

Explanations/ Definitions

Beneficial Owner (BO) – a natural person who ultimately owns or controls the legal person Client, through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that person, including through bearer shareholdings, or through control via other means, and holds at least:

- in the form of direct ownership, a shareholding of 25 per cent plus one share or an ownership interest of more than 25 per cent in a company;
- in the form of indirect ownership, in a manner of exercising control whereby a company which is under the control of a natural person holds or multiple companies which are under the control of the same natural person holding a shareholding of 25 per cent plus one share or an ownership interest of more than 25 per cent in a company.

In the case of a trust, civil law partnership, community or legal arrangement, the Beneficial Owner is the natural person who ultimately controls the association via direct or indirect ownership or otherwise and is such associations’:

- 1) settlor or person who has handed over property to the asset pool;
- 2) trustee or manager or possessor of the property;
- 3) person ensuring and controlling the preservation of property, where such person has been appointed, or
- 4) the beneficiary, or where the beneficiary or beneficiaries have yet to be determined, the class of persons in whose main interest such association is set up or operates.

Controlling Person – a natural person who holds a position in the highest management body of a legal entity or legal arrangement, in case it is not possible to determine the Beneficial Owner.

Resident – a natural person registered in the Population Register of the Republic of Estonia and to whom a personal identity number has been granted, as well as a natural person, whilst they are residing in Estonia, on the basis of a permanent or temporary residence permit issued by the Republic of Estonia.

Non-resident – a natural person who is not registered in the Population Register of the Republic of Estonia and to whom a personal identity number of Estonia has not been granted.

Tax Residence – the country according to the legislation of which the Customer’s income is subject to taxation. For example, based on a person’s place of permanent residence, length of stay (usually 183 days or more in a 12-month period), close personal or economic relationship, or other criteria for income taxation in the relevant country (for example, in the United States, a U.S. tax resident is a US citizen/holder of a US residence permit (Green Card)).

Politically Exposed Person (PEP) – a natural person, who in the Republic of Estonia or in foreign countries occupies or has been entrusted with prominent public functions : head of State, head of state administrative unit (chairman of the municipal council, rural municipality or city major), head of government , minister, deputy of minister or deputy of minister’s deputy, state secretary or other upper level official in government or state administrative unit (municipality), member of parliament or member of other similar legislative bodies, member of governing bodies (board) of a political party, judge of constitutional court, higher court or judge in a different level court (member of court institutions), member of highest revision (audit) institution council or board, member of central bank’s council or board, ambassador, charge affaires, chief officer in the armed forces, member of management or supervisory bodies of State – owned enterprises, Head of an international organization (director, deputy director), and member of the board or a person who is in a similar position in this organization.

Family member of a Politically Exposed Person – a person who is a spouse or a person equivalent to a spouse (a person is deemed equivalent to a spouse only if the laws of the respective country define such status for that person), a child of a politically exposed person, or a child of his/her spouse or a person equivalent to his/her spouse, a spouse or a person equivalent to the spouse of the child of a politically exposed person, a parent, a grandparent, a grandchild, a brother or sister.

Person closely connected to a Politically Exposed Person – an individual having business or other close relationships with a PEP, or who is a shareholder or a member of one and the same commercial company as a PEP, or who is the sole owner of the legal body which has been created in the interests of a PEP.

International sanctions – restrictions imposed on the subject of sanctions by the United Nations (UN) or the EU (European Union) or another international organization of which the Republic of Latvia, Republic of Lithuania, Republic of Estonia or Switzerland Confederation are members and which are directly applicable or implemented in the Republic of Latvia, Republic of Lithuania, Republic of Estonia or Switzerland Confederation, in accordance with international law, as well as restrictions adopted by Office of Foreign Assets Control (OFAC).

Goods of strategic significance, including software and technology, are items that can be used for both civilian and military purposes (Dual-use items). This category includes all goods that can be used in the manufacture of weapons, military equipment, weapons of mass destruction or means of delivery, etc. and are listed in Annex 1 to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, Annex 2 to Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine, the Common Military List of the European Union, and the National List of Goods and Services of Strategic Significance of the Republic of Estonia.