

## General information for clients of United Bulgarian Bank AD on embargo restrictions and sanctions

---

Guided by the responsibility it bears towards its customers, partners and the institutions and regulatory authorities, United Bulgarian Bank AD (UBB) conducts its business in strict compliance with the statutory requirements, striving to conduct its business in a legal, ethical and responsible manner. In particular, UBB complies with the binding requirements of national and international law for the implementation of measures against human rights violations, terrorist financing, money laundering, etc. For reasons of social commitment, UBB also tends to apply a more conservative approach than that provided for in the Law.

The imposition of international restrictive measures has become necessary as a diplomatic or economic tool that seeks to induce a change in activities or policies, such as violations of international law or human rights, or policies that do not respect the rule of law or democratic principles. Restrictive measures may target third country governments (embargoes) or non-state entities, companies and individuals (sanctions).

An embargo is a restrictive measure at national and/or international level. There are various forms of embargoes, the most common being:

- Financial embargo: restrictions on financial transactions and access to financial resources;
- Trade embargo: restrictions on imports and exports of certain goods or trade with certain countries;

UBB complies with embargo restrictions imposed by the United Nations, the EU, the applicable national framework of the Republic of Bulgaria, and the Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department. Since the sanctions imposed by the US Office of Foreign Assets Control (OFAC) have an extraterritorial effect, they are taken into account when transactions/operations are carried out in the USD by persons located in the territory of the US, including but not limited to US citizens, or when related to goods of US origin.

For more information on the restrictive measures imposed by the UN, the EU and OFAC, please visit their official websites at the following links:

UN: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

EU: [http://ec.europa.eu/dgs/fpi/what-we-do/sanctions\\_en.htm](http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_en.htm)

US (OFAC): <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>

Compliance with international restrictive measures means that UBB does not provide payment services, financing or economic resources to individuals, legal persons, entities or governmental organisations that are on restrictive lists or sanctioned or not permitted to provide financial services, pursuant to UN Security Council resolutions or EU regulations and decisions in force, imposed in relation to the fight against the financing of terrorism and the prevention of the spread of terrorism. Following such a policy is not only intended to protect the Bank from the imposition of sanctions in relation to an identified breach of international restrictive measures, but also assists our customers in managing some of the risks associated with international trade.

In order to ensure compliance with applicable international regulations, decisions and sanctions on restrictive measures and relevant provisions, UBB has implemented various mechanisms for screening customer payments. As a result, the client may be asked to provide UBB with additional documents

and information about the relevant transaction(s) including information about the client's counterparty to the transaction.

Please note that UBB's Correspondent Banks also have the right to suspend the execution of any transaction in the event of a suspected potential breach of embargo restrictions and sanctions. In such situations, UBB acts only as an intermediary between the customer and the Correspondent Bank, without being able to influence its final decision.

In order to avoid complications, we advise clients to contact UBB in advance via the feedback form on the Bank's website if they are considering transactions with countries, persons, organisations or governmental organisations against which restrictive measures have been imposed.

<https://www.ubb.bg/contacts/feedback>

Against some specific countries, UBB, as part of the CBS Group, follows the Group-wide, more stringent extended measures. This is particularly true for the following countries: Afghanistan, Donetsk, Lugansk, Kherson and Zaporizhzhia, North Korea (DPRK), Iran, Syria, Venezuela, Cuba, Sudan, Belarus, Russia and Crimea (Sevastopol) and Myanmar. UBB considers these (and other) countries to be more sensitive due to the comprehensive or complex regulations imposed on them relating to embargo restrictions and/or export controls imposed under UN, EU or third country legislation or regulations, and/or the presence of a significant number of sanctioned individuals or entities.

Please note that UBB does not process in any form or currency transactions related to North Korea, Iran, Syria, Cuba and Afghanistan.

Restrictive measures against any country may change at any time due to changes in the regulatory framework or (geo)political or economic circumstances, and UBB may refuse to effect a payment order from, to or otherwise related to the countries, as indicated herein.

### **Afghanistan**

UBB does not process payments or transactions related to Afghanistan.

### **Belarus**

The restrictive measures against Belarus are very diverse and comprehensive, covering various sectors of the economy, activities, transactions, persons and entities. Therefore, UBB processes payments after thorough due diligence of the details of each transaction to ensure that it is in compliance with the currently applicable restrictive measures as well as in accordance with the established KBC Group policy towards Belarus, and may therefore refuse to effect a payment order from, to or otherwise related to Belarus.

Also, except for transfers to and from sanctioned persons and entities, UBB does not process any of the following transactions and related payment services, regardless of their currency:

- Transactions and dealings in goods subject to trade embargoes, such as arms and related military goods; equipment, technology and software used to monitor or intercept Internet or telephone communications; dual-use goods; petroleum products; potassium chloride (for fertilizer); wood products; cement; iron and steel; machinery, etc.;
- Transactions in targeted financial instruments and/or other services for the benefit of the Belarusian government and Belarusian state-owned enterprises;

- Transactions with sanctioned banks, including the Central Bank of Belarus.

Please be informed that as of 20 March 2022 a number of banks have been excluded from the SWIFT network and UBB will not be able to process payments to or from these banks. For more information you can visit [SWIFT website](#).

### **Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia**

More information is available below.

### **Cuba**

UBB does not process payments or transactions related to Cuba.

### **Iran**

UBB does not process payments or transactions related to Iran.

### **Myanmar/Burma**

UBB shall execute transactions/transactions directly or indirectly related to Myanmar/Burma only after thorough due diligence of the details of each transaction to ensure that the same is in compliance with the currently applicable restrictive measures as well as in accordance with the established UBB and KBC Group policy towards that country, and may therefore refuse to effect a payment order from, to or otherwise related to Myanmar/Burma.

### **North Korea**

UBB does not process payment transactions related to North Korea.

### **Russia**

More information is available below.

### **Syria**

UBB does not process payment transactions related to Syria.

### **Venezuela**

UBB executes transactions/transactions related to Venezuela only after thorough due diligence of the details of each transaction to ensure that the same is in compliance with the currently applicable restrictive measures as well as in accordance with the established UBB and KBC Group policy towards this country, and may therefore refuse to effect a payment order from, to or otherwise related to Venezuela.

## **INFORMATION ON THE UBB POLICY TOWARDS RUSSIA**

February 2022, after weeks of political tension, Russia launched a full-scale military operation against Ukraine. In response, a number of countries, including the EU, imposed various economic sanctions aimed at restricting Russia's access to the international financial system.

These measures have had a decisive impact on money markets and international trade flows and are likely to have an impact on the provision of banking services and products to UBB's customers.

Please note that UBB conducts its business in an ethical and lawful manner and complies with all regulatory requirements imposed by the EU and other countries or organisations, such as those of the USA and the UK. Therefore, UBB as part of the KBC Group has decided to adopt the following approach for transactions relating to Russia, Donetsk, Luhansk, Kherson, Zaporizhzhia and Crimea.

### **Russia**

Given the volatility of the situation and the vulnerability of the financial market, UBB would like to draw the attention of its customers to the inherent risks associated with all transactions and transactions related to Russia and can in no way guarantee the full execution of such payment transactions.

UBB executes transactions/transactions related to Russia only after a thorough due diligence of the details of each transaction to ensure that the same is in compliance with the currently applicable restrictive measures as well as in accordance with the established UBB and KBC Group policy towards this country, and may therefore refuse to effect a payment order from, to or otherwise related to Russia. When executing a payment to or from Russia, customers are likely to be asked to provide additional information or documents to confirm the transaction's compliance with applicable international restrictive measures and UBB and KBC Group policy. UBB does not provide payment services in Russian Ruble (RUB) currency.

### **Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia**

UBB is currently suspending the processing of payment transactions related in any way to Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia

In addition to the above mentioned regions, UBB will continue to process payments to and from Ukraine for its customers in full compliance with the currently applicable restrictive international measures as well as in accordance with the established UBB and KBC Group policy towards Ukraine.

### **Banks subject to an asset freeze**

Please be informed that a number of banks were disconnected from the SWIFT network on 12 and 20 March 2022 and UBB does not process payments to or from these banks.

Currently, the following banks are subject to asset freezes imposed by the EU, the US or the UK and UBB is suspending any payments with these banks:

- Bank Rossiya (EU, USA, UK)
- Promsvyazbank (EU, USA, UK)
- VEB.RF (EU, US, UK)
- Dabrabyt Bank (USA)
- Belinvestbank (USA)
- Black Sea Bank (USA, UK)
- IS Bank (USA, UK)
- Novikombank (USA)
- Genbank (USA, UK)

- Bank Otkritie (USA, UK)
- Sovcombank (USA, UK)
- VTB Bank (USA, UK)
- Sberbank (EU, USA, UK)

More information is available on the SWIFT website – [www.swift.com](http://www.swift.com).