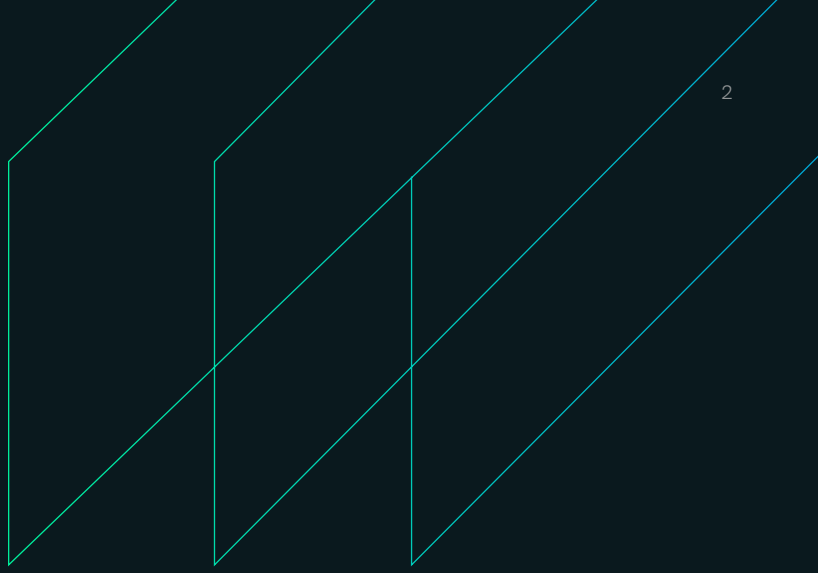


PLENITUDE

Digital Assets Practice

About Plenitude



Plenitude is a niche consultancy, specialising in Financial Crime Risk and Compliance, and are appointed to the Financial Conduct Authority's Skilled Persons panel for Financial Crime. Our focus is firmly on addressing the legal, regulatory, reputational and social imperative for financial institutions to take diligent and rigorous steps to mitigate financial crime risks.

We help our clients meet their regulatory obligations and reduce their financial crime risk exposure by providing deep subject matter expertise, advisory and transformation services.

Our services are augmented with RegTech subscription products that give our clients enhanced insight into Financial Crime Compliance (FCC) laws, regulations, guidance and risk indicators, to more effectively manage financial crime risk while reducing overall costs.

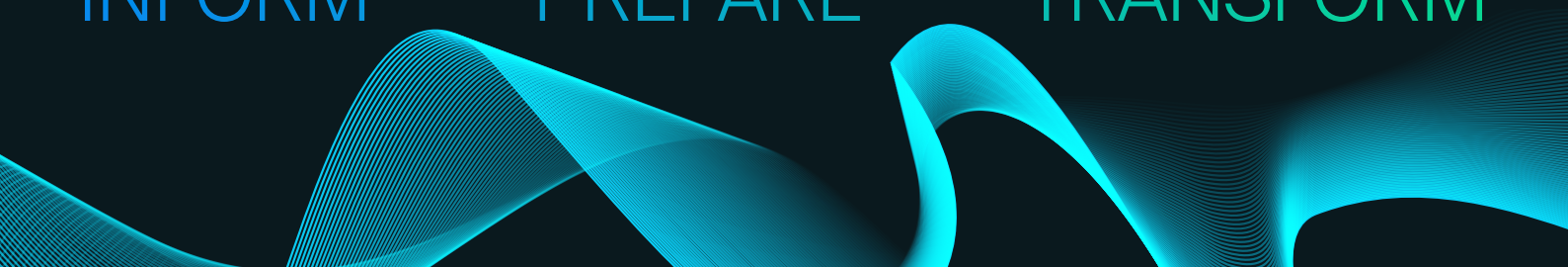
We work with a wide array of financial institutions and crypto players across the UK, France, Germany, Nordics, and Asia, and have provided advisory services on some of the largest and most complex FCC transformations in the industry, across multiple sectors and jurisdictions.

Our consultants come from a variety of backgrounds and disciplines across consulting, in-house financial crime compliance, regulators and law enforcement. This blend of skills and perspectives guarantees a practical and proven approach based on deep industry expertise.

INFORM

PREPARE

TRANSFORM



Our Digital Assets Practice

It is not every day that one sees the birth of a paradigm shifting industry. The digital assets industry has grown to 1 trillion USD in market cap in less than a decade and brought innovations that have the potential to disrupt monetary systems, financial services, and many other sectors. Such rapid growth, however, brings challenges, but our expertise can help you navigate them to exploit the opportunities that digital assets bring while meeting your regulatory obligations.



Rapidly evolving regulatory framework

Crypto regulation must strike a balance that preserves the capacity to innovate but also protects consumers and financial stability and deters financial crime. We can already see some contours, in the shape of Financial Crime Compliance requirements and registration / licensing frameworks, which we can help your firm understand and navigate.



Lack of SMEs and expertise

Newly regulated crypto firms may be less familiar with building effective control frameworks. Understanding regulatory expectations and best practices is key in designing and implementing an effective risk management and controls framework.



Different Compliance Solutions

The public nature of blockchains facilitates the exploitation of on-chain data for compliance and risk management. As a result, a rich vendor landscape has emerged with solutions that leverage on-chain data. Selecting the right solution is key and we can help your firm through the selection process given our extensive knowledge of the leading solution.

We have assembled a team that brings a deep knowledge of regulatory expectations, crypto business models and the associated risks, in order to help crypto firms navigate the regulatory landscape and build an effective risk management framework. We also work with traditional finance firms to develop their knowledge of digital assets in order to make informed decisions about their crypto and risk management strategy, and seize the emerging opportunities.

Our Services – Digital Assets

Our digital asset advisory and transformation services are delivered using proprietary tool kits and methodologies that have been developed and tested over multiple engagements, and reflect industry regulations, guidance and best practice.

For Crypto Assets Service Providers

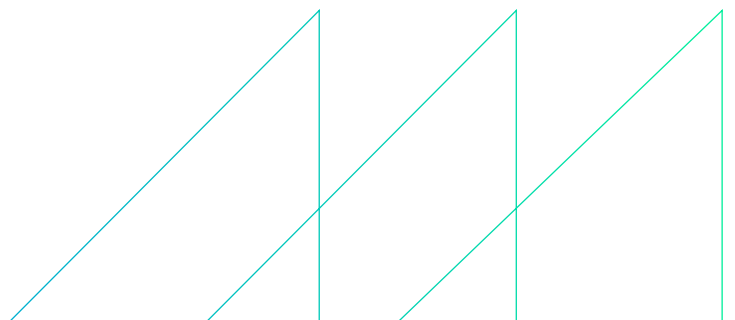
- ✓ Provide advice on applicable regulatory obligations and deliver training with regards to regulatory expectations and effective risk management.
- ✓ Conduct an independent assessment of your risk management and compliance framework, systems, and controls.
- ✓ Subscription tools to assist on country risk ratings (Compass) and client risk rating (ClientSight) Independent assessments or audits of AML and risk management frameworks.

For Financial Institutions

- ✓ Develop and deliver crypto training and awareness activities to all staff and/or top decision-makers.
- ✓ Assess the financial crime risks associated with the crypto business models, use cases and propositions.
- ✓ Assist in the development of a crypto strategy, and in conducting risk assessments to implement them.
- ✓ Advise on current and emerging regulatory frameworks and how to adapt your crypto strategy to these.

For Both

- ✓ Provide guidance on crypto compliance solutions and assist with selection and implementation.
- ✓ Develop and implement policies, procedures, systems, and controls tailored to crypto-related activities, including risk appetite, risk assessment, monitoring and controls testing.
- ✓ Provide programme/project management and transformation support
- ✓ Preparation for regulatory reviews and support with response plans.
- ✓ Due diligence on crypto issuers and Crypto Asset Service Providers.
- ✓ KYC / CDD remediation through our KYC Managed Services offering.



How we can help - Cryptoassets Training and Awareness

Our training aims to provide decision makers, business stakeholders and compliance professionals with a solid understanding of the underlying technology, business models and use cases, as well as the regulatory framework, risks associated with cryptoassets and how to mitigate them. The structure and contents below are illustrative and can be adapted to the audience, clients' needs and target learning outcomes.

> Overview and Key Concepts

- History, evolution and adoption of cryptoassets
- Crypto Business Models (issuers, miners, crypto exchanges, wallets, custodians, etc.)
- Blockchain design, consensus mechanisms, programmability (smart contracts) and governance
- Overview of cryptocurrencies (including Bitcoin and privacy coins), Altcoins (including Ethereum), Stablecoins, and Central Bank Digital Currencies

> Applications and Use Cases

- Smart Contract Platforms
- Decentralised Finance (DeFi)
- Non-Fungible Tokens (NFTs)
- Decentralised Web3 Infrastructure
- Tokenisation of real-world assets

> Regulatory Framework

- The emerging international regulatory framework for cryptoassets
- Approach to regulation in the United Kingdom and other key jurisdictions
- Crypto registration process in the UK, France, Hong Kong, and key considerations for crypto firms
- Regulatory obligations for TradFi firms with exposure to cryptoassets

> Crypto Risk Management

- Financial Crime risks associated with cryptoassets (Money Laundering, Terrorist Financing, Sanctions, Fraud, and Cybercrime).
- How to mitigate the risks associated with cryptoassets (for both crypto and TradFi firms) and key systems and controls.
- Overview of crypto compliance solutions: features, functionality, benefits (e.g. Chainalysis, TRM Labs, etc.)

How we can help – Crypto Firm Registration with the UK’s FCA

Item	Required Information	How We Can Help
Programme of operations	Set out the specific cryptoasset activities for the business.	
Business and Marketing plan	Business objectives, , customers, employees, governance, plans and projections, as well as a description of customers and distribution channels.	<p>We can assist in the risk assessment phase and in identifying appropriate risk mitigation measures. We can also assist in the drafting of the application to evidence that all risks related to your crypto-related activities have been considered, as well as ensuring that the presentation of the business model covers compliance oversight, risk mitigation and financial controls.</p>
Structural organisation	Description of how the business is structured and organised, including relevant outsourcing arrangements, and a company structure chart.	
Business-wide risk assessment	<p>Include monitoring and mitigation policy.</p> <p>Business Continuity Plan.</p>	
Systems and Controls	Details of IT systems used to run the business and IT security policies and procedures.	
All cryptoassets public keys / wallet addresses	Include all addresses controlled by the business and used in its activity for each cryptoassets that it deals with.	
Individuals, beneficial owners and close links	<p>The individuals must satisfy the regulator that they have a good reputation, and the appropriate knowledge and experience to act in this capacity.</p> <p>A person must be appointed to be responsible for MLRs compliance, to monitor and manage compliance with policies, procedures and controls relating to money laundering and terrorist financing</p>	<p>We can provide advice and training for these individuals to ensure they are aware of their prescribed responsibilities and legal obligations, and can discharge these effectively.</p>
Governance arrangements and internal control mechanisms	<p>Details of governance arrangements, internal control mechanisms in place to identify and assess risks and a description of money laundering and counter terrorist financing control measures in place.</p> <p>Customer onboarding process, customer due diligence / enhanced due diligence procedures, transaction monitoring and recordkeeping procedures.</p>	<p>We can develop the required policies, procedures, systems and controls, and assist with their implementation, in a manner that is appropriate and proportionate to your business model.</p>
Anti-Money Laundering/ Counter Terrorist Finance framework and risk assessment	<p>This should highlight the risks specific to your business model activities and provide details on how you mitigate those risk.</p> <p>Anti-Money Laundering/Counter Terrorist Finance staff training material.</p>	<p>We can assist in carrying out this risk assessment, and in the preparation and delivery of staff training and its material.</p>

How we can help - Crypto Compliance Solutions

Cryptoasset risks must be managed across the customer lifecycle to comply with regulatory requirements and obligations. While the main elements of a control framework are generally the same in crypto as for other financial services, the public nature of blockchains means that an entire sector has sprung up to leverage this data into crypto-specific compliance solutions, like blockchain analytics tools, that play a key role in the control framework for crypto-related activities. We have studied the vendor landscape and established relationships with a number of vendors, to assist you in the choice and implementation of the solutions that best fit your business model and needs.

ILLUSTRATIVE EXPOSURE BY RISK THEME

MONEY LAUNDERING | TERRORIST FINANCING | SANCTIONS | FRAUD

	Business Acceptance	Onboarding and CDD/KYC	On-going Monitoring and Surveillance
CONTROLS	Risk Appetite	Customer Screening	Ongoing Customer Screening (Sanctions and PEPs)
	Policies and Procedures	Due diligence on customer and crypto wallets when onboarding	Detect High-Risk Crypto Transactions
	Initial Customer Risk Rating	Determine Source of Funds and Wealth	Trace Source and Destination of Funds
	VASP Due Diligence	Final Customer Risk Rating	Ongoing Customer Risk Rating & KYC
			Conduct Transactions Monitoring
			Investigate User Activity
			SAR Reporting

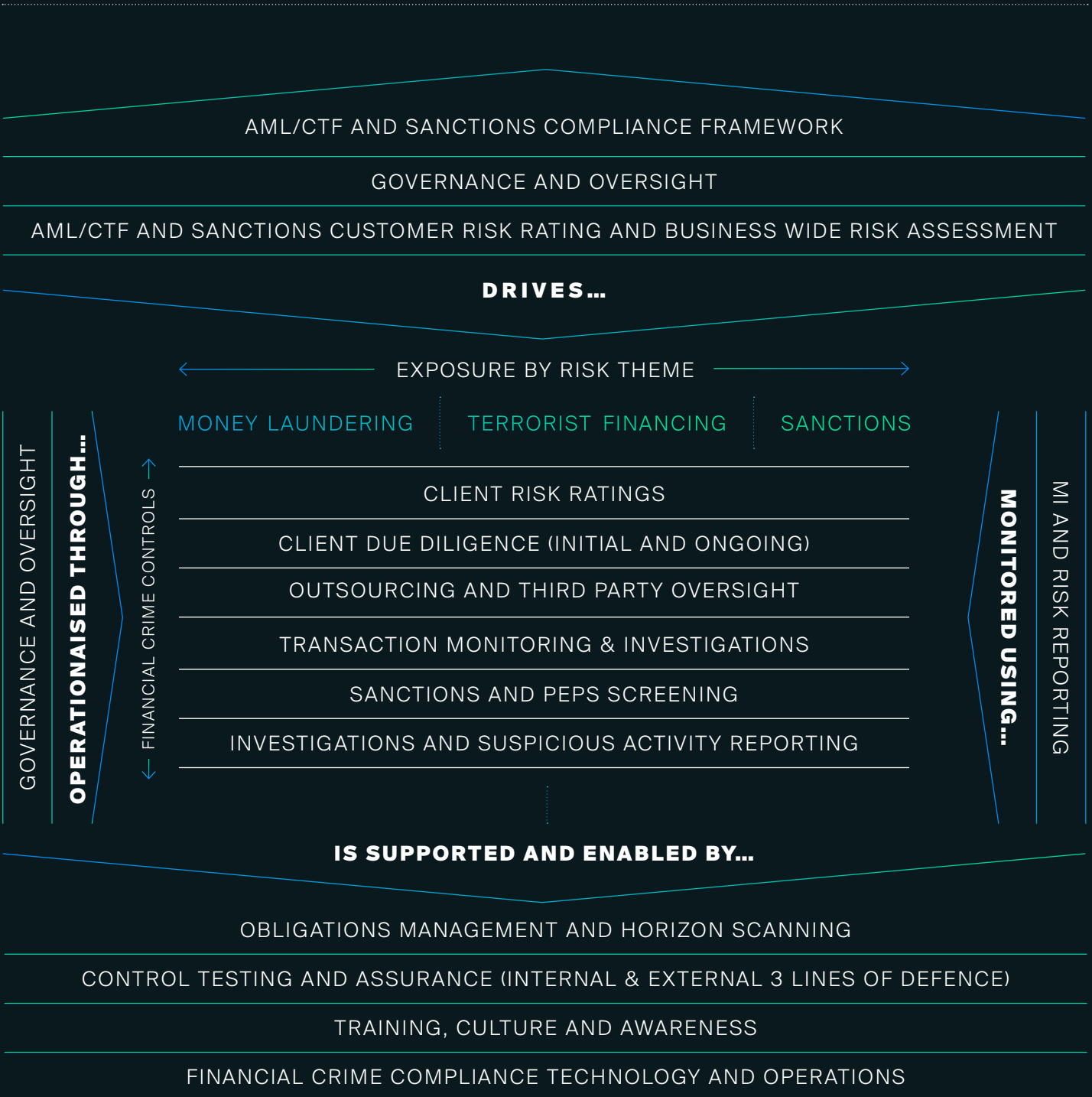
COMPLIANCE SOLUTIONS



*Examples of vendors are not exhaustive and provided only for informative purposes

How we can help – Development and independent assessment of control frameworks

Obtaining a license or registration for crypto-related activities is just the first step in the journey of operating as a regulated entity. Regulators will expect that firms implement robust and appropriate policies, procedures, systems and controls designed to comply with their obligations and mitigate financial crime risks amongst others. We can assist in developing and implementing these frameworks in a manner that is appropriate and proportionate to your activities, while complying with applicable obligations, or in carrying out an independent assessment of existing frameworks.



Our RegTech Products

Our RegTech subscription services enable our clients to more effectively manage financial crime obligations, country and client risk, reducing the risks, costs and overall resource requirements internally. We have the ability to adapt these tools to better suit the specifics of crypto-related activities, and work together so they fit in your control framework.



RegSight (Obligations Register)

RegSight is the simplest and most effective online solution to manage your FCC obligations and provides assurance that your organisation is meeting applicable obligations. We provide clients with the relevant obligations and a monthly horizon scanning service, scanning over 200+ legal and regulatory sources to inform and prepare them for changes to financial crime laws, regulations and guidance.

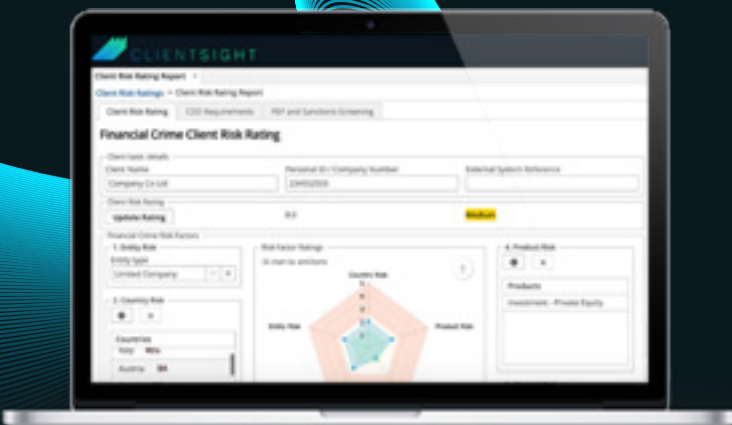
Compass

Compass provides a risk rated country list with the supporting methodology, underlying research, analysis and data all accessible via an online portal. The annual subscription fee also includes quarterly updates to the country list and underlying data.



ClientSight

ClientSight is a cloud-based application that delivers our leading financial crime client risk rating methodology, developed and tested at some of the largest global regulated institutions and in line with the regulations of the key global markets. It allows firms to rate the inherent financial crime risk of their clients and determine the level of client due diligence and ongoing monitoring to perform.



Our Ambition and Differentiators



Our ambition is to be the leading consultancy in FCC advisory, transformation and innovative RegTech subscription products. Trusted advisors to our clients with a broad range of offerings and solutions that enables them to meet their FCC obligations effectively and efficiently, while helping to shape policies and the regulatory framework in the UK and internationally through our partnerships with industry trade bodies.



Focus solely on financial crime with deep subject matter and transformation expertise

Since Plenitude launched in 2012 we have worked solely on FCC engagements with a broad range of financial institutions and firms across all sectors, to successfully support them enhance their control frameworks. Our team has deep financial crime subject matter and transformation expertise which is a pre-requisite for the work we undertake. Their expertise spans all financial crime risk types and associated laws, regulations and guidance globally.



S166 Panel Appointed for Financial Crime (UK)

Plenitude are appointed to the FCA's Skilled Person's Panel for Financial Crime (Lot E) and authorised to conduct skilled person reviews on behalf of the regulator. We have a deep understanding of regulatory expectations and have extensive experience of successfully helping clients address regulatory failings or mitigate the risk of a S166 review.



Committed, agile and cost effective

As an established niche consultancy firm we're agile, responsive and fully committed to positioning our clients for success. Unencumbered by legacy consulting models we operate a 'need-to-have' team structure underpinned with a competitive rate card.



Our approach to business

Our Partners and Senior Executives are experts in their fields and the primary contact points for all engagements. We operate with the highest levels of integrity and are honest and realistic about budgets, challenges and timeframes from the outset. We frequently communicate with our clients on progress and the best ways to maximise and allocate the budget, and the deployment of our team.



A commitment to developing innovative and cost effective RegTech subscription products

Our innovative cloud-based RegTech subscription products complement our consulting services and enable our clients to more effectively manage financial crime obligations, country and client risk, reducing the risk, costs and overall resource requirements internally. Other solutions are under development.



Manuel Fajardo

Digital Assets Practice Lead

Manuel has over 17 years of experience in the global asset management industry across control functions like Compliance, Internal Control and Internal Audit, in positions with a global remit based in Paris, London and Los Angeles.

Prior to working with Plenitude, Manuel built the global compliance framework for a major investment management group. This involved designing, deploying and constantly refining processes, tools, policies and procedures. His main areas of focus are Anti-Money Laundering, International Sanctions and Financial Promotions / Distribution, in which he has proved adept at balancing local and global considerations and regulatory constraints, the interest of all stakeholders and firms' risk appetite to build solid frameworks that have proved successful throughout the years.

Manuel has a deep knowledge of the cryptoassets industry, acquired through more than six years of studying, investment and advisory work. In the current phase of his career, he has used this knowledge to train companies in the traditional finance sector about the significance of this nascent industry, its actors and developing regulatory framework, as well as advising crypto firms on their regulatory obligations as they seek registrations and playing an active role in shaping discussions on regulation through industry trade bodies.

Manuel's experience has allowed him to develop a strong knowledge of different regulatory frameworks around the world and the principles that they all share. Pragmatic, solutions-oriented, rigorous, fluent in four languages, and able to tackle several different topics at once, he brings valuable skills that are key to the success of a wide range of projects.



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