



Trust Offices Audit Guideline

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Introduction

A trust office is legally required to ensure that the Audit Function (hereafter: 'AF') is conducted in an independent and effective manner concerning its activities and the compliance function¹.

This guideline provides a description of how a trust office should fulfill this obligation. The guideline addresses the (minimum) requirements for the organisation of the AF and the execution of its tasks and responsibilities.

Additionally, this guideline elaborates on the assignment from the board of a trust office to the AF and the reporting from the AF to Holland Quaestor, to assess whether the requirements of this guideline are being met².

Target group

The guideline is intended for the members of Holland Quaestor and the 'Wtt-auditors' (hereafter: 'auditors') who carry out activities related to the AF on behalf of the members. The guideline is also available to non-members.

Objectives

The objectives of this guideline are:

1. To offer the members of Holland Quaestor a description of the structure and work method of the AF as referred to in Section 15 of the Trust Offices (Supervision) Act 2018 (Wet toezicht trustkantoren) (hereafter: 'Wtt 2018') and elaborated in the Trust Offices (Supervision) Decree 2018 (Besluit toezicht trustkantoren 2018) (hereafter: 'Btt 2018');
2. To promote a uniform, effective structure and work method for the AF;
3. To provide tools to the board, more specifically the policymaker responsible for the interpretation of the AF within the meaning of section 19, subsection 4, Btt 2018, in the role of client, when formulating the assignment to the AF based on these guidelines;

¹ Art. 15 subsection 2 Wtt 2018

² In accordance with the Holland Quaestor internal rules, the quality standards are understood to be:

- Meeting the financial statement filing requirement within 12 months after the end of the financial year
- Holland Quaestor Guidelines (see overview below)
- Educational requirements
- Code of Conduct

Holland Quaestor Guidelines:

- Trust Offices (Supervision) Act Audi (*Wet toezicht trustkantoren*) Audit:
- Client acceptance and CSR
- SIRA
- Transaction monitoring
- Compliance function
- Trust services demarcation guidelines
- Tax integrity

AF Mission

The AF helps the organisation achieve its ambitions and protect its (integrity) values. The AF has an impact by holding up a mirror to the board from an independent position and challenging, encouraging and strengthening internal integrity risk management where needed.

The purpose of the AF is to provide the board with insight in controlling integrity risks within the organisation from an independent position. The AF assesses the structure, existence and effectiveness of the measures taken in the context of sound and ethical operational management (hereafter: 'IBB'), through audits and audit duties and by reporting to the board on this.

The AF checks, for instance, the compliance of the trust offices by or pursuant to the Wtt 2018, the Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en het financieren van terrorisme), (hereafter: 'Wwft'), the rules established in the Sanctions Act 1977 (hereafter: 'SW') and the fulfilment of the compliance function. Additionally, the AF assesses compliance with the internal rules of the trust offices and – in the context of Holland Quaestor membership – with the HQ quality standards.

Principles

1. The duties of the AF meet the requirements established by or pursuant to the Wtt 2018;
2. The auditor carries out the duties independently of Holland Quaestor;
3. The auditor has their own responsibility for the technical interpretation of the duties;
4. The descriptions of the work method for the auditor included in these guidelines are normative for a trust office that is a member of Holland Quaestor.
5. The quality requirements that apply to the auditor as described in these guidelines, the minimum standards that are assessed (annexes A, B and C), the minimum provisions to be included in the assignment of the Wtt auditor (annex D) and the minimum requirements applicable to the reports of the Wtt audit (annex E) are binding.

1. Basic conditions

To effectively execute the Audit Function (AF), the organisation must meet a number of basic conditions.

1.1. Independence

The AF is the third line of defence in the "three lines of defence" model within a trust office and is expected to function independently and autonomously. To achieve this, or at least promote it, the function is entirely separate from daily operations, and auditors have no operational tasks or responsibilities. The AF is also not combined with (tasks of) the compliance function.

This means that the AF is not involved in the development, implementation, and/or execution of policies and internal control measures. The auditor can, however, make recommendations regarding findings and observations that arise during their work. Care must be taken to ensure that the auditor is not placed in a position where there is a potential conflict of responsibility regarding the AF.

Furthermore, it is important that the auditor's financial compensation is independent of the financial performance of the trust office, as well as independent of the outcomes of the AF's activities.

Based on these principles, auditors are expected to critically and independently assess the policies and operational structure of the trust office to ensure the integrity and controlled operation of the business (the effectiveness of the trust office's integrity risk management measures).

Outsourcing

The AF is inherently an internal function that, according to the legislator, should preferably be outsourced to an external party - in contrast to the compliance function - to ensure that the organisation and the compliance function are evaluated with sufficient criticality and objectivity.³ Outsourcing is not mandatory; a trust office may choose to have the audit function conducted internally. If the AF is handled internally, care must be taken with regards to the independence and expertise to effectively conduct an integrity audit within the organisation.

When the function is outsourced, the legally applicable rules remain in full force: the trust office is responsible for ensuring compliance with these rules. Whether outsourced or handled internally, it is crucial that clear agreements are made regarding the execution of the AF to ensure actual audits take place. Insufficient involvement of the AF is considered a non-functioning AF and a violation of the law.

³ See explanation under 5 at Btt 2018.

1.2. Positioning and Mandate

The board is responsible for managing the trust office and ensuring compliance with all relevant laws and regulations, as well as managing the integrity risks associated with its activities, and ensuring that an independent audit function is executed concerning its operations. The AF is responsible for internal checks within the corporate governance structure of a trust office.⁵

The AF must have sufficient authority, meaning that the importance of the function is widely recognised within the organisation, and the AF staff must have enough authority to perform the function effectively. Logically, the AF is positioned directly under the board, with, if applicable, a reporting line to the Supervisory Board or another internal supervisory body.

The AF is expected to function as a full-fledged partner for the board and as a signaller of shortcomings or areas of concern regarding the organisation's structure, the design and operation of processes, procedures, policies, and the compliance function.

Audit activities are initially initiated by the AF through a proposal to the board, based on its own (periodic) risk analysis. The activities related to the AF are carried out at the request or in consultation with the board and/or the internal supervisory body.

The AF independently determines the structure of audit activities and is free to formulate research questions, use research methods, and decide on the information sources to be involved (files, interviews, systems).

The auditor is independent, impartial, and objective in their findings, conclusions, and recommendations. The AF may, outside the context of audits and reports, share observations with the board and the compliance function, either requested or unsolicited.

1.3. Resources

The board is responsible for providing sufficient (financial) resources to achieve the objectives of the AF. To this end, the AF should indicate, as much as possible, in a timely manner, which resources are needed to carry out the audit activities as planned and properly. It is essential to address this topic during the annual planning and evaluation, especially if there are significant deviations between planning and realisation.

⁴ Art. 16 Wtt 2018

⁵ By its nature, the function is an internal organisational function, regardless of whether it is outsourced to an external party.

1.4. Expertise and Integrity

The Btt 2018 requires that the AF has the necessary expertise⁶, i.e. that the person who fulfils this position has the right training, knowledge, experience and competences. Furthermore, the board must form an opinion about the integrity of the auditor, since the AF qualifies as an integrity-sensitive position.

The board of a trust office determines whether the auditor is suitable for the AF. This means that it formulates conditions with regard to the integrity and the required expertise (level of education and experience) for the completion of the AF and records these in writing, taking into account the requirements of this guideline. The board also determines (periodically, at least annually) that the conditions have actually been met.

Expertise includes at least good and up-to-date knowledge of, and insight into:

- the relevant supervisory regulations (such as the Wtt 2018, the Btt 2018, the Wwft, the SW and related publications of DNB as well as guidance, documentation and guidelines of Holland Quaestor);
- the developments in the field of (inherent) risks that a trust office may be confronted with;
- developments in the field of integrity risks (including money laundering, terrorist financing, sanctions circumvention, corruption, conflicts of interest, tax fraud and social impropriety);
- the requirements imposed on the compliance function;
- the requirements set for the AF.

In addition to the principles listed above, it is important that the auditor also has demonstrable audit skills and experience to be able to effectively complete the AF.

Holland Quaestor imposes the following conditions on the auditor in order to guarantee the quality and independence of the judgment:

- Demonstrable up-to-date knowledge of laws and regulations relevant to the trust sector, based on (sector) training, courses and continuing education followed and given.
- Demonstrable relevant work experience in the field of conducting operational audits.
- Registration of the auditor in the RO register (Register of Operational Auditors), the SVRO; registration in the RA register (Register Accountant), the NBA; registration in the mandatory register of a comparable international designation; or being a full member of the Institute of Internal Auditors (IIA). The auditor must meet the Continuing Professional Education (CPE) requirements of the relevant register.

⁶ Article 18(2) of the Btt.

1.5. Privileges and access to information and documentation

In order to be able to perform its tasks independently and effectively, the AF must have the necessary powers and access to the necessary information.⁷

This means that the auditor must have unrestricted access to all business units, information and employees and management of the trust office, to the extent necessary for the performance of the AF. This also includes unlimited access to team and technical meetings. The role of the AF is to observe and/or bring to the attention topics that are important for the management of integrity risks. The AF has no voice in decision-making.

The trust office also provides the auditor, solicited and unsolicited, with all information and documentation relevant to the performance of the AF. This also includes informing the auditor (in a timely manner) about important developments, projects and reorganisations with regard to governance and business activities, and visits by/to supervisors. In addition, in this context, the board is expected to inform the auditor as soon as possible about incidents that have occurred and that have been reported to the supervisor(s), in particular violations of policy, procedures, guidelines and laws and regulations that manifest integrity risks.

If the AF is hindered in the performance of its duties by a lack of access to the necessary information, the board must be informed.

⁷ Article 18(2) of the Btt.

2. Audit programme

The audit programme concerns the way in which the AF is implemented, i.e. the entirety of the policies, processes, procedures and records relating to the design and implementation of the AF. In principle, the audit programme consists of a multi-year plan with a description of the implementation frameworks of the AF and the outlines of implementation. The audit programme is submitted to the board for approval and evaluated at least annually. The audit programme may be included in the manual of procedures or drawn up as a stand-alone document, in the latter case a reference being included in the manual of procedures.

The following is a description of documentation that can be considered to be part of the audit programme.

2.1. Audit Charter

The audit charter is drawn up by the AF in consultation with the board and approved by the latter. The charter outlines the goal/purpose, status, authority, responsibilities and activities of the AF. The way in which the basic conditions from Chapter 1 are met, is part of this. Furthermore, the extent, tasks and scope of the work are made explicit.

The charter is evaluated annually and adapted to the standards in force at that time.

The audit charter can be included (in terms of content) in the manual of procedures or drawn up as an independent document, in the latter case a reference must be included in the manual of procedures.

2.2. AF Risk Analysis

To promote the effectiveness and efficiency of the AF, a risk analysis is carried out and recorded periodically (annually) from the position's own perspective. The aim is to align the annual audit plan (planning and activities) with the nature, scope, risks and complexity of the activities of the trust office. The inventory of integrity risks determines the focus and intensity of the audit activities to be carried out. Not all parts of the ethical business operations need to be tested every year, while some require more and/or more in-depth attention. The analysis serves as the starting point for the annual audit plan.

In the context of its own risk analysis, the AF will in principle have to gain insight into:

- the systematic integrity risk analysis (SIRA), including the document in which the risk appetite of the trust office is recorded;
- the reports to DNB, including the ISI report;
- correspondence with DNB;
- legal proceedings (ongoing and completed);
- internal reports, reports and minutes (including compliance function reports, compliance function work programme and previous audit reports);
- policy documents and/or action plans for the implementation of Holland Quaestor guidelines;
- all other policy documents including the manual of procedures;
- the organisational structure/scheme, including the division of tasks, powers and responsibilities and reporting lines.

2.3. Annual Audit Plan

The AF carries out an inspection at least once a year.⁸ Various forms can be chosen: one annual complete audit, or smaller audits of sub-processes spread over the year. The topics, the frequency of the audits of these topics and the intensity of the audit on specific topics depend, among other things, on the risk analysis, the business operations and the AF's own risk assessment.

The annual audit plan provides insight into the standards on which the auditor assesses and the activities that must be carried out to achieve this. The annual audit plan states the form (full or partial audits) in which the audit will be carried out, which topics will be assessed and the frequency with which this is done (if there are (partial) audits). Where possible, specific points of attention are included in the subjects that are assessed. The annual audit plan is visibly based on the AF's own risk analysis.

The annual audit plan makes clear which activities are carried out so that an assessment can be made of the effectiveness of the IBB (the organisational structure, the procedures and measures integrated into the business processes (customer due diligence) and the compliance function).

The annual audit plan contains a schedule of what will take place and when. Adjustment or deviation from the annual audit plan is deemed to be substantiated in the annual report and/or AF evaluation as well as to be included in the AF risk analysis and the annual audit plan of the subsequent audit cycle.

The annual audit plan is coordinated with the board of the trust office (prior to the audit work).

2.4. Conducting audits

The AF independently determines the structure of the audit activities and is free to formulate the research questions, the research methods used and the sources of information that are involved in the investigation.

Chapter 3 below discusses the performance of audit activities in more detail.

2.5. Reports

The auditor reports its findings to the board⁹ and, if necessary, to an internal supervisory body. This can be done by means of partial reports or a fixed periodic report, at least annually. The reporting is based on the implementation and results of the audit activities.

At least annually, a specific description of the findings and a conclusion/judgment are given about the effectiveness of the IBB, resulting in a general final assessment.

The report makes clear what activities have been carried out in order to be able to give an opinion on the effectiveness of the IBB for the year in question. The report must meet the minimum requirements as set out in Appendix E.

If shortcomings are found as a result of the audit, the member will ensure that the independent members of the board are notified in writing. This includes the period within which the shortcomings are deemed to be resolved, as well as who is responsible for remedial activities and/or who is responsible. This response will be added to the checklist.

⁸ Article 18(1) of the Btt.

⁹ Article 19(3) of the Btt.

2.6. Follow up

If any shortcomings are identified or points of attention are identified that are not sufficiently addressed, this affects the effectiveness of the AF and also the effectiveness of the IBB's structure.

It is important that the organisation provides for monitoring of the adequate and timely follow-up with regard to the shortcomings identified by the AF and points of attention identified by it, and for recording the activities undertaken in that regard.

The AF should assess and report on the follow-up given by the organisation with regard to at least the shortcomings.

2.7. Evaluation

The AF itself must also be assessed on its functioning. To this end, the board of directors evaluates the independence and effectiveness of the AF and the auditor(s) at least annually and records this in writing. This evaluation is also discussed with the auditors. If there is reason to do so, the board will take measures to adjust any shortcomings and/or points of attention in the functioning of the AF and/or auditor.

2.8. Contract for outsourcing

If the implementation of the AF has been (partially) outsourced, agreements in this regard must be laid down in an agreement between the trust office and the party to whom the outsourcing takes place, which complies with the minimum provisions of Appendix D. The agreements must also be in accordance with the audit programme and ensure that the actual execution of the AF is achieved.

3. Scope of implementation

3.1. Introduction

As previously stated, the AF carries out an audit at least once a year¹⁰, either by means of one annual complete audit or by means of audits of sub-processes spread over the year. The annual audit plan makes it clear which activities are carried out so that an assessment can be made of the effectiveness of the IBB for that year.

The following paragraphs describe how the AF can arrive at this judgement.

3.2. The effectiveness of the organisational structure

The way in which a trust office organises its business operations depends on the nature, scope, integrity risks and complexity of the trust office's activities¹¹. Regardless of the structure of the business operations, the trust office must ensure that the business operations are conducted with integrity and control.¹² Regardless of the nature and scope of the business activities, internal and external standards of integrity must be woven into the business process. The standards that follow from the HQ quality standards also apply to the members of Holland Quaestor.

When assessing the organisational structure, at least attention is paid to the following topics:

Client due diligence

- Client acceptance procedure
- Client risk profile
- Client risk analysis
- On-going CDD procedure
- Periodic revision procedure

Transaction monitoring

- Transaction monitoring procedure
- Transaction profile
- Reports to the Financial Intelligence Unit-The Netherlands (FIU-NL)

Sanctions regulations

- Identification procedure for business relations
- Procedure for screening business relations in EU and NL databases listings
- Country sanctions identification procedure
- Check of applicability of country sanctions

Incidents

- Incidents procedure
- Incident handling

¹⁰ Article 18(1) of the Btt

¹¹ Article 15(2) of the Btt 2018.

¹² Article 14 Wtt 201

SIRA

- Procedure for implementing SIRA
- SIRA structure and systematics
- Implementation of SIRA
- Effect of SIRA on business operations

Organisational structure

- Organisation of governance and structure
- Segregation of duties
- Reporting lines
- Outsourcing functions
- Segregation of assets

Organisational culture and behavior

- Integrity risk awareness
- Internal Code of Conduct
- Corporate Social Responsibility Policy

Organisation details

- Quality of the procedure manual
- Completeness and topicality of the file pursuant to art. 38 of the Wtt 2018
- Procedure for updating the file pursuant to art. 38 of the Wtt 2018

Employees

- Pre-employment screening
- Expertise
- Education

Appendix A (Points of attention reviewing the effectiveness of the organisational structure) contains, on the basis of the obligations under the Wtt 2018, the Btt 2018, the Wwft and the SW, the subjects that must be assessed when assessing the operation, whether or not on a risk-based basis. The list of points of attention is explicitly not intended to be exhaustive.

3.3. The effectiveness of customer due diligence

In addition to the design and existence, the auditor also assesses the operation of the policy, procedures and measures with regard to customer due diligence as laid down in service files, in particular. This involves examining the extent to which the procedures and measures are actually applied and complied with in practice.

When assessing the functioning of procedures and measures, a risk-based approach can be taken, which means that not all topics are assessed annually. A risk-based approach may also result in the scope and depth of audit work varying from one subject to another. The AF's view on this is evident from the AF risk analysis.

It is up to the auditor to determine the topics and the intensity for each topic in consultation with the board of the trust office. This is substantiated in the annual audit plan.

The assessment of the effectiveness of the procedures and measures is *also* carried out on the basis of partial observation or sample of service files to be determined by the auditor. The auditor clearly substantiates the way in which the selection and number of client files was established in the audit report, whereby in any case files from the high, medium and low risk categories are examined in accordance with the classification of DNB's ISI form.

Appendix B (Points of attention reviewing the effectiveness of customer due diligence) contains, on the basis of the obligations under the Wtt 2018, the Btt 2018, the Wwft and the SW, the subjects that must be assessed when assessing the operation, whether or not on a risk-based basis. The list of points of attention is explicitly not intended to be exhaustive.

3.4. The effectiveness of the compliance function

The trust office should have a compliance function that is independent and effective. The auditor assesses whether the requirements, as included in Section 15 of the Wtt 2018 and Section 17 of the Btt 2018 as well as the job requirements¹³ drawn up by Holland Quaestor, are met.

When assessing the compliance function, attention shall be paid to at least the following topics:

- Embedding the compliance function within the trust office;
- The adequate separation of functions;
- The recording of the tasks, activities and responsibilities in the manual of procedures and the compliance charter;
- Monitoring, as the main task of the compliance function;
- The work program / compliance annual plan of the compliance function;
- The quantitative and qualitative interpretation of the compliance function;
- The reports by the compliance function to the management board and, if applicable, the Supervisory Board.

In addition to the above, the compliance function also has an active role in making both external rules and internal norms and values (rules of conduct), procedures and measures known to employees. The compliance function can do this by actively transferring knowledge in the form of internal training and giving feedback to employees.

In order to be able to determine the above, the AF at least takes note of the procedure manual, compliance charter, compliance programme, compliance annual plan and reports. The work performed by the AF must also show that the compliance function has functioned properly. These findings will be explicitly taken into account when assessing effectiveness.

Appendix C (Points of attention reviewing the effectiveness of the compliance function) contains the subjects that must be assessed when assessing the operation, whether or not on a risk-based basis, on the basis of the obligations under the Wtt 2018, the Btt 2018, the Wwft and the SW . The list of points of attention is explicitly not intended to be exhaustive.

¹³ See September 2024 Compliance Officer Job Requirements HQ Guideline

ANNEX A

Points of attention for reviewing the effectiveness of the organisational structures

Based on the obligations under the Wtt 2018 (hereinafter: Wtt), the Btt 2018 (hereinafter: Btt), the Wwft and the SW, the subjects that must be assessed when assessing the operation, whether or not risk-based, are listed below. The list of points of attention is explicitly not intended to be exhaustive.

Subject	Summary of the standard to be assessed	Regulations	Points
<p>Policymakers, structure and legal form</p>	<p>The day-to-day policy is determined by at least two natural persons who perform their activities from the Netherlands and who have been approved by DNB.</p> <p>The formal and factual control structure is not opaque.</p> <p>The trust office has the legal form of a N.V., B.V. or a European N.V.</p>	<p>» art. 11, 12 and 13 Wtt</p>	<ul style="list-style-type: none"> • Number of board members. • Location of board members. • Approval decision DNB. • Formal and factual control structure. • Legal form of the trust office.
<p>Reports to DNB may not be implemented without DNB's permission</p>	<p>Prior to an nominations, changes must be notified to DNB concerning:</p> <ul style="list-style-type: none"> • the identity of directors, supervisory directors and (co-)policymakers. • the identity of the holders of a qualifying holding. • the formal and factual control structure. <p>These changes may only be implemented after approval has been received from DNB.</p>	<p>» art. 8 Wtt</p>	<ul style="list-style-type: none"> • Assessing whether the nominations or changes in question have taken place with the prior approval of DNB. <p>N.B. Assessment must also take place in the event of a change of function.</p>
<p>Notifications to DNB regarding information that is provided to the DNB, which must be made in writing immediately afterwards</p>	<p>Changes that must be reported to DNB in writing without delay concern:</p> <ul style="list-style-type: none"> • the antecedents of directors, supervisory directors and (co-)policymakers. • the antecedents of the Holders from a qualifying holding • the name, address and registered office of the trust office and its branches. 	<p>» art. 8 Wtt</p>	<ul style="list-style-type: none"> • Inquire whether the changes in question have occurred and have been reported to DNB. • Inquire how any changes in antecedents are monitored internally. • Inquire how any changes to the formal and factual control structure (group structure) will be monitored internally.

	<ul style="list-style-type: none"> the formal and factual control structure or the business operations of the trust office. 		
Record of trust office data	The trust office has an up-to-date file on its own organisation and keeps it available to DNB.	» art. 38 Wtt	<ul style="list-style-type: none"> Check whether the file contains all the information and documents referred to in Section 38 of the Wtt.
Compliance with the Wwft or comparable in a branch office or a majority subsidiary	<p>A trust office with a branch office or a majority subsidiary in a state that is not a member state and where the statutory provisions for the prevention of money laundering and terrorist financing are less extensive than those by or pursuant to the regulations established in the Wwft, ensures that the branch office/majority subsidiary complies with the regulations set by or under the Wwft in so far as the law of the state concerned does not impede this.</p> <p>If the law of the state concerned impedes the application of the first section, the trust office informs DNB and takes measures to control the risk of money laundering and terrorist financing. If applicable, they consider that provided for under section 45, seventh subsection of the fourth anti-money laundering guideline.</p> <p>A trust office operating a branch office in another member state ensures that this branch office complies with the implementation of the applicable provision of the fourth anti-money laundering guideline.</p>	» art. 2 Wwft	<ul style="list-style-type: none"> Determining whether the trust office has branches or majority subsidiaries and whether the trust office has ensured that they comply with rules similar to the Wwft. If a branch or a majority subsidiary is not allowed to comply with similar rules under the Wwft, assess whether DNB has been informed of this.

<p>Duty of care and responsibilities of the board concerning the management of the trust office (governance)</p>	<p>The day-to-day management of the trust office is the responsibility of the board. The board is responsible for:</p> <ul style="list-style-type: none"> • the integrity of the trust office. • compliance with relevant legal provisions. • Familiarity of the organisation with and compliance with the trust office's manual of procedures. • a proper administration. 	<p>» art. 9 Btt</p>	<ul style="list-style-type: none"> • Division of tasks within the board. • The tone at the top corresponds to the required duty of care.
<p>Separation of duties</p>	<p>The trust office ensures an adequate separation of duties between executive and supervisory tasks (separation of duties).</p>	<p>» art. 14 Wtt » art. 19 Btt</p>	<ul style="list-style-type: none"> • Separation of duties is adequately laid down in the manual of procedures. • The separation of duties ensures complete independence of the compliance and audit function and of the work in primary care. • A policymaker may not perform an audit or compliance function. • A policymaker has administrative responsibility for either the compliance or the audit function.
<p>Administrative responsibility compliance and audit function</p>	<p>The administrative responsibility for the implementation of the compliance function and audit function has been assigned to two different policymakers .</p>	<p>» art. 19 subsection 4 Btt</p>	<ul style="list-style-type: none"> • Verify that this separation of responsibilities is included in the manual of procedures and is actually complied with.
<p>Systematic integrity risk analysis (SIRA) and policy</p>	<p>A trust office is responsible for a systematic analysis of integrity risks and their periodic updates. On the basis of the SIRA, the trust office develops policy, procedures and measures for</p>	<p>» art. 14 Wtt » art. 10 Btt</p>	<ul style="list-style-type: none"> • The SIRA is an analysis of integrity risks at the level of business operations. • The SIRA deals with various integrity risks such as money laundering, terrorist financing,

	<p>controlling integrity risks and their periodic updates.</p> <p>Employees of the trust office take note of the SIRA, its policies, procedures and measures.</p> <p>The compliance function provides independent supervision of the implementation of the policy, procedures and measures.</p> <p>The trust office has procedures in place to ensure that identified shortcomings or deficiencies are reported to the compliance function.</p> <p>The trust office has procedures in place to ensure that the identified shortcomings or defects lead to an appropriate adjustment.</p>		<ul style="list-style-type: none"> • conflicts of interest, corruption, tax fraud and social impropriety. • Part of the SIRA is the trust office's vision of integrity, including the trust office's risk appetite with regard to, among other things, types of clients, structures, services, countries involved and the acceptability of tax-driven structures. • The SIRA must be up-to-date and specific, and must have sufficient depth. • The results of the analysis have been translated into risk-mitigating measures in the form of policy, procedures and measures that are further elaborated in the manual of procedures and any work instructions. • The employees are familiar with the SIRA and the manual of procedures. • The compliance function periodically monitors the operation of the policy, procedures and measures. • Employees know how to report identified shortcomings or defects to the compliance function. • Identified shortcomings or defects are reported to the compliance function, are dealt with in a timely manner and lead to adjustments to policies, procedures and measures where necessary.
Manual of procedures	<p>The trust office has an up-to-date manual of procedures that provides for procedures regarding compliance with the Wtt, the Btt, the Wwft and the SW. The manual of procedures in any case includes the procedures relating to the compliance function, the audit function, incidents, the segregation of duties and integrity-sensitive functions.</p>	<p>» art. 14 Wtt » art. 16 Btt</p>	<ul style="list-style-type: none"> • Checking whether all relevant topics have been included in the manual of procedures in an adequate and complete manner and whether the manual of procedures has been visibly updated and approved by the board.

Risicoclassification	A trust office has procedures and measures in place with regard to the risk classifications with regard to clients, products or services.	» art. 14 Btt	<ul style="list-style-type: none"> • The risk classification with regard to clients, products or services is included in the manual of procedures and makes a clear link between the risk and the control (revision/review frequency).
Ethical and controlled business operations	<p>A trust office organises its business operations in such a way that it guarantees the controlled and ethical conduct of its business. This is tailored to the nature, size, integrity risks and complexity of the trust office's activities. The trust office has a policy on managing business processes and business risks. To this end, the trust office has:</p> <ul style="list-style-type: none"> • a clear, balanced and adequate organisational structure and division of tasks, powers and responsibilities. • an adequate recording of rights and obligations. • unambiguous reporting lines. and • an adequate system for communication and information provision. 	<p>» art. 14 Wtt » art. 15 Btt</p>	<ul style="list-style-type: none"> • The division of tasks and powers must relate to all levels and parts of the trust office , including the Executive Board and, if applicable, the Supervisory Board. • The division of tasks must be recorded and communicated and in accordance with the reporting lines. • Internal lines of communication must be set up in such a way that all relevant information is made available to the right people and functions in a timely manner.
Policies and procedures regarding the prevention of money laundering and terrorist financing	In order to prevent money laundering and terrorist financing, a trust office shall conduct customer due diligence and report any unusual transactions carried out or intended in accordance with the provisions of or pursuant to Chapter 2 and 3 of the Wwft.	» art. 2 Wwft	Establish that there are policies and procedures in place with regard to the AML, customer due diligence, transaction monitoring and reporting of unusual transactions.

	<p>In doing so, an institution pays particular attention to unusual transaction patterns and to transactions that by their nature entail a higher risk of money laundering or terrorist financing.</p> <p>An institution shall take adequate measures to prevent the risks of money laundering and terrorist financing that may arise from the use of new technologies in the course of trade.</p>		
<p>Policy with regard to ethical and controlled business operations</p>	<p>A trust office pursues an adequate policy that guarantees the ethical and controlled conduct of the business.</p> <p>A trust office organises its business operations in such a way that it guarantees the ethical conduct of its business.</p> <p>The policy concerns measures to prevent:</p> <p>1°. conflict of interest.</p> <p>2°. criminal offences or other violations of the law by the trust office or its employees, which may damage confidence in the trust office or in the financial markets.</p> <p>3°. relationships with clients or third parties, which may damage confidence in the trust office or in the financial markets.</p> <p>4°. other actions by the trust office or its employees, which go against what is customary in society according to unwritten law in such a way that confidence in the company or in the financial markets can be seriously damaged.</p>	<p>» art. 14 Wtt</p>	<p>There is a clear policy that addresses conflicts of interest (see also below), combating criminal offences, relationships with clients and third parties.</p> <ul style="list-style-type: none"> • The policy states what the trust office means by social decency. • The policy addresses corporate social responsibility. • The policy addresses the tax integrity risks. • The policy addresses the risks as identified in the SIRA. • The policy addresses the requirements of the AML and SW. • The policy has been further elaborated in procedures and measures. • Relevant publications by DNB and HQ. • DNB (draft) Good practices for tax integrity risks trust offices, February 2019. • HQ Directive on the Tax Assessment Framework . • HQ Guideline CSR policy and client acceptance 2017.

Preventing conflicts of interest	The trust office has policies, procedures and measures with regard to preventing conflicts of private interests of policymakers, directors of the trust office or of the group to which the trust office belongs, the compliance function or audit function or other relevant employees or persons working for the trust office.	» art. 11 Btt	<ul style="list-style-type: none"> • The policy must address how personal, professional and financial interests are dealt with in relation to dealing with clients and other relationships, dealing with (confidential) information, entering into client relationships, carrying out transactions in the private sphere and fulfilling ancillary activities.
Outsourcing	<p>A trust office can outsource activities to a third party. A trust office always checks the identity of the third party itself.</p> <p>The compliance function cannot be outsourced.</p> <p>The trust office ensures that the third party complies with the provisions of or pursuant to the Wtt and the manual of procedures.</p>	<p>» art. 16 Wtt</p> <p>» art. 20 Btt</p>	<ul style="list-style-type: none"> • Check whether the trust office checks the identity of the third party. • Check if there is a written agreement. • Check that the third party knows and complies with the manual of procedures. • Check whether the trust office has procedures, measures and expertise to assess the performance of the work .
Asset segregation	<p>A trust office ensures complete (physical) separation of assets (monetary values) that are assigned to different clients or target companies belong. Also, a trust office's own assets are not mixed with the assets of clients or target companies.</p>	» art. 19 Wtt	<ul style="list-style-type: none"> • In any case, measures are aimed at a complete (physical) separation between the assets of clients and target companies and those of the trust office.
Compliance function and audit function	A trust office has an independent and effective compliance function and audit function. The compliance function is aimed at monitoring the trust office's compliance with the rules laid down by or pursuant to the law and the internal rules of the trust office itself.	» art. 15 Wtt	<ul style="list-style-type: none"> • For the assessment points of the compliance function, reference is made to the specific points of attention § 3.4.

Integrity-sensitive functions	Staff members in integrity-sensitive positions must be reliable. The trust office investigates the reliability and considers whether the trust office runs integrity risks with a staff member to be hired.	» art. 13 Btt	<ul style="list-style-type: none"> • The basic principle is that all staff members have an integrity-sensitive function, unless otherwise provided for in the manual of procedures. • Check that the personnel file contains the required information and documents .
Integrity-sensitive functions of external staff members	For external staff members who are appointed to an integrity-sensitive position other than on the basis of an employment contract, the same safeguards must be observed as for own staff members.	» art. 13 Btt	<ul style="list-style-type: none"> • Check that the personnel file contains the required information and documents .
Prohibition of combination of trust services and tax advice	A trust office may not provide trust services to a client that implement tax advice provided to this client by the trust office or by the group to which the trust office belongs.	» art. 17 Wtt	<ul style="list-style-type: none"> • The trust office has included this prohibition in its manual of procedures.
Internal reports of Wwft violations	<p>A trust office has adequate facilities that enable their employees or persons in a comparable position to report a violation of the Wwft rules internally and anonymously via a specific, independent channel.</p> <p>A trust office may notify a person who works for the firm and who in good faith and properly on behalf of the institution makes a report to the Financial Intelligence Unit as referred to in Article 16, paragraph 1, provides the Financial Intelligence Unit with data or information as referred to in Article 17, paragraph 1, or reports internally within the institution a violation of the provisions of this Act as referred to in Article 20a, do not disadvantage.</p>	» art. 20a, 20b, Wwft	<ul style="list-style-type: none"> • Establish that the trust office has such a procedure, • e.g. through a whistleblower procedure. • Determine whether the procedure has been used and whether the reporter has not been disadvantaged.

DNB reports	A trust office reports annually, or as often as necessary, quantitative and qualitative data on the trust office, its services or its clients.	» art. 18 Wtt » Art. 21 in 22 Btt	<ul style="list-style-type: none"> • Establish that reports have been submitted to DNB on time.
Incidents	<p>Incidents as referred to in art. 20 Wtt must be reported to DNB without delay.</p> <p>These incidents must be recorded, with an indication of measures to manage risks and prevent recurrence.</p> <p>According to Section 20(4) of the Act, an incident is conduct or event that poses a serious threat to the ethical business operations of the trust office.</p> <p>A trust office can also designate other events as an incident.</p>	» art. 20 Wtt in conjunction with art. 9 Rtt	<ul style="list-style-type: none"> • Inquire whether possible incidents have been identified and whether a substantiated assessment has been made as to whether it concerns a reportable incident. • Checking whether incidents have been reported to DNB and whether this has been done in a sufficient manner and without delay. • Check whether an incident register is present and whether (possible) incidents have been recorded in the service file. • Assess the measures taken, including those relating to incidents that have not been reported to DNB.
Education	<p>The trust office shall ensure that all persons who perform work for the trust office, insofar as relevant to the performance of their duties, are familiar with the provisions of the Wtt and the Btt and periodically receive training that enables them to properly and fully perform the obligations under the law and these regulations.</p> <p>A training program is compiled and recorded annually.</p>	» art. 67 Wtt	<ul style="list-style-type: none"> • Inquire how it is provided that employees have good and up-to-date knowledge, so that they can comply with the Wtt and related relevant regulations when performing their work. • Register of PE payers within the organisation. • Check whether there is a training plan, how it is created and how followed training courses are registered, including HQ PE points.

ANNEX B

Points of attention reviewing the effectiveness of customer due diligence

In addition to intent and existence, the Wtt auditor also assesses the operation of the policy, procedures and measures as laid down in the manual of procedures. This involves examining the extent to which the procedures and measures are actually applied and complied with in practice.

When assessing the functioning of procedures and measures, a risk-based approach can be taken, which means that not all topics are assessed annually. A risk-based approach may also result in the scope and depth of audit work varying from one subject to another.

It is up to the auditor to determine the subjects and frequency for each subject in consultation with the board of the trust office. The motivation of the frequency and intensity must be recorded in the audit plan.

In the risk-based approach, and independently of the activities of the second line, the audit function will at least take into account:

- the nature, scope, positioning and complexity of (the services of) the trust office;
- developments in the relevant laws and regulations;
- DNB's publications, thematic reviews and newsletters;
- the results of the systematic integrity risk analysis (SIRA)
- and the findings and conclusions of previously conducted audits.

The assessment of the effectiveness of the procedures and measures is *also* carried out on the basis of a partial observation or sample of service files to be determined by the auditor. The Wtt auditor clearly substantiates the way in which the selection of the client files was made in the audit report, whereby in any case files from the high, medium and low risk categories are examined in accordance with the classification of DNB's ISI form.

Based on the obligations under the Wtt 2018 (hereinafter: Wtt), the Btt 2018 (hereinafter: Btt), the Vwft and the SW, the subjects that must be assessed when assessing the operation, whether or not risk-based, are listed below. The list of points of attention is explicitly not intended to be exhaustive.

Subject	Summary of the standard to be assessed	Reference to regulations	Points
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<p>Customer due diligence (CDD)</p>	<p>A trust office must carry out customer due diligence if it enters into a business relationship or provides a trust service and for relevant indicators.</p> <p>If the client is taken over from another trust office, the trust office will inquire about integrity risks defects.</p> <p>Before entering into a business relationship, a trust office informs the client about the Wtt obligations and the processing of personal data.</p>	<p>» art. 22, 23, 23a, 68 Wtt</p>	<ul style="list-style-type: none"> • The prohibition on the commencement of services in Sections 23 and 23a of the Wtt is essential. Article 23 stipulates that the provision of services may not be commenced until all the information and documents mentioned are present in the file. • Article 23a provides that no services may be provided if clients, target companies, ultimate beneficial owners of clients and ultimate beneficial owners of target companies are domiciled or established in certain countries.
<p>Identification and verification</p> <p>UBO</p>	<p>The trust office identifies all ultimate beneficial owners (UBO) of the client and the target company with certainty as much as possible. The trust office verifies the identity of the UBOs and verifies the nature and extent of the ultimate interest of the UBOs and has information on the basis of which the identity of the ultimate beneficial owner has been established.</p> <p>If no UBO can be determined, the trust office will appoint a so-called 'pseudo-UBO' and verify the identity of this person.</p>	<p>» art. 24, 25, 37 Wtt</p> <p>» Art. 3 Implementing Decree Wwft</p>	<ul style="list-style-type: none"> • The client file must show how the investigation into the identity of the UBOs took place. • Research into possible 'hidden UBOs' that should be regarded as UBOs, for example, on the basis of actual control. • The date on which verification of the identity of the UBO(s) took place must be verifiably recorded in the file.
<p>Enhanced customer due diligence</p>	<p>The customer due diligence must be tailored to the specific risks associated with a certain type of customer or UBO, services and/or geographical factors.</p> <p>A trust office will in any case carry out enhanced customer due diligence if there is a higher risk by nature or if the state in which the client, the target company or the UBO of the client or target company resides is a state designated by the European Commission.</p>	<p>» art. 33 up to 36 Wtt</p>	<ul style="list-style-type: none"> • The depth of the customer due diligence must be tailored to the specific risks associated with the client, such as the identity of the UBO, the origin of the UBO's assets, the activities of the UBO, any PEP qualification, the structure, countries involved, the nature of the services provided by the trust office.

<p>PEP</p>	<p>The trust office uses a risk-based policy to determine whether a UBO is a PEP.</p> <p>A PEP is a politically exposed person, family or close associates of a politically exposed person, who, due to their specific influence, may pose a risk of abuse of their position, partly in relation to, for example, corruption or money laundering.</p> <p>When entering into or continuing the business relationship with a PEP, permission is required from a person who determines the day-to-day policy of the trust office and the relationship is subject to continuous stricter monitoring.</p>	<p>» art. 33 Wtt » art. 34 Wtt » Art. 2 Implementing Decree Wwft</p>	<ul style="list-style-type: none"> • In the case of a PEP, the trust office conducts enhanced customer due diligence. <p>DNB has formulated good practices m.b.t. hoog-risicolanden/PEP's, o.a.</p> <ul style="list-style-type: none"> • the trust office assesses risk-based whether a UBO, even after his political career, should be regarded as a PEP; • the trust office makes a total scan of the PEP and its environment, including the total assets of the PEP; <p>The list of PEPs is checked regularly.</p>
<p>Services to an object company</p>	<p>The investigation enables the trust office to determine the elements included in Section 27 of the Wtt (as far as possible with certainty) with regard to the target company and the client.</p>	<p>» art. 27 Wtt</p>	<ul style="list-style-type: none"> • The most frequently provided trust service is that provided to target companies (management and/or domicile-plus). • The most important elements of the customer due diligence concern the investigation into the origin of the assets of the target company and the UBO, the structure of the group to which the target company belongs, the purpose with which the structure was set up, and the origin and destination of the (expected) funds. • Section 27 of the Wtt also applies to the additional trust service referred to in Section 2 of the Btt (power of attorney).
<p>Selling or mediating in the sale of legal entities</p>	<p>When a trust office sells a legal entity or mediates in the sale, it investigates the client and, where applicable, the buyer and the seller.</p>	<p>» art. 28 Wtt</p>	<ul style="list-style-type: none"> • The relevant question is whether the trust office will continue to provide services after the sale of the legal entity or not.

Acting as Trustee	<p>If the trust office acts as trustee of a trust, it conducts an investigation into the client and the trust.</p>	<p>» art. 29 Wtt</p>	<ul style="list-style-type: none"> • Relevant are the conditions that apply to changes of the various parties involved (based on the trust deed).
Trusts and other legal arrangements	<p>If a client acts as a trustee of a trust, customer due diligence also extends to the trust.</p> <p>If a client acts as a partner in a partnership, the customer due diligence also extends to the partnership.</p>	<p>» art. 31 ,32 Wtt</p>	<ul style="list-style-type: none"> • Trusts and other legal arrangements as well as companies are subject to special rules on customer due diligence.
Acceptance memorandum	<p>A trust office has an acceptance memorandum in which the outcome of the customer due diligence, the investigation into the associated integrity risks and the extent to which they are mitigated are described in conjunction with each other and in which the client's acceptance is expressed.</p>	<p>» art. 26 Wtt</p>	<ul style="list-style-type: none"> • Article 26 is a core article. • Assess whether the risk analysis has taken into account all relevant risks associated with the client, such as country of origin, the sector in which the client operates, and the (expected) transactions (nature, size, complexity, etc.). • To check whether the result of the analysis is realistic, whether the formulated risk mitigation measures are sufficiently tailored to the specific situation and whether they are acted upon in practice. Assess the engagement of the compliance function. • Are the practice practices and the manual of procedures consistent with the SIRA.

<p>Provision of services file (DVD)</p>	<p>The service file contains the written agreements between the trust office and the client and, if applicable, the target company, the acceptance memorandum, an overview of the trust services provided, the customer due diligence and the incidents.</p> <p>The DVD is kept sufficiently up-to-date</p> <p>The file is accessible and available to DNB.</p> <p>The file is kept for at least 5 years after the termination of the service. This is followed by immediate destruction.</p>	<p>» Articles 26, 37, 39, 40 Wtt</p>	<ul style="list-style-type: none"> • Check whether the file is accessible, whether it contains all the required information and documents and is sufficiently up-to-date.
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<p>Transaction monitoring</p>	<p>The trust office is obliged to monitor transactions. Without transaction monitoring, unusual transactions cannot be detected and reported to the Financial Intelligence Unit (FIU-NL).</p> <p>A trust office investigates all complex and unusually large transactions and all unusual transaction patterns that have no clear economic or lawful purpose.</p>	<p>» art. 22, 23, 27, 28, 29, 30, 35 Wtt</p> <p>» art. 2a Wwft</p>	<ul style="list-style-type: none"> • Transaction monitoring is an important mitigating measure to manage integrity risks. This measure must have been assessed in the SIRA for the effectiveness of the management of integrity risks. • An important basis for transaction monitoring is the acceptance memorandum of Article 26 of the Wtt. • The structure and depth of transaction monitoring must be geared to the specific integrity risks identified at the level of the client/target company. • Assess how transaction monitoring is set up and how it works in practice. The relevant question here is whether there is a transaction profile that is suitable for the adequate monitoring of transactions.
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			<p>Relevant publications:</p> <ul style="list-style-type: none">• DNB Good practices for transaction monitoring at trust offices, March 2017;• The Q&A's Services on the DNB website: http://www.toezicht.dnb.nl/4/4/4/50-204404.jsp;• Feedback on thematic reviews by DNB in the Trust Office Newsletter;• DNB Guidelines Wwft and SW April 2015.• HQ Transaction Monitoring Directive, June 2017
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<p>Obligation to report unusual transactions</p>	<p>Under Section 16 of the Wwft, a trust office is obliged to report (intended) unusual transactions to FIU-NL.</p> <p>Before reports can be made, the trust office must be registered with FIU NL.</p> <p>The trust office that has reported an unusual transaction has a duty of confidentiality.</p>	<p>» Articles 16, 23, 34 AML</p> <p>» art. 4 Implementing Decree Wwft with appendix List of Indicators</p> <p>» art. 9 Rtt 2018</p>	<ul style="list-style-type: none"> • Check whether the manual of procedures describes the cases in which a report must be made to FIU-NL, which objective and subjective indicators apply, and which red flags the trust office uses. • Check whether the manual of procedures describes how the process that can lead to a report to the FIU is set up.
	<p>Documentation, including acknowledgement of receipt from the FIU, must be kept for at least 5 years.</p>		<ul style="list-style-type: none"> • Inquire whether reports have been made to FIU-NL. • Inquire whether consideration has been given to making a report that ultimately did not take place and checking the substantiation of the decision.
			<ul style="list-style-type: none"> • Check whether an FIU report has also been assessed as an incident and has been included in the incident register.
<p>Sanctions Act - general</p>	<p>Sanctions are political instruments and can be issued by the United Nations, the European Union and the Dutch state, among others. They are coercive, non-military instruments that are used in response to violations of international law or human rights in order to bring about a turnaround.</p> <p>In addition, sanctions play a role in the fight against terrorism. They are then mainly aimed at individuals and non-state entities.</p> <p>In principle, two types of financial sanctions can be distinguished in the Regulations of the European Union and the Dutch government:</p> <ul style="list-style-type: none"> • an order to freeze funds. • a prohibition or restrictions on the provision of financial services 	<p>» art. 10b lid 1 SW</p> <p>» art. 2, 3, 4, 5 Regulations for the supervision of SW</p>	<ul style="list-style-type: none"> • Performing a sample test and a test whether the sanction lists are up-to-date. • Assessing whether there is an adequate assessment of whether embargo goods are involved in the activities of the relations. • Trust offices are responsible for compliance with the SW, this cannot be outsourced to other professional parties, such as banks that refer clients and carry out transactions. • In those cases where there is an increased risk and complex structures are facilitated, the trust office has strengthened the factual knowledge and compliance with the measures.

ANNEX C

Points of attention reviewing the effectiveness of the compliance function

Based on the obligations under the Wtt 2018 (hereinafter: Wtt), the Btt 2018 (hereinafter: Btt), the Wwft and the SW, the subjects that must be assessed when assessing the operation, whether or not risk-based, are listed below. The list of points of attention is explicitly not intended to be exhaustive.

Subject	Summary of the standard to be assessed	Reference to regulations	Points
Independent and effective compliance function	A trust office ensures an adequate separation of duties, thereby guaranteeing the independent performance of the compliance function.	<ul style="list-style-type: none"> » art. 15 lid 1 Wtt » art. 19 (1) and 2 Btt 	<ul style="list-style-type: none"> • The compliance function is separate from the operational business units and activities under its control. • The manual of procedures includes procedures and measures to ensure independence. • The compliance function has drawn up a compliance charter, which is • board has been approved. • The administrative responsibility for the implementation of the compliance function is vested in two different policymakers.
Outsourcing of work	If a trust office outsources activities to a third party in the context of an outsourcing or agency agreement, the trust office shall ensure that this third party complies with the rules applicable to those activities at the trust office pursuant to this Act.	» art. 16 Wtt	<ul style="list-style-type: none"> • A trust office with its registered office in the Netherlands does not outsource the performance of the compliance function.
Records of policies, procedures and measures in the manual of procedures and compliance charter	A trust office is responsible for procedures relating to the performance of the compliance function.	» art. 16 sub a under 1 Btt	<ul style="list-style-type: none"> • The compliance function is described in the manual of procedures and/or laid down in a separate compliance charter. • The recording is in line with the way in which the compliance function functions in practice.
Monitoring	The compliance function checks for risks of inadequate compliance with the law. The compliance function is	» art. 17 subsection 2 Btt	<ul style="list-style-type: none"> • The compliance function monitors whether the trust office acts in line with the law and its own standards.

	<p>responsible for identifying, analysing and assessing, advising, monitoring and reporting on the risk of inadequate compliance with the law, the manual of procedures, the policies, procedures and measures by the trust office in a permanent and systematic manner.</p> <p>The compliance function does this by means of an ongoing systematic analysis.</p>		<ul style="list-style-type: none"> • The compliance function is actively involved in the classification of clients into risk categories; • The compliance function has a role in the systematic analysis of integrity risks; • The compliance function is involved in drawing up the internal standards, procedures and measures arising from the laws and regulations.
Work programme	<p>The compliance function draws up an annual risk-based work programme containing the following points:</p> <ul style="list-style-type: none"> • Monitoring the management of integrity risks • Monitoring compliance with the manual of procedures; • Advising on shortcomings; • Advising on upcoming laws and regulations; • Assessing the timeliness and effectiveness of measures; • Provision of information within the trust office; • Advising and periodically reporting to the board. 	» art. 17 lid 3 Btt	<ul style="list-style-type: none"> • The compliance function has drawn up a work programme / compliance annual plan that is tailored to the size and risks of the trust office. • In the work programme, the organisational unit discusses the way in which it will fulfil its tasks in the aforementioned areas.
Quantitative interpretation of the compliance function (design and scope)	<p>The compliance function has the necessary resources to tasks independently and effectively.</p> <p>The number of hours per week that the compliance officer is employed is tailored to the number of clients trust office, the nature of the trust office, the its activities and the associated associated integrity risks.</p>	» art. 17 (1), (4) and (5) of the Btt	<ul style="list-style-type: none"> • The position is filled permanently. • The trust office has substantiated and recorded the scope of the compliance function.

<p>Qualitative interpretation of the compliance function</p>	<p>The compliance function has the necessary authority, expertise and has access to all necessary information to carry out his tasks independently and effectively.</p>	<p>» art. 17 lid 1 Btt</p>	<ul style="list-style-type: none"> • Within the organisation, the importance of the position is generally recognized and the employees have sufficient authority to perform the position effectively. • The employees involved have sufficient knowledge to assess the actions of the trust office. • The education and experience is proportional to the risk profile of the trust office in question. • The compliance function has drawn up a training programme for its own development and shows how it ensures that it is aware of the laws and regulations and that it recognizes changes in them in a timely manner. • Employees know how to report identified shortcomings or defects to the compliance function. • Identified shortcomings or defects are reported to the compliance function, are dealt with in a timely manner and lead to adjustments to policies, procedures and measures where necessary.
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<p>Reports</p>	<p>The compliance function reports the findings to the board.</p>	<p>» art. 19 lid 3 Btt</p>	<ul style="list-style-type: none"> • The report is made independently and directly to the board. • If a Supervisory Board is present, it must be ensured that the compliance function can also report findings directly to this body if necessary.
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ANNEX D

Minimum provisions to be included in the assignment to the Wtt auditor

Context

Quality standards

Holland Quaestor (HQ) is the association of Dutch trust offices. The association serves as a platform for its members. Members commit to quality standards (see below), which are aimed, among other things, at establishing an ethical and controlled business operation (IBB). As part of the HQ quality standard, members of HQ—like all licensed trust offices—are also required to comply with the applicable legal requirements related to the IBB framework.

Assessment Wtt audit

The members of HQ attach great importance to ensuring that the commitment to comply with the quality standards is demonstrated not only in words, but also in actions. This means that members are expected to account for the extent to which they meet these quality standards. The Wtt auditor assesses this as part of the Wtt audit.Commission.

Engagement

This annex to the HQ Wtt Audit Guideline contains the provisions that must, at a minimum, be included in the engagement with the Wtt auditor. Each member of Holland Quaestor is free to add additional provisions to this engagement.

In accordance with the internal regulations of Holland Quaestor, the quality standards are understood to mean:

- Comply with the filing requirement for annual accounts within 12 months after the end of the financial year.
- Holland Quaestor guidelines (see overview below)
- Education Requirements
- Code of conduct

Holland Quaestor guidelines:

- Wtt audit
- Client acceptance and CSR
- SIRA
- Transaction monitoring
- Compliance function
- Tax integrity

Commission

The assignment to the AF is:

- Ensure that the AF is set up in accordance with the legal requirements and the assessment framework of DNB, the 'Wtt Audit' guideline of Holland Quaestor (HQ)¹⁵ and in line with the standards of the international framework for the professional practice of internal auditors, the International Professional Practices Framework (IPPF)¹⁶ of the Institute of Internal Auditors (IIA) and the document 'Effectiveness measurement Internal Audit Function – Practical tools for internal auditors' of the IIA Netherlands of July 2016.¹⁷
- Conduct an investigation into the extent to which the organisation complies with the requirements that apply to ethical and controlled business operations pursuant to the Trust Office Supervision Act 2018 (Wtt 2018), the Money Laundering and Terrorist Financing (Prevention) Act (Wwft), and the Sanctions Act 1977 (SW) and rules based on them.
- Conduct research into the extent to which the organisation meets the quality standards of Holland Quaestor.

The instruction must be signed by a director of the trust office.

¹⁵ <https://hollandquaestor.nl/publicaties>

¹⁶ https://www.iaa.nl/vaktechnische_publicaties

¹⁷ <https://www.iaa.nl/kwaliteit>

ANNEX E

Minimum requirements for reporting Wtt Audit

1. Introduction

This appendix contains the minimum requirements for the reporting of the Wtt audit.

2. Purpose

Providing insight into the audit assignment, the execution of the audit, the findings and conclusions.

3. Scope

The present report concerns the extent to which the organisation:

- Will the AF be set up in accordance with the legal requirements and the assessment framework of DNB, the "Wtt Audit" guideline of Holland Quaestor (HQ) of July 2024 and in line with the standards of the international framework for the professional practice of internal auditors, the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA) and the document 'Effectiveness measurement Internal Audit Function – Practical tools for internal auditors' of the IIA Netherlands of July 2016.
- The requirements that apply to ethical and controlled business operations pursuant to the Trust Office Supervision Act 2018 (Wtt 2018), the Money Laundering and Financing (Prevention) Act (Wwft), and the Sanctions Act 1977 (SW) are met and the rules based on them.
- Is the quality standards HQ met. (see appendix "Minimum provisions to be included in the assignment to the Wtt auditor").

4. The design and implementation of the AF

3.5. Audit documentation in the audit period:

The following documentation is part of the design and implementation of the AF:

	Date	Attachment
The description of the audit function in the manual of procedures		I.
Substantiation of integrity and expertise of the auditors		II.
The Audit Charter		III.
The Audit programme		IV.
Risk analysis prepared by the audit function		V.
Annual audit plan		VI.
Evaluation		VII.
Agreement if the audit function is (partly) outsourced		VIII.

3.6. Audit activities

The following activities/investigations take place in the context of the AF¹⁸:

	Activity	Date
1.		
	Explanation	
2.		
	Explanation	
3.		
	Explanation	
4.		
	Explanation	

¹⁸ For example:

- Discussion of the Audit Annual Plan
- Adoption of updated Audit Charter
- Request up-to-date information and documentation
- Research data & documentation
- Research Transaction Monitoring
- Discussion progress

5.

Explanation

6.

Explanation

7.

Explanation

8.

Explanation

9.

Explanation

10

Explanation

3.7. *Applicable standards*

The standards as used in the context of the investigations in the assessment of the various components of ethical business operations are based on a variety of sources, such as a legal basis, organisational policy, guidance from a regulator, HQ guidelines and guidelines, industry standards and the like.

The extent to which a certain norm is generally applicable and has a more or less strict interpretation depends on the basis, the nature of the research subject and the context in which it applies. In many cases, there is room for interpretation regarding standardization, definitions, policy and implementation with regard to the obligations that must be met. For each assessed component, a connection is sought with what can be considered generally accepted to some extent or what the organisation has determined in this regard. It cannot be deduced from the interpretations used that there is a fixed interpretation at all times and under all circumstances.

3.8. *Assessment frameworks findings*

The result in the investigation was qualified for each component on the basis of identified (possible) **shortcomings** and **points of attention**. Shortcomings concern a finding that a valid standard is not met. However, the severity of a shortcoming can vary and depends on the nature and circumstances of the case. Points of attention are observations which, in the auditor's view, the board would do well to address, so that they will not become shortcomings or that it benefits the effectiveness of the control measure in question.

For each component, it is assessed whether the applicable standards are met, resulting in one of the following assessments¹⁹:

GOOD	It can be stated with a reasonable degree of certainty that the whole of the control measures is effective in design, existence and operation*
SUFFICIENT	It can be stated with a reasonable degree of certainty that, although shortcomings have been identified, the most important control measures are effective in design, existence and operation
INSUFFICIENT	A number of the most important control measures are ineffective in design, existence and operation**
BAD	The whole of the control measures is ineffective in design, existence and/or operation**
N/A.	Not rated

* The residual risk does not exceed management's risk appetite.
 ** The residual risk exceeds management's risk appetite.

An alternative classification of standards is also possible.

3.9. *Urgency*

Any findings and recommendations were reported for each component, with an indication of the urgency with which the organisation can be expected to address them. The following terms have been distinguished.

Urgency	Recovery period
Directly	< 1 month
Soon	< 6 months
Short term	< 3 months
Over time	< 12 months

¹⁹ Standard good practice of the Institute of Internal Auditors

3.10. Conclusion

On the basis of all the findings and assessments, it is concluded in a general sense whether the IBB **predominantly** or **insufficiently** complies with the relevant standards as they arise from the HQ Quality Standard, including laws and regulations.

3.10.1 Management Alignment and Response

Prior to the final report, it was coordinated with the board of [AFK], or at least it was sent to [AFK] for the purpose of any comments or comments. In addition, the possibility was offered to add a management response, which, if this option was used, was added as an appendix to the report.

5. Schematic representation of the assessment of the IBB components To

be assessed for each component for design, existence and operation.

For each component, a * indicates whether there is a guideline from Holland Quaestor.

	PART	Judgment	Shortcomings	Addressed
		Color code	Yes / No	Yes / No
1.	Customer due diligence*		Yes	Yes
	Assessment of at least: <ul style="list-style-type: none"> - Client acceptance procedure - Client risk profile - Client risk analysis - On-going CDD procedure - Periodic revision procedure 			
2.	Transaction monitoring*		Yes	Yes
	Assessment of at least: <ul style="list-style-type: none"> - Transaction monitoring procedure - Transaction profile 			
3.	Sanctions regulations			
	Assessment of at least: <ul style="list-style-type: none"> - Procedure for identifying business relations - Procedure for screening business relations in EU and NL databases listings - Procedure for identifying country sanctions 			

- Verification of the applicability of country sanctions

4. Incidents

Assessment of at least:

- Incidents procedure
- Incident handling
- Record of incident handling

5. SIRA*

Assessment of at least:

- Procedure for implementing SIRA
- Structure and system SIRA
- Implementation SIRA

6. Organisational structure

Assessment of at least:

- Management structure
- Separation of duties
- Reporting lines

7. Organisational culture and behaviour

Assessment of at least:

- Integrity risk awareness
- Internal Code of Conduct
- Corporate Social Responsibility Policy²⁰

²⁰Incl. Tax integrity

8. Compliance function*

Assessment of at least:

- Compliance charter
- Compliance programme
- Annual compliance plan
- Compliance reports

9. Availability of organisation data

Assessment of at least:

- Completeness and topicality of the file pursuant to art. 38 of the Wtt 2018
- Procedure for updating the file pursuant to art. 38 of the Wtt 2018

10. Employees

Assessment of at least:

- Pre-employment screening
- Expertise
- Training

11 HQ Quality Standards

a. Filing of annual accounts within 12 months after the end of the financial year

b. Educational Requirements

c. Code of Conduct

d. Guideline Wtt audit

- e. CSR policy and client acceptance guidelines
- f. SIRA guidelines
- g. Transaction monitoring guidelines
- h. Compliance function guidelines
- i. Trust services demarcation guidelines
- j. Tax integrity guidelines

In accordance with the valuation of the Audit Programme



* Note: This means that it can be stated with a reasonable degree of certainty that, although (possible) shortcomings and/or points of attention have been identified, the most important control measures are considered effective in design, existence and operation. This is in line with a valuation system used within the IIA, which weights findings and concludes that these findings have no material impact, or at least too limited, on the effectiveness of the assessed control measures and therefore the residual risk does not exceed the risk appetite

