

ANTI MONEY LAUNDERING PROCEDURES – *SeguroFX*

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PART 1

DEFINITIONS, POLICY STATEMENT AND INTRODUCTION

Definitions used in the text and their interpretations

The following words and expressions have the following meanings:

“Act”	The Anti Money Laundering and counter financing of Terrorism (AML/CFT)
“AML/CFT Act”	Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA)
“The Company”	<i>Seguro Fx</i>
“Regulations”	International Brokerage and Clearing House License
“MIRC”	Authorized and regulated by The RMI under the Banking Act 1987 (17 MIRC, Chapter 1)
“MLRO”	Money Laundering Reporting Officer
“KYC”	Know your client
“Relevant Employee”	An employee is a relevant employee if, at any time in the course of his / her duties, he / she may have access to any information that may be relevant in determining whether a person is engaged in money laundering.

1.1. Policy Statement

- a) The policy of the Company is:
- to look at the origins of the clients and will not deal with clients from countries that are listed by the MIRC of the Republic of Marshall Islands with either on-going or substantial ML/TF risks or strategic AML/CFT deficiencies that pose a risk to the international financial system.
 - not to conduct business with shell banks, risk-based assessment of customer base and all transactions, prohibition of anonymous customer accounts, implementation of KYC policy etc.,
 - not to enter into business relationships with any criminals and/or terrorists,
 - not to process transactions which result from criminal and/or terrorist activity and not to facilitate any transactions involving criminal and/or terrorist activity including the financing of terrorism.

The Company undertakes to implement all policies and procedures necessary to prevent the money laundering and to comply with all applicable legislation in this regard.

- b) The directors, officers and employees of the Company shall at all times make every effort to maintain the highest standards of ethics, integrity, and prudence in the Company's operation and administration so as to ensure that the Company creates and maintains a good reputation and standing.
- c) The directors, officers and employees shall at all times act in such a manner as to preserve the reputation of RMI as a major international financial center and to prevent the use of the jurisdiction for illegal, criminal and terrorist purposes.
- d) The anti-money laundering policies and procedures to be adhered to by the Company are contained in this manual and any amendments thereto.
- e) Where any issue or matter is not addressed by this manual, guidance is to be sought from the anti-money laundering legislation referred to in Part 1 above.

1.2. Anti Money Laundering Requirements

There are five key anti-money laundering requirements that are specific to "regulated activity". These provides a useful approach for the Company to consider when looking at how to manage the money laundering risk.

1. Customer identification procedures (KYC).
2. Record keeping procedures in relation to customer's identity and their transactions.
3. Procedures of internal reporting to the Compliance and AMLO appointed to receive and consider information that give rise to knowledge or suspicion that a customer is engaged in money laundering activities.
4. Other internal control and communication procedures for the purpose of forestalling and preventing money laundering.
5. Measures for making employees aware of the above procedures to prevent money laundering and of the legislation relating to money laundering and provision of training to their employees in the recognition and handling of transactions suspected to be associated with money laundering and suspicious transactions.

PART 2

GENERAL AND SPECIFIC PROVISIONS

2.1. General provisions concerning money laundering

Both individual employees and the Company itself are liable for criminal conduct if any of the offences below are charged by authorities. Money laundering offences can be distributed as follows:

- a. Arrangements relating to criminal property – it is an offence to enter into arrangements which will facilitate acquisition, retention or use of criminal property. It is a defense that the employee reported his knowledge or suspicion to the law enforcement agencies via internal reporting procedures at the first available opportunity.
- b. Tipping off – it is an offence to disclose information which is likely to prejudice an investigation either to the person who is the subject of a money laundering suspicion or any person other than the law enforcement agencies.
- c. Acquisition, use or possession of criminal property – it is an offence to acquire, use or possess criminal property.
- d. Handling the proceeds of corruption – corruption by government leaders and public sector officials inevitably involves serious crimes. Not only is there a major reputational risk in handling proceeds from such activities, but criminal charges and constructive trust suits can arise.
- e. Failure to report – it is an offence for a person who knows or suspects or has reasonable grounds for knowing or suspecting that another is engaged in money laundering not to report such knowledge or suspicion as soon as reasonably practical to the authorities via internal reporting procedures.

2.2. Client confidentiality

It is important to stress out that the reporting of your suspicion of money laundering does not constitute a breach of client confidentiality.

2.3. Responsibilities of the Board of Directors

The responsibilities of the Board in relation to the prevention of money laundering and terrorist financing include the following:

- a) To determine, record and approve the general policy principles of the Company in relation to the prevention of money laundering and terrorist financing and communicate them to the MLRO.
- b) To appoint the MLRO and, where is necessary, assistant MLROs and determine their duties and responsibilities, which are recorded in this Anti-Money Laundering Procedures.
- c) To approve the Anti-Money Laundering Procedures.
- d) To ensure that all requirements of the Law and of Regulations are applied, and assure that appropriate, effective and sufficient systems and controls are introduced for achieving the abovementioned requirement.

- e) To assure that the MLRO and his assistants, if any, and any other person who has been assigned with the duty of implementing the procedures for the prevention of money laundering and terrorist financing, have complete and timely access to all data and information concerning Clients' identity, transactions' documents and other relevant files and information maintained by the Company so as to be fully facilitated in the effective execution of their duties, as included herein.
- f) To ensure that all employees are aware of the person who has been assigned the duties of the MLRO, as well as his assistants (if any), to whom they report, any information concerning transactions and activities for which they have knowledge or suspicion that might be related to money laundering and terrorist financing.
- f) To establish a clear and quick reporting chain based on which information regarding suspicious transactions is passed without delay to the MLRO, either directly or through his assistants, if any, and notifies accordingly the MLRO for its explicit prescription in the Anti-Money Laundering Procedures.
- g) To ensure that the MLRO has sufficient resources, including competent staff and technological equipment, for the effective discharge of his duties.
- h) To assess and approve the MLRO's Annual Report and take all action as deemed appropriate under the circumstances to remedy any weaknesses and/or deficiencies identified in the abovementioned report.

2.4. Money Laundering Reporting Officer (or MLRO)

The Compliance officer is responsible for all issues relating to money laundering compliance and reporting. Initially, the Compliance Officer will be the Money Laundering Reporting Officer (herewith – MLRO). The MLRO will have responsibility for oversight of its compliance with the MISA's rules on systems and controls against money laundering. The MLRO will have a level of authority and independence with access to resources and information sufficient to enable him/her to carry out that responsibility. In case should the Company decide to segregate the responsibilities of the Compliance Officer from those of the Money Laundering Reporting Officer, this manual will be amended accordingly.

The MLRO's responsibilities are:

- (a) Prepares the internal procedures manual for the prevention of money laundering and terrorist financing and describes and designates the responsibility borderlines of each department involved.
- (b) Develops and prepares the customer acceptance policy and submits it to the Board of Directors for consideration and approval.
- (c) Prepares a risk management procedures manual in relation to preventing money laundering and terrorist financing.
- (d) Monitors and evaluates the proper and effective implementation of the policy, practices, measures, procedures and controls put in place and in general the application of the risk management procedures manual.
- (e) Receives information from the employees that creates a belief or suspicion of money laundering or terrorist financing or might be associated with such activities. The information is obtained in a written report form referred to as "Internal Money Laundering Suspicion Report" (attached as Appendix 4).
- (f) Examines and evaluates the information received for any suspicious transactions, by referring to any other relevant information and discuss the circumstances of the case with the reporting employee and where appropriate with the management. The

evaluation of the reported information will be made on a separate form which will be registered and retained on file.

- (g) Evaluates the systems and procedures applied by a third person.
- (h) Makes recommendations and revise policies to screen transactions for customers or transactions the Company deems to be of significantly high risk (which may include persons, entities or countries that are contained on lists issued by government/international bodies) that special attention to such customers or transactions is necessary prior to completing any such transactions.
- (i) Communicates with the MIRC.

2.5. Compliance

Compliance with the Company's Anti Money Laundering procedures is of the utmost importance. Not only is it important to maintain the Company's integrity, but failure to comply may constitute a criminal offense and call into question whether or not the Company and the employee concerned is fit and proper to conduct the business for which the Company has been licensed. Failures by individuals to comply with the money laundering procedures set forth in this manual can therefore result in summary dismissal.

Compliance with the Company's anti-money laundering policies and procedures will be the responsibility of the Compliance Officer. Specifically, the Compliance Officer will be responsible for:

- a) oversight of the Company's anti-money laundering policies and procedures including updating or amending such policies and procedures to conform with changes in the Regulations;
- b) ensuring that all relevant employees are made aware of the anti-money laundering policies and procedures of the Company;
- c) ensuring that all relevant employees are made aware of regulations in respect of anti-money laundering;
- d) ensuring that all relevant employees receive training in the recognition and handling of transactions carried out by or on behalf of any person who is or appears to be engaged in money laundering;
- e) ensuring that all new relevant employees receiving training as soon as practicable after their appointment;
- f) ensuring that the employees, management and directors of the Company adhere to the policies and procedures set out in this manual

PART 3

PROCEDURES AND OBLIGATIONS OF THE COMPANY

3.1. Duty on establishing business relationships

The Company may not carry out a one-off transaction or form a business relationship in the course of relevant financial business unless:

3.1.1. It has money laundering procedures in place, meaning:

1. identification procedures
2. record keeping procedures; and monitoring;
3. recognition of suspicious transactions;
4. internal reporting procedures and such other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering;

3.1.2. It makes its employees aware of the statutory duties and of the Company's procedures; and

3.1.3. It maintains training procedures.

3.1.4. Media request – any request for a statement or information from the media or other source must be directed to the MLRO for handling.

3.2. Identification procedures

The Company must ensure as soon as reasonably practical after the first contact has been made, and in any event before transferring or paying any money out to a third party, that satisfactory evidence is produced or such other measures are taken as will produce satisfactory evidence of the identity of any customer or counterparty (an "applicant"). If a client appears to be acting on behalf of another person, identification obligations extend to obtaining sufficient evidence of that third party's identity.

Where satisfactory evidence is not supplied, the firm will not proceed with any further business and bring to an end any understanding it has reached with the client unless in either case the firm has informed MISA. If there is knowledge or a suspicion of money laundering, it will be reported without delay as provided under these procedures to the MLRO.

Further described identification requirements in Section 3.2.1 to Section 3.2.5 should be carried out using documents checklist as CUSTOMER IDENTIFICATION AND DOCUMENTATION POLICY AND PROCEDURE", a sample of which is enclosed as Appendix 1.

3.2.1 Methods of Identification

The Company will make sure that it is dealing with a real person or legal entity and obtain sufficient evidence to establish that the applicant is that person or organization. When reliance is being placed on any third party to identify or confirm the identity of any applicant, the overall legal responsibility to ensure that the procedures and evidence obtained are satisfactory rests with the Company.

As no single form of identification can be fully guaranteed as genuine, or representing correct identity, the identification process will need to be cumulative, and no single document or source of data (except for a database constructed from a number of other reliable data sources) must therefore be used to verify both name and permanent address.

The Company will take all required measures, according to applicable law and regulations issued by regulatory authorities, to establish the identity of its clients and, where applicable, their respective beneficial owners.

3.2.2 Due Diligence

In addition to identification information (as described below), it is essential to collect and record information covering the following for all categories of clients:

1. Source of wealth (description of the economic activity which has generated the net worth)
2. Estimated net worth
3. Source of funds to be invested
4. References or other documentation to corroborate reputation information where available
5. Independent background checks through a reputable screening system

3.2.3 Individual customers

The identity will be established to the Company's satisfaction by reference to official identity papers or such other evidence as may be appropriate under the circumstances. Information on identity will include, without limitation: full name; date of birth; nationality; complete residential address. Identification documents must be current at the time of the opening.

Documents used for client identification purposes will typically include:

- a) A passport, a national identity card or an equivalent in the relevant jurisdiction;
- b) A separate document confirming the residential address (utility bill, bank statement, acknowledgement of address issued by a relevant official).

3.2.4 Corporate customers

Where the applicant company is listed on a recognized or approved stock exchange or where there is independent evidence to show that the applicant is a wholly owned subsidiary or subsidiary under the control of such a company, no further steps to verify identity over and above the usual commercial checks and due diligence will normally be required.

Where the applicant is an unquoted company, it will be subject to a procedure aimed to identify it, confirm its existence, good standing and authority of persons acting on its behalf. Documentation required for such purposes may change depending on each particular jurisdiction and will typically include:

- a) Certificate of incorporation/certificate of trade or the equivalent, evidencing the company is indeed incorporated in a particular jurisdiction under the respective legislation;
- b) Certificate of Incumbency or an equivalent document, listing current directors of the company
- c) Statutes, Memorandum and Articles of Association or equivalent documents confirming the authority of the respective officers of the company to legally bind it and the manner in which this may be done.
- d) Extract from the Commercial Register of the country of incorporation may also be used to confirm the aforementioned information, if such information is provided in the extract.

3.2.5 Beneficial Owners

Due diligence must be done on all principal owners identified in accordance with the following principles:

- a) Natural persons: where an applicant is an individual, the Company must clearly establish, based on information and documentation provided by the client, whether the client is acting on his/her own behalf.
- b) Legal entities: where the client is a company, such as a private investment company, the Company must understand the structure of the company, based on information and documentation provided by the client, sufficiently to determine the provider of funds, principal owner(s) of the shares and those who have control over the funds, e.g. the directors and those with the power to give direction to the directors of the company. With regard to other shareholders the Company will make a reasonable judgment as to the need for further due diligence. This principle applies regardless of whether the share capital is in registered or bearer form.

While use of clear scanned versions of documents will be accepted and in case any further clarification is needed, attested scanned copies or original attested copies may be sought for.

The certifiers may be:

- a notary public or another authority with equivalent power to certify copies of documents in the relevant jurisdiction; or
- a relevant state official (judge, police officer, consular official, etc); or
- an authorized financial institution.

Copies of documentation may also be certified by the Company's staff, if these have been made in their presence.

If any document regarding the corporate entity (such as extract from the Commerce Register) is available online through an official website of the relevant state authority, the Company may refer to such online version of the document, provided that a printout is made by a staff member of the Company and stored in the respective client file.

The clients will also be asked to provide relevant contact details, such as phone number and e-mail address.

3.3. High- risk countries

The Company will apply heightened scrutiny to clients and beneficial owner's resident in and funds sourced from countries identified by credible sources as having inadequate Anti Money Laundering standards or representing high-risk for crime and corruption. The Company will apply more stringent standards to the transactions carried out by clients or beneficial owners domiciled in such countries.

3.3.1 Offshore jurisdictions

Risks associated with entities organized in offshore jurisdictions are covered by due diligence procedures laid out in these guidelines. However, the Company will apply more stringent standards to the transactions carried out by clients or beneficial owners headquartered in such jurisdictions.

3.3.2 High-risk activities

Clients and beneficial owners whose source of wealth is derived from activities known to be susceptible to money laundering will be subject to heightened scrutiny.

3.3.3 Public officials

Individuals who have or have had positions of public trust such as government officials, senior executives of government corporations, politicians, political party officials, etc. and their families and close associates will be subject to heightened scrutiny.

3.4. Verification responsibility

It is the responsibility of the MLRO to verify the identity of each new applicant when taking on a new client. The verification procedures must be completed and satisfactory evidence of the new applicant's identity must be obtained before the applicant is sent a customer agreement except in exceptional circumstances (as determined in writing by the Compliance Officer).

3.5. Verification procedures

The verification process should be documented by making a record of the relevant information on the Company's documents checklist as prescribed in Section 3.2. and additionally, client should be verified and assessed using "Client Profiling" form, enclosed as Appendix 2. The aforementioned form should be filled for each new client taking into account rules laid down in CUSTOMER PROFILING AND CONTINUOUS UPDATING OF INFORMATION POLICY AND PROCEDURE", enclosed as Appendix 3.

If in doubt as to which information must be obtained to verify an applicant's identity staff must consult the MLRO for guidance without delay and prior to commencing any dealings.

3.6. Compliance Officer approval

Once completed, the Client Identification Questionnaire should be completed and signed by the employee or the person designated by the Company and must be handed over to the Compliance Officer for record keeping. For each applicant the Compliance Officer must also countersign the forms and will be responsible for deciding what further information, including documentation, is required prior to conducting business for the applicant.

3.7. Record keeping procedures

The Company must also keep all records for not less than 6 years from the date of completion of the transaction. These should include records verifying the identity of counterparty and a record of transactions with or for that client.

3.8. Education and training

Staff who handles or are managerially responsible for handling transactions which may involve money laundering will be made aware of:

- a) their responsibilities under the Company's anti-money laundering arrangements, including those for obtaining sufficient evidence of identity, recognizing and reporting knowledge or suspicion of money laundering and use of findings of material deficiencies;
- b) the identity and responsibilities of the MLRO;
- c) the law and regulations relating to money laundering; and
- d) the potential effect on the Company, its employees and its clients of any breach of money laundering provision. All members of staff will receive periodic training in addition to the information provided in this document. This is expected to include seminars organized by the Compliance Officer. Employees should ensure that they regularly update their knowledge of these procedures given the seriousness of the consequences of breaching the ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001, and Guidelines on Anti-Money Laundering and Counter Financing of Terrorism – Capital Market and Other Business and the Regulations.

A record of anti-money laundering training supplied must be maintained and will include the dates, nature and names of recipients of such training.

3.9. Duty to report

There is a statutory and regulatory obligation on all staff to report information which comes to their attention, which gives rise to knowledge or suspicion or reasonable grounds for knowledge or suspicion of money laundering. Thus, even if a member of staff does not actually know or suspect but reasonably should have known or suspected, and does not report, he/she would be committing an offence. To this end, continuous surveillance for suspicious transactions must be carried out. Knowing its customers is the Company's most important line of defense in preventing or detecting money laundering activities. It is important that the Company verifies the identity of new counterparties and ensures that they are involved in bona fide business activities and that they share the Company's high standards of integrity and business practice.

Knowledge in relation to money laundering has been in the past defined widely and includes: willfully ignoring the obvious, willfully and recklessly failing to make inquiries as a reasonable and honest person would make, knowledge of circumstances which would indicate facts to such honest and reasonable person or put them on enquiry.

Suspicion is assessed on a subjective basis; however, it goes beyond mere speculation.

Reasonable grounds to suspect introduces an objective test rather than a subjective test of suspicion. It might therefore include willful blindness (i.e. turning a blind eye to the obvious), negligence (recklessly failing to make adequate enquiries) and failing to assess adequately the facts and information presented or available.

The Company will therefore ensure that staff takes all reasonable steps in the particular circumstances to know the customer and the rationale for the transaction or instruction.

3.10. Suspicious transactions

A suspicious transaction will often be one which is inconsistent with a customer's known legitimate business. Emphasis will therefore be placed on knowing the customer's business and his/her requirements. It is the responsibility of all staff to report knowledge or suspicion of money laundering.

The following questions may help to determine whether a transaction is suspicious:

- Is it inconsistent with the client's known activities?
- Is the size of the transaction inconsistent with the normal activities of the client, or the client's net worth, as determined at the initial identification stage?
- Are there any other transactions linked to the transaction in question of which the Company is aware and which could be designed to disguise money and divert it into other forms or other destinations or beneficiaries?
- Is the transaction rational for the client?
- Has the client's pattern of transactions changed?
- Is the client's proposed method of payment unusual?

Suspicious of money laundering, however minor, should be discussed immediately with the MLRO. An internal form for making a report of a suspicion or knowledge of money laundering has been included in this manual.

The MLRO is required to report to MISA where a report of knowledge or suspicion has been made.

Steps should also be taken to monitor accounts held on behalf of customers that hold positions of public trust such as government officials, politicians and any known connected accounts.

3.11. Confidentiality

Reporting a suspicion is a defense to a claim for breach of confidence. However, any statements to the press or other publicity must be routed through the MLRO or his deputy. Similarly, any requests for information or statements should be referred to him or his deputy for reply. Confidentiality whilst an investigation is ongoing is of the utmost importance and employees are reminded of the offence of "tipping-off".

3.12. Internal reporting

Employees must report any relevant money laundering suspicions to the MLRO. The suspicion should be fully documented, including the name and location of the reporting employee, full details of the client and the respective account, description of the information giving rise to the suspicion.

All internal enquiries made in relation to the report, and the reasoning for submission or non-submission of the report should also be documented.

The MLRO should remind the reporting employee to avoid "tipping off" the subject of the reported suspicion, and that information concerning a report should not be disclosed to any third parties.

The requirement to report also includes those situations where the business or transaction has not proceeded because the circumstances surrounding the application or proposal give rise to a suspicion of money laundering.

3.13. External reporting

The MLRO or his duly authorized delegate will consider the reported information, and where, following consideration, the suspicion remains, a report must be made to MISA.

Any report made by the MLRO or his/her delegate will not be subject to the consent or approval of any other person.

In order to make this assessment, the MLRO will have access to any information, including “know your business information” in the Company’s possession that could be relevant. Know your business information will include: information about the financial circumstances of a client or any person on whose behalf the client has been acting or is acting; and the features of the transactions which the Company has entered into with or for the client.

Internal Reporting form can be found in **Appendix 4**.

Information about notification to the MISA can be found in **Appendix 5**.

APPENDIX 1

CUSTOMER IDENTIFICATION AND DOCUMENTATION POLICY AND PROCEDURE

DOCUMENTS CHECKLIST

Seguro Fx applies strict “know your customer” checks and procedures in accordance with the Anti-Money Laundering Act, 2001.

Therefore , SeguroFx would require the following documents in respect of each beneficial owner , shareholder , director, secretary and authorised person for Customer Due Diligence purpose and record keeping.

INDIVIDUAL		CORPORATE ENTITY
1 Proof of identification (NRIC or Passport copy MUST be duly certified by a Notary Public / Lawyer / Commissioner for Oaths) • Passport • Driving License • Income Tax Number for Country of Resident • Nationality • Occupation • Name of Company • Company Address • Residential Address • Office Address • House Telephone Number • Office Telephone Number • Mobile Number • Fax Number • Email address • Declaration by PEPs and Consent to Disclosure • Declaration of Net Worth by PEPs and High Risk profile Customers • Provide 3 months’ bank Statement	()	1Registration documents - Memorandum and Articles of Association - Certificate of Incorporation - Certificate of Change of name (if any) - Latest Register of Director(s) - Latest Register of Secretary(ies) - Latest Register of Shareholder(s) - Registered address - Director resolution for the incorporation of subsidiary (These documents MUST be duly certified by the Secretary, Notary Public or Lawyer)
2 Proof of current resident address issued within the past 3 months e.g. utility bills, bank statements, credit card statement etc (Documents MUST be duly certified by a Notary Public / Lawyer / Commissioner for Oaths, Company Secretary / Public Accountant)	()	
3 World Check Website Search / Check	()	

(If information is not sufficient then request search by Professional Third Party Company esp. for Non-Resident/ Overseas Client)		
4 Reference Letter and/or Banker Reference (At least <u>two</u> references, being bankers, lawyers or independent auditors / professional bodies/ layers / accountants)	()	
5 Curriculum Vitae (Resume detailing Working History and Education Background duly signed by the individual)	()	
6 Write up on nature of Business, Corporate Structure and purpose of incorporating a RMI Company	()	
7 Declaration on Source of Income (Information in Questionnaires)	()	

APPENDIX 2

CLIENT PROFILING

COMPANY NAME				SCORE	
DIR/SH/BO NAME					
COUNTRY OF ISSUE & BIRTH/INCORP					
HIGH RISK COUNTRY PROFILE		(Y)	(N)		
ADVERSE WORLD CHECK NAME SEARCH HIT		(Y)	(N)		
ADVERSE WORLD CHECK PASSPORT SEARCH HIT		(Y)	(N)		
ADVERSE REPORT IN INTERNET SEARCH		(Y)	(N)		
OTHER ADVERSE SEARCH INFO/ NEWSPAPER/ MEDIA/ ETC		(Y)	(N)		
EXISTING CO SEC RESIGN WITHOUT VALID REASON		(Y)	(N)		
State Reason					
OBTAIN VERBAL PROFESSIONAL CLEARENCE		(Y)	(N)		
Spoken to and Date					
HIGH RISK NATURE OF BUSINESS				(Y)	(N)
High Risk = are Gambling Industry , Gold Traders, Money Changer, Import/ Export Alcohol & Cigarettes, Entertainment Business esp. Nightclub, Bar, Disco, Clubs Karaoke which may subject to human trafficking and prostitution, Adult Industry, Publishers & Web Designer of pornographic materials, etc					
HIGH RISK INDUSTRY TYPE				(Y)	(N)
H Risk = Mutual Fund, Money Brokers, Investment Bank which Non Regulated in Home Country or other Licensed Entity that can direct dealing with Public					
PEP DIRECTOR (S)/ SHAREHOLDER (S)				(Y)	(N)
LINK TO GOVT/ MINISTRY/ STATUE BODY				(Y)	(N)
BUSINESS OF RESIDENT IN HIGH COUNTRY RISK PROFILE				(Y)	(N)
BUSINESS DEALING IN HIGH RISK COUNTRY PROFILE				(Y)	(N)
Risk Score System; H = 1 , L = 0			CLIENT OVERALL RISK SCORE		
CLIENT OVERALL RISK ASSESSMENT			H M L		
H>5;M<5; L<2					
NEXT REVIEW			ON GOING	-	

COMPLIANCE OFFICER SIGNED OFF

DATE

APPENDIX 3

CUSTOMER PROFILING AND CONTINUOUS UPDATING OF INFORMATION POLICY AND PROCEDURE

1. The risk to the customer shall be assigned on the following basis:

i. Low Risk (level 1)

Corporation and Individual (other than High Net Worth) whose identities and sources of wealth can be easily identified and transactions in whose account by and large conform to the known profile may be categorized as low risk. The illustrate examples of low risk customers could be Investment Holding Companies whom investment are less than USD 500,000, Any salaried employees whose salary structures are well defined, RMI Government Departments, Semi RMI Government and RMI Government Owned Companies, Regulators and Statutory Bodies etc. In such cases, only the basic requirements of verifying the identity and location of the customer shall be met.

ii. Medium Risk (Level 11)

Customers that are likely to pose a higher than average risk may be categorised as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc., such as:

- a) Person in business/industry or trading activity where the area of his residence of place of business has a scope or history of unlawful trading/business activity example some African Countries.
- b) Where the client profile of the persons/opening the account, according to the perception of the Compliance Officer as uncertain and/or doubtful/dubious.
- c) RMI trading companies whose Turnover is more than USD10 Million per annum.

iii. High Risk (Level 3)

The Compliance Office is Compulsory to apply enhanced due diligence measures based on the risk assessment for this level 3 category, thereby requiring intensive 'due care' on due diligence assessments for higher risk customers, especially those for whom the sources of funds are not clear. Below is the summary of such customers.

- a) Clients from high-risk countries such as, but not limited to, Iran, Iraq, Syria, Israel.
- b) High Net worth individuals with excess USD10 Million declared.
- c) Trusts, charities, NGOs and organization receiving donations
- d) Companies having close family shareholding or beneficial ownership
- e) Those with dubious reputation where public information is available
- f) Information decimated from MISA especially those companies which forms part of a larger group structure and its BOD.
- g) Individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

2. Continue up-keeping of Customer Information. Information gather may be formally in writing or informally such as via telephone calls. In which cases documentation are recorded properly by the CO.

- a. Request in writing for latest utilities bills, bank statements and other supporting documents.
- b. For expired passport, request for new passport and to be certified by lawyer, notary public, public accountant. For Level 3 clients, PEP and HR clients the CO will follow on calls to the parties giving the CTC.
- c. Request for Letter of Information in case for corporate client whose country of domicile is in another jurisdiction.
- d. Continuous controls monitoring such as calling the customer to check on their telephone numbers (active), sending fax or official letters to client residence or place of business and request for return confirmation.
- e. Request audited financial statements and accounts annually for record keeping. Screen thru financial statement if the figure reported is in line with business nature. Request information for record keeping.
- f. Ad hoc check to world check system and internet search/ newspaper for any information on client's information/ business and etc.

APPENDIX 4

INTERNAL REPORTING FORM (INTERNAL SUSPICION
REPORT FOR MONEY LAUNDERING AND TERRORIST
FINANCING)

INFORMER’S DETAILS

Name:
Tel:
Department:
Fax:
Position:

PLEASE COMPLETE THE FOLLOWING

CUSTOMER’S DETAILS

Name:
Address:
Date of Birth:
Tel:
Occupation:
Fax:
Details of Employer:.....
Passport No.:
Nationality:
ID CardNo.:
Other ID Details:.....

INFORMATION / SUSPICION

Brief description of activities / transaction:
.....

Reason(s) for suspicion:
.....

Informer’s Signature / Date
.....

APPENDIX 5

REPORTING TO MIRC

The company will be reporting to the MIRC for any suspicious activity or client . This can be a notification of the report made to the MIRC and in case the MIRC will require additional information , the Company will ensure all relevant , precise , complete and up-to date information is given to the MIRC.

I. GENERAL INFORMATION

Financial Organization’s Name:

.....

Address where customer’s account is kept:

.....

.....

Date when a business relationship established or occasional transaction was carried out:

.....

Type of account(s) and number(s):

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II. DETAILS OF THE NATURAL PERSON(S) AND/OR LEGAL ENTITY (IES) INVOLVED IN THE SUSPICIOUS TRANSACTION(S).

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III. SUSPICIOUS TRANSACTION DETAILS

Please provide detailed information about the suspicious transaction:

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2.

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3.

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4. ASSERTION / SUSPICION OF MONEY LAUNDERING

(Please explain the factors leading to the assertion / suspicion of money laundering):

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IV. OTHER INFORMATION

Other services offered to the client(s)

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Compliance Officer's Signature

Date

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Note: The report should be accompanied with photocopies of the following:

1. Natural Persons: Passport pages showing clearly the client's identity.
2. Legal Entities: Certificate of Incorporation / Registration of the company / partnership, certificate of directors and shareholders.
3. The supporting documents associated with the suspicious transaction(s).