

AML policy

Scope of the Policy

As part of our commitment to maintaining the highest standards and following all relevant regulations, it is the firm's policy to prohibit and prevent any cases of money laundering and terrorist financing.

Money Laundering is the participation in any transaction that seeks to conceal or disguise the nature or the origin of funds derived from the illegal activities. Money laundering involves not only the proceeds of drugs trafficking, but funds related to other illegal activities, including fraud, corruption, organized crime, terrorism and many other crimes. Generally the money laundering consists of three stages:

- Placement: introduction of cash originating from illegal / criminal activities into financial or non-financial institutions.
- Layering: separating the proceeds of criminal activities from their source through the use of layers of complex financial transactions. These layers are designed to hamper the audit trail, disguise the origin of funds and provide anonymity.
- Integration: placing the laundered proceeds back into the economy in such a way that they re-enter the financial system as legitimate funds.

This Policy is developed and periodically updated by the Anti-Money Laundering Officer of Forex Optimum Group Ltd (the Company) based on the general principles in relation to the prevention of money laundering and terrorist financing.

The Policy applies to all employees of the Company and aims to setup key roles and responsibilities for the staff members.

The Company has established principles and procedures to prevent money laundering and combat terrorism-financing, in accordance with the risk profile of its products, services, clients and geographic locations.

Clients Acceptance Policy

In order to understand the client and the risks that the Company may be exposed to by starting the relationship with a particular customer – the Company has developed an internal Clients Acceptance Policy. The clients' acceptance policy incorporates the following:

- The criteria for accepting new clients;
- Categories of clients who are not acceptable for establishing a business relationship or an execution of an occasional transaction;
- Criteria for categorization of clients on a risk basis.

The Client's acceptance process is as follows:

- Any new client has to submit documents required according to KYC procedures.

- A potential client has to fill in a questionnaire that incorporates all necessary information for the Company.
- All the necessary information is registered with the client profile.

Clients will not be accepted for opening an account with the Company if:

- They refuse to provide the information requested by the Company
- They refuse to submit enough information
- The documents submitted appear to be faulty
- The client comes from one of the non-cooperative jurisdictions
- The client has negative information/reports on him or is under investigation
- The client is on the list of people involved in terrorist financing or known to be involved in activity connected to money-laundering or is listed in any relevant sanctions list.
- The Company or any of the related companies had business relationship with the client in the past and they were terminated due to the client not meeting its obligations.

Measures used for managing money laundering risks

The risk-based approach followed 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 arising from particular clients, financial instruments, services.
- Adherence to the policies, procedures and controls in place
- Managing and mitigating the assessed risks by the application of appropriate and effective measures, procedures and controls
- Continuous monitoring and improvements in the effective operation of the policies, procedures and controls.

In addition, the Company has taken the following measures and procedures in order to manage and mitigate money-laundering and terrorist financing risks:

- Established independent AML functions;
- Developed a clients' acceptance policy;
- Incorporated KYC procedures;
- Will ensure that trainings on compliance with local laws and anti-money laundering regulations will be organised at regular intervals;
- Will train all employees of the Company on how to identify suspicious transactions and how to act in case they became aware of it;

- Established record-keeping procedures.

The Company ensures that the measures and procedures that have been decided across the Company are communicated to responsible employees of the Company on a timely basis.

Taking into consideration the assessed risks, the Company determines the type and extent of measures it will adopt in order to manage and mitigate the identified risks in a cost effective manner. These measures and procedures include:

- Updating of the client due diligence procedures in respect of clients in line with their assessed money laundering and terrorist financing risk
- Requiring the quality and extent of required identification data for each type of clients to be of a certain standard
- Obtaining additional data and information from the clients, where this is appropriate for the proper and complete understanding of their activities and source of wealth and for the effective management of any increased risk emanating from the particular business relationship or the occasional transaction
- On-going monitoring of clients' transactions and activities.

The Company is, at all times, in a position to demonstrate that the extent of measures and control procedures that applies are proportionate to the risk it faces for the use of services provided, for the purpose of money laundering or terrorist financing.

The Company monitors and evaluates, on an on-going basis, the effectiveness of the measures and procedures that have been introduced for compliance purposes.

On implementing appropriate measures and procedures on a risk-based approach, and on implementing the client identification and due diligence procedures, Company finds data, information and reports that are published in following relevant international organisations:

- FATF - www.fatf-gafi.org
- The Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) - www.coe.int/moneyval
- The EU Common Foreign & Security Policy (CFSP)- http://ec.europa.eu/external_relations/cfsp/sanctions/list/consol-list.htm
- The UN Security Council Sanctions Committees - www.un.org/sc/committees/
- The International Money Laundering Information Network (IMOLIN) - www.imolin.org
- The International Monetary Fund (IMF) – www.imf.org.

Know Your Client Procedures

The prime method for preventing money laundering is by carrying out “Know Your Client” procedures. With thorough knowledge of clients, counterparties and the origin of client’s funds, unusual or suspicious behaviour can be identified, including false identities, unusual transactions, changing behaviour or other indicators where laundering may be occurring.

Client identification and due diligence procedures

The Company ensures that the clients’ identification records remain updated with all relevant identification data and information throughout the business relationship. The Company examines and checks, on a regular basis, the validity and adequacy of the clients’ identification data and information it maintains.

Failure or refusal to submit information for the verification of clients’ identity

Failure or refusal by a client to submit the requested data and information for the verification of his identity and the creation of his profile, without adequate justification, constitutes elements that may lead to the creation of a suspicion that the client is involved in money laundering or terrorist financing activities. In such an event, the Company does not proceed with the establishment of the business relationship or the execution of the occasional transaction.

If, during the business relationship, a client fails or refuses to submit, within a reasonable time frame, the requested certification data and information, the Company terminates the business relationship and closes all the accounts of the client.

Collection of information

Depending on the client type, appropriate information is collected. Specific client identification issues include:

- Name and date of birth - verified through a certified copy of ID or passport
- Address including postal code
- Telephone
- E-mail address
- Nationality
- Details of the profession and other occupations of the client
- Trading experience and investment knowledge
- Other

The acceptable method for the verification of the identification of a client’s identity is the reference to an original documents, which is issued by an independent and reliable source that carries the client’s photo.

The Company will follow the following measures in order to verify the identity of non-face to face clients:

- a. Direct confirmation of the prospective client's true name and address.
- b. Telephone contact with the client at his residence or office, before the establishment of a business relationship or the occasional transaction, on a telephone number which has been verified from a reliable and independent source.
- c. Contact with the client through email at an address previously verified by the Company from independent and reliable sources.

Reliance on third parties for client identification and due diligence purposes

The Company may rely on third parties for the implementation of client identification and due diligence procedures.

Ongoing monitoring of accounts and transactions

The procedures and intensity of monitoring accounts and examining transactions are based on the level of risk and, as a minimum, achieve the following:

- a) Identifying suspicious clients;
- b) Detecting of unusual or suspicious transactions that are inconsistent with the profile of the client for the purposes of further investigation;

Enhanced due diligence for certain high risk clients:

In case of high risk clients due to any of the following reasons: name match results on World-check for PEP or (Financial) Crime (may be a false positive if full details not available on world-check) the Client may be requested to submit any of the following as may be decided on a case-by-case basis:

- bank reference letter from an authorized credit institution
- tax clearance certificate
- Proof of clear criminal record i.e. Police criminal clearance report.
- bank statement
- other

Account blocking or closure of the Account

The AMLCO has the authority to block or close the account of the Client if there are reasonable grounds for that.

This might be done in case of suspicious activity, suspicious transactions, refusal to provide information or documents requested by the AMLCO or due to a request from the designated Authorities.

In situations where the account of the Client gets blocked, the Customer will be informed about that by email or through internal ticketing system.

In situations when the account of the Client gets terminated by the Company, a letter of Termination will be prepared and sent out to client to his email address, requesting to close all open positions and submit a withdrawal request for the remaining balance (if any). In case the instructions of the withdrawal are not received within 2 weeks – the funds will be transferred back to the same source it originated from (Bank account, credit/debit card, e-wallet account).

In situations when Client wishes to terminate the account, he can do so by a written request. The account will be checked for any pending requests/documentation. Once the account is ready for closure, the termination letter will be sent to the Client to confirm the closure