



IN-DEPTH OVERVIEW OF OPENAPI'S KYC DATABASE

OPENAPI.COM

Openapi specializes in the development of databases for Customer Due Diligence (CDD) and combines legal expertise in KYC, AML, and CFT regulations with advanced data collection and management techniques to provide a constantly updated database containing the essential information financial intermediaries and other entities subject to equivalent obligations need to effectively fulfill their due diligence requirements.

The information contained in the Openapi Database is obtained from authoritative, publicly accessible sources and includes hyperlinks to the original sources for further reference.

Records provide information about the individual or entity concerned, the relevant geographical area, and details of any proceedings, legal measures, or other related information, where published by the consulted source.

Timely data delivery is aligned with the update frequencies of the monitored sources and aims to enable Clients to conduct the most

comprehensive and timely assessments possible of the individuals or entities being screened.

Sources are monitored using the latest information technologies, integrated by Openapi's developers into internal systems and processes. This activity is further supported by source analysis guided by the extensive experience of the professionals in Openapi's in-house legal department.

The volume of available data is also constantly expanding through the progressive inclusion of as many sources as possible, with the aim of providing the most comprehensive and accurate information for conducting due diligence checks.

Openapi's services are carefully designed to ensure that all personal data processing activities comply with the strictest international privacy standards.

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Openapi Adverse Media

Content and Categories of Criminal Offenses and Legal Measures

The Adverse Media area of interest, with worldwide coverage, collects news relating to criminal proceedings and other negative information associated with predicate offenses to money laundering, terrorist financing, and other illicit activities, in accordance with international recommendations, European Directives, and applicable national anti-money laundering (AML) and counter-terrorist financing (CTF) regulations.

In particular, Openapi's data collection policy is structured to provide a service on an international scale, in line with Regulation (EU) 2024/1624 (Single Rulebook) and the European Banking Authority (EBA) Guidelines (e.g., EBA/GL/2021/02 on customer due diligence).

These regulatory requirements are subsequently implemented and validated by individual countries.

In Italy, for example, the relevant framework includes Legislative Decree No. 231/2007, as subsequently amended and supplemented, the Bank of Italy's Customer Due Diligence Provisions of

July 2019, and Legislative Decree No. 195/2021, which transposed the Sixth EU Anti-Money Laundering Directive (EU) 2018/1673.

Specifically, the following categories of criminal offenses and legal measures are covered:

- Weapons-related offenses
- Identity-related crimes
- Drug-related offenses
- Forgery and counterfeiting
- Mafia-related offenses and transnational organized crime
- Various legal and administrative measures (seizure, confiscation, anti-mafia disqualification measures, equivalent international measures, etc.)
- Environmental crimes
- Criminal association offenses and organized crime
- Crimes against persons and crimes against humanity
- Offenses against Public Administration
- Offenses against the administration of justice
- Public order offenses
- Economic and property crimes
- Financial, banking, and tax offenses
- Cybercrime
- Corporate offenses
- Terrorism

Sources

Openapi monitors tens of thousands of sources daily in English, Italian, and Spanish, as well as other internationally relevant languages. These sources are carefully selected based on their authority and reliability to ensure accurate and comprehensive Adverse Media coverage.

The analysis involves reviewing both major international news publications with wide circulation and reach, as well as national, regional, and local sources that report relevant news from specific geographical areas worldwide.

In accordance with the criteria outlined in "The Wolfsberg Group on Negative News Screening", Openapi exclusively monitors sources that:

- Provide accurate, high-quality news and information;
- Ensure professional content supported by additional authoritative sources, rather than personal opinions (for example, blogs and sources featuring user-generated content are excluded);

- Maintain editorial consistency and provide accurate, relevant details (such as names, dates, locations, and quotations);
- Demonstrate political neutrality;
- Are duly registered with the relevant government authorities, where a registration process is required.

As highlighted by the Wolfsberg Group, careful source assessment helps mitigate the widespread and harmful phenomenon of misinformation, commonly referred to as "fake news".

To this end, Openapi maintains its own blacklist of unreliable sources that do not meet the criteria outlined above, ensuring that they are excluded from its monitoring and analysis activities.

Data Updates

The continuous, daily monitoring of sources ensures that Clients have access to constantly updated news and information.

Openapi's policy aims to ensure timely updates to Adverse Media information, provided that such updates are available from the monitored sources. For example, an update concerning the conviction of an individual previously under investigation can only be provided if the relevant news has been published by one of the monitored sources.

This approach enables Clients to conduct the most comprehensive assessment possible of the individual being screened, with access to news covering the progression of the various stages of legal proceedings.

Furthermore, Openapi uses specific status indicators to identify the stage of the legal proceedings or procedures to which the Adverse Media data refers (e.g., under investigation, convicted, or acquitted).

Openapi PEP and Openapi Local Politicians

In line with the criteria outlined by the Wolfsberg Group regarding Adverse Media, Openapi also relies exclusively on sources that provide accurate information and specific, relevant details for its PEP and Local Politicians databases (e.g., government and ministerial sources, official registers and public records, lists published by international organizations, etc.).

Data updates are carried out in accordance with the update frequencies of the monitored sources, with the aim of enabling Clients to conduct the most comprehensive and timely assessments possible.

Below is a brief explanatory overview of the different areas of interest.

Openapi PEP

The Openapi PEP database, with worldwide coverage, collects information on Politically Exposed Persons (PEPs) and the public offices they hold.

In the absence of a single, globally accepted definition of PEP, Openapi follows the recommendations of the Financial Action Task Force (FATF) and the Wolfsberg Group guidelines, as well as European Anti-Money Laundering (AML) Directives and applicable regulations worldwide.

Compliance with International and National Regulations: Regarding the definition of a Politically Exposed Person, Openapi adopts a global approach, aligning its criteria with international regulatory frameworks, including those implemented in numerous countries.

These regulatory frameworks also identify individuals holding public positions across a broad range of sectors as potentially exposed to corruption risks.

Examples include local government officials, individuals holding senior positions in international public administrations, and senior representatives of public bodies, consortia, and public-sector associations.

The PEP database covers 251 countries and territories, with particular emphasis on high-risk jurisdictions identified by the FATF. It is continuously maintained and expanded, with tens of thousands of records added or updated every month.

These updates are carried out through continuous PEP monitoring, with increased screening frequency for positions in high-risk countries, senior roles within the legislative, executive, military, and judicial branches, as well as leadership positions in international organizations and state-owned or publicly controlled companies.

- **Start and End Dates of Public Office:** Records in the PEP database are updated with "Start Date" and "End Date" fields, enabling the timely identification of the positions held by each individual.

- **PEPs and Adverse Media:** Information about negative events involving a PEP can be accessed quickly and easily through a direct link between the PEP record and the Adverse Media database.
- **Additional Identifying Information:** Over 80% of PEP records include at least one additional identifying detail, such as year of birth, photograph, personal identification number, or professional background information, helping to reduce false positives.
- **Sovereign Wealth Funds, State-Owned Companies, and Legal Entities:** The database provides extensive coverage of national and international sovereign wealth funds, as well as state-owned and publicly controlled companies.

Openapi Local Politicians

The Openapi Local Politicians database includes information on individuals holding political positions within local government institutions. These individuals may not fall within the strict definition of Politically Exposed Persons (PEPs) but may have access to or influence over public funds.

To this end, Openapi continuously monitors official data provided by institutional sources (e.g., government and public administration sources) worldwide.

The database is constantly expanding, covering an increasing number of countries and establishing itself as an international reference platform.

International Coverage: The database provides extensive information on local government officials, including those operating at municipal, provincial, regional, and metropolitan city levels, with particular attention to personal identification details (99.75% of records include a date of birth).

Furthermore, potential overlaps between the Local Politicians and PEP databases are carefully managed to minimize the rate of false positives.

Openapi Sanctions

The Openapi Sanctions database, in accordance with international recommendations, European Directives, and global anti-money laundering (AML) and counter-terrorist financing (CTF) regulations, contains national and international sanctions and restrictive measures imposed by supranational organizations, States, and government authorities, aimed at:

- Directly or indirectly prohibit or restrict trade, transactions, and business activities with specific individuals, companies, vessels, aircraft, regimes, States, or territories;
- Directly or indirectly prohibit or restrict trade, transactions, and business activities with specific individuals, companies, vessels, aircraft, regimes, States, or territories;

- Directly or indirectly prohibit or restrict trade, transactions, and business activities involving specific goods or services;
- Prevent the execution of transactions, payments, and financial transfers;
- Prevent or restrict the movement of individuals.

The most widely recognized international sanctions regimes covered by this database include those imposed by the United Nations (UN), the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), and the European Union (EU).

Openapi Sanctions™ also includes sanctions imposed by individual countries and their respective government authorities worldwide, including Japan, Canada, Australia, the Cayman Islands, Hong Kong, Switzerland, the United Kingdom, France, Spain, and the Netherlands.

With particular reference to the situation in Ukraine, the database includes sanctions adopted by countries and international organizations to restrict Russia's access to financial markets, prohibit technology exports,

and freeze the assets of specific legal entities and individuals.

Openapi Legal & Enforcement

The Openapi Legal & Enforcement database includes lists of information relevant to international due diligence checks that do not strictly qualify as sanctions.

This database contains information published by national and international authorities and organizations concerning individuals and entities involved in illicit activities or subject to financial sanctions, restrictive measures, public warnings, or alerts, as well as those identified in journalistic investigations such as the Panama Papers, Paradise Papers, and Pandora Papers (collectively known as Offshore Leaks).

In particular, the database includes major lists published by central banks and financial market supervisory authorities worldwide, including, but not limited to, the Bank of Italy, Banco de España, Swiss Financial Market Supervisory Authority (FINMA), UK Financial Conduct Authority (FCA), Comisión Nacional del Mercado de Valores (CNMV), German Federal Financial Supervisory Authority (BaFin), U.S.

Securities and Exchange Commission (SEC), World Bank, U.S. Office of the Comptroller of the Currency (OCC), Canadian Securities Administrators and Montréal Exchange Regulatory Division, Tribunal de Contas da União (Brazil), Instituto Nacional de Asociativismo y Economía Social (Argentina), Hong Kong Monetary Authority, Japanese Ministry of Finance, and South Korea's Fair Trade Commission.

Furthermore, Openapi collects the names of individuals and entities identified in investigations conducted by the International Consortium of Investigative Journalists (ICIJ), together with the related information, providing Clients with a single, integrated solution for global screening of individuals and entities

Synergies from Access to All Areas of Interest

To enhance the value of this information, Openapi consolidates data from different areas of interest and, wherever possible, links it to a specific entity.

This means that when information from different areas of interest relates to the same entity (an individual, company, or other type of entity), it is consolidated to provide more accurate and comprehensive results.

This approach enriches the available data with additional details that might not be apparent when examining a single area of interest, thereby helping to reduce the number of false positives.