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Serving Traders Responsibly

AML POLICY

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1. Introduction

The purpose of the Policy is to lay down the Company's internal practice, measures, procedures and controls in order to achieve full compliance with the relevant Money Laundering and Terrorist Financing legislation.

2. Definitions

Beneficial Owner" means the natural person or natural persons, who ultimately owns or control the Client and/or the natural person on whose behalf a transaction or activity is being conducted. The Beneficial Owner shall at least include:

(a) In the case of corporate entities:

i. The natural person or natural persons, who ultimately own or control a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that corporate entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

Provided that: -

- An indication of direct shareholding shall be a shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a natural person or by multiple corporate entities, which are under the control of the same natural person.
- An indication of indirect ownership shall be a shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person, or by multiple corporate entities, which are under the control of the same natural person or persons.

Provided further that the control by other means can be verified.

ii. the natural person who holds the position of senior managing official if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under sub paragraph (i) of the present paragraph is

identified, or if there is any doubt that the person identified is the beneficial owner.

Provided that the obliged entity shall keep record of the actions taken in order to identify the beneficial ownership.

(b) In the case of trusts or in the case of legal entities such as foundations, and legal arrangements similar to trusts:

i.   The settlor.
ii.   The trustee(s) or commissioner
iii.   The protector, if any.
iv.   The beneficiary, or where the individual benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates.
v.   Any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means.

"Law" means the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007-2019, as amended from time to time

"Money Laundering" means the offences referred to in section 4 of the Law

"Terrorist Financing" means the money laundering offences defined in the Law.

"Occasional Transaction" means the provision or gathering of funds by any means, directly or indirectly, with the intention to use such funds or knowing that they will be used in whole or in part for the commission of an offence within the meaning given to the term by section 4 of the International Convention for the Suppression of the Financing of Terrorism (Ratification and Other Provisions) Law and by sections 5 to 13 of the Combating of Terrorism Law.

"Politically Exposed Persons (PEPs)" means the natural persons who have their place of residence in any European Union Member State or in third counties and who are or have been entrusted with prominent public functions and their immediate family members or persons known to be close associates of such persons.

3.   **Main Objectives**

- Combating and preventing money laundering and terrorist financing and taking all the necessary preventive measures.
- Preventing the misuse of the Company by anyone or anybody in

illegitimate operations.

- Determining the legal and administrative responsibilities of the Company and of all its employees related to anti-money laundering.
- Reporting the suspicious operations which include the probable activities of the operations of money laundering and terrorist financing to the competent authorities.
- Training all employees on the rules and internal procedures which have to be observed, the risks that they and the Company face and how they can encounter the risks of money laundering and terrorist financing through their operations from their positions.

4. Scope of Application:

This policy applies to all activities, services, products, workplaces of the company.

5. Company Commitment

The Company is committed to:

a) Accept only those Customers whose identity can be established and verified and whose source of funds can be reasonably established to be legitimate.

b) Not establish a business relationship, open accounts or maintain accounts for anonymous persons or those with fictitious names including anonymous accounts.

c) Make every possible effort to know the identity of the customer and the real beneficiary (Beneficiary Owner) of the account (i.e. the full name, the place and date of birth and verifying the identity by using valid, official and accredited documents "identification data" issued by the official bodies), in addition to the data and information available from trusted independent sources.

d) Apply a risk-based approach, and enhanced customer due diligence were required.

e) Monitor and identify suspicious transactions and activities, and ensure that reportable ones get reported.

f) Provide periodic and appropriate AML / CTF training and information to all employees to increase their awareness using various methods.

g) Maintain records, which are appropriate to the nature and complexity of the customer's business.

6. Client Acceptance Policy

The Client Acceptance Policy (hereinafter the "CAP"), following the principles and guidelines described in the Company's AML-CFT Manual (the 'Manual'), 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 who shall be involved in the Client Account Opening process.

The Anti-Money Laundering Compliance Officer (the 'AMLCO') shall be responsible for applying all the provisions of the CAP. In this respect, the Head of the Administration/Back Office Department shall also be assisting the AMLCO with the implementation of the CAP, as applicable.

The Internal Auditor shall review and evaluate the adequate implementation of the CAP and its relevant provisions, at least annually, as per the Manual.

The General Principles of the CAP are the following:

a) The Company shall classify Clients into various risk categories and based on the risk perception decide on the acceptance criteria for each category of Client.
b) Where the Client is a prospective Client, an account must be opened only after the relevant pre-account opening due diligence and identification measures and procedures have been conducted, according to the principles and procedures set in the Manual.
c) All documents and data described in the Manual must be collected before accepting a new Client
d) No account shall be opened in anonymous or fictitious names(s)
e) No account shall be opened unless the prospective Client is approved at least by one of the following:
   - The General Manager
   - The AMLCO/Assistant AMCLO
   - The Operations Manager

7. Client due diligence and identification procedures

The Company shall duly apply Client identification procedures and Client due diligence measures in the following cases:

a. When establishing a Business Relationship

b. When carrying out Occasional Transactions amounting to Euro 15,000 or more, whether the transaction is carried out in a single operation or in several operations, which appear to be linked

c. When there is a suspicion of money laundering or terrorist financing, regardless of the amount of the transaction

d. When there are doubts about the veracity or adequacy of previously Client identification data.

8. Employees' Obligations

• The Company's employees shall be personally liable for failure to report information or suspicion, regarding money laundering or terrorist financing.

• The employees must cooperate and report, without delay, anything that comes to their attention in relation to transactions for which there is a slight suspicion that are related to money laundering or terrorist financing.

• According to the Law, the Company's employees shall fulfil their legal obligation to report their suspicions regarding Money Laundering and Terrorist Financing.

For further information, please contact the Compliance Department at Compliance@orbex.com.cy

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