



Anti-Money Laundering & Countering the Financing of Terrorism Policy

Raeen Exchange N.V. Limited
("Raeen Exchange N.V." or the
"Company")

1 Version Control

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1	Policy implementation	February 2020	JH
2	AML framework complies with Betfair minimum standards	September 2020	DH
3	Policy updated to remove the reference to IOM license which will be added in once we obtain the license in due course	January 2021	DH
4	Updated and clarifications added to the policy on request from Betfair	March 2021	DH
5	Updated to incorporate audit recommendation to include language and to include details of where positive screening matches have been rejected	January 2022	DH
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7	Annual review completed, typos corrected, minor updates and appendix C updated for latest MLRO report	September 2024	HG, DH
8	Changes made to comply with Betfair's recommendations on ongoing customer and partner monitoring	June 2025	HG, DH
9	RAEEN to make Flutter aware of any change to licensing status	October 2025	HG, DH

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2 Executive Summary

2.1 Raeen Exchange N.V. Limited (“Raeen Exchange N.V.” or the “Company”) Statement on its Anti-Money Laundering (“AML”) and Countering the Financing of Terrorism (“CFT”) policy

This policy serves as a clear statement of Raeen Exchange N.V.’s intent that can be communicated to:

- Employees;
- Clients and customers;
- Regulatory and other interested bodies.

Such policies serve as a valuable indicator of effective corporate governance. A company’s attitude towards combating money laundering and terrorist financing is increasingly viewed as indicative of the ethics with which it conducts its business. It is Raeen Exchange N.V.’s intent that policies, procedures and processes will be developed and implemented to help combat money laundering and terrorist financing and help maintain a safe, crime free environment for its customers to enjoy its products.

Raeen Exchange N.V. will ensure that such policies, procedures and processes are robust, updated and communicated to all staff where appropriate. Ongoing monitoring and compliance will take place to provide assurance to the Board and the regulators that Raeen Exchange N.V. continues to meet its obligations under AML and CFT legislation, including:

- The Offshore Games of Chance Act. Publ. Bulletin 1993 no. 6
- The National Ordinance Penalization of Money Laundering (“**NOPML**”)
- The National Ordinance on the Reporting of Unusual Transactions (“**NORUT**”)
- The National Ordinance on Identification of clients with Rendering Services (“**NOIS**”)
- Criminal Code of Curacao (N.G. 2011 No. 48)
- International AML Regulations

The above list is not exhaustive and as a case of best practice the company complies with International standards where no Curacao regulation or legislation is in force

It is the responsibility of the Money Laundering Reporting Officer (“**MLRO**”) of Raeen Exchange N.V. to review and update this policy on at least an annual basis and present it to the board for formal approval.

In addition, RAEEN will ensure that Flutter (Betfair) is immediately made aware of any change in RAEEN’s licensing status (i.e. suspension, cancellation, revoke, expired, etc.).

3 Background

3.1 Money Laundering

Money laundering occurs every time any transaction takes place, or any relationship is formed that involves any form of property that has come from any crime. The key objectives for money launderers are to:

- Disguise the source of criminal property;
- Conceal / distance ownership of criminal property but still keep control of it;
- Avoid detection for the underlying crimes; and
- Benefit from the proceeds of crime securely.

3.2 How is Money Laundered?

Money laundering may take a variety of forms and use a number of methods using all financial services and products. Traditionally the money laundering process comprises three main stages:

1. Placement – where funds from criminal activity are placed into the financial system.
2. Layering – Which usually involves a complex system of transactions designed to hide the source and ownership of the funds, and to confuse authorities.
3. Integration – where laundered funds are reintroduced into a legitimate economy, appearing to have come from a legitimate source.

3.3 Terrorist Financing

Terrorist financing is a general term to describe activity that provides or facilitates the provision of money or property to be used for terrorist purposes.

Traditionally AML efforts have concentrated on the criminalisation of the laundering of the proceeds of different forms of underlying criminal conduct. Terrorist financing is a serious threat to financial businesses or businesses where a high volume of monetary transactions take place. This threat must be taken as seriously as money laundering.

3.4 How is Terrorism Financed?

The mainstream methods to raise funds used by terrorist organisations include:

- Private donations by terrorist supporters / sympathisers;
- Abuse and misuse of non-profit organisations and charities;
- Criminal activity; and
- Legitimate commercial activity.

Terrorist financing often involves a complex series of transactions; like money laundering, this generally follows three separate phases: -

1. Collection – funds are often acquired through seeking donations, carrying out criminal acts, or diverting funds from genuine charities.

2. Transmission – where funds are pooled and transferred to a terrorist or terrorist group.
3. Use – where the funds are used to finance terrorist acts, training, materials, accommodation, propaganda, etc.

However, like the three stage model of money laundering, this model is fairly simplistic and outdated, so it is important not to get caught up in trying to determine if an activity follows this pattern; instead, focus on whether you have *knowledge, suspicion, or reasonable grounds to suspect*.

3.5 Common Factors: Money Laundering and Terrorist Financing

Factors in Common are:

- Laundered proceeds may eventually fund future or prospective criminal acts;
- The *destination* of money used to support terrorism has to be disguised in the same way that the *source* of laundered funds must also be disguised;
- Even where the source of funding for terrorist activity is lawful, terrorists will still attempt to disguise it in order to preserve the future funding stream; and
- Both require the assistance of the financial sector.

3.6 Money Passing

Money passing is the to prearrange the execution of transactions for the purpose of passing money between accounts. Similar to money laundering, money passing involves taking illegal proceeds to conduct a transaction that is disguised to be genuine but actually is pre-arranged between two parties. Money passing is in most cases an indicator of money laundering therefore Raean implements a zero tolerance policy to any form of money passing.

4 Raean Exchange N.V.'s Approach to Money Laundering and Terrorist Financing

Raean Exchange N.V. takes a zero-tolerance approach to money laundering, terrorist financing and all other such financial crimes. This policy can be used to inform and help educate staff and other stakeholders to understand Raean Exchange N.V.'s stance towards these issues.

[Appendix A](#) to this policy sets out a brief question & answer format (Q&A) on money laundering and terrorist financing to assist the readers of the policy. This, and associated Raean Exchange N.V. policies are available to staff and can also be requested from the MLRO.

4.1 Raean Exchange N.V.'s Policy Statement on AML and CFT

It is Raean Exchange N.V.'s policy that:

- Statutory and regulatory obligations to prevent money laundering and terrorist financing are to be met in full and are to be applied as a minimum standard;
- Positive management action will be exercised in order to minimise the risk of Raean Exchange N.V. being abused for the purpose of laundering of funds associated with criminal activity, or being used as a vehicle for terrorist financing;
- Raean Exchange N.V. will not continue established relationships with clients or customers whose conduct gives rise to suspicion of involvement with illegal activities unless directed to do so by law enforcement. Raean Exchange N.V. will seek to terminate any client or customer relationship where the conduct gives Raean Exchange N.V. reasonable cause to believe or suspect involvement with illegal activities. Any such termination shall follow the reporting of suspicions to the Financial Intelligence Unit and dealt with accordingly in liaison with the relevant authorities.

Procedures will be maintained to ensure the following:

- The identities of persons conducting business with Raean Exchange N.V. are properly identified and verified, and sufficient information gathered and recorded to permit Raean Exchange N.V. to 'know its customer' and predict the expected pattern of business;
- Potential new relationships that do not appear to be legitimate or where there is suspicion relating to criminal conduct on the part of the potential customer are referred to the MLRO before any relationship is entered into;
- Established relationships are regularly monitored to ensure they remain fit for the customer's profile, especially in respect of large or abnormal transactions;
- Records are retained to provide an audit trail and adequate evidence to the financial information unit or law enforcement for investigatory purposes;
- All suspicions are reported promptly in accordance with the internal procedures and, where applicable, reported to the Financial Intelligence Unit in accordance with the relevant procedures;
- That Raean Exchange N.V. has vigilant systems and processes implemented which are routinely monitored and tested for effectiveness to help combat money laundering and terrorist financing.

4.2 Management's Responsibilities

Management (the CEO and COO in the minimum) is responsible for:

- The day to day compliance with AML and CFT obligations within the areas of Raean Exchange N.V. for which they are responsible;
- Ensuring the MLRO is provided with prompt advice of unusual / suspicious transactions and other matters of significance;
- Providing the Compliance Officer with the appropriate resources to fulfil the function effectively, including unfettered access to systems, reports and processes to aid investigation and review; and
- Ensuring the MLRO has complete autonomy in any SAR review process to avoid any conflict of interest.

4.3 The MLRO's Responsibilities

The MLRO is responsible for:

- Developing necessary policies, procedures, training and education of staff. The MLRO will ensure that associated guidance notes and internal documents are updated as and when changes to AML or CFT legislation occurs or any new developments are deemed worthy of bringing to the attention of the staff;
- Developing and maintaining policy in line with any advice and guidance from law enforcement and the Financial Intelligence Unit;
- Representing Raean Exchange N.V. to all external bodies and third parties in relation to AML and CFT or compliance;
- Ensuring that Raean Exchange N.V. continues to comply with its obligations within the policy and related procedures;
- Reviewing and onboarding all prospective business partners, in accordance with Raean Exchange N.V. policies and procedures and the minimum standards as prescribed by Betfair in [Appendix B](#);
 - Where identification and/or any other documentation is in a different language to English, that these be verified by the MLRO and if the MLRO is not versed in the language, an appropriate translation mechanism and/or an individual with the appropriate language credentials (with approval from the MLRO) be utilised
 - With regards to screening (of any kind), that this be verified by the MLRO and/or another appropriate authority within the company. Details of the screening undertaken will be summarised on the screening cover sheet attached to each assessment, including the reasons where a positive match has been declined.
 - All new agents and accounts will be screened for sanctions, PEP connections, and negative news at the point of onboarding
 - All agents and accounts will be subject to re-screening for sanctions on a monthly basis
 - All agents and accounts will be subject to rescreening for PEP and Adverse Media on a minimum of every 6 months
 - All screening will be conducted using a recognised software such as namescan.io or an appropriate alternative
 - Appropriate authority to include a compliance officer and/or the CEO with the designated authority from the MLRO.
- The minimum standards as prescribed by Betfair (referenced in [Appendix B](#)) as adhered to by the Company and pertain to AML / Governance Policies including the appointment of an MLRO, Business Risk Assessment and SAR and the regular reporting and awareness programmes in place to enable these to be in place and meet the minimum standards.
- The minimum standards as prescribed by Betfair (referenced in [Appendix B](#)) are equally met by the B2B Operating Procedures of the Company in the adoption of full CDD screening controls, including but not limited to the vetting of fund settlement, PEP/Sanctions, Source of Wealth of individuals and entities, Suspicious Activity Reporting and other MLRO investigations as well as the monitoring of betting risk sensitivity and responsible gambling awareness and controls.
- Undertaking reviews of any suspicious activity reports and determining whether they should be reported to the Financial Intelligence Unit;
- Maintaining a register of disclosures and register of ML/TF enquiries;
- Managing consent requests;
- Ensuring records are retained in an appropriate format and for the relevant time period in accordance with the applicable legislation and regulations;
- Preparing quarterly assessments which shall be provided to the board of directors, outlining areas of concern relating to ML/TF;

- Updating the Company's Business Risk Assessment on at least an annual basis and as and when required due to technological or regulatory developments which may impact the risk methodology; and
- Provision of an annual MLRO report to the Board (see [Appendix C](#) for template report content).

The Compliance Officer (if a different individual to the MLRO) is responsible for:

- Developing necessary policies, procedures, training and education of staff;
- Developing and maintaining policy in line with evolving statutory and regulatory obligations;
- Establishing, recording, and maintaining appropriate procedures and controls for monitoring and testing compliance with AML / CFT legislation; and
- Ensuring the Operator has robust and documented arrangements for managing the risks identified by the Business Risk Assessment.

4.4 Employee Responsibilities

All employees are responsible for:

- Remaining alert to the possibility of money laundering or terrorist financing;
- Reporting all suspicions and knowledge to the MLRO in accordance with the reporting of suspicious activity policy;
- Complying fully with the AML / CFT procedures including customer due diligence, record keeping and to have undertaken the training as required and directed by the MLRO or Management.

4.5 Education & Training

The MLRO will ensure that:

- All management and staff receive initial and ongoing training in line with the Company's Training Policy (at least annually) by various means which may include online training, face to face training or other applicable methods as determined by the MLRO from time to time;
- All Business Partners are adhering to training requirements as per RAEEN minimum standard guidelines and carrying out training in regular intervals (at least annually) by various means which may include online training, face to face training or other applicable methods as agreed between the MLRO and the Business Partner's concerned representative;
- Such training – both internal for RAEEN and external business partners to cover the following topics in the least:
 - What is money laundering?
 - How is money laundered?
 - What is terrorist financing?
 - How does terrorist funding occur?
 - Common factors in money laundering and terrorist financing
 - What is money passing?

- What are our obligations to prevent money laundering and terrorist financing?
 - Consequences on the business and individuals within the business as a result of money laundering and terrorist financing
 - What are the steps that RAEEN (and Business Partners) take to prevent money laundering and terrorist financing?
 - What are management responsibilities in prevention?
 - What are the employee responsibilities in prevention?
 - Examples of money laundering and terrorist financing
 - Examples of how online gaming can be used for money laundering and terrorist financing
- All management and staff will be kept informed of updates, policy or procedural changes as necessary. In some circumstances, staff may be required, whether directly or via their line managers to confirm they have read and understood contents of key documents for audit purposes.

Appendix A – Q&A

This appendix is a brief Q&A document on money laundering and terrorist financing to aid readers of the policy.

Why is a healthy culture of compliance important and how can this be encouraged by Management?

A healthy compliance culture is important because a healthy attitude towards adherence to internal procedures, as opposed to a reluctance to do so, will result in a more effective internal compliance environment and so the tone from the top is essential. It is vitally important that everybody within Raean Exchange N.V., of whatever seniority, appreciates the important role they play in protecting Raean Exchange N.V. against the risks and threats that money laundering and terrorist financing can bring to a company.

This requires everyone to understand the nature of the role they can play, and this will be actively encouraged by Raean Exchange N.V.'s management, in particular for staff to communicate any concerns they have to senior management and the MLRO at any time.

Why is an AML / CFT Policy important?

An AML / CFT policy is important as it sets out a clear statement of corporate intent which can be communicated both internally and externally. This is a valuable indicator about the level of effective management and corporate governance within Raean Exchange N.V. and is why such policies will be approved at Board level.

What policies or procedures will Raean Exchange N.V. have in place to support and help combat money laundering and terrorist financing?

Policies and procedures will include:

- An AML / CFT Risk Assessment of suppliers / third party providers;
- Reporting suspicious activity policy;
- AML / CFT training procedures; and
- Internal reporting and controls.

How will Raean Exchange N.V.'s management monitor operational compliance with the AML / CFT Policy?

Raeen Exchange N.V.'s management will take active measures to monitor operational compliance with the AML / CFT policies and related procedures. The MLRO will be responsible for setting the framework and will provide routine reports to Management on the effectiveness of the procedures being implemented across Raean Exchange N.V. Where applicable, actions will be taken to rectify any perceived shortcomings and appropriate training on procedures will be provided to staff within their roles to help provide a robust and effective framework for AML / CFT within Raean Exchange N.V.

Appendix B – RAEEN Exchange’s Minimum Standards

These Minimum Compliance Standards will be subject to review and amendment on a periodic basis.

AML Governance / Policies

- AML awareness programme in place to ensure that controls exist within the agency structure to understand and manage AML risk and ID documentation obligations.
- A suitable Money Laundering Reporting Officer (MLRO) is appointed by the Operator.
- An AML policy has been prepared and is reviewed annually by the MLRO and approved by the directors of the Operator.
- AML Business Risk Assessment prepared annually outlining awareness of key risks along with mitigating controls and owners (draft template can be shared if desired).
- Suspicious Activity Report (SAR) template in place and procedures outlining how to submit same to the relevant authorities in place
- Regular (at least quarterly) AML reporting to directors takes place and an annual MLRO report is produced covering governance and operational issues.

Operating Procedures

- Up-to-date documentation (to include proof of identity and proof of address) is held on super-masters, masters and agents within the EMP structure.
 - Where the Super Master/Master Agent is a legal entity, the documentation held by the Exchange Partner should include at a minimum documentation to identify and verify:
 - the incorporated status of the legal entity,
 - the legal entity's registered address, and
 - the identity of the legal entity's officers and Ultimate Beneficial Owner. The identity of the legal entity's officers and Ultimate Beneficial Owners should also be verified through appropriate documentation.
- Any fund settlements directly received by the Operator must be from banks / licensed payment providers in the name of the recipient i.e. no third-party funding / payments and no cash receipts.
- Controls are in place to ensure that the individual placing bets is over 18 years of age.
- Sanctions / PEPs / Negative News screening is in place for all agent participants within the structure or members who meet the CDD requirements set out below.
- CDD documentation is obtained for Bettors on a risk sensitive basis to include at a minimum:
 - Bettors whose activity has been identified as suspicious by the EMP monitoring team or MLRO;
 - Players with settlements of £2,000 within a rolling 30-day period.
- Trade will be ceased with any Player who fails to produce the required documentation within 28 days.
- Source of Wealth information will be obtained from underlying individual Players to include at a minimum:
 - Bettors with gross settlements of £30,000 within a rolling 365-day period. This threshold is subject to future review by Betfair;
 - Bettors who have engaged in any other suspicious activity as set out by the MLRO.

- A Suspicious Activity Report will be filed in any of the following circumstances:
 - Where insufficient source of wealth documentation is provided when requested to substantiate the level of betting and this is deemed by the MLRO to give rise to suspicion regarding the provenance of funds;
 - An investigation concludes that there is evidence of money-passing on the Exchange which is deemed by the MLRO to be indicative of attempted money-laundering;
 - Any other suspicious activity as set out by the MLRO.
- Where a PEP is identified as the beneficiary to an account, the Exchange Partner should have sufficient controls in place to address the additional risks of such accounts. These should include mandatory
 - Verification of identity through the receipt of CDD documentation
 - Requirement to establish the PEPs Source of Wealth/Source of Funds.
 - Senior Management Approval to service the PEP
- Defined Sanctions policy, setting out at a minimum:
 - The risks associated with dealing with a sanctioned person/country/corporate entity.
 - The Sanctions lists that they will screen against
 - The measures to be taken if a sanctioned person/country/corporate entity is identified.

End of Document

Appendix C – MLRO Annual Report Contents

Purpose of the report

Key people changes

Recap of the previous 12 months, including commercial performance, change of shareholding and compliance structure

Key Issues

Key Risks

Action plan

End of Document