

Anti-money Laundering (AML) and Know Your Customer (KYC) Policy

Definitions:

- **AML/CTF** – Anti-Money Laundering/ Counterterrorism Financing.
- **Beneficial Owner** - means the natural person (i) who ultimately owns or controls a customer (client); (ii) on whose behalf a transaction is being conducted; and (b) includes those natural persons who exercise ultimate control over a corporate entity or legal arrangement and such other persons as may be prescribed.
- **Business relationship** – a relationship between the Company and the Client that originates when the Company performs an economic or professional activity and that is expected to have an element of duration at the time when the contact is established.
- **BVI** - means the British Virgin Islands.
- **Company** - E-Global Trade & Finance Group., Inc., a company registered under the Laws of British Virgin Islands, having its registered address at First Floor, Mandar House, Johnson's Ghut, Road Town, Tortola, British Virgin Islands, with registration number 1384287 and is authorized and regulated by the British Virgin Islands Financial Services Commission (FSC), License # SIBA/L/12/1027.
- **Corporate Entity** - all bodies corporate including partnerships, companies, trusts, foundations, associations and any incorporated or unincorporated clubs, societies, charities, churches and other non-profit making bodies, institutes, friendly societies or cooperative societies.
- **Client** – natural person or an association of such persons, to whom the Company provides financial services (including potential clients).
- **Client Risk Profile**– the overall risk associated with the client in relation to ML/TPF, which is comprised of the combination of the higher risk factors associated with the client.
- **Client risk scoring system** – the Company's established system, which numerically represents the total AML/CTPF risk level inherent in co-operation with a specific client.
- **Compliance laws, rules and standards** – Applicable Laws regulating activity of the Relevant Person \ related to the standards of professional conduct and codes of ethics, other activities related to the Regulated Person's best practice and operating standards.
- **Compliance Officer ("CO")** – a senior officer with relevant qualifications and experience appointed by the Relevant Person and approved by the Financial Services Commission to oversee the AML/CTPF compliance function and internal control responsibilities on behalf of the Relevant Person, as set out under Division 4 of the Regulatory Code 2009, as amended.
- **Enhanced Due Diligence** – a process of detailed verification and increased monitoring or vigilance pertaining to customers who are considered to represent a higher-than-normal risk for money laundering and/or terrorist financing, or other financial crimes.
- **FATF** – the Financial Action Task Force; an inter-governmental body established to set standards for combatting money laundering, terrorist financing, and other financial crimes or threats to the global financial system.

- **FIA** – the Financial Investigation Agency established under section 3 of the Financial Investigation Agency Act, 2003.
- **FSC** – the BVI Financial Services Commission empowered under the Financial Services Commission Act 2001.
- **High-risk client** – Customers or Applicants for Business who pose a higher risk of money laundering, terrorist financing or other financial crimes.
- **High Risk Countries** – are subject to sanctions, embargos or similar restrictive measures imposed by the United Nations, European Union or other regional or international organization of which the Virgin Islands is a member or associate member, or of which the United Kingdom is a member and the sanctions, embargo or similar measures have been extended to the Virgin Islands by an Order in Council or through the exercise of any Royal Prerogative.
- **Internal regulatory documents** – documents issued by the Company governing the Company's and some of its business Divisions' or employees' activity, for instance, policies, procedures, regulations, instructions, attachments, and annexes thereto.
- **Know Your Customer (KYC)** – principal established within the BVI regulatory framework which requires information and verification to document a service provider's knowledge of the client or customer with whom a business relationship has been established.
- **Legal Person** – all bodies corporate including partnerships, companies, trusts, foundations, associations and any incorporated or unincorporated clubs, societies, charities, churches and other non-profit making bodies, institutes, friendly societies established pursuant to the Friendly Societies Act (Cap 268), provident societies or cooperative societies established pursuant to the Cooperative Societies Act (Cap 267) and any similar bodies.
- **MLRO/Reporting Officer** – the Money Laundering Reporting Officer appointed to oversee the prevention of anti-money laundering and terrorist financing abuse.
- **Person** – an individual, natural person or Legal Person.
- **Politically Exposed Person (PEP)** – Natural persons who are or have been entrusted with prominent public functions, including: (a) heads of State, heads of government, ministers and deputy or assistant ministers; (b) members of parliament; (c) members of supreme courts, of constitutional courts or of other high-level judicial bodies (d) members of courts of auditors or of the boards of central banks; I ambassadors, chargés d'affaires and high-ranking officers in the armed forces; (f) members of the administrative, management or supervisory bodies of State-owned enterprises, (g) “important political party officials”. as well as their immediate family members or person known to be close associates of such persons.
- **Politically Exposed Person's family members** – the term “immediate family members” refers to all-natural persons, including in particular: a) the spouse, (b) any partner considered by national law as equivalent to the spouse, (c) children and their spouses or partners, (d) parents.”
- **Verification Subject** – a person whose identity is required to be established by verification.
- **Ultimate Beneficial Owner (UBO)** - shall mean any natural person who ultimately owns or controls the client and/or any 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) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership or control over a sufficient percentage of the shares or voting rights in that legal entity, including through bearer share holdings, other than a

company listed on a regulated market that is subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards; a percentage of more than 25% shall be deemed sufficient to meet this criterion; (ii) any natural person who otherwise exercises control over the management of a legal entity: (b) in the case of legal entities, such as foundations and legal arrangements, such as trusts, which administer and distribute funds: (i) where the future beneficiaries have already been determined, any natural person who is the beneficiary of 25% or more of the property of a legal arrangement or entity; (ii) where the individuals that benefit 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; (iii) any natural person who exercises control over 25% or more of the property of a legal arrangement or entity.”

- **Trading Account** - A Client's account with the Company which holds real funds and where trading activity takes place.

1. General Terms

- 1.1. This Policy is provided to help the Client understand, as a potential or actual client of the Company, the basic principles that the Company employs to discharge its regulatory duties relating to Client identification and verification and the measures that the Company takes on prevention of money laundering and terrorist financing within its Trading platform.
- 1.2. This Policy forms an integral part of the Client Agreement between the Client and the Company (the “Client Agreement”) and other terms and policies that govern Client's relationship with the Company.
- 1.3. As a pre-requisite of opening and maintaining a Trading account with the Company, the Client must agree to and accept the terms of the Client Agreement. By doing so, the Client also irrevocably agrees to the terms of this Policy.
- 1.4. The Client must ensure that the contents of this Policy have been read and understood before commencing any operations on the Trading account.
- 1.5. This Policy lays down the Company's framework and procedures for:
 - 1.5.1. Preventing the Company from being abused, intentionally or unintentionally, by criminal elements for money laundering or financing of terrorist activities;
 - 1.5.2. Enabling the Company to know/understand the Client and Clients' background and source of funds;
 - 1.5.3. Properly identify and verify the identity of the Client;
 - 1.5.4. Properly discharge its AML/CFPT obligations towards the Regulator.
- 1.6. This Policy can be modified or altered by the Company at any time with or without notice.

2. Legal Framework

2.1. The Company is required to comply, amongst others, with the provisions of the following anti-money laundering laws and regulations of the British Virgin Islands, outlined in:

- 2.1.1. The Anti-Money Laundering and Terrorist Financing Code of Practice, 2008
- 2.1.2. Anti-Money Laundering Regulations, 2008
- 2.1.3. Proceeds of Criminal Conduct Act, 1997
- 2.1.4. Financial Services Commission Act, 2001
- 2.1.5. Financial Investigation Agency (“FIA”) Act, 2003
- 2.1.6. Anti-Money Laundering & Terrorist Financing Code of Practice, 2009
- 2.1.7. The Regulatory Code 2009
- 2.1.8. The Drug Trafficking Offences Act, 1992; and The Drug Trafficking Offences (Designated Countries and Territories) Order, 1996
- 2.1.9. Proliferation Financing (Prohibition) Act, 2009

2.2. In accordance with the Laws, the Company is obliged to set out policies and procedures for preventing money laundering activities. Those procedures, which are implemented by the Company include, inter alia:

- 2.2.1. Client identification and due diligence procedures and application of a risk-based approach;
- 2.2.2. Application of an enhanced customer due diligence procedure where required;
- 2.2.3. Record keeping procedures in relation to the Clients’ identity and transactions;
- 2.2.4. Internal reporting procedures to the appointed Company’s Money Laundering Reporting Officer; or in his / her absence, the Deputy MLRO, of the suspicious activity or transactions possessing the suspicion on the commitment of money laundering or terrorist financing offences;
- 2.2.5. Procedures of internal control, risk management, with the purpose of preventing money laundering and terrorist financing activities; and
- 2.2.6. Monitoring and examination of transactions and activities where there is suspicion or reasonable grounds to believe the commission of a money laundering or terrorist financing offence has occurred or reasonable grounds to suspect there is an attempt to commit a money laundering or terrorist financing offence.

3. Risk-based Approach

- 3.1. The Company applies appropriate measures and procedures of a risk-based approach to focus on the areas where the risk of money laundering and terrorist financing appears to be higher.
- 3.2. A risk-based approach is adopted by the Company during the verification of the Clients’ identity, the collection of information for the construction of Clients’ economic profile and monitoring of Clients’ transactions and activities. Taking into consideration the assessed risk, the Company determines the type and extent of measures it adopts, to manage and mitigate the identified risks.
- 3.3. The Client acceptance procedure, following the principles and guidelines described in the Company’s AML/CFT 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.

- 3.4. The Company, in accordance with the Laws as applicable, conducts the verification of the identity of the Clients and the Directors, Shareholders and Beneficial Owners (if the Client is a corporate entity) during the establishment of the business relationship. The verification of Clients' information is conducted via the submitted documents electronically.

4. Client Identification

- 4.1. The Company performs Client identification prior to the establishment of the business relationship and proceeds with verification of the potential Clients' identity prior to or during the establishment of a business relationship to prevent interruption of the normal conduct of business and where there is limited risk of money laundering or terrorist financing occurring. In case of the latter, the due diligence procedure shall be completed as soon as practicable after the initial contact.
- 4.2. Decisions to enter into or pursue business relationships with higher-risk Clients require application of enhanced due diligence measures.
- 4.3. Each Client is required to complete the Company's KYC procedures by submitting the relevant KYC documentation, including proof of Source of Funds where necessary.

5. Know Your Customer

- 5.1. The Know Your Customer Policy, commonly referred to as KYC, is a mandatory framework for all financial institutions used for Client identification process. It aims, among others, at protecting Clients from impersonation and fraud and at mitigating reputational, operational, and legal risks. It means that the identity and permanent address of individuals or corporate entities resorting to financial services of the Company are ascertained at all times. It also involves making reasonable efforts to determine the Clients' tax residency, employment and financial information, Clients' source of funds, ascertaining the nature of the Clients' business activity, among others.
- 5.2. It is prohibited under the applicable Laws to open anonymous and fictitious accounts. Financial institutions shall ascertain the true identity of their Clients at all times.
- 5.3. The information collected is kept confidential by the Company and will not be disclosed to any third party except as required by applicable Laws.
- 5.4. As per the KYC requirements, the Company holds up-to-date and confirmed information about the identity, address, occupation status and business activity of the current and prospective Clients.
- 5.5. The KYC verification exercise relies on requesting the Client to provide identification documents, data or information as and when deemed necessary and involves the determination of a Client's profile, whether individual or corporate, at the beginning of a business relationship and on a continuous basis.

- 5.6. The Company employs enhanced due diligence measures with respect to the Company's risk appetite and client's transactions, such as the request of additional documents and information.
- 5.7. Lack of required information or mandatory KYC documents will irrevocably result in the rejection of any application for services. This may also lead to account closure and a stop to all transactions until the availability of all the information and documentation required for the KYC process.
- 5.8. Insufficient and incorrect KYC information or documentation may also lead to suspicious transaction reporting as provided for under the FIAML Regulations 2018, and in accordance with Section 14 of the FIAMLA of 2002, as amended.

6. Client Verification

The Client is obliged to provide the following documents to confirm identity and address:

6.1. For Individual Clients:

6.1.1. Proof of identity:

- 6.1.1.1. National identity card / Current valid passport

6.1.2. Proof of address:

- 6.1.2.1. Recent utility bill (Telephone / Electricity /Water bills) / Recent bank or credit card statement / Reference or Letter from regulated financial institution or government authority specifying address. The Proof of address should not bear a PO Box number and be not older than 3 months, as emphasized by the Regulator;
- 6.1.2.2. Any other document or documents which, beyond reasonable doubt, establish(es) the address of the Client.

6.2. The above are basic KYC documents and additional documents may be required in certain cases.

6.3. For Corporate entities the required KYC documents are those which will allow establishing and verifying the legal existence of the entity, the business conducted by the entity, the identity, address, and rights of those in control of the company (directors, significant shareholders, ultimate beneficial owners, authorized signatories, etc.):

6.3.1. Corporate entity:

- 6.3.1.1. Certificate of Incorporation;
- 6.3.1.2. Trade License (if any);
- 6.3.1.3. Memorandum and Articles of Association;
- 6.3.1.4. Certificate of Incumbency (if necessary);
- 6.3.1.5. Certificate of Good Standing (if necessary);
- 6.3.1.6. Updated Registers of Directors/Shareholders/Ultimate Beneficial Owners;
- 6.3.1.7. Proof of Beneficial Ownership;
- 6.3.1.8. Bank Account Statement (last 6 (six) months)

- 6.3.1.9. Due Diligence documents on the Directors/Shareholders/Ultimate Beneficial Owners.
- 6.3.2. Account Representative:
 - 6.3.2.1. Board Resolution authorizing the individual to act on its behalf; or
 - 6.3.2.2. Power of Attorney authorizing the individual to act on behalf of the Company;
 - 6.3.2.3. Proof of Identity;
 - 6.3.2.4. Proof of Address.
- 6.3.3. Full KYC documents for the Directors, Shareholders and Beneficial Owners of the corporate entity.
- 6.4. The Company reserves the right to require, when it deems appropriate, notarized and/or apostilled copies of any of the above documents along with English translation thereof.
- 6.5. The Company reserves the right to take such additional measures as it deems fit when conducting Client due diligence in cases where, in the Company's opinion, there is elevated higher risk of money laundering.
- 6.6. When entering into the Client Agreement with the Company, the Client authorizes the Company to carry out such searches and to transfer the Client's information to such external data bases and verification service providers (such as World Check One) as the Company might deem necessary to complete its KYC and verification procedures.
- 6.7. The Company retains full and absolute discretion as to the precise type and form of the KYC documents collected from the Client. Client shall be advised on the request of addition information or documents by the relevant client onboarding officer of the Company.

7. Politically Exposed Persons

- 7.1. The Client undertakes to declare their PEP (politically exposed person) status and provide copies of documents confirming such status and indicating the origin of funds used to make a deposit.
- 7.2. A politically exposed person means a natural person who is or who has been entrusted with prominent public functions and includes the following:
 - 7.2.1. Heads of State, heads of government, ministers, and deputy or assistant ministers;
 - 7.2.2. Members of parliament or similar legislative bodies;
 - 7.2.3. Members of the governing bodies of political parties;
 - 7.2.4. Members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances;
 - 7.2.5. Members of courts of auditors or the boards of central banks;
 - 7.2.6. Ambassadors, chargés d'affaires and high-ranking officers in the armed forces;
 - 7.2.7. Members of the administrative, management or supervisory bodies of State-owned enterprises;
 - 7.2.8. Directors, deputy directors and members of the board or equivalent functions;
 - 7.2.9. Mayors.

7.3. Family members include the following:

- 7.3.1. The spouse, or a person considered to be equivalent to a spouse, of a politically exposed person;
- 7.3.2. The children and their spouses, or persons considered to be equivalent to a spouse, of a politically exposed person;
- 7.3.3. A politically exposed person's parent.

7.4. Persons known to be close associates means:

- 7.4.1. Natural persons who are known to have joint beneficial ownership of corporate entities or legal arrangements, or any other close business relations, with a politically exposed person;
- 7.4.2. Natural persons who have sole beneficial ownership of a corporate entity or legal arrangement which is known to have been set up for the de facto benefit of a politically exposed person.

7.5. The Company is legally obliged to refuse service and return money if a politically exposed person (PEP) fails to provide documents explaining the origin of deposit funds. The Company undertakes to repeat identification of PEP statuses that have been confirmed to update the data on a semi-annual basis.

8. Record Keeping

- 8.1. The Company documents the verification process, including all KYC information provided by the Client, the results of verification and the resolution of any discrepancies identified in the verification process.
- 8.2. The Company keeps the Clients' KYC documents and information, as well as information of Clients' transactions for 5 (five) years after the date of termination of relationship with the relevant Client, unless circumstances require to retain records for longer periods extending beyond the Prescribed minimum.