

Decision H-PM-I-B-14/2025

On the basis of the findings of the ex officio targeted investigation conducted at the Hungarian Branch of Citibank Europe plc. (registered office: 1133 Budapest, Váci út 80., company registration number: 01 17 000560) (**the Company**), the National Bank of Hungary (registered office: 1054 Budapest, Szabadság tér 8-9., registered office: 1122 Budapest, Krisztina körút 6.) (**MNB**) brings the following

Resolution

I. The MNB warns the Company to fully comply with the legal requirements in force at all times in the course of its activities related to the prevention and combating of money laundering and terrorist financing, and accordingly to check the beneficial ownership register of its legal entity clients in their jurisdiction on a risk-sensitive basis, provided that the data contained in the register are available to the service provider. [Pénzm.4.]

II. The MNB obliges the Company to carry out its activities continuously, but no later than **31 January 2026, in order to fully comply with the legal requirements:**

1. Implement a set of rules and control environments that ensure effective control over AML/CFT activities performed by other entities within the group. During the development of the control environment, special attention should be paid to ensuring that the decision-making power of the designated responsible manager is also enforced with regard to these activities, and during the establishment of control, special attention should be paid to ensuring the quantitative and qualitative adequacy of the samples; [Pénzm1.]
2. carry out enhanced customer due diligence (also retrospectively in the case of its existing customers) in accordance with the Act on the Detailed Rules for the Implementation of Certain Obligations of Service Providers Supervised by the National Bank of Hungary and the Act on the Implementation of Financial and Asset Restrictive Measures Ordered by the European Union and the UN Security Council in cases referred to in Section 12(1)(d) of Decree 14/2025 of the MNB on the minimum requirements for the development and operation of the Corporate Governance Authority (**MNB Decree 14/2025**), i.e. when the Company's client is a legal person or an organisation without legal personality, the ownership and management structure of which appears unusual or excessively complex in relation to the nature of the business activities of the legal person or unincorporated organisation; [Pénzm2.]
3. amend its internal risk assessment and substantiate in detail the reasons for the exemption by jointly assessing the risk-reducing and increasing factors, if it intends to apply the exemption provided for in Section 12 (2) of Decree 14/2025 of the MNB; [Pénzm2.]
4. retrospectively carry out additional inquiry of beneficial ownership data from the available domestic beneficial ownership register and, if necessary, take the necessary customer due diligence measures; [Pénzm4.]
5. monitor the business relationship with the client, ensure the identification of clients and unusual transactions that pose a risk from the point of view of money laundering and terrorist financing, review its reporting practices, and ensure that internal rules and control points are maintained that guarantee the full effectiveness

of reports and re-reports in accordance with the legal provisions on anti-money laundering and terrorist financing in force at any given time. and to introduce measures to further improve the efficiency of its control environment in order to fulfil its reporting obligation. [Pénzm5.]

III. The MNB obliges the Company to conduct an audit by its internal audit by 31 March 2026 in respect of the

1. whether the internal rules and control environment ensure effective control over AML/CFT activities carried out by other entities within the group at all times; [Pénzm1.]
2. on the basis of a representative sampling procedure, whether the internal system of rules and the control environment ensure the performance of enhanced customer due diligence measures in all cases in the cases referred to in Section 12(1)(d) of Decree 14/2025 of the MNB, and whether the Company has retroactively carried out the missed customer due diligence measures in the case of its existing customers; [Pénzm2.]
3. whether its internal risk assessment has been modified along the lines of the joint assessment of the risk-reducing and increasing factors in the case of the application of Section 12 (2) of Decree 14/2025 of the MNB; [Pénzm2.]
4. on the basis of a risk-based sampling procedure, as to whether the additional retrieval of beneficial ownership data from the domestic beneficial ownership database has been carried out in all cases and whether the necessary customer due diligence measures have been taken; [Pénzm4.]
5. whether the new rules and control points established adequately and effectively ensure compliance with the law, in particular with regard to the full and prompt submission of notifications and re-reports. [Pénzm5.]

IV. Within the framework of extraordinary data reporting, the MNB obliges the Company to send to the MNB by 30 April 2026 the internal audit reports certifying the proper implementation of the full audit of the fulfilment of the provisions of Point II of the operative part of this Resolution carried out in accordance with Point III of the operative part of this Resolution, and the documents on which they are based. [Moneym1.] [Moneym2.] [Moneym4.] [Moneym5.]

V. The MNB obliges the Company to pay

1. HUF 2,890,625, i.e. two million eight hundred and ninety thousand six hundred and twenty-five forints, due to the violation of law referred to in point I of the reasoning of this decision, [Pénzm1.]
2. HUF 2,890,625, i.e. two million eight hundred and ninety thousand six hundred and twenty-five forints, due to the violation referred to in point II of the reasoning of this decision, [Pénzm2.]
3. HUF 2,890,625, i.e. two million eight hundred and ninety thousand six hundred and twenty-five forints, due to the violation referred to in point III of the reasoning of this decision, [Pénzm4.]

4. HUF 1,640,625, i.e. one million six hundred and forty thousand six hundred and twenty-five forints, due to the violation referred to in point IV of the reasoning of this decision, [Pénzm5.]

in the total amount of HUF 10,312,500, i.e. ten million three hundred thousand and five hundred forints supervisory fine.