



FBME Limited

Nicosia
Cyprus
21 May 2018

Ana Gomes
Member of the European Parliament

Re: Measures taken by Cyprus authorities to prosecute fraudulent schemes uncovered by Sergei Magnitsky and operations for money laundering and financing of terrorism

Dear Ms Gomes,

We read with interest your letter of 23 April 2018 to Costas Clerides, the Attorney-General of the Republic of Cyprus, which was published recently in the Cyprus Mail.

We entirely support your campaign to get to the bottom of money laundering in Cyprus and we share your concerns. We agree that the authorities should be pursuing the real culprits, and dealing with the evident corruption and malpractice in the financial system in Cyprus.

Instead, the Cyprus authorities have chosen to find a scapegoat to draw the focus away from the need for them to apply and enforce international regulation in a fair and impartial manner.

With that in mind, we are writing to confirm that we have never banked either Dmitry Klyuev nor the Andrei Pavlov who has been sanctioned. To be clear, while FBME does hold two accounts (one open and one closed) for an Andrei Pavlov (a common name in Russia) his date of birth is eight years apart from the Andrei Pavlov that has been sanctioned. Furthermore, neither Altem or Zibar were owned or controlled by Dmitry Klyuev, and the Bank closed both of these accounts and reported Zibar to MOKAS in January 2013. We also confirm that neither OOO CAMELOT nor OOO LIGA INVEST were clients of FBME.

We also confirm that we held none of the accounts listed in paragraph six of your letter (Assertive Trading, Baymont Securities Investments Ltd, Bernisco Enterprises Ltd, Elite Developments Ltd, Favei Ltd, Green Pot Industrial Corp, High Tech Company Ltd, Invest Com Ltd, Investment Woldwide Group Corp, Lordplace Holdings Ltd, Mobex Ltd, Paler Trading Ltd, Rubicon Trade Ltd, Uni-Invest Group Ltd, Winpremiuous Ltd) except for Sinthoma Holding, which was fully investigated by MOKAS in 2013.

Furthermore, we are not aware of any other accounts at FBME having received funds from the shell companies you list, including: Bunicon Impex, Elenast-Com, Eviac Holding, Dorid Management, Vanerey Union and Mellam Holding.

In July 2014 when FinCEN first made public its concern about FBME, the bank immediately retained Ernst & Young's New York forensic auditing team to carry out an investigation into the FinCEN allegations. Unfortunately, the Ernst & Young team was initially barred access to the bank by the Special Administrator appointed by the CBC. In October 2014, after the FinCEN notice, the US treasury updated its sanctions list to include Issa al-Zeydi. At this time FBME was under the full control of the CBC. Nevertheless FBME's management immediately carried out all the required actions in respect of the updated sanctions list and reported those actions to the Cypriot authorities. Furthermore, FBME invited Ernst & Young back to carry out specific reviews based on the updated sanctions list. EY did not find any contracts, transactions, or invoices related to Syria after August 2011, when comprehensive U.S. economic sanctions were enacted. In addition, after a thorough review of 196 external counterparties with whom Balec transacted, EY's search did not yield a known connection to Syria, the SSRC or other entities subject to international sanctions.

If we can assist you any further in your enquiries, then we will be pleased to do so.

We look forward to hearing from you.

Yours sincerely,



Ayoub-Farid Michel Saab
Chairman
FBME Ltd