, city, country, postal code)

Acting in accordance with _____

Contact details: Telephone + _____ E-mail _____
(country code)

Is the Company Representative or his/her close relatives classified as politically exposed persons³ or members of the family of a politically exposed person⁴, or persons closely related to a politically exposed person⁵? No Yes

Is the Company Representative a citizen and/or tax resident of the United States of America (USA)? No Yes

Representative is entitled to represent the Company: alone
 together with _____
(fill in Appendix No. 1)

- Company's registration certificate must be enclosed
- Copy of the passport must be enclosed
- Documents proving authorisation rights must be enclosed (a copy of the decision on appointment, a reference from the enterprise register, others)

INFORMATION ON BENEFICIAL OWNER⁶ OF THE COMPANY

Name, surname _____

Date of birth (dd/mm/yyyy) ____/____/____ Passport / Identity document No. _____

Place of birth: _____
(country, province, state, region/ district, city, settlement)

Actual residence address: _____
(country, city, house, street, flat, postal code)

Contact details: Telephone + _____ E-mail _____
(country code)

Please state the country(-ies) and/or place(-s), where the Beneficial Owner is a tax resident, and the taxpayer identification number, assigned to the Beneficial Owner as a tax resident¹:

_____ (country or place of tax residence) _____ (taxpayer identification number)

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_____ (country or place of tax residence) _____ (taxpayer identification number)

Income sources:

- royalties / rewards private property sale rent
- dividends / interest payments gift deed / inheritance
- own capital share (stakes) sale other (please state) _____

X _____ Client Representative signature

Form of shareholding in the Company capital:

direct owner according to agreement (trust etc.)

other (please specify) _____

Is the Beneficial Owner or his/her close relatives classified as politically exposed persons³ or members of the family of a politically exposed person⁴, or persons closely related to a politically exposed person⁵? No Yes

Is the Beneficial Owner a citizen and/or tax resident of the United States of America (USA)? No Yes

- a copy of the passport must be enclosed

If two or more Beneficial Owners are in the Company, fill in Appendix No. 2

INFORMATION ON THE COMPANY'S PRODUCT / SERVICE

Description of the product / service _____
Products sold on the website _____

Marketing strategy
Method of customer engagement _____

Current processing company: No Yes _____
(company name)

What kind of customer and transaction data is stored? _____

Does the Company comply with PCI DSS? Yes No
(PCI DSS – Payment Card Industry Data Security Standard)

Has the Company used the software which complies with PA-DSS? No Yes _____
(PA-DSS – Payment Application Data Security Standard) (name of program)

Reasons for choosing JSC "Rietumu Banka" _____

Additional information: _____

INFORMATION ABOUT TRANSACTION MONITORING

Please describe your experience in transaction monitoring (monitoring system developer, outsourced service, other)
(if you do not have the experience, you should not fill in)

INFORMATION ABOUT TURNOVER

	Actual	Estimated
Average monthly turnover		
Average number of transactions per month		
Average volume of a transaction		
Transaction volume <small>(max – min)</small>		
Number of chargebacks per month		
Volume (sum) of chargebacks		
Transactions currency	_____ USD _____ EUR _____ GBP _____ another currency _____	_____ USD _____ EUR _____ GBP _____ another currency _____
Types of cards	VISA _____ % MasterCard _____ %	VISA _____ % MasterCard _____ %

¹JSC “Rietumu Banka” shall collect and annually provide information and data regarding its Clients and/or Beneficial Owners of its Client to the State Revenue Service of the Republic of Latvia within the framework of the Standard for Automatic Exchange of Financial Information in Tax Matters in circumstances and order stipulated by legislation of the Republic of Latvia.

²In accordance with Section 86 of the Law on Taxes and Fees of the Republic of Latvia:

(1) the term ‘active non-financial entity’ means any non-financial entity (hereinafter referred to as – NFE) (either having or not having the status of a corporate entity) that meets at least one of the following criteria:

1) less than 50 percent of NFE's gross income for a preceding calendar year or another appropriate reporting period is passive income, defined in Part 2 of the Section hereto, and less than 50 percent of the assets held by NFE during a preceding calendar year or another appropriate reporting period are assets that are held for the production of passive income (defined in Part 2 of this Section below);

2) shares of NFE are regularly traded on the acknowledged stock market, or NFE is an entity associated with an entity, the shares of which are regularly traded on the acknowledged stock market;

3) NFE is a governmental entity, international organisation, central bank or organisation, wholly owned by one of the foregoing entities;

4) activities of NFE are mainly related to holding (in whole or in part) the outstanding shares of one or several NFE-related enterprises, which have been issued by one or more associated entities, which are engaged in trade or any other business other than the business of a financial institution, as well as rendering financial and other services to such associated entities. An entity does not qualify for the active NFE, if it operates (or declares its activities) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies, thus holding a stake in such an enterprise, by owning the capital assets for further investment purposes;

5) NFE has not been operating a business yet and does not operate the business, but invests capital in the assets with an intent to operate a business other than that of a financial institution, provided that NFE does not qualify for this exceptional status, if such an organisation exists under 24 months from a moment of establishing/forming NFE;

6) NFE has not been a financial institution in the past five years, and is in the process of liquidation or reorganization of its assets with the intent to continue or recommence such business operations other than that of a financial institution;

7) NFE primarily performs financing and limiting risks together or on the order of associated entities, which are not financial institutions, and does not provide similar services to any entity that is not a related entity, provided that the group of any such associated entities is primarily engaged in a business other than that of a financial institution;

8) NFE meets all of the following requirements:

a) it is established and does business exclusively for religious, charity, scientific, artistic, cultural, or educational purposes, or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

b) it is exempt from income tax in its involved state or another jurisdiction of residence;

c) it has no shareholders or members who have a proprietary or beneficial interest related to its income or assets;

d) the applicable laws of the NFE's involved state or another jurisdiction of residence or the NFE's incorporation documents do not permit any income or assets of the NFE to be distributed to or applied for the benefit of a private person or non-charitable entity, unless such distribution or use is related to NFE's charitable activities, or as payment of reasonable compensation for services rendered, or payment representing the fair market value of property which the NFE has purchased; and

e) the applicable laws of the NFE's registry state (which is the involved state) or another tax residence state, or the NFE's incorporation documents require that, upon the NFE's liquidation or reorganization, all of its assets are distributed to a government entity or another non-profit entity.

(2) passive income of the NFE are considered to be a part of the income that consists of:

1) dividends;

2) interest payments and income equivalent to interest payments;

3) rent, lease fee and royalties (other than rent, lease fee and royalties, derived in a course of primary business activity of the entity);

4) annuities received in accordance with annuity agreement;

X _____ Client Representative signature

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- 5) gross income from the disposal of financial assets that give rise to the income stated in Subpoints 1, 2, 3 or 4 above (including, but not limited to, income from any transaction entered into in the ordinary course of broker's (dealer's) business) (other than income from the ordinary course of broker's (dealer's) business);
- 6) gross income from transactions in any financial assets (including futures, options and other similar instruments);
- 7) gross income from foreign currency exchange transactions (other than income from any transaction entered into in the ordinary course of broker's (dealer's) business);
- 8) net income from swaps (other than income from any transaction entered into in the ordinary course of broker's (dealer's) business);
- 9) amounts received under cash value insurance contracts;
- 10) other gross income, which is similar in its economic nature to income specified in subpoints 1, 2, 3, 4, 5, 6, 7, 8 or 9 above.

If the information and details about the Client available to JSC "Rietumu Banka" change, JSC "Rietumu Banka" is entitled to unilaterally without further authorisation and without coordinating it with the Client change the status of the Client from an active non-financial entity to a passive non-financial entity.

³**Politically exposed person** – a person who is entrusted or has been entrusted with prominent public functions in the Republic of Latvia, in another EU or EEA Member State or a third country, including the head of the state, the head of administrative unit (municipality) of the state, the head of the government, a minister (a deputy minister or an assistant deputy minister, if such a position exists in the state), a state secretary or another high-ranking official in the government or in the administrative unit (municipality) of the state, a member of the parliament or a similar legislative framework, a member of the governing body (board) of a political party, a judge of the constitutional court, a judge of the supreme court or a judge of another court (member of a judicial institution), a member of the council or of the board of the supreme audit institution, a member of the council or of the board of a central bank, an ambassador, a chargé d'affaires, a high-ranking military officer, a member of the council or of the board of a state-owned enterprise, the head (director, deputy director) of an international organization and a member of the board or a person who holds an equivalent position in that organization.

⁴**Member of the family of a politically exposed person** – a person who is: a) a spouse of a politically exposed person or a person equivalent to a spouse. A person shall be treated as equivalent to a spouse provided that the laws of the respective country contain a provision for such status, b) a child of a politically exposed person or a child of a spouse of a politically exposed person, or of a person equivalent to a spouse, his/her spouse or a person equivalent to a spouse, c) parents, grandparents and grandchildren of a politically exposed person, d) brothers and sisters of a politically exposed person.

⁵**Person closely related to a politically exposed person** – a private individual who is publicly known to have business relationship or other close relationship with a politically exposed person, or who is a shareholder or a participant in the same commercial company with any politically exposed person, and a private individual that is a sole owner of a legal arrangement that is known to be established for the benefit de facto of any politically exposed person.

⁶**Beneficial Owner** is a private entity: a) who owns or directly or indirectly controls at least 25 percent of the merchant's share capital or voting right shares or exercises any other control over the merchant's operation; b) who is directly or indirectly entitled to the property, or exercises a direct or an indirect control over at least 25 percent of a legal arrangement other than a merchant. In the case of a foundation, a beneficial owner is considered to be a person or a group of persons for whose benefit the foundation has been set up. In the case of political parties, societies and cooperative societies, a beneficial owner shall be the respective political party, society or cooperative society; c) for whose benefit or in whose interest a business relationships have been established; d) for whose benefit or in whose interest a separate transaction has been made without establishing business relationship (within the meaning of the Law of the Republic of Latvia on the Prevention of Laundering the Proceeds Derived from Criminal Activity (Money Laundering) and Terrorist Financing).

JSC "Rietumu Banka" is entitled to request and the Client shall timely provide any information and documents, confirming details provided above.

INFORMATION ACKNOWLEDGEMENT

I hereby confirm with my signature that the Company is not involved in servicing of other products or services than described in this Application. Should the range of services or products increase, the Company shall inform JSC "Rietumu Banka" immediately.

I hereby confirm with the signature that the stated Company Representatives are entitled to represent the Company and sign legally binding documents on behalf of the Company.

I hereby confirm with the signature that all countries and/or places, where the Company and the Beneficial Owner(-s) is/are a tax resident(-s) have been stated.

I hereby confirm with the signature the authenticity of the provided information. The Company undertakes to immediately inform JSC "Rietumu Banka" about any changes in the provided information, if any, in writing.

I hereby confirm with my signature that I am aware of the liability, including criminal responsibility for providing false data or willful non-disclosure of information.

I hereby confirm with my signature that I give my consent to the Bank to verify the information stated in the Application herein, including scanning of the Company's websites in order to control the compliance of the activity and security of JSC "Rietumu Banka".

I acknowledge as having read and agree with the Terms and Conditions of JSC "Rietumu Banka" and Client Agreement and the Bank's tariffs.

Company Representative _____ Position _____
(name, surname)

Signature _____ Date ____/____/20____

Rietumu ID _____ Test-key _____

TO BE COMPLETED BY BANK EMPLOYEE

I confirm the identity and signature of the Company Representative

Passport / Identity document No. _____

(name, surname)

Signature _____ Date ____/____/20____