



GRAVITY | PRIVATE WEALTH

Sanctions Policy

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1. Introduction

Gravity Private Wealth Ltd (hereinafter the "**Company**") is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 442079. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ("**CySEC**") under license number 447/24.

The purpose of this policy (the "**Policy**") is to provide a high-level guidance in relation to the obligations arising from the EU/UN/UK/OFAC sanctions upon legal entities and individuals and how compliance with international sanctions and restrictive measures can be achieved. Furthermore, it highlights the duties and obligations imposed to the Company.

It is noted that the Company does not establish any type of business relationship with clients coming from countries which have been identified as high risk and are being monitored by the FATF ("Financial Action Task Force").

This Policy should be read in conjunction with the AML Policy maintained by the Company.

2. Scope and Interpretation

2.1. Definitions

Term	Definition
Money-market instruments	those classes of instruments which are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment.
OFAC	the Department of the US Treasury's Office of Foreign Assets Control.
Regulation	<p>the applicable EU Regulation 833/2014 of 31 July 2014 concerning restrictive measures, imposed by the Council of the European Union in view of Russia's actions destabilizing the situation in Ukraine and EU Regulation as amended (the "Regulation 833"). Regulation 833 has, inter alia, applied restrictions on access to the capital markets for certain financial institutions. Such financial institutions (the "Listed Entities") are listed in Annexes III, IV, V and VI of Regulation 833.</p> <p>Furthermore, Council regulation (EU) No 269/2014 of 17 March 2014 concerning the restrictive measures in respect of actions undermining or threatening the territorial</p>



Term	Definition
	<p>integrity, sovereignty and independence of Ukraine as amended (the “Regulation 269”). Regulation 269 has applied the freezing of funds and economic resources of certain physical and legal persons. Such persons (the “Listed Persons”) are listed in Annex I of Regulation 269.</p> <p>Regulation 269 and Regulation 833 shall hereinafter be collectively referred to as the “Regulations”.</p>
Sanctioned Persons	natural persons and legal entities as per Regulation and included in the list EU Sanctions Map (the “ Sanctions List ”).
SDN List	the Specially Designated Nationals List.
Investment Services	<p>include:</p> <ul style="list-style-type: none"> i. reception and transmission of orders in relation to one or more financial instruments, ii. execution of orders on behalf of clients, iii. dealing on own account, iv. portfolio management, v. investment advice, vi. underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis, vii. any service in relation to the admission to trading on a regulated market or trading on a multilateral trading facility
Sanctions Law	<p>primarily Law 149(I)/2025, which updates and replaces previous legislation, including Law 58(I)/2016 enacted in April 2016. This updated legal framework governs the application of the provisions of the Resolutions or Decisions of the UN Security Council (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures). Under Law 149(I)/2025, Cyprus has introduced specific measures and criminal penalties for breaches or non-compliance with these sanctions and restrictive measures, as well as any sanctions approved by the executive or legislative bodies of the EU. Additionally, Laws 148(I)/2025 and 150(I)/2025 complement this framework by providing protections for whistleblowers</p>



Term	Definition
	and establishing the National Sanctions Implementation Unit (NSIU) within the Ministry of Finance to oversee and coordinate sanctions enforcement across the Republic.

2.2. Applicability of the National Sanctions Law

According to Article 4 of the Criminalization of the Violation of the Restrictive Measures of the European Union Law of 2025 (L. 149(I)/2025), the provisions of the applicable national sanctions law apply to offenses specified in Article 5 committed in any of the following circumstances:

- a. Fully or partially within the territory of the Republic;
- b. On a ship or aircraft registered in the Republic's registry or flying its flag;
- c. When the offender is a citizen of the Republic or a legal entity registered in the Republic;
- d. Outside the Republic, when the offender has their habitual residence in the Republic;
- e. Outside the Republic, when the offender is an employee of the Republic acting in the course of their duties;
- f. Outside the Republic, when the offense is committed for the benefit of a legal entity established in the Republic;
- g. Outside the Republic, when the offense is committed for the benefit of a legal entity in relation to any business activity carried out wholly or partly in the Republic.

As per Article 5 of the same Law 149(I)/2025, the below actions in relation to Restrictive Measures violation are considered criminal offences and, upon conviction, are subject to penalties in accordance with Articles 7 or 8, of the relevant law.

Any person who intentionally commits any act or omission resulting in the below:

- a. The direct or indirect provision of funds or economic resources to, or for the benefit of, a designated person, entity, or body in violation of a prohibition constituting a restrictive measure of the Union;
- b. The failure to freeze funds or economic resources owned, held, or controlled by a designated person, entity, or body, contrary to an obligation under a restrictive measure of the Union;
- c. Facilitating the entry or transit of designated individuals into or through the territory of a Member State in violation of a restrictive measure of the Union;



- d. Conducting or continuing transactions with a third country, third country bodies, or entities directly or indirectly owned or controlled by such third country or its bodies, including awarding or continuing public contracts or concessions, where such conduct is prohibited or restricted by a Union restrictive measure;
- e. Executing commercial transactions such as import, export, sale, purchase, transfer, transit or transportation of goods, or providing intermediary, technical assistance, or related services, where prohibited or restricted by a Union restrictive measure;
- f. Providing financial services or engaging in financial activities when such actions are prohibited or restricted by a Union restrictive measure;
- g. Providing services beyond those referred to above, where prohibited or restricted by a Union restrictive measure;
- h. Circumventing a Union restrictive measure by:
 - i. Using, transferring to a third party, or otherwise disposing of funds or economic resources owned, held, or controlled directly or indirectly by a designated person, entity, or body, which should be frozen under Union restrictive measures, with the intent to conceal those funds or resources;
 - ii. Providing false or misleading information to hide that a designated person, entity, or body is the ultimate owner or beneficiary of funds or economic resources required to be frozen under Union restrictive measures;
 - iii. Failure of a designated individual or representative of a designated entity or body to comply with an obligation to report funds or economic resources within the jurisdiction of a Member State owned, held, or controlled by them;
 - iv. Failure to provide competent authorities with information on frozen funds or economic resources, or information on funds or economic resources in the territory of Member States owned, held, or controlled by designated persons, entities, or bodies and not yet frozen, when such information is acquired in the course of professional duties.
- i. Violation or non-fulfilment of the terms of licenses granted by competent authorities for activities that would otherwise constitute prohibitions or restrictions under a Union restrictive measure.

In addition, subject to Article 6 of the Law, any person who incites another to participate in the commission of the offenses described in Article 5, conspires with one or more persons, or attempts to commit such offenses, shall be subject to the same criminal liability and penalties as if they had committed the offenses themselves.



2.3. Applicability of the EU/UN Sanctions

According to Article 17 of Regulation 269, the Regulation shall apply:

- a. within the territory of the Union, including its airspace;
- b. on board of any aircraft or any vessel under the jurisdiction of a Member State;
- c. to any person inside or outside the territory of the Union who is a national of a Member State;
- d. to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;
- e. to any legal person, entity or body in respect of any business done in whole or in part within the Union.

The prohibition laid down included in Article 2 provides that:

- a. All funds and economic resources belonging to, owned, held or controlled by any natural persons or natural or legal persons, entities or bodies associated with them as listed in Annex I shall be frozen.
- b. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural persons or natural or legal persons, entities or bodies associated with them listed in Annex I.

According to Article 13 of the Regulation 833, the Regulation shall apply:

- a. within the territory of the Union;
- b. on board of any aircraft or any vessel under the jurisdiction of a Member State;
- c. to any person inside or outside the territory of the Union who is a national of a Member State;
- d. to any legal person, entity or body, inside or outside the territory of the Union, which is incorporated or constituted under the law of a Member State;
- e. to any legal person, entity or body in respect of any business done in whole or in part within the Union.

The prohibition laid out in **Article 5 (1) of Regulation 833** provides that it is “prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments with a maturity exceeding 90 days, issued after 1 August 2014 to 12 September 2014, or with a maturity exceeding 30 days, issued after 12 September 2014 to 12 April 2022 or any transferable securities and money market instruments issued after 12 April 2022 by:



- a. a major credit institution, or other major institution having an explicit mandate to promote competitiveness of the Russian economy, its diversification and encouragement of investment established in Russia with over 50% public ownership or control as of 1 August 2014, as listed in Annex III of the Regulation; or
- b. a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned by more than 50% by an entity listed in Annex III of the Regulation; or
- c. a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (b) of this paragraph or listed in Annex III of the Regulation.

The prohibition laid out in **Article 5(2) of Regulation 833** provides that it is prohibited to directly or indirectly, purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments issued after 12 April 2022 by:

- a. any major credit institution, or other institution with over 50 % public ownership or control as of 26 February 2022 or any other credit institution having a significant role in supporting the activities of Russia, its government or the Central Bank and established in Russia, as listed in Annex XII; or
- b. a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in Annex XII; or
- c. a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.

The prohibition laid out in **Article 5(3) of Regulation 833** provides that It is prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments with a maturity exceeding 30 days, issued after 12 September 2014 to 12 April 2022 or any transferable securities and money market instruments issued after 12 April 2022 by:

- a. a legal person, entity or body established in Russia predominantly engaged, and with major activities, in the conception, production, sales or export of military equipment or services, as listed in Annex V, except legal persons, entities or bodies active in the space or the nuclear energy sectors;
- b. a legal person, entity or body established in Russia, which is publicly controlled or with over 50 % public ownership and having estimated total assets of over RUB 1 trillion and whose estimated



revenues originate for at least 50 % from the sale or transportation of crude oil or petroleum products, as listed in Annex VI;

- c. a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed in point (a) or (b) of this paragraph; or
- d. a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a), (b) or (c) of this paragraph.

The prohibition laid out in **Article 5(4) of Regulation 833** provides that it is prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments, issued after 12 April 2022 by:

- a. a legal person, entity or body established in Russia, which is publicly controlled or with over 50 % public ownership and in which Russia, its Government or Central Bank has the right to participate in profits or with which Russia, its Government or Central Bank has other substantial economic relationships, as listed in Annex XIII; or
- b. a legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50 % by an entity listed Annex XIII; or
- c. a legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.

Article 5(6) of the Regulation 833 provides that it shall be prohibited to directly or indirectly make or be part of any arrangement to make new loans or credit with a maturity exceeding 30 days to any Listed Entity after 12 September 2014 to 26 of February 2022. Therefore, the Regulation 833 prohibits the provision of financing to the Listed Entities (and not the provision of any loans by the Listed Entities).

Limitations on Russian nationals and legal entities for accepting deposits and providing crypto-asset wallet, account or custody services are placed through Article 5b of Regulation 833 which provides that:

- It shall be prohibited to accept any deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds EUR 100 000.
- It shall be prohibited to provide crypto-asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia.



Article 5e of Regulation 833 provides that it shall be prohibited for Member State central securities depositories to provide any services as defined in the Annex of Regulation (EU) No 909/2014 for transferable securities issued after 12 April 2022 to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.

The prohibition for Russian nationals and legal entities for selling transferable securities denominated in any official currency of a Member State is established by Article 5f of Regulation 833 which provides that:

- It shall be prohibited to sell transferable securities denominated in any official currency of a Member State issued after 12 April 2022, or denominated in any other currency issued after 6 August 2023, or units in collective investment undertakings providing exposure to such securities, to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia. The Company does not proceed with establishing new business relationship with individuals/legal entities subject to EU/UN sanctions.

For existing business relationships which subsequently are subject to specific sanctions (or whose accounts are beneficially owned/controlled by persons subject to specific sanctions), the Company will proceed with blocking and/or terminating the said account.

2.4. Applicability of the Russian Restrictive Measures on European Countries

Following the imposition of the European sanctions towards Russia, the Russian Federation proceeded with announcing and imposing respective restrictive measures against the European countries and countries which are not considered to be friendly (i.e. United States and Canada, the EU states, the UK (including Jersey, Anguilla, the British Virgin Islands, Gibraltar), Ukraine, Montenegro, Switzerland, Albania, Andorra, Iceland, Liechtenstein, Monaco, Norway, San Marino, North Macedonia, and also Japan, South Korea, Australia, Micronesia, New Zealand, Singapore, and Taiwan (considered a territory of China, but ruled by its own administration since 1949), Guernsey, Isle of Man, Bahamas).

2.5. Inclusion of Russian National Settlements Depository (“NSD”) in annex to Regulation 269

NSD has been included in the list of entities which need to have their funds and economic resources frozen in Annex I of Regulation 269 as from 03 June 2022. As per the definitions included in Regulation 269, the regulation does not separate between Euro and non-Euro denominated currencies; therefore, all funds and economic resources owned, held or controlled by NSD have been frozen.



The Regulation 269 is applicable not only within the EU but also outside the EU to any legal person incorporated under the laws of a member state. Therefore, even if the funds or economic resources are located outside the EU, an EU legal person would be liable for breaching the provisions of Regulation 269 in case that such entity performs actions infringing the restrictive measures.

2.6. Applicability of the OFAC Sanctions

Following CySEC's issuance of Circular C337 in relation to OFAC's SDN List regular updates, the Company has duly noted the content of the Circular.

CySEC's C337 on OFAC'S Specially Designated Nationals List (SDN List) refers only to actions that CIFs should take if they come across with SDN listed person/entity ("In the case of a new/prospective customer who is subject to the relevant sanctions, Regulated Entities are urged to avoid the commencement of any business relationship with such a customer.")

2.7. Applicability of UK Sanctions

The Company is not obliged to follow the respective UK sanctions imposed by the HM Treasury's Office for Financial Sanctions Implementation. However, during a Company's clientele base sanctions' screening assessment, there were clients identified as sanctioned under the UK sanction regimes. Given this fact, the Company proceeded with blocking the accounts of these clients from its records.

It is noted that, the Company as part of its overall monitoring process as regards imposed sanctions, it has put in place an analytical excel file through which it monitors on a daily basis the cash and assets' balances, both for its clients and for own purposes. The file includes the below information, amongst others:

- positions (ISINs, volumes),
- place of safekeeping of each instrument (depository),
- information on the origin and tax jurisdiction of the client and its UBO,
- information whether the assets and cash are blocked under any sanctions' regime or are free,
- assessment of the eligibility of the client/UBO to perform any activity in the Russian markets based on the country of origin,
- assessment of the eligibility of the client/UBO to receive any payments from Russian issuers.



3. Due Diligence and Screening Procedures

The Company implements robust due diligence measures to ensure compliance with sanctions obligations. This includes conducting regular client and third-party screenings against relevant sanctions lists, applying enhanced due diligence for clients operating in high-risk jurisdictions, and taking immediate action—such as account blocking or reporting—upon detecting the involvement of sanctioned persons or entities.

4. Ongoing Monitoring and Reporting Obligations

The Company maintains a Sanctions Compliance Program, as outlined in Annex A, ensuring ongoing adherence to sanctions obligations, with management actively promoting a culture of compliance through internal procedures for screening, monitoring, escalation, and staff awareness.

When new sanctions are issued or updates to existing sanctions measures occur, the Company will update its internal sanctions lists promptly and notify relevant stakeholders of any changes. Additionally, the Company will ensure that all affected departments take immediate steps to comply with newly imposed restrictions.

The Company maintains an ongoing monitoring process to oversee client transactions and account activities. Suspicious transactions are reported to the relevant authorities in line with applicable regulatory requirements. The Company also keeps an incident log to document potential sanctions breaches for internal review and audit purposes.

The Company where considered necessary and upon such information coming to the company's attention, and without prejudice to any reporting obligations the company may have towards its relevant Supervisory or Competent Authorities, and subject to applicable rules on data submission, confidentiality, and professional secrecy, the company shall provide the National Sanctions Implementation Unit (NSIU) within two (2) weeks of acquiring such information with details regarding any frozen funds and economic resources, or any information it holds concerning funds and economic resources located within the territory of the European Union that are owned, held, or controlled by designated persons, entities, or bodies, which have not yet been treated as frozen by the persons or entities required to freeze them.

The Company shall also report any details it holds concerning funds and economic resources located within the EU that have been subject to any movement, transfer, alteration, use, access, or dealing within the two



(2) weeks preceding the listing of such designated persons, entities, or bodies under sanctions, and shall fully cooperate with the NSIU in any investigation or inspection concerning the above information.

As per Article 9 of the Establishment of the National Sanctions Implementation Unit Law (L. 150(I)/2025), where the Company intends to take an action which falls within those cases that may be approved under the provisions of the Sanctions or Restrictive Measures, the Company shall submit, prior to taking the said action, through its compliance officer, a relevant application to the NSIU, or, as the case may be, to its Credit Institution for submission by it to the NSIU, for approval or rejection.

5. Training

The Company ensures that employees receive regular training on sanctions compliance. Training sessions include recent updates to sanctions regulations, practical guidance on identifying and reporting potential breaches, and reminders of the responsibilities and consequences of non-compliance. These training efforts aim to foster a culture of compliance and ensure that employees remain informed about their obligations.

6. Record-Keeping Requirements

The Company retains all records related to sanctions compliance for a minimum period of 5 years. This includes documentation of client screening results, remedial actions taken, and records of employee training sessions. Maintaining thorough records supports regulatory compliance and enables the Company to demonstrate adherence to legal obligations.

7. Update of the Policy

This Policy is created, owned and maintained by the Compliance Department, which is responsible for maintaining version series, original requests, and supporting documentation with all relevant approvals of this Policy.

The Policy is reviewed at frequent intervals and will be updated whenever such a need arises and clients are notified in writing.

Some of the circumstances that can trigger the review process are the identification of situations that are not adequately captured in the Policy and updates in the applicable legislative and regulatory framework.

**ANNEX A****Sanctions Compliance Program****Company Name:** Gravity Private Wealth**Licence Number:** 447/24**Company Registration Number:** HE 442079**Country:** Cyprus**1. Management Commitment**

- **Objective:**
Outline the Company's commitment to sanctions compliance and management's role in embedding this culture across the organization.
- **Responsible Individuals:**
Identify the key management personnel responsible for ensuring compliance (e.g., CEO, Compliance Officer).

2. Sanctions Risk Assessment

- **Objective:**
Detail the process for identifying, assessing, and mitigating sanctions-related risks.
- **Key Risk Factors:**
List the risk factors (e.g., jurisdictions, client types, business sectors) that are considered high-risk for sanctions compliance.

Risk Factor	Description	Mitigation Actions
Jurisdiction	List any countries subject to sanctions	Perform enhanced due diligence
Client Characteristics	High-risk clients (e.g., PEPs, entities with complex structures)	Require additional documentation
Product/Service Risk	Products that could be misused for sanctions evasion	Implement transaction monitoring



3. Internal Policies, Procedures, Systems, and Controls

- **Objective:**

Summarize the policies and controls implemented to prevent sanctions breaches.

- **Client Screening:**

Describe how clients are screened against relevant sanctions lists (EU, UN, OFAC, etc.).

Screening Process	Details
Client Onboarding	Screen clients and beneficial owners against sanctions lists. The Company must also screen any other related party, including directors, authorized signatories, counterparties, etc.
Ongoing Monitoring	Real-time monitoring of existing client transactions
Ongoing Screening	Real-time monitoring to identify any changes to the sanctions lists

- **Transaction Screening:**

Procedures for reviewing transactions to ensure compliance with sanctions regulations.

Transaction Type	Screening Action
International Transfers	Check against prohibited regions or entities
Payments over threshold	Enhanced screening for high-value transactions

4. Exemptions and Reporting Procedures

- **Objective:**

Provide guidance on how to handle exemptions (e.g., humanitarian, legal services) and the reporting obligations for breaches.

Exemption Type	Description	Approval Authority
Humanitarian Aid	Exemptions for humanitarian services	Compliance Officer
Legal Services	Exemptions related to legal representation	Management

- **Reporting Procedures:**

Outline how sanctions violations or breaches are reported internally and externally.



Breach Reporting	Procedure
Internal Reporting	Notify Compliance Officer immediately
External Reporting	Report to CySEC, NSIU and any other relevant authority

5. Training and Awareness

- **Objective:**

Describe the sanctions training program and the frequency of updates provided to staff.

Training Topic	Target Audience	Frequency
Sanctions Compliance	All employees	Annually
Screening Procedures	Compliance team	Quarterly

6. Testing and Auditing

- **Objective:**

Detail how the sanctions compliance program is periodically tested and audited for effectiveness.

Testing Area	Frequency	Responsible Person
Client Screening	Quarterly	Compliance Officer
Transaction Monitoring	Quarterly	Risk Management

7. Record Keeping and Documentation

- **Objective:**

Outline how sanctions-related records are maintained and the retention period.

Record Type	Retention Period	Storage Method
Client Screening Records	5 years	Electronic/Physical
Transaction Monitoring	5 years	Electronic