

KBL European  
Private Bankers S.A.  
Due Diligence

09.2016

# KBL European Private Bankers S.A.

## Due Diligence

### 1. GENERAL

Name of Distributor: KBL EUROPEAN PRIVATE BANKERS S.A.

Address: 43, Boulevard Royal L-2955 Luxembourg

Contact Persons: Ernest TRIERWEILLER

Title of Contact Persons : Third Party Funds & Equities

Email Address: [ernest.trierweiller@kbl-bank.com](mailto:ernest.trierweiller@kbl-bank.com)

Telephone Number: +352 47 97 2306

Website Address: [www.kbl.lu](http://www.kbl.lu)

## 2. CORPORATE OVERVIEW

- Has there been any change to the legal structure since the last Due Diligence Questionnaire was completed ?  YES  NO  NA
- Has there been any material change to our bank's organisational structure relating to the distribution in the past year ?  YES  NO
- In addition to distribution, do we provide any other services?  YES  NO
- Do we have an external control report, e.g. SSAE 16 / ISAE 3402 or the equivalent, e.g. external auditor certification in connection with our custodian activity?  YES  NO
- Can we confirm that these external reports do not identify any material weaknesses in relation to the distribution of funds ?  YES  NO
- Do we have a Business Continuity Plan and Disaster Recovery Plan in place ?  YES  NO
- Do we test it yearly ?  YES  NO
- Was the last test positive ?  YES  NO
- Do we currently hold insurance for Directors' & Officers' Liability?  YES  NO
- Do we have IT measures in place for maintaining the security, confidentiality and integrity of the data of the issuers as well as for preventing data loss or, as the case may be, the manipulation of data by unauthorised persons/parties ?  YES  NO

### 3. REGULATORY OVERVIEW

Are we regulated ? If yes, name of our regulator : Commission de Surveillance du Secteur Financier "CSSF" (Luxembourg)	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Is our company subject to MiFID ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Is our company subject to UCITS IV ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Does our licence as credit institution allow us to distribute UCITS Funds ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Does our licence allow us to distribute funds other than UCITS funds? Are we authorised to distribute in EU countries?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Are we authorised to distribute in third countries (others than those mentioned above) ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Are we authorised to distribute in non-cooperative countries or territories ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Does our licence allow us to provide any financial investment services such as advice / portfolio management mandates ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Have we received any sanctions/ fined from our regulator in the past year in relation to the distribution of financial products in the past year ?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Has the company had any pending litigation or closed litigation in relation to the distribution of third-parties financial products in the past year ?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

- Are the internal audit and the compliance function independent functions ?  YES  NO
- Do we update our policies and procedure on a regular basis ?  YES  NO
- Is the AML-CFT Law and/or regulation we are subject to compliant with the 3rd European Directive or any equivalent text?  YES  NO
- In the past year, have there been any changes to the AML laws and regulations we are subject to?  
If yes, have these changes already been incorporated into our company's AML-CTF Policy and Compliance Monitoring Programme?  YES  NO
- Do we possess an AML/CTF policy duly validated by the Board of directors – senior management ?  YES  NO
- Do we possess an Compliance Monitoring Programme duly validated by our board of directors –senior management ?  YES  NO
- Does our company outsource any material tasks and/or material processes in relation to funds distribution to a subordinated management or IT company (sub-outsourcing) ?  YES  NO
- Have we have outsourced any parts of our internal control systems (e.g. risk management, internal audit, compliance)?  YES  NO

#### 4. SUB-DISTRIBUTOR OVERSIGHT (where the agreement with the distributor enables the appointment of sub-distributors)

- Do we use sub-distributors when selling third party funds ?  YES  NO  
 ⇒ If no, please go to section 5  
 ⇒ If yes, please provide a list of all sub-distributors selling our funds
- Are the sub-distributors part of the same group as ours ?  YES  NO
- Are we sub-distributors duly authorised to distribute Funds by their respective regulated authorities ?  YES  NO  
 If not, explain why ?.....  
 .....
- Do we have a process in place for the selection of sub-distributors ?  YES  NO  
 If not, explain how we select your sub-distributors and on which criteria ? .....  
 .....
- Do the sub-distributors have the necessary human and technical resources to cope with their status of sub-distributor ?  YES  NO
- Does our company have insurance protection with regard to the (sub-)outsourced tasks and/or processes (activity coming under insurance coverage, amount of insurance coverage, insurance company)?  YES  NO
- Does the sub-distributor comply with the same obligations as those applicable to us towards you ?  YES  NO  
 If not, explain why and detail the obligations by which the sub-distributor is bound .....  
 .....
- Do we perform **ongoing** controls on sub-distributors ?  YES  NO  
 If not, explain why .....  
 .....
- Have we stopped working with some sub-distributors during the past year?  YES  NO  
 Are these changes linked to malpractice, to regulatory or financial failure, or to your ongoing controls ?  YES  NO
- Do we monitor the performance of the sub-distributors in accordance with the sub-distribution agreement between

your company and yours ? If not, explain why .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO
.....		
Is the initial and ongoing due diligence on sub-distributors carried out using similar guidelines to those contained in this questionnaire?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Is there a sub-distribution agreement in place with all of the sub-distributors appointed by our company that includes the relevant articles required by the distribution agreement between our company and yours ? If not, detail the main contractual commitment of the sub-distributor.....	<input type="checkbox"/> YES	<input type="checkbox"/> NO
.....		
Are complaints received by sub-distributor systematically forwarded to us? Have we received any complaints from sub-distributors in the past year ? Did we report those complaints to you?	<input type="checkbox"/> YES <input type="checkbox"/> YES <input type="checkbox"/> YES	<input type="checkbox"/> NO <input type="checkbox"/> NO <input type="checkbox"/> NO
Do we check that the sub-distributors provide the KIID (when required) to investors before their subscription? If not, explain why .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO
.....		
Do we have access to the overall procedure of the sub-distributor ? If not, explain why .....	<input type="checkbox"/> YES	<input type="checkbox"/> NO
.....		
Do the sub-distributors hold policies as required by UCITS IV Directive 2010/43 and/or MiFID Directive 2004/39 ?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Does our board of directors or any other formal committee in place within our structure receive a summary of the main issues detected in sub-distributor activities? If not, explain how the issues highlighted are provided to the board of directors/ formal committee.....	<input type="checkbox"/> YES	<input type="checkbox"/> NO
.....		
Can we confirm that the sub-distributors have up-to-date policies and an AML process in line with the 3rd EC Directive or any equivalent text? If not, explain how we can guarantee that our sub-distributor is effectively fighting against money-laundering and the financing of terrorism.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Do we receive reports on the AML monitoring performed by our sub-distributors ?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

If not, explain why.....  
.....

## 5. CUSTOMER BASE AND DEAL ACCEPTANCE

- |  |  |  |
|--|--|--|
| Is our client acceptance process in compliance with the 3 <sup>rd</sup> AML Directive ?  | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we have a governance policy surrounding the entry into relationship with an investor?   | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we classify our customers by category (professional, non-professional) ?  | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we assess our customers' investment profile (risk appetite,...)?  | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Is each investor relationship formalised in writing ?  | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we obtain systematically written confirmation of the beneficial owner/ effective beneficiary ?  | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we accept deals by telephone?<br>If yes, do we have a specific procedure ?  | <input checked="" type="checkbox"/> YES<br><input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO<br><input type="checkbox"/> NO |
| Do we have a specific procedure when a PEP is identified ?   | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we have a specific procedure when we enter into a relationship with a non-cooperative country or territory?                             | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Have we developed a process for distributing KIIDs to investors before subscription?<br>Do we monitor this process ?                       | <input checked="" type="checkbox"/> YES<br><input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO<br><input type="checkbox"/> NO |
| Is the contact with clients recorded?<br>Do we keep those records for a period of at least 5 years ?                                       | <input checked="" type="checkbox"/> YES<br><input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO<br><input type="checkbox"/> NO |
| Do we perform specific suitability testing on investors?   | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |
| Do we have an electronic system that enables the timely and proper recording of subscriptions and redemptions sent to the Transfer Agent ? | <input checked="" type="checkbox"/> YES  | <input type="checkbox"/> NO                                |



## 6. RULES OF CONDUCT AND COMPLAINTS

Have we implemented a procedure for handling investor complaints?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Are the following topics covered by specific provisions (policy, procedures,...)		
Conflict-of-Interest ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Inducements Policy?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Monitoring of late trading/market timing?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Personal Account Trading included the monitoring of personal account trading?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Phone-recording?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
File/data safekeeping ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Code of Ethics?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO

## 7. REMUNERATION

Does our company's remuneration process effectively discourage members of staff responsible for, or involved in, the distribution of third party funds from harming the interests of those funds shareholders ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
---	---	-----------------------------

## 8. TRAINING

Have we implemented training and development measures for our staff, including new joiners?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Is training provided on a regular basis?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Do we provide AML training to relevant employees?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO

## 9. MARKETING

Does our marketing material, as it relates to third party funds, comply with local laws and regulations on marketing ?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
In cases where we use third party funds' name and/or logo on our marketing material, confirm that we will submit these materials to the concern third party funds for approval, prior to their dissemination	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO