

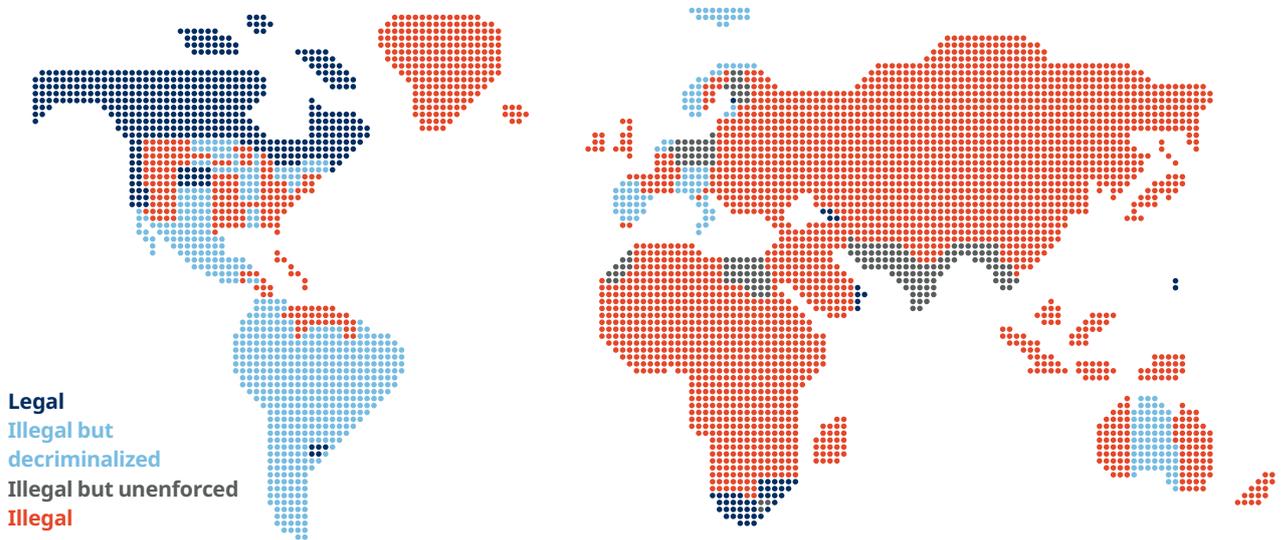


# MRB Securities

Within the Sanctioned Securities Monitoring Service (SSMS), SIX is producing a watchlist service MRB Securities which identifies and provides information on listed companies that are involved in Marijuana Related Businesses (MRB).

Even though medical and/or recreational use is legalized in some 30 countries or federal states (e.g. US), cross-border operating banks and financial institutions may have the issue that investing or facilitating transactions in securities issued by such companies might be considered an attempt to launder money or otherwise illegal.

## Legal status of marijuana possession for non-medical use



**30 countries have totally or partially legalized marijuana and have to be monitored**

### MRB Securities by region:



## 3 potential challenges to your confidence to transact:

1. In the **United States** some states have legalized MRB, but, from the point of view of the Federal Law, engaging into financial transactions with such entities could constitute a violation.
2. With regards to the **European Union**, there is currently no common policy with regards to MRB, bringing to the fact that engaging in (cross-border) financial transactions with such entities could bring to issues with Anti-Money Laundering regulations.
3. On the **global scale**, ESG is becoming more and more prominent in investment strategies. Like alcohol, weapons and tobacco, marijuana can be seen as not suitable, hence the necessity to identify securities that are "tainted" by MRB.

(ESG = Environmental, Social and Corporate Governance investment concern)

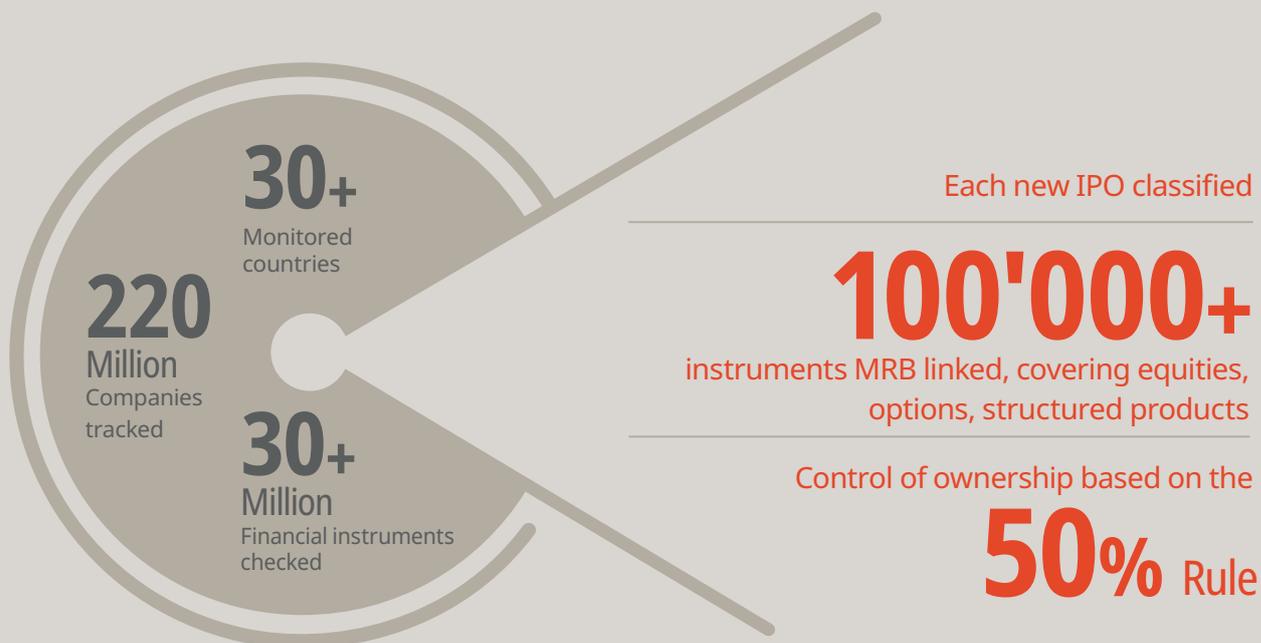
**Quick fact:** in 2014, the Financial Crimes Enforcement Network (FinCEN) published guidance to clarify the Bank Secrecy Act (BSA) and in particular asked for the filing of Suspicious Activity Reports (SAR) indicating a level of priority.



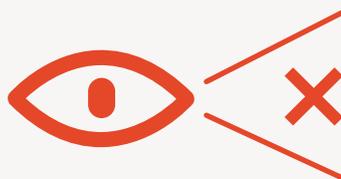
## MRB Securities Our offering

The MRB Securities list is thus produced using some specialized external sources, SIX VDF and Bureau van Dijk data. An internal working protocol is applied and a database of companies is created that fall into the MRB Sector or are related to the sector via capitalistic links (50% rule).

MRB Securities produces lists of issuers, securities, structured products and traded options and futures, that are delivered twice a day with additional information establishing the MRB relation.



Entities are identified with their industry segment, therefore allowing to define in which « **priority** » category they belong accordingly to the BSA's requirements.



Ownerships are monitored on a daily basis as well as new IPO. You get access to always up-to-date information.



The service is composed of flat files, easy to integrate, humanly readable delivered twice a day in full or delta mode.

### STOP

- Pharmaceutical Marijuana
- Marijuana Products
- Cultivation and Retail
- Biotechnology
- Consumption Devices
- Transportation

### AVOID

- Hemp Products
- AgriTech
- Secondary Services
- Other Ancillary

### GREY ZONE

- Investing and Finance
- Tech and Media
- Held by MRB entity

Easily check your MRB exposure with the MRB Securities from SIX and whatever your needs (reporting, AML compliance, ESG strategy) keep your confidence to transact.

Further questions? Contact your SIX sales representative - [www.six-group.com/contacts](http://www.six-group.com/contacts)