

Disclosure of information on measure imposed on supervised entity

Supervisory measure against Venditor Ultimus d.o.o. owing to breaches identified in the area of anti-money laundering and combating the financing of terrorism (hereinafter: AML/CFT)

Information on person responsible for breach	
Business name and registered office of legal person	Venditor Ultimus d.o.o., Štefančeva ulica 1, 1210 Ljubljana-Šentvid (hereinafter: the undertaking)
Information on breach	
Description of circumstances and conduct constituting a breach of the Prevention of Money Laundering and Terrorist Financing Act (Official Gazette of the Republic of Slovenia, Nos. 48/22 and 145/22; hereinafter: the ZPPDFT-2)	<p>Banka Slovenije conducted an inspection at the undertaking between 24 January and 21 April 2023.</p> <p>The inspection identified breaches of the ZPPDFT-2, which in the case in question ceased when the provision of virtual currency services was ceased, for which reason Banka Slovenije issued the undertaking with a Declaratory decision on the cessation of breaches, against which no request for judicial review was lodged with the Administrative Court of the Republic of Slovenia by the undertaking.</p>
Nature of identified breaches	The identified breaches are most serious, serious and minor in nature, and in Banka Slovenije's assessment have a significant impact on the management of money laundering and terrorist financing (ML/TF) risks, which was deficient at the undertaking.
Operational part of order on rectification of breaches	
<p>1. In conducting supervision of Venditor Ultimus d.o.o., of Štefančeva ulica 1, 1210 Ljubljana-Šentvid, registration number: 8243271 (the undertaking) in the area of anti-money laundering and combating the financing of terrorism (AML/CFT), Banka Slovenije found the undertaking to have breached the following provisions of the ZPPDFT-2:</p> <ul style="list-style-type: none">the first paragraph of Article 20 of the ZPPDFT-2 in connection with point 2 of the second paragraph of Article 17 of the ZPPDFT-2, by failing to put in place adequate policies to effectively mitigate and manage money laundering and terrorist financing (hereinafter: ML/TF) risks;point 3 of the first paragraph of Article 21 in connection with the second paragraph of Article 53 and point 4 of the first paragraph of Article 150 of the ZPPDFT-2, by failing to obtain the prescribed information about the purpose and intended nature of the business relationship from customers who used ATM crypto services, which was identified in respect of ten customers in the sample of reviewed customers. For customers who used OTC services, it failed to ensure that this information was of adequate quality, which was identified in respect of four customers in the sample of reviewed customers;the fourth and seventh paragraphs of Article 18 of the ZPPDFT-2 in connection with Section 2.3 of the Banka Slovenije Guidelines on the assessment of the risk of money laundering and terrorist financing (Official Gazette of the Republic of Slovenia, No. 67/22; hereinafter: the ML/TF risk assessment guidelines), by failing to define an appropriate customer risk assessment for customers that reflects the specific attributes of the customer and their transactions, which was identified in respect of eight customers in the sample of reviewed	

customers;

- the second paragraph of Article 19 in connection with point 4 of the first paragraph and point 1 of the second paragraph of Article 64 of the ZPPDFT-2, by failing to conduct enhanced due diligence in the case of customers who pose an increased ML/TF risk, which was identified in respect of one customer in the sample of reviewed customers;
- the first and sixth paragraphs of Article 54 of the ZPPDFT-2, by failing to verify during transaction monitoring whether the customer's transactions accord with the purpose and intended nature of the business relationship and whether the customer's transactions comply with the usual scale of its transactions, which was identified in respect of nine customers in the sample of reviewed customers;
- the first paragraph of Article 55 of the ZPPDFT-2, by failing, in the case of complex and unusually large transactions or transactions that have an unusual composition, do not have a clear economically or legally justified purpose or do not comply with the customer's usual transactions, to provide for in-depth analysis of flagged deviations, and consequently failing in these cases to examine the background and purpose of the transactions and to establish the source of funds, which was identified in respect of eight customers in the sample of reviewed customers;
- the first paragraph of Article 76 of the ZPPDFT-2, by failing to report information in connection with transactions surrounding which there are grounds for suspecting ML/TF to the Office for Money Laundering Prevention (hereinafter: the OMLP) in the case of two customers.

Banka Slovenije found that the undertaking had ceased providing services in connection with virtual currencies via an over-the-counter business model (hereinafter: OTC services) on 23 January 2023, and had ceased providing services in connection with virtual currencies offered via crypto ATMs on 16 February 2023, for which reason the identified breaches are deemed to have ceased.

2. In accordance with Article 176 of the ZPPDFT-2, in connection with the imposed supervisory measures Banka Slovenije shall publish the following information on its website after the imposed measure becomes final, and shall submit it to the competent European supervisory authorities:
 - the business name and registered office of the legal person;
 - a description of the circumstances and conduct that constitute a breach of the aforementioned law or require the enforcement of the ordered measure;
 - the nature of the identified breaches or the type of deficiencies for which the measure was ordered;
 - the operational part of the decision by which the proceedings are legally finalised;
 - details of any rectification of a breach or implementation of an ordered measure.
3. The breaches identified in this declaratory decision on the cessation of breaches also constitute misdemeanours pursuant to the penal provisions of the ZPPDFT-2, and Banka Slovenije will therefore initiate misdemeanours proceedings against the undertaking and the responsible persons.

Information on any rectification of breach or implementation of ordered measure

The undertaking was in breach of regulations in the area of AML/CFT, but rectified the identified breaches before the issuance of an order referred to in the first paragraph of Article 279 of the Banking Act (Official Gazette of the Republic of Slovenia, Nos. 92/21 and 123/21 – ZBNIP; hereinafter: the ZBan-3), in the case in question, the breaches ceased when the services ceased to be provided.

Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-3

Judicial review proceedings have not been initiated, and the decision is *res judicata*.