Assessment conducted by: ComplyMe.AI Reference ID: 8a47de95-66b2-4432-b4fa-5a8ce6bb0a99 Date of the report: 2024-05-23 Report Approver: John Majors, Compliance Executive Manager

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Reliance – Third Party Due Diligence Report

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Section A – Organisational Details

Legal Name: ABC Corp **Trading Name:** None **ABN:** 27 578 976 844 **ACN:** 645 844 962 **ARBN:** None **Office Address:** 7 Bartett St, Preston VIC 3072 **Principal Place of Business:** 240 Bourke St, Melbourne VIC 2000 **Countries with Operation:** Australia **Countries with Offices:** Australia **Customer Countries:** Australia **Products & Services:** Real estate brokerage and selling services. **Designated Services:** Brokering the sale, purchase or transfer of real estate and selling real estate in the course of business. **Customer Types:** Individuals & Sole Traders, Bodies corporate, Partnerships, Trusts, Associations, Government bodies. **Main Delivery Channels:** In person, Email, Telephone, Video conferencing programs, Online platforms. **Non Face to Face Channel Controls:** Identity verification, ongoing monitoring, and risk-based screening procedures as outlined in the SOP. **Number of Employees:** 0 **Organisation Type:** Body Corporate, Partnership or Unincorporated Association **Corporate Group:** None

Whether Principals are: * **PEP:** No * **Located overseas:** No * **Government Entities:** No

Whether AUSTRAC reporting entity: Yes

AML/CTF Compliance Officer Name: Cooper Flagg **AML/CTF Compliance Officer Position:** Compliance Specialist **AML/CTF Compliance Officer Email:** cooperflagg@abccorp.com.au **AML/CTF Compliance Officer Phone:** 0456890760 **AML/CTF Compliance Officer Years of Experience:** 10

Section B – AML/CTF Program Details

Program Documentation Available: Yes **Program Approval Date:** 2026-07-31 **Program Approver Name:** John Majors **Program Approver Position:** Compliance Executive Manager **Program Review Date:** 2026-07-31

Summary of Program Maintenance Policies, Procedures & Processes: The program is maintained by the AML/CTF compliance officer, reviewed annually, or after significant changes to business services, clients, or regulatory requirements. **Summary of Program Update Policies, Procedures & Processes:** The AML/CTF compliance officer reviews and updates the program when significant changes occur, such as regulatory updates, new designated services, or emerging ML/TF risks. **Summary of Board Oversight Policies, Procedures & Processes:** The governing body (GB) is

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responsible for overseeing the risk assessment, compliance with AML/CTF obligations, and ensuring adequate resources are allocated. The GB approves the AML/CTF program and major updates. **Summary of Senior Manager Oversight Policies, Procedures & Processes:** Senior management is responsible for approving services for high-risk clients, ensuring resources are adequate, and overseeing day-to-day operations. **Summary of Personnel Due Diligence Policies, Procedures & Processes:** Initial personnel due diligence is completed before starting a key AML/CTF role or upon change in circumstances. Ongoing PDD monitors integrity and competence. **Summary of Customer Due Diligence Policies, Procedures & Processes:** Initial CDD is conducted before providing services, involving identification of clients, representatives, and beneficial owners. Enhanced CDD is triggered for high-risk clients or when a suspicious matter report is contemplated. **Summary of Enhanced Customer Due Diligence Policies, Procedures & Processes:** Enhanced Customer Due Diligence is conducted when clients are identified as high-risk, a suspicious matter report is being prepared, or when senior manager approval is required to continue services. **Summary of Ongoing Customer Due Diligence Policies, Procedures & Processes:** Monitoring includes checking for unusual transactions, significant changes in risk profiles, and adherence to CDD requirements. Higher risk clients are monitored more closely. **Summary of Customer Update & Review Policies, Procedures & Processes:** Periodic reviews are conducted based on risk rating (Low: 3 years, Medium: 2 years, High: 1 year). Trigger-based reviews are conducted upon changes in client details, risk profiles, or unusual activity. **Summary of Program Effectiveness Policies, Procedures & Processes:** Quarterly effectiveness checks are conducted, and a formal annual report is submitted to the governing body to confirm program effectiveness and compliance. **Independent Evaluation Outcomes:** No independent evaluation performed yet. **Independent Evaluation Remediations:** None **AUSTRAC regulatory actions:** Unable to provide screen capture proof of reporting entity status as AUSTRAC online website was down at the time of assessment. **Adverse Media relating to AML/CTF:** None

Section C – AML/CTF Program Systems

Summary of Customer Information Collection System: Information is collected during customer onboarding and verified using standard identification processes. **Summary of Verification of Identity System:** Identity verification procedures, including document checking and inconsistency resolution protocols. **Summary of Beneficial Ownership Check System:** Process to trace ownership structures and verify beneficial owners through document collection and verification. **Summary of Sanction Screening Check System:** Sanctions screening is a priority; matches result in immediate cessation of services and escalation to the compliance officer. **Summary of Adverse Media Check System:** Systematic process to identify adverse media for personnel and clients as a factor for risk rating and suitability. **Summary of Source of Wealth Check System:** Requires clients to provide evidence of source of wealth/funds, verified via independent documents like payslips, accountant letters, or sale records. **Summary of PEP screening System:** Screening is performed on clients, their representatives, and beneficial owners to identify PEP status. **Summary of Record Storage System:** Centralized storage in compliance records folder, ensuring records are accurate, secure, and accessible for audits. **Record retention period (Years):** 7

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Record types retained: Risk assessment, CDD documentation, transaction records, and compliance monitoring records. **Whether records are readily available:** Records are readily available, securely stored, and confidential. **Applied record controls:** Records are stored securely with access limited to authorized personnel, ensuring accuracy and protection from unauthorized changes.

Section D – Scope Limitations on Reliance Agreement

Due diligence tasks: None **Customer due diligence information:** None **Customer types:** None **Timeframe:** 1 **Other:** None

Section E – Contact Person

Contact Name: James Schroeder **Contact Position:** Not provided **Contact Email:** james@abccorp.com.au **Contact Phone:** 0456890760

Section F – Relying Party Details

Nature, size and complexity of business: Real estate brokerage and selling services. **Products and services provided:** Real estate brokerage and selling services. **Delivery channels used to provide services:** In person, Email, Telephone, Video conferencing programs, Online platforms **Kinds of customers services are provided to:** Individuals & Sole Traders, Bodies corporate, Partnerships, Trusts, Associations, Government bodies **Countries with operation or where customers are a resident of:** Australia and Australia **Timeframes required to provide designated services:** 1 day

Section G – Risk Assessment Findings

Note: As there is no specific information provided on the relying party, this assessment is based on the assumption that the relying party is in the same industry as the third party (Real Estate sector) and utilizes similar delivery channels and customer profiles.

(a) Criteria 1: Assessment of Nature, size and complexity of third party's business: The third party and relying party both operate in the Real Estate sector. The nature, size, and complexity of operations appear aligned. No significant AML/CTF risks are identified from a business model divergence perspective.

(b) Criteria 2: Products and services the third party provides: Both parties provide identical services (Real estate brokerage and selling). There is no divergence in service types, which minimizes risk arising from unfamiliar product offerings.

(c) Criteria 3: Delivery channels the third party uses to provide services: Both parties utilize a mix of in-person, remote, and digital channels. This alignment means the third party's controls should be suitable for the relying party's risk appetite.

(d) Criteria 4: Kinds of customers the third party provides services to: Both parties serve a similar mix of individuals, corporate entities, and trusts. No risks identified due to misalignment of customer base.

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(e) Criteria 5: Countries where the third party operates or are a resident: Both parties operate exclusively in Australia. This eliminates risks associated with cross-border jurisdictional discrepancies.

(f) Criteria 6: Whether third party has appropriate measures in place to comply with its AML/CTF obligations: The third party has provided comprehensive documentation regarding their AML/CTF program, CDD procedures, and record-keeping systems. This suggests a robust framework is in place to comply with obligations.

(g) Criteria 7: Whether third party implements compliance measures in practice: There is no independent evaluation performed yet. This represents a moderate risk as the effectiveness of the implementation has not been externally verified. The relying party should consider this when determining reliance.

(h) Criteria 8: Whether KYC information and the data used to verify it can be obtained in the timeframes required to provide: The third party has confirmed that records are readily available and can be retrieved within 1 day. This timeframe is suitable for real estate transactions.

Section H – Overall Risk Rating

Overall Risk Rating: MEDIUM

Reasoning: The overall risk rating is MEDIUM. While the business models, products, and customer profiles of the third party and the relying party are well-aligned, the third party has not yet undergone an independent evaluation. This absence of external verification of implementation acts as a limiting factor on the risk score. This rating is based on the information currently available and may change if additional information (such as an independent audit report) becomes available.

Potential controls that should be applied:

- **Scenario 1 (Ongoing Arrangements):**
    1. **Contractual Audit Rights:** Ensure the reliance agreement includes the right for the relying party to conduct or request an independent audit of the third party's CDD processes.
    2. **Regular Sampling:** Implement a requirement for the third party to provide a sample of CDD files on a quarterly basis for validation of quality and consistency.
    3. **Performance Reviews:** Conduct bi-annual reviews of the reliance arrangement to ensure the third party continues to meet the necessary compliance standards.
    4. **Reporting of Breaches:** Mandate immediate notification to the relying party of any regulatory findings or systemic compliance breaches identified within the third party's operations.
- **Scenario 2 (One-off/Case-by-case Instances):**
    1. **Pre-Reliance Assessment:** Conduct a documented review of the third party's AML/CTF policy summaries and risk assessment approach before accepting any relied-upon KYC information.

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2. **Verification of Reporting Status:** Obtain evidence of the third party's enrollment with their relevant regulator (e.g., AUSTRAC) to confirm their status as a legitimate reporting entity.
3. **Data Verification Request:** Require the third party to provide a guarantee that the specific CDD documentation for the referred customer is available and can be transmitted to the relying party within 24 hours of request.
4. **Documentation of Reliance:** Create a written record for each case where reliance is used, detailing why it was appropriate to rely on the third party for that specific instance.

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