

AML - KYC POLICY

Introduction

Exclusive Markets Ltd (hereafter the “**Company**”) is an Investment Firm incorporated and registered under the laws of Seychelles, with registration number 8423950-1. The Company is authorized and regulated by the Seychelles Financial Services Authority (hereafter the “**FSA**”).

The purpose of the AML Policy (hereafter the “**Policy**”) is to lay down the Company’s internal practice, measures, procedures and controls relevant to the prevention of Money Laundering and Terrorist Financing. The Policy applies to all various types of services offered to the Company’s Clients as well as the relevant Company’s dealings with its Clients, including foreign exchange trading transactions, which either do not aim to physically deliver the agreed foreign currency or are not materially settled in cash (foreign exchange spot trading), irrespective of the Client account size and frequency of trading.

Money laundering is the process by which money earned from illegal means is “washed” through legitimate systems and enterprises in order that is cleaned and eventually returned to the criminal in the form of legitimate money.

There are three stages of the money laundering cycle generally known as:

- **Placement** - this represents the entry of “dirty” money into legitimate institutions;
- **Layering** - this is the most complex aspect of the money laundering cycle and usually consists of multiple transactions designed to obscure the identity of the person and/or an audit trail of the source of the funds. It could involve say multiple electronic transfers or even the use of traded products and/or services. The intention is to change assets rapidly to a different form and to hide or disguise the original source of the funds. Accordingly, the transactions can take place through multiple licensees, possibly even using various products - anything which allows for the swift transfer of ownership and mechanisms which extend or make an audit trail difficult; and
- **Integration** – in this cycle, money is returned to the hands of the money launderer as legitimate funds and can be used for any purpose.

The Company adheres to the principles of Anti-Money Laundering and actively prevents any actions that aim or facilitate the process of legalizing of illegally gained funds. AML policy means preventing the use of the company's services by criminals, with the aim of money laundering, terrorist financing or other criminal activity. To prevent money laundering, Exclusive Markets Ltd neither accepts nor pays cash under any circumstances. The company reserves the right to suspend any client's operation, which can be regarded as illegal or, may be related to money laundering in the opinion of the staff.

Company Risk Based Approach

The Company applies appropriate measures and procedures, by adopting a risk-based approach, so as to focus its effort in those areas where the risk of Money Laundering and Terrorist Financing appears to be comparatively higher.

The risk-based approach adopted by the Company involves specific measures and procedures in assessing the most cost effective and appropriate way to identify and manage the Money Laundering and Terrorist Financing risks faced by the Company.

Such measures include:

- identifying and assessing the Money Laundering and Terrorist Financing risks emanating from particular Clients or types of Clients, financial instruments, services, and geographical areas of operation of its Clients;
- managing and mitigating the assessed risks by the application of appropriate and effective measures, procedures and controls; and
- continuous monitoring and improvements in the effective operation of the policies, procedures and controls.

Company Procedures

The Client Acceptance Policy (hereinafter the “CAP”) defines the criteria for accepting new Clients and defines the Client categorization criteria which shall be followed by the Company and especially by the employees which shall be involved in the Client Account Opening process. The Company will make sure that it is dealing with a real person or legal entity and will perform all the required measures in accordance with applicable law and regulations, issued by regulatory authorities. The Company’s procedures for the AML purposes include, but not limited to the following:

- Know Your Customer (KYC) and Due Diligence;
- Monitoring of client activity; and
- Record keeping.

Know Your Customer (KYC) and Due Diligence

The Company has in place AML and KYC policies by which each potential client has to pass from a verification process. Prior the establishment of a business relationship with a client, the Company ensures that satisfactory evidence is produced or such other measures that will produce satisfactory evidence of the identity of any customer or counterparty are taken. In addition, the Company applies enhanced due diligence to clients who are residents of other countries, identified by credible sources as countries, having inadequate AML standards or that may represent a high risk level for crime and corruption and to beneficial owners who reside in and whose funds are sourced from high risk jurisdictions.

Individual Clients

The Company shall obtain the following information to ascertain the true identity of the natural persons:

- true name and/or names used as these are stated on the official identity card or passport;
- full permanent address in the Republic, including postal code;
- telephone (home and mobile) and fax numbers;
- e-mail address, if any;
- date and place of birth;
- nationality; and
- details of the profession and other occupations of the Client including the name of employer/business organization.

In order to verify the Client's information, the Company shall request the Client to present the following documents:

- Current valid passport (showing the first page of the local or international passport, where the photo and the signature are clearly visible); or
- Driving license which bears a photograph; or
- National identity card (showing both front and back pages);
- Documents proving current permanent address (such as utility bills, bank statements, etc.) containing the client's full name and place of residence. These documents should not be older than 3 months from the date of filing.

Corporate Clients

For Clients that are legal entities, the Company shall establish that the natural person appearing to act on their behalf, is appropriately authorized to do so and his identity is established and verified accordingly. The Company shall take all necessary measures for the full ascertainment of the legal person's control and ownership structure as well as the verification of the identity of the natural persons who are the Beneficial Owners and exercise control over the legal entity. The Company shall request the corporate clients to present the following documents:

- Certificate of Incorporation or any national equivalent;
- Memorandum and Articles of Association and statutory statement or any national equivalent;
- Certificate of good standing or other proof of registered address of the company;
- Resolution of the board of directors to open an account and confer authority on those who will operate it;
- Copies of powers of attorney or other authorities given by the directors in relation to the company;
- Proof of identity of directors in case he/she will deal with the Company on behalf of the Customer (according to the Individual identity verification rules described above);

- Proof of identity of the beneficial owner(s) and/or the person(s) on whose instructions the signatories on the account are empowered to act (according to the Individual identity verification rules described above).

Note: In case the applicant legal entity is listed on a recognized or approved stock exchange or when there is independent evidence to show that the applicant is a wholly owned subsidiary or a subsidiary under the control of such a legal entity, no further steps to verify identity will normally be required.

Monitoring of client activity

In addition to gathering information from the clients, the Company continues to monitor the activity of every client to identify and prevent any suspicious transactions. A suspicious transaction will often be one which is inconsistent with a Client's known, legitimate business or personal activities or with the normal business of the specific account, or in general with the economic profile that the Company has created for the Client. The Company shall ensure that it maintains adequate information and knows enough about its Clients' activities in order to recognize on time that a transaction or a series of transactions is unusual or suspicious. For this reason the Company:

- will monitor on a continuous basis any changes in the Client's financial status, business activities, type of transactions etc.; and
- will monitor on a continuous basis if any Client is engaged in any of the practices described in the list containing examples of what might constitute suspicious transactions/activities related to Money Laundering and Terrorist Financing.

Record keeping

The Company shall maintain records of:

- the Client identification documents, and information obtained during the Client identification and due diligence procedures, as applicable; and
- the details of all relevant records with respect to the provision of investment services to Clients.

The documents/data as mentioned above shall be kept for a period of seven (7) years, which is calculated after the execution of the transactions or the termination of the business relationship.

Deposit and withdrawal requirements

The following requirements apply for all deposits and withdrawals:

- ✓ The Company does not accept any form of cash;
- ✓ The Company does not receive or deposit funds to any third parties;

- ✓ Funds sent to the Company must be from a bank account, Credit/Debit card or Alternative Payment Method (i.e. Skrill, Neteller, etc.) under the same name as the trading account name with the Company;
- ✓ Client's withdrawals should be made using the same method used by the Client to fund his Client Account and to the same remitter. The Company reserves the right to decline a withdrawal with a specific payment method and will suggest another payment method where the Client needs to proceed with a new withdrawal request or request further documentation while processing the withdrawal request. Where applicable, the Company reserves the right to send Client's funds only in the currency as these funds were deposited. Where applicable, if the Company is not satisfied with any documentation provided by the Client, then we will reverse the withdrawal transaction and deposit the amount back to the Client's Account net of any charges / fees charged by the Client's Bank Account providers;
- ✓ All withdrawal requests are processed according to the funding source of origination. For example, a deposit is made via Debit/Credit Card, then a subsequent withdrawal request is received. The amount of funds sent back to the relevant Debit/Credit Card, when a withdrawal request is received, may not exceed the original amount deposited from same. Any profits made in excess of the deposited amount will be transferred to a nominated bank account, which must be held in the same name as the trading account;
- ✓ All initial withdrawal requests must be verified for safety and security by provision of a bank statement which includes account holder information and bank details. The Company will not accept deposits or withdrawals made under a different name other than the registered name with the Company;
- ✓ If a trading account was credited in a way that cannot be used for funds withdrawal, the funds may be withdrawn to a bank account under the same name as the trading account name with the Company as long as the client provides satisfactory evidence of the ownership of bank account where the funds originated from as well as the destination bank account.

Conclusion

The Company reserves the right to suspend any client's operation, which may be considered as illegal or may be related to money laundering further to the Company's views. The Company has complete discretion to temporarily block the suspicious client account and proceed to the relevant report and/or terminate an existing client relationship at any time.