



# INTEGER WEALTH GLOBAL

---

## PROCEDURE DOCUMENT

### EU Equivalence Decisions in Financial Services Policy & Procedure

Issue: January 2024

---

## POLICY

### 1. Purpose

This policy establishes a framework for monitoring, assessing, and responding to European Union (EU) “equivalence decisions” that affect the provision of financial services by Integer Wealth Global (IWG). Its objectives are to:

- Ensure IWG remains compliant with EU and local financial regulations when conducting cross-border services.
- Identify and mitigate risks arising from changes to EU equivalence determinations for non-EU jurisdictions.
- Provide guidance for strategic planning, client communication, and operational adjustments.

### 2. Scope

This policy applies to:

- All IWG entities registered in Luxembourg, Liechtenstein, Gibraltar, and Cyprus.
- All business units engaged in cross-border investment management, advisory, and financial services that rely on EU equivalence decisions for market access or regulatory recognition.
- Relationships with third-party vendors, partners, and counterparties affected by EU equivalence status.

### 3. Key Definitions

- **EU Equivalence Decision:** A determination by the European Commission that a non-EU country’s regulatory and supervisory framework is equivalent to EU standards, allowing cross-border financial services without duplicative licensing.
- **Third-Country Regime:** Regulatory framework governing access by non-EU firms to the EU market when equivalence is granted.
- **Revocation or Adjustment:** The withdrawal or modification of an existing equivalence decision, which can impose new barriers or compliance obligations.



## 4. Governance and Responsibilities

- Board of Directors: Provides strategic oversight and approves major responses to changes in EU equivalence decisions.
- Compliance Department:
  - Monitors European Commission announcements, European Securities and Markets Authority (ESMA) statements, and other relevant EU regulatory publications.
  - Conducts impact assessments on IWG operations and client relationships.
  - Coordinates with national regulators in Luxembourg, Liechtenstein, Gibraltar, and Cyprus.
- Legal Department:
  - Advises on contractual implications and updates service agreements accordingly.
  - Manages communications with external counsel and regulatory authorities.
- Business Unit Heads: Implement operational changes, client communications, and service adjustments in accordance with Compliance guidance.
- Risk Management Team: Evaluates financial, reputational, and operational risks arising from changes to equivalence status.

## 5. Policy Requirements

### 5.1 Monitoring

- Daily monitoring of official EU publications, ESMA updates, and relevant local regulatory bulletins.
- Quarterly reporting to the Board on the status of key equivalence determinations affecting IWG's markets.

### 5.2 Impact Assessment

- Upon any new, revised, or revoked EU equivalence decision, Compliance must conduct a documented risk and impact assessment within 10 business days, addressing:
  - Licensing implications.
  - Client service continuity.
  - Data protection and operational considerations.

### 5.3 Response Plan

- Develop a structured remediation plan if a change requires new authorizations or market exits, including:
  - Client notification templates.
  - Contingency strategies for affected transactions.
  - Updated contractual and disclosure documents.

### 5.4 Vendor & Counterparty Coordination

- Review all vendor and counterparty agreements for dependencies on EU equivalence status.
- Ensure that third-party arrangements remain compliant with updated regulatory requirements.



## 6. Training & Awareness

- Annual training for Compliance, Legal, and senior management teams on EU equivalence frameworks and current regulatory trends.
- Ad-hoc briefings when significant EU policy developments occur.

## 7. Recordkeeping

- Maintain a centralized repository of all monitoring reports, impact assessments, regulatory correspondence, and Board decisions related to EU equivalence for a minimum of seven (7) years.

## 8. Review & Updates

- This policy will be reviewed annually or sooner if significant regulatory changes occur, ensuring alignment with EU legislation and the laws of Luxembourg, Liechtenstein, Gibraltar, and Cyprus.

## 9. Enforcement

Non-compliance with this policy may result in disciplinary action, including termination of employment or contractual relationships, and may expose IWG to regulatory penalties.



## PROCEDURE

### 1. Objective

Provide a clear sequence of actions for monitoring, assessing, and responding to EU “equivalence decisions” that affect IWG’s cross-border financial services.

### 2. Scope

Applies to all IWG entities in **Luxembourg, Liechtenstein, Gibraltar, and Cyprus**, and to any business activity or third-party relationship that depends on EU equivalence status.

### 3. Roles & Responsibilities

Role	Key Tasks
<b>Compliance Department</b>	Primary owner of the procedure; monitors EU and ESMA publications; triggers the workflow when a new, amended, or revoked equivalence decision is announced.
<b>Legal Department</b>	Analyses contractual/regulatory implications; drafts and updates client/vendor documentation.
<b>Risk Management Team</b>	Evaluates operational, financial, and reputational risks; recommends mitigation.
<b>Business Unit Heads</b>	Implement operational changes and client communications as directed.
<b>Board of Directors</b>	Reviews significant findings and approves strategic responses.

### 4. Step-by-Step Process

#### Step 1 – Continuous Monitoring

1.1 Compliance reviews European Commission releases, ESMA statements, and relevant local regulator notices **daily**.

1.2 Findings are logged in the *EU Equivalence Monitoring Register*.

#### Step 2 – Trigger & Notification

2.1 When a new or revised decision is identified, Compliance issues a **Change Alert** email to:

- Legal
- Risk Management
- Relevant Business Unit Heads



### Step 3 – Initial Assessment (within 5 business days)

- 3.1 Compliance drafts a *Preliminary Impact Memo* outlining affected jurisdictions, services, and potential licensing implications.
- 3.2 Legal reviews for contractual exposure and required disclosures.
- 3.3 Risk Management performs a high-level risk rating.

### Step 4 – Detailed Impact Analysis (within 10 business days)

- 4.1 Cross-functional working group evaluates:
  - Client servicing and market-access implications
  - Data protection and operational impacts
  - Timeline for regulatory filings or license adjustments
- 4.2 Working group submits a *Detailed Impact Report* to the Board.

### Step 5 – Response Plan & Implementation

- 5.1 If changes are required, Legal drafts a **Regulatory Response Plan** including:
  - Licensing or registration steps
  - Client and vendor communication templates
  - Contract amendments
- 5.2 Business Unit Heads execute operational changes and issue client notices.
- 5.3 Compliance tracks completion and maintains evidence.

### Step 6 – Vendor & Counterparty Review

- 6.1 Procurement and Business Units review vendor/counterparty agreements to ensure continued compliance.
- 6.2 Document all required amendments and obtain confirmations of adherence.

### Step 7 – Recordkeeping

- 7.1 Compliance stores all alerts, memos, reports, and communications in the *EU Equivalence Archive* for **seven (7) years**.

## 5. Training & Awareness

- Compliance provides **annual refresher sessions** to all relevant staff.
- Ad-hoc briefings are delivered for significant EU regulatory developments.

## 6. Review of Procedure

- Compliance reviews this procedure **annually** or earlier if EU regulatory frameworks change.
- Updates require Board approval.