

Disclosure of information on measure imposed on supervised entity

Supervisory measure against Infra Investments d.o.o. owing to breaches identified in the area of anti-money laundering and combating the financing of terrorism

Information on person responsible for breach	
Business name and registered office of legal person	Infra-Investments, trgovina in storitve, d.o.o., Latinski trg 6, Ljubljana (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 13 February and 15 April 2024.</p> <p>In the inspection Banka Slovenije identified breaches of the ZPPDFT-2, for which reason in accordance with the first paragraph of Article 164 of the ZPPDFT-2 in connection with Article 42a of the Bank of Slovenia Act (Official Gazette of the Republic of Slovenia, Nos. 72/06 [official consolidated version], 59/11 and 55/17; hereinafter: the ZBS-1), and with the first and second paragraphs of Article 279 and the first paragraph of Article 280 of the Banking Act (Official Gazette of the Republic of Slovenia, Nos. 92/21 and 123/21 [ZBNIP]; hereinafter: the ZBan-3) it imposed an order on the rectification of breaches with additional measures for the more effective rectification of identified breaches (hereinafter: the order) on the undertaking.</p>
Nature of identified breaches	Having regard for the penal provisions of the ZPPDFT-2, the identified breaches are serious and most serious 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.
Operative part of order on rectification of breaches	
<p>1. On the basis of an inspection in the area of anti-money laundering and combating the financing of terrorism (hereinafter: AML/CFT) at Infra-Investments d.o.o., of Latinski trg 6, Ljubljana, Slovenia, registration number: 8015368, Banka Slovenije finds the undertaking to be in breach of the following provisions of the ZPPDFT-2:</p> <ul style="list-style-type: none">point 3 of the first paragraph of Article 21 in connection with the first and second paragraphs of Article 53 and point 4 of the first paragraph of Article 150 of the ZPPDFT-2, by failing to obtain substantive, high-quality information about the purpose and intended nature of the business relationship from customers using OTC services in their transactions with the undertaking, which was identified in respect of all 25 customers in the sample of reviewed customers;the fourth paragraph in connection with the seventh paragraph of Article 18 of the ZPPDFT-2 and in connection with Sections 6.4.1.2 and 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 take account in its customer risk assessment (hereinafter: CRA) of all the risk criteria prescribed by the guidelines that represent the minimum standard in the assessment of money laundering and terrorist financing (hereinafter: ML/TF) risks, the risk criteria defined by the undertaking itself in accordance with the guidelines, and the risk criteria that it would	

be required to additionally define with regard to its own ML/TF risks, which was identified in respect of six customers in the sample of reviewed customers;

- the second paragraph of Article 19 in connection with 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 four customers in the sample of reviewed customers;
- the first and sixth paragraphs of Article 54 of the ZPPDFT-2, by failing in its transaction monitoring of customers to examine whether the customer's transactions accord with the purpose and intended nature of the business relationship and whether the customer's transactions are in line with the usual scale of its transactions, the undertaking thereby failing to ensure that the scope and frequency of the transaction monitoring measures are tailored to the ML/TF risks that the undertaking is exposed to when executing a particular transaction or when doing business with a particular customer, which was identified in respect of four 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 or pattern, do not have a clear economically or legally justified purpose, or do not comply with or are disproportionate to the customer's usual or expected 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 wealth and the source of funds, which was identified in respect of four 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), which was identified in respect of ten customers in the sample of reviewed customers.

To rectify the aforementioned breaches, the undertaking shall:

- a) when entering into new business relationships, ensure that it obtains substantive, high-quality information about the purpose and intended nature of the business relationship, and obtains information in a scope and in a manner that is understandable to the undertaking in the sense of the know-your-customer requirements; the undertaking shall also update the information about the purpose and intended nature of the business relationship for existing customers who are properly registered via Bitnik Portal, having regard for the existing nature and scale of transactions in so doing;
- b) additionally define ML/TF risk criteria in the CRA that are tailored to the undertaking's business, and shall additionally take account of risk criteria set out as the minimum standard in the ML/TF risk assessment guidelines, and risk criteria that the undertaking has additionally defined, or will additionally define when entering into a business relationship with a customer, where the initial CRA takes account of criteria deriving from the basic information obtained about the customer (i.e. static criteria), and when updating the CRA during the business relationship on the basis of criteria deriving from the customer's transactions with the undertaking (i.e. dynamic criteria) and changes to the basic information about the customer;
- c) in respect of customers defined as high-risk on the basis of a risk assessment, ensure the consistent implementation of the additional measures required by law as defined in detail by

the undertaking in its internal policies, thereby ensuring that the know-your-customer requirements are met, which is a condition for the management of the increased ML/TF risk associated with the particular customer;

- d) in its transaction monitoring of customers, devote particular attention to monitoring and verifying whether the customer's transactions accord with the purpose and intended nature of the business relationship and whether the customer's transactions are in line with the usual scale of its transactions; within the framework of transaction monitoring the undertaking shall devote particular attention to the comprehensive treatment of the customer, and shall tailor the scope and frequency of the ML/TF risk management measures to the ML/TF risk posed by the customer or by individual transactions;
 - e) in the event of flagged deviations from the customer's usual transactions, conduct in-depth analysis of its transactions for the purpose of determining the background and purpose of the executed transactions and establishing the source of wealth and the source of funds, which includes obtaining appropriate evidence such as contracts and invoices, and shall ensure the requisite criticality in the assessment of the information and documentation obtained;
 - f) ensure that all cases of suspicious transactions where there are grounds for suspecting ML/TF are reported without delay to the OMLP in accordance with the first paragraph of Article 76 of the ZPPDFT-2.
2. In accordance with the first paragraph of Article 280 of the ZBan-3, in connection with the second indent of point 6 of the second paragraph of Article 280 of the ZBan-3, to rectify the breaches identified in point 1 of this order, the following measures for more effective rectification of identified breaches and risk mitigation shall additionally be imposed on the undertaking:
- the prohibition of transactions with customers whose relationship with the undertaking constitutes a close link (prohibition of transactions with undertakings affiliated by ownership, and with the statutory representatives and beneficial owners of such undertakings);
 - monthly reporting by the undertaking of all transactions executed by customers in the previous month, by the fifteenth day of the month.
3. The undertaking shall embark without delay on activities to rectify the identified breaches cited in point 1 of this order. The deadline for rectifying the breaches cited in point 1 of this order is 31 March 2025. The undertaking shall also submit a written report to Banka Slovenije within ten days of the deadline on the measures taken to rectify the breaches, as set out by Article 281 of the ZBan-3. The undertaking shall also implement the additional measures cited in point 2 of this order until the rectification of the breaches.
4. In connection with the activities to rectify the breaches cited in point 1 of this order, the undertaking shall draft an action plan clearly defining the activities for the rectification of the breaches and the activities for implementing the additional measures cited in point 2 of this order, and shall submit it to Banka Slovenije by 1 October 2024.
5. In connection with the activities to rectify the breaches cited in point 1 of this order, the undertaking shall designate the persons at the undertaking responsible for rectifying the identified breaches and for implementing the additional measures cited in point 2 of this order, and shall communicate their names to Banka Slovenije by 1 October 2024.

<p>6. An objection to this order shall not stay its enforcement (third paragraph of Article 375 of the ZBan-3 in connection with first paragraph of Article 164 of the ZPPDFT-2 and Article 42a of the ZBS-1).</p> <p>7. The breaches identified in this order 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.</p> <p>8. 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:</p> <ul style="list-style-type: none"> – 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 operative part of the decision by which the proceedings are legally finalised; – details of any rectification of a breach or implementation of an ordered measure.
Information on any rectification of breach or implementation of ordered measure
The undertaking has submitted an action plan for the rectification of breaches to Banka Slovenije in timely fashion, and has communicated the name of the person at the undertaking responsible for rectifying the identified breaches in timely fashion. The final deadline for the rectification of the breaches is 31 March 2025. Within ten days of the final deadline, the undertaking shall also submit a written report to Banka Slovenije on the measures taken to rectify the breaches.
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 order is legally final.