Risk Appetite Statement (v2.0)

Mittenda Limited · internal document · published as a specimen excerpt

Synthetic specimen. Mittenda Limited is a fictional firm. This document is invented, derived from scenarios seen in practice, and contains deliberate deficiencies for demonstration. It is not a template and must not be adopted.

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Version	Date	Change
2.0	February 2026	Annual approval; financial crime statements restructured against the Financial Crime Framework
1.1	April 2025	Crypto-asset services brought into scope on authorisation
1.0	June 2024	Initial issue

Contents

Sections in bold are excerpted below.

SYNTHETIC SPECIMEN

1. Purpose and approach

1.1 This Statement sets the Board's appetite for the principal risks Mittenda assumes in operating its payment services and crypto-asset services. It is approved annually and applies to all business.

1.2 Appetite is expressed in three grades. **No appetite**: Mittenda accepts no exposure, and any occurrence is escalated to the Board. **Low appetite**: exposure is accepted only within the stated tolerances. **Moderate appetite**: exposure is accepted and managed within the limits of the relevant risk framework.

1.3 Each statement carries the measures by which it is monitored and the route by which a breach of tolerance escalates, reported under §7.

[Sections 2 to 4 omitted]

5. Financial crime risk

5.1 Mittenda has **no appetite** for breach of those of its financial crime obligations that admit no risk-based application: the obligations that must be met for every customer and every transaction, without exception.

5.2 Mittenda accepts that the inherent risk of money laundering, terrorist financing and the other portfolio disciplines cannot be eliminated in a firm that serves customers and executes transfers. It holds a **low appetite** for residual financial crime risk after the operation of its control framework, within the tolerances of §5.3.

5.3 Tolerances and measures:

Measure	Tolerance	Escalation
Sanctions screening alerts unresolved beyond two working days	None outstanding	Head of Financial Crime (MLRO), daily; Risk and Compliance Committee, monthly

Measure	Tolerance	Escalation
Confirmed sanctions matches released	Zero	The Board, without delay
Transaction monitoring alerts unresolved beyond ten working days	Under 5% of open alerts	Risk and Compliance Committee, monthly
Customer due diligence periodic reviews past due	Under 2% of the customer book, cleared within 60 days	Risk and Compliance Committee, monthly
Financial crime training completion	98% within one month of due date	Risk and Compliance Committee, quarterly

5.4 The measures in §5.3 are reported to the Risk and Compliance Committee monthly and to the Board quarterly, through the reporting of the Financial Crime Framework §3.2.

[Sections 6 onward omitted]

SYNTHETIC SPECIMEN