ANNEX2 - AUDITOR'S REPORT WITH REGARD TO SPECIFIC ACTIVITIES PERFORMED[1]

To:
First Curacao International Bank N.V.
Curaçao,
Netherlands Antilles

Ref: Account Number(s):

The **undersigned** ____ [insert your full name and professional qualification/title such as CPA][2] does hereby certify to First Curacao International Bank N.V. the following:

<u>SECTION 1: AUDITOR INFORMATION</u>

As from ____________________ [insert date e.g. 01-Jan-1980] a certified public accountant/auditor (CPA)[3] by profession, registered in the register of accountants of ______________________________ [*insert the name of the country*] and subject to the national and international rules of professional conduct and practice for accountants;[4]

Having no criminal record and (as far as I/we know) never having been the subject of a criminal investigation;

Never having been the subject of disciplinary measures on the grounds of any (serious)[5] professional errors;

Being an associate or partner in a firm or partnership with the following details

Name	
Legal Format	
Domicile	
Size in terms of number of associates/partners	
Annual Turnover	

My share as a percentage of the above turnover	
Contact Address and Telephone No.	
email address	
Website address	
Please enclose the following: ☐ ***Curriculum vitae*** ☐ ***CPA certificate or (national) equivalent and a notarized/legalized proof of registration in a professional register according to the national standards*** ☐ ***If during the past 5 years a disciplinary measure was taken, please give a brief description of the nature and motive of this measure in the curriculum vitae to be enclosed.***	

And (therefore) to the opinion of my associates or partner(s) to be considered a 'reputable auditor'.

Taking an independent and impartial position in this matter and (in every other sense) having no interest in the outcome of the activities performed, and client (see hereafter) not having indemnified me/us against my/our liability with regard to any errors in this report.

SECTION 2: CLIENT INFORMATION (APPLICABLE FOR ALL CATEGORIES OF CLIENTS MENTIONED IN THE COURT RULING OF FEBRUARY 16, 2007)

Declares that by order of ____ [*insert name of the client*], above and hereafter referred to as the client;

An inquiry was made by me/us or under my/our supervision, into the records of the client, other relevant sources were verified and consulted, and from the client and other parties, as appropriate. All necessary and relevant information was gathered with regard to the bank account(s) of the client at FCIB in Curaçao/Netherlands Antilles.

The scope of my/our assignment is to carry out an independent and impartial inquiry into the records of the client, consulted all (other) relevant sources and gathered all (other) necessary and relevant information from the client and other parties, as appropriate, with regard to the bank account(s) of the client at FCIB in order to determine:

- whether these transactions had an unlawful source, purpose, or were in any way connected to any form of crime[6];
- whether the source of the original funds and amounts was in any way unlawful, or in any way connected to any form of crime[7];
- whether these funds were in any way related to tax fraud or any form of tax crime(s)[8];
- that at least no evidence whatsoever was found that the above three events ever took place.

It is: [*please strike out "a" or "b"*]

a. Not known to me/us or any other parties whether the client has ever been involved or is at this moment involved in a criminal or tax investigation related to aspects of the aforementioned questions/assignment.
b. Known to me/us or any other parties that the client has been involved or is at this moment involved in a criminal or tax investigation related to aspects of the aforementioned questions/assignment.

I/we compiled an investigation file and I/we make this available for inspection upon request without restrictions, or hand a copy of this file over to investigators called in by or on behalf of FCIB, without restrictions.

The client is the holder of the following corporate/personal bank account(s) at FCIB with the following account number(s)[9]:

Account Opening Date	**Account No.**	**Type of account** **[***Strike out whatever is not applicable***]**
		eBanking/ ExactPay/ Conventional
		eBanking/ ExactPay/ Conventional
		eBanking/ ExactPay/ Conventional

(Please add additional boxes as necessary)

In order to carry out the assignment, the following activities were performed by me:

[*Please provide a detailed list of activities performed*]

____
____
____
____
____
____

In order to carry out this assignment, the following sources were verified and consulted:

[*Please list sources that were consulted, the information that was sought/ verified from each of these sources*]

____
____
____
____
____

In order to carry out this assignment, all necessary and relevant information was gathered from the following persons, institutions or bodies:

[*Please provide a list of persons, institutions or bodies and the information gathered from each of these sources*]

____
____
____
____
____
____

On the basis of the activities carried out, the sources verified, persons consulted, and the necessary and relevant information gathered, I/we herewith declare that I/we have verified that the following information is correct:

IF THE CLIENT IS NATURAL PERSON	
Name	
First Name(s)	
Date of Birth	
Place of Birth	
Nationality	
Business address	
Private address	
Please enclose the following: ☐ *A notarized/legalized copy of a valid passport or other identity document with a photograph issued by the government*	

IF THE CLIENT IS LEGAL ENTITY	
Name	
Other Trading Name(s) (if any)	
Legal Format	
Date of Incorporation	
The (public) register in which the legal body is inserted	
Full personal details of the person(s) who, with regard to FCIB act(s) as attorney-in-fact and the position/office of the attorney-in-fact within the legal body.	
Please enclose the following: ☐ *A notarized/legalized copy of the extract or "letter of good standing" from the Registrar of Companies, Chamber of Commerce or an other equivalent institution*	

The client belongs to the following category/ categories[10]:

- ☐ Telecom and computer trading industry
- ☐ Trust
- ☐ Money Service Bureaus (MSBs)
- ☐ Politically Exposed Persons (PEPs)
- ☐ Gaming
- ☐ All other clients who performed transactions for third parties such as Financial Service Providers (FSPs)
- ☐ None of the above. Please specify category of business of the client.

    ____

The client and its agents operate in ____________________________________ [*insert name of country where principal operations are locate]* and the client and its agents offer products or advice to prospective clients in the following countries [*insert name of each other country where it or its agents offer products or advice to prospective clients]*

1. ____
2. ____
3. ____
4. ____

The client maintains a place of business at ______________________________
____
____
____
____________________________________ [*insert the complete registered address including the country of the client*] and that the business is located at a fixed address (other than solely an electronic address).

Further the client is authorized to conduct business activities at this address and employs ______ [*please indicate the number of employees*] individual[s] at this address and maintains operating records related to its business activities at this address.

The client deals in the following products:

____

The client has the following **signatories** on the accounts held with First Curacao International Bank N.V.

Name	**Date of Birth**	**Address (No PO Box address)**

(Please add additional boxes as necessary)

The client has the following **directors** on the accounts held with First Curacao International Bank N.V.

Name	**Date of Birth**	**Address (No PO Box address)**

(Please add additional boxes as necessary)

I/we have verified that the client has the following **ultimate beneficial owner(s)[11]** and that all due diligence has been exercised in ascertaining the identity of the beneficial owner(s) listed below. *[Please provide the Ultimate Beneficial Owners in case the Beneficial Owner of the client is another company.]*

Name	**Date of Birth**	**Address (No PO Box address)**

(Please add additional boxes as necessary)

I/we satisfied myself/ourselves that the funds in the name of the client are not in any other way directly or indirectly nor formally or informally controlled by any other person.

All transactions in the period ________________ [*insert date e.g. 01-Jan-2005*] upto and including ________________ [*insert date e.g. 01-Jan-2005*] of client that took place at FCIB were reviewed and audited, and that no evidence whatsoever was found that:

- ☐ these transactions had an unlawful source, purpose, or were in any way connected to any form of crime;
- ☐ the source of the original funds and amounts was in any way unlawful, or in any way connected to any form of crime;
- ☐ these funds were in any way related to tax fraud or any form of tax crime(s);
- ☐ the client is or was ever involved in a criminal or tax investigation with regard to this assignment.

SECTION 3: FOR CLIENTS DEALING WITH TELECOM, COMPUTER & COMPUTER PARTS

The client undertakes reasonable commercial checks to consider the legitimacy of customers and suppliers, ensures the commercial viability all transactions, and ensures the goods are as described by the supplier.

The client has not received any notice of assessment for joint and/or several liability for VAT taxes from the authorities from the country/countries in which the client operates.

I am/we are not aware of and have no reasonable grounds to suspect that some or all of the VAT payable by the client has or will go unpaid.

The client has paid fair market value for all such goods purchased and has re-sold all such goods at fair market value.

I/we have seen documentary evidence supporting that:

a. there are commercial invoices and purchase orders to support all trades;
b. the suppliers and customers provided declaration forms including their VAT numbers;
c. the VAT numbers of all suppliers and customers was verified for every transaction; and
d. the company made no third-party transfers through FCIB**.**

I/we have reviewed the VAT certificate or other Sales Tax, resale or similar tax certificate/document of the client and other licenses as required under the laws of the country of registration and have found them to be valid.

The client has been incorporated as per the laws in the country of registration and the registered name of the client has not been changed and that the client:

- has not been deregistered, dissolved or liquidated;
- is not in administration; or
- has not been subject to any legal orders that would prevent it from operating under "normal" conditions.

SECTION 4: FOR CLIENTS DEALING IN GAMING

I/we satisfied myself/ourselves that the client has not used FCIB for unlawful banking transactions related to online gaming activities.

SECTION 5: FOR MSBs and OTHER CLIENTS MAKING THIRD-PARTY PAYMENTS SUCH AS FSPs, BANKS and TRUST (companies)[12]

The client has all applicable licenses as required in the country where the client is incorporated or operating and the license has been verified to be valid.

I/we reviewed the (legally required) structure and license, existence and functioning of its administrative organisation and procedures for internal audits (AO/IC) specifically with regard to the existence, prevention, detection and, if legally required, the reporting of money laundering transactions. The client has written AML policy and procedures in place and these AML policy and procedures are applied consistently.

My/our findings are:

[*Please include your findings on the organization and audit of the AML/ compliance procedures in the company*]

____

The balance or the balances in U.S. dollars on December 31, 2006 amounted to:

Account No.	**Balance (USD)**	**Type of account** *[Strike out whatever is not applicable]*
		eBanking/ ExactPay/ Conventional
		eBanking/ ExactPay/ Conventional
		eBanking/ ExactPay/ Conventional

(Please add additional boxes as necessary)

The results of my/our investigations were compiled in an investigation file. This file will be made available upon request and without restrictions to FCIB or persons authorized by it without restrictions. As evidence of the client's consent to this process, he has co-signed this report.

Completed truthfully by the undersigned at ______________________________ [*insert place and country*] on ___________________ [*insert date*].

____

Signature of Accountant/Auditor
(along with the seal)

____

Accountant/Auditor Name:

____

Signature of Signatory 1

____

Signature of Signatory 2
(For Accounts with Dual Authorization)

____

Signatory 1 Name:

____

Signatory 2 Name:

Explanatory notes

1) This report must be drawn up in the English language. If this is not the national language, a translation by a sworn translator must be provided. It is recognized that national rules and regulations of a professional nature can make it necessary to adapt this text. Nevertheless we urge the auditor(s) to stay as close as possible to its wording, keeping in mind at all times the purport of the proposed text and to explain any deviations in a written attachment. (This instruction naturally does not include any footnotes). This is of interest to the eventual valuation of the report.

2) If the client is a legal body, please state:
   a) Name;
   b) Trade name(s) if any;
   c) Legal format;
   d) Date of incorporation (on deed);
   e) The (public) register in which the legal body is inserted (adding a copy of the registration certified by you);
   f) The full personal details of the person or persons who, with regard to FCIB (see the note below) act(s) as attorney-in-fact;
   g) The position/office of the attorney-in-fact within the legal body.

3) Or national equivalent thereof.

4) Enclose curriculum vitae, CPA-certificate or (national) equivalent and a notarised/legalised proof of registration in a professional register according to national standards.

5) If during the past 5 years a disciplinary measure was taken, please give a brief description of the nature and motive of this measure in the curriculum vitae to be enclosed.

6) According to both national law and international texts/treaties, e.g. the United Nations, the Council of Europe and the European Union (mostly referred to as 'a serious offence').

7) See the preceding note.

8) In brief, the central issue in this audit is whether the funds involved are in any way related or could in any way be related to the laundering of proceeds of crime. Also, the report separately refers to the question whether the client has ever been directly or indirectly involved in what is known as VAT-fraud. This phenomenon is explained hereafter.

The most regular form of VAT-fraud is the so-called Missing Trader Fraud. This can be described as follows:

Missing trader fraud (also called Missing Trader Intra-Community, MTIC, or carousel fraud) is the theft of Value Added Tax (VAT) from a government by exploiting the way VAT is treated within multi-jurisdictional trading. The fraud exploits the fact that the movement of goods between EU member states is VAT-free. The fraudster charges VAT on the sale of goods, and then instead of paying this over to the government's collection authority, simply absconds, taking the VAT with him.

The term "missing trader" refers to the fact that the trader goes missing with the VAT, "carousel" refers to the way that the fraud in a more complex manner sees VAT and goods passed around companies and jurisdictions, similar to the movement of a carousel or roundabout.

9) Please delete where appropriate. Clients can hold one or more business accounts as well as private accounts at FCIB. It is also of interest to determine whether a private account was (also) used for business transactions.

10) Please identify the category of your client accordingly the court ruling of February 16, 2007.

11) For purposes of this Report, “**owner”** means any entity or person who owns more than 5% of the equity.

12) If a client is a Money Service Bureau (MSB), any other formal or informal financial service provider (FSP), a Bank or a Trust, please also investigate the (legally required) structure and license, existence and functioning of its administrative organisation and procedures for internal audits (AO/IC) with regard to the existence, detection and, if legally required, the reporting of money laundering transactions, and include these in your report.

If you have any questions or remarks with regard to the proposed wording of the auditor’s report, please send an e-mail in English to: **compliance@firstcuracao.com.**

After the auditing report has been drawn up and signed by you (and by client for agreement), please send the report by courier to:

First Curacao International Bank
Kaya W.F.G. (JOMBI) Mensing 18
Zeelandia, Curacao
NETHERLANDS ANTILLES