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Principles of processing and transfer of clients' personal data

AS KIT Finance Europe

Updated version

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1. Definitions

KFE – AS KIT Finance Europe including branches and representative offices.

Group – affiliates and / or related KFE entities including KIT Finance JSC, KIT Finance Trade LLC, KIT Finance Invest LLC, KIT Finance Brokers.

Client – means any individual or legal entity, who uses or otherwise enters into a legal relationship with KFE, or who expressed wish to use the services provided by KFE and those, who had used services provided by KFE and beneficiaries and representatives, who's personal data is being processed and transferred in accordance applicable law and internal regulations of KFE.

Personal data – means any information relating to an identified or identifiable Client as a natural person; an identifiable natural person is one who can be identified, directly or indirectly. KFE collects, inter alia, the following types of information (Personal data):

- **Personal Identification Information and Professional data** - full name, identification number, date of birth, utility bills, family data, citizenship, nationality, gender, signature, educational or professional career, employment information, such as occupation and information on whether Client hold/held a prominent public function etc. **Formal Identification Information** – such as residence for tax purposes, taxpayer number, data regarding the identification document (passport number, national identity card details, photograph identification cards, and/or visa information etc).
- **Financial data** (data about Client's financial health) – such as income, assets, liabilities, earlier payment discipline, the Client's experience on financial markets, value of the investment portfolio, source of the investment means, data about actual beneficiaries etc.
- **Contact data** – such as address, phone number, e-mail address etc.
- **Communication data** – such as recordings of electronic communications (e.g. via e-mail, fax messages, Personal Account and other ways of electronic communications), telephone conversations and recordings of communications via other data channel.

- **Usage Data** – information provided to our support team, security questions, user ID, data collected via cookies and similar technologies. Cookie policy is available on KFE website: <https://kfe.ee/en/cookies/>.

Processing - means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

Profiling - means any form of automated processing of personal data consisting of the use of personal data to evaluate certain personal aspects relating to a natural person, in particular to analyse or predict aspects concerning that natural person's performance at work, economic situation, personal preferences, interests, reliability, behavior, location or movements.

EU/EEA - European Union/European Economic Area

Data protection officer – an appointed by KFE person who performs tasks and duties in accordance with the GDPR.

General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

2. General information

- 2.1. The legitimacy of Client Personal Data processing in KFE is observed by the data protection officer of KFE. The Clients have the right to directly contact the data protection officer with problems and questions concerning Client data processing by e-mail address office@kfe.ee or other contacts, described on www.kfe.ee.
- 2.2. KFE has a right to change Principles of processing and transfer clients' personal data unilaterally at any time according to valid legal acts. The Client is informed about the change of principles at least 5 (five) days before the changes become effective by publication of changes on the web site and/or sending notices to the Clients to their authorized email addresses. KFE does not have to observe the announcement period if the changes occur due to the change in legal acts. Client is encouraged to review Principles of processing and transfer clients' personal data periodically, to be always informed about how KFE processes and protects Client Personal Data. Principles of processing and transfer clients' personal data can be found on KFE's website: www.kfe.ee.

3. Purposes of processing of client personal data

- 3.1. KFE processes the Client Personal Data for the following purposes:
 - 3.1.1. to comply with legal obligations and verification of identity, to comply with the law and regulations stipulated in Credit Institutions Act, the Money Laundering and Terrorist Financing Prevention Act, the Securities Market Act, the Personal Data Protection Act, the Accounting Act, FATCA and other legislation regulating the activity of KFE;
 - 3.1.2. to provide investment and ancillary investment-related services, including customer support, to perform the agreements to which the Client is party or in order to take steps at the request of the Client prior to entering into a contract, or updating the information;
 - 3.1.3. to carry out a compliance check, risk assessments, KYC, Due diligence, to comply with applicable law relating to credit- and other risk assessments when providing investment services, performance of the agreement or in order to take steps at the request of the Client prior to entering into an agreement or compliance of a legal obligation, to fulfil transparency requirements, to prevent, discover, investigate and report potential money laundering, terrorist financing;
 - 3.1.4. to manage customer relations in general, to conclude and execute agreements with Client, to keep the Client data updated and correct;
 - 3.1.5. to protect the interests of the Client, to examine the quality of services, to prove transactions and other business communication based on performance of the agreements;
 - 3.1.6. to comply with the law and regulations concerning obligation of KFE to assess suitability and appropriateness of investment services for the Client;

- 3.1.7. to establish, exercise and defend legal claims, complaints and requests for the purposes of the legitimate interests;
 - 3.1.8. to administrate and perform the concluded agreements;
 - 3.1.9. to protect its (KFE) right (e.g. forwarding data to legal advisors, consultants, auditors and dispute settlement authorities);
 - 3.1.10. to provide the access to Personal Account, Quik, TWS, CQG Trader, Bloomberg Professional and other platforms, to improve technical systems, to prevent unauthorized access and misuse of those and to ensure the safety of information;
 - 3.1.11. to send marketing and service information to the Client (upon Client's consent), which contain investment research information, information of various financial, economic and political nature, information about securities, derivatives, new products and terms and other financial instruments, and to offer services and products;
 - 3.1.12. to send information and transfer data to third parties in accordance to part 4 and 5 of the present Principles.
- 3.2. For the purposes listed in clauses 3.1, KFE processes the Client Personal Data which is publicly available on the Client (e.g. data received from different search engines as well as from the databases of the state and the local government) and received from third parties, if these have been presented to KFE considering the requirements of law.

4. Recipients of client personal data

- 4.1. KFE is the controller of Client Personal Data submitted by the Client. KFE may transfer Client Personal Data to:
- 4.1.1. regulatory bodies (such as law enforcement authorities, tax authorities, supervision authorities, financial intelligence units etc.), or other involved entities at their request with the aim of compliance with applicable law and internal regulations of the KFE, including but not limited anti-money laundering and combating the financing of terrorism, as well as for the purpose of reporting to tax authorities;
 - 4.1.2. credit and financial institutions and intermediaries of financial services, third parties participating in the trade execution, settlement and reporting cycle (for example local and foreign brokers, banks, agents, securities issuer, custodian (depository), stock and other exchanges, clearing houses or other involved entities at their request with the aim of compliance with applicable law and their internal regulations);
 - 4.1.3. the entities which belong to the same Group as KFE;
 - 4.1.4. auditors, legal and financial consultants, or any other entity authorized by KFE;
 - 4.1.5. other persons related to provision of services of KFE, such as providers of postal, archiving services, third parties maintaining register (such as securities registers or other registers holding or intermediating Client data), etc.

5. Processing of client personal data outside the EU/EEA

- 5.1. Having the legal grounds, KFE has a right to transfer and process Client's Personal Data outside the EU/EEA.
- 5.2. If KFE sends Client Personal Data outside the EU/EEA, the background of the receiver of the Client Personal Data outside the EU/EEA is verified thoroughly, and measures are applied to ensure secure data transmission including, if possible, measures to accord equivalent protection to Client Personal Data as those which exist in the EU/EEA.
- 5.3. EU/EEA, e.g. forwarding data to a country that has adequate level of data protection as decided by the EU Commission, or the recipient is certified under the Privacy shield (e.g. USA).
- 5.4. In the absence of appropriate protection measures, KFE is entitled to forward Client Personal Data outside the EU/EEA in situations where forwarding the data is, for example, necessary for performing a contract between the Client and KFE, or for implementing measures adopted on the basis of Client's application (e.g. transfers data to Russia).

- 5.5. If the conducting of an international bank transaction involves a financial institution located in a country with insufficient level of data protection, KFE cannot ensure that the processor processing Client Personal data by financial institutions in such countries would have identical obligations to those of KFE and that the identical rights are guaranteed for the Client at the same level as in the EU/EEA or other country with sufficient level of data protection.
- 5.6. Processing of Client Personal Data by branches and representative offices located outside the EU/EEA is also carried out taking into account local legislation.

6. Storage and security of client personal data

- 6.1. After termination of the agreement, KFE shall continue processing of the Client Personal Data for meeting an obligation stipulated in the legislation or for preserving the data for the purpose of settling a dispute arising from an agreement concluded with the Client. KFE shall preserve Client Personal Data under applicable law in general for up to five years after the termination of the client relationship (in special cases up to ten years after the termination of the client relationship), i.e. when all agreements concluded with the Client have ended, unless legislation provides a direct obligation to preserve Client Personal Data for another term.
- 6.2. KFE has appropriate technical and organizational measures in place to safeguard Client's Personal Data from loss, misuse, and unauthorized access, disclosure, alteration or destruction.

7. Clients rights as the data subject

- 7.1. Client has right to:
 - 7.1.1. request access to Client Personal Data collected by KFE;
 - 7.1.2. request for the correction or deletion of Client Personal Data if they do not correspond to reality or are not processed in accordance with the applicable requirements. Such right does not apply if Personal Data requested to be erased is being processed also based on other legal grounds such as agreement or obligations based on applicable law;
 - 7.1.3. restrict the processing of Client Personal Data under applicable law e.g. during the time when KFE assesses whether the Client is entitled to have his/her data erased;
 - 7.1.4. receive information if Client's Personal Data is being processed by KFE and if so then to access it;
 - 7.1.5. to receive a copy of his/her Personal Data Client have submitted to KFE and which are being processed on the basis of consent or for performance of contract, in a universal electronically readable format, and if technically possible, forward the data to another service provider;
 - 7.1.6. withdraw his/her consent to process his/her Personal data;
 - 7.1.7. object to the processing of Persona Data, if the data subject finds that processing is conducted in violation of his/her legitimate rights;
 - 7.1.8. opt out from receiving our newsletter or other marketing information by sending the KFE relevant notification;
 - 7.1.9. lodge a complaint, if Client considers that Processing of Client's Personal data infringes his/her rights and interests under applicable law, to the Data Protection Inspectorate and apply for remedy of his/her rights.
- 7.2. The Client has the right to lodge a complaint to the Estonian Data Protection Inspectorate (web-site: www.aki.ee) if he/she considers that Processing of his/her Personal data infringes his/her rights and interests under applicable law.
- 7.3. Optionally, Cyprus branch Clients have the right to lodge a complaint with the Office of the Commissioner for Personal Data Protection of the Republic of Cyprus. You can find information about submitting a complaint on their website (www.dataprotection.gov.cy).

8. Decision-making and profiling

- 8.1. The decision to establish a business relationship with Client is not based on automated processing of Client Personal Data.
- 8.2. KFE may process some of Client Personal Data with the use of automatic processing facilities, in order to assess certain personal aspects relating to Client (profiling), which will enable KFE to perform a contract with Client, in the following cases:
 - 8.2.1. Monitoring of clients' accounts and transactions - the information received during the onboarding process is compared with Client actual trading activity, deposits and withdrawals. Data assessments, including transaction monitoring, are carried out in the context of combating money laundering, terrorist financing and fraud.
 - 8.2.2. Suitability assessment - KFE must, when providing the investment service of portfolio management or investment advice, obtain the necessary information regarding the Client's or potential Client's knowledge, experience, financial situation, investment objectives and ability to bear losses so as to be able to recommend the services and products that are suitable to the Client's situation. Using the answers Client provide through KFE online client questionnaire, our system assesses in an automate way the suitability of particular services and products for Client.
- 8.3. In addition, KFE may process Client Personal Data to contact Client, primarily by email and/or by phone, in order to provide Client with information concerning products and services that may be of interest to Client.