Requests Regarding Sanctions Regulations

To comply with the domestic sanctions regulations including the Foreign Exchange and Foreign Trade Act ("FEFTA") as well as the international sanctions regulations imposed by the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury and by other competent regulatory authorities, Citibank, N.A., Tokyo Branch ("CBNA Tokyo") confirms that all of the clients' funds transfers do not fall under the prohibited ones, such as those involving sanctioned individuals/entities, international terrorists or sanctioned jurisdictions. Your understanding and cooperation would be very much appreciated.

Examples of regulations to be complied with

- FEFTA (Japan)
- Act on Special Measures Concerning Asset Freeze, etc. Conducted by Japan Taking into Consideration United Nations Security Council Resolution 1267 (Japan)
- OFAC regulations (US)

Transaction information required for confirmation

- In order to confirm that the fund transfer does not fall under payment regulations applicable to specific jurisdictions, financial institutions in Japan are obliged to confirm the information with regard to the beneficiary's address. Therefore, **please make sure that the beneficiary's address (including the country and city) is stated** in the relevant form and/or payment instruction.
- In case there is a potential or similar match between the names of the beneficiary and a sanctions target, we may ask you for additional information including personal identifiable information, such as the date of birth or the information of beneficial owners of the entity, in order to perform further check whether the match is true or false.
- As the lists of sanctions targets are updated regularly, additional confirmation may be required even for beneficiaries of funds transfers conducted in the past.

Declaration of purpose of fund transfer and attestation of non-restricted transaction

- **Please provide the purpose of the fund transfer.** Please also provide the name of goods, country of origin and port of loading in cases where the purpose of the fund transfer is for trade settlement. In cases where the purpose of the fund transfer is for intermediary trade settlement, please further provide the final destination (country) of the goods.
- Please kindly confirm that the fund transfer does not fall under the restrictions exemplified below (“Payments subject to FEFTA regulations”) and is not subject to sanctions regulations issued by the United Nations, US and/or other governments (“restricted transactions”) and attest as such by following the procedures directed for each channel.
- If you attest that your transaction is not a restricted transaction by use of a codeword, please input “/**NRT**/” (Non-Restricted Transaction) in the Bank Details Field (equivalent to Field 72 of SWIFT MT103 and MT202 or a specified field of other formats). If you use a different codeword other than “/NRT/” (such as “/NNK/NI/”), please contact our relationship manager (RM) in advance. In case such a codeword cannot be input in the Bank Details Field, please submit “The Comprehensive Acknowledgement of Transactions Under the Foreign Exchange and Foreign Trade Act” with the designated format in advance.

- We may contact you if we are unable to determine whether the fund transfer falls under the restricted transactions, or if we think it necessary, to ask you to provide additional information/document such as the invoice for the underlying transaction or the details of the purpose of the fund transfer.
- In the event where we are unable to conduct sufficient confirmation, we may suspend processing of the fund transfer. Therefore, please kindly include detailed information such as the beneficiary's information or the purpose of the fund transfer as much as possible in the payment instruction in advance.
- The above is applicable to incoming funds transfers as well.

Payments subject to FEFTA regulations

- Payments for which authorization is required pursuant to the provisions of FEFTA Article 16.1 to Article 16.3;
- Payments related to capital transactions stipulated in the provisions of FEFTA Article 20 for which authorization is required pursuant to the provisions of FEFTA Article 21.1 to Article 21.2;
- Payments related to specified capital transactions stipulated in the provisions of FEFTA Article 24.1 for which authorization is required pursuant to the provisions of FEFTA Article 24.1 to Article 24.2;
- Payments related to service transactions stipulated in the provisions of FEFTA Article 25.6 for which authorization is required pursuant to the provisions of FEFTA Article 25.6;
- Among the inward direct investments, etc. that are stipulated in FEFTA Article 26.2 and for which notification is required pursuant to the provisions of FEFTA Article 27.1, payments related to transactions stipulated in a Cabinet Order in accordance with the provisions of FEFTA Article 27.1 as constituting inward direct investments, etc. as stipulated in FEFTA Article 27.3.3; and
- Payments related to freight imports (goods for which the Minister of Economy, Trade and Industry has required his/her approval based on the same reasons supporting the requirement for payment authorization pursuant to the provisions of FEFTA Article 16.1) for which authorization is required pursuant to the provisions of FEFTA Article 52.
- The list below includes specific examples of restricted transactions under FEFTA. Please refer to Ministry of Finance's website for details.

1. "Restrictions on Payments for Trade" involving North Korea
   - All transactions related to the import or the intermediate trade of goods, where the place of origin or the port of loading is North Korea
   - Transactions related to the intermediate trade of goods, the destination of which is North Korea
2. "Restrictions on Payments for Specific Purposes" involving North Korea
   - Transactions conducted for the purpose of funding "activities that may contribute to North Korea's nuclear-related projects"
3. "Restrictions on Payments for Specific Purposes" involving Iran
   - Transactions conducted for the purpose of funding "activities that may contribute to Iran's nuclear-related activities"
4. Prohibition of payments to individuals/entities with an address or residence in North Korea
   - Payments to individuals/entities with an address or residence in North Korea, except for cases where the amount is JPY 100,000 or less with humanitarian purposes

     * This restriction is applicable to payments to any of the following recipients.

    1. A natural person with an address or residence in North Korea
    2. A corporation or other entity with a main office in North Korea
    3. Foreign subsidiaries, branches, or any kind of remote offices of a corporation or other entity stated in 2
    4. A corporation or other entity, the beneficial owner of which is categorized as 1 or 2
    5. Foreign subsidiaries, branches, or any kind of remote offices of a corporation or other entity stated in 4

5. Restrictions related to providing services/outward direct investments to individuals/entities in Russia/Belarus, etc.
    - Prohibition of specific technology transfers to individuals/entities in Russia (applicable to those commenced on or after March 18, 2022)
    - Prohibition of providing specific services including accounting, audit and business management consulting to entities in Russia (applicable to those commenced on or after September 5, 2022; not applicable to entities, in which residents in Japan invest 10% or more)
    - Prohibition of outward direct investments* in businesses in Russia (applicable to those commenced on or after May 12, 2022)
    - Payments related to loan or guarantee transactions provided by a resident to a non-resident for the purpose of import/intermediary trade of Russian crude oil/petroleum products beyond the price cap (applicable to those commenced on or after: December 5, 2022 for crude oil; and February 6, 2023 for petroleum products)
    - Prohibition of construction and engineering services to Russia (applicable to those commenced on or after September 30, 2023)

    * Outward direct investments
    Payments for the purpose of establishing permanent business relationship with foreign entities (including entities being invested 10% or more) related to obtaining securities, providing loans, and opening/expanding branches/plants.

If you have any questions, please contact our CitiService representatives (+81-3-6776-9200 / japan.citiservice@citi.com).

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