



Forex City

Financial Consulting Limited

AML PROCEDURES MANUAL

PROCEDURES FOR COMPLIANCE WITH
THE ANTI-MONEY LAUNDERING,
COUNTER-TERRORIST FINANCING AND SANCTIONS

TABLE OF CONTENTS

1	INTRODUCTION
----------	---------------------

- 1.1 Introduction
- 1.2 About this manual
- 1.3 Applicable laws and regulations
- 1.4 Penalties for non-compliance
- 1.5 Summary obligations
- 1.6 Fraud

2	KEY ELEMENTS OF THE FIRM'S AML PROGRAMME
----------	---

- 2.1 Risk-based approach
- 2.2 Staff awareness and training
- 2.3 Customer due diligence
- 2.4 Prohibited business
- 2.5 Reliance on others
- 2.6 On-going due diligence and Customer activity monitoring

3	MANAGEMENT ARRANGEMENTS & RESPONSIBILITIES
----------	---

- 3.1 Senior Management
- 3.2 MLRO and Deputy MLRO
- 3.3 Responsibilities of the MLRO
- 3.4 Audit
- 3.5 Annual AML return
- 3.6 Notifications to FSC

4	THE RISK-BASED APPROACH
----------	--------------------------------

- 4.1 Overview
- 4.2 Business risk assessment
- 4.3 Customer risk assessment
- 4.4 Politically exposed persons

5	CUSTOMER DUE DILIGENCE
----------	-------------------------------

- 5.1 Customer due diligence
- 5.2 Identification and Verification of Beneficial Owners
- 5.3 Name Screening and Google searches
- 5.4 Authenticity of documents obtained
- 5.5 Enhanced CDD
- 5.6 Simplified CDD
- 5.7 Timing of Customer Due Diligence

- 5.8 Failure to complete Customer due diligence
- 5.9 Monitoring the Customer Relationship
- 5.10 Reliance on a third party to undertake CDD on the Firm's behalf

6	SANCTIONS AND OTHER FINDINGS
----------	-------------------------------------

- 6.1 Relevant United Nations resolutions and sanctions
- 6.2 Government, regulatory, and international findings
- 6.3 Being informed and taking reasonable measures to comply with sanctions and other findings

7	MONITORING AND REPORTING OF SUSPICIOUS ACTIVITY
----------	--

- 7.1 Overview
- 7.2 Examples of suspicious activity
- 7.3 Obligation to make further inquiries
- 7.4 Obligation to report
- 7.5 Reporting procedures
- 7.6 Inquiry by the MLRO
- 7.7 Tipping

off APPENDIXES

- 7A Template: Internal Suspicious Activity Report
- 7B Template: External Suspicious Activity Report

8	RECORD KEEPING
----------	-----------------------

- 8.1 Objectives
- 8.2 Records to be maintained

1.1 Introduction

- (1) Money laundering is the process by which criminals attempt to hide or disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction, and confiscation of criminal funds. If carried out successfully, money laundering enables criminals to escape prosecution, maintain control over the proceeds of crime, and continue their criminal activities. Money laundering also includes terrorist financing and financing of unlawful organizations.
- (2) Involvement in money laundering, whether knowingly or unknowingly, may result in criminal liability and severe reputational damage to the Firm and its Employees.
- (3) Forex City Limited therefore places the utmost importance on complying with all applicable laws and regulations for the prevention of money laundering and will use the policies and procedures set out in this Manual to prevent its business from being used for criminal activities.

1.2 About this manual

- (1) This Anti-Money Laundering Procedures Manual (“Manual”) applies to all Employees, which term, for this Manual, includes the Board of Directors, all operational staff, any Employee with Customer contact, and any other Employee who might otherwise encounter money laundering in the business.
- (2) This Manual has been prepared to provide Employees with a good understanding of what they and the Firm, must or must not do to comply with the laws and regulations for the prevention of money laundering and terrorism financing and how to recognize and report that such activity may be taking place.
- (3) Employees should consult with the Money Laundering Reporting Officer (“MLRO”) or the Deputy MLRO in any case of doubt.
- (4) Capitalised terms are defined in the Glossary set out in Appendix A to this Manual. Any reference to “money laundering” in the lower case includes a reference to terrorist financing and the financing of unlawful organizations unless the context indicates otherwise

This Manual is for internal use only and must not be distributed outside the Firm without the prior approval of the MLRO. It must be read in conjunction with the Client Verification Procedures (together, the Firm’s “policy”).

- (5) The Firm’s policy shall be reviewed at least annually, taking account of legislative changes, implementation of the policy, and how such implementation may be improved. Any amendments will be approved by the Board before taking effect.

1.3 Applicable laws and regulations

The FSC specifically requires Forex City to establish and maintain appropriate policies, procedures, systems, and controls to enable it to detect and deter the laundering of the proceeds of tax crimes related to both direct and indirect taxes and to comply with international obligations for the exchange of information for tax purposes.

1.4 Penalties for non-compliance

- (1) Forex City may be criminally liable for the offense of money laundering if it intentionally commits specified acts about funds it knows are the proceeds of crime, and the Firm, its Board of Directors, and its Employees may face FSC enforcement action in respect of any breach of any Rule in the AML Module. The FSC may impose administrative penalties for breaches of Federal AML legislation. A failure to comply with Federal AML legislation may also evidence a failure to comply with the FSC Regulatory Law, resulting in disciplinary and remedial action as set out in that Law and FSC Rules.
- (2) Employees are specifically advised that:
 - (a) Failure to report suspicions of money laundering;
 - (b) “Tipping off”; and
 - (c) Assisting in the commission of money laundering,

1.5 Summary obligations

(1) Employees are required by their terms of employment to comply with the matters set out in this Manual including, in particular, their obligations to participate in anti-money laundering awareness training.

(3) In particular, Employees must:

- (a) Remain vigilant at all times to the possibility that the Firm may be used to launder money;
- (b) report to the MLRO without delay if they know, suspect, or have reasonable grounds for knowing or suspecting that a person may be engaged in money laundering; and
- (c) Must not alert that person to their suspicion or the fact that they have made a report.

Failure to do so may lead to the Firm taking disciplinary action, up to and including summary dismissal, against the Employee concerned.

(4) Employees must sign and return to the MLRO within 7 days of joining the Firm a **Money Laundering Undertaking** (Form ED2) confirming that they will comply with the requirements set out in this Manual.

1.6 Fraud

Many of the circumstances outlined in this Anti Money Laundering Procedures Manual may also indicate that a person is engaged in fraud. Suspicions of fraud must immediately be reported to the MLRO who will ensure the matter is properly investigated, and, if necessary, reported to the criminal authorities.

2	KEY ELEMENTS OF THE FIRM'S AML PROGRAMME
----------	---

The key elements of Forex City's policies, procedures, systems, and controls for the prevention of money laundering include the following:

2.1 Risk-based approach

- Identifying the money laundering risks facing the Firm and those presented by each Customer and taking a considered, risk-based, approach to eliminating or managing them.
- Undertaking the appropriate amount of Customer due diligence on its Customers having regard to the risks that have been identified in each case rather than by taking a routine, tick-the-box approach.
- Ensuring that higher-risk business relationships, including relationships involving politically exposed persons, their associates, or close family members, are accepted only with the SEO's explicit
- Approval and understanding of the potential higher risks involved.

2.2 Staff awareness and training

- Ensuring staff is aware of the money laundering risks facing the Firm, their obligations and liabilities under applicable laws and regulations, the Firm's procedures for undertaking Customer due diligence, and how to recognize and report suspicious activity.

2.3 Customer due diligence

- Not only verifying the identity of Forex City's Customers (and their Beneficial Owners, where relevant) but also understanding their source of funds and wealth.
- Taking account of government, regulatory, and international findings concerning blacklisted countries and persons and checking that Forex City's Customers are not subject to them.

2.4 Prohibited business

- Not carrying on business with persons (e.g. a body corporate or unincorporate, trust, foundation, partnership, association, state, government, etc.) whose ultimate Beneficial Owners cannot be identified (e.g. ownership or control through bearer shares) or any other arrangement that prevents the Firm from identifying a significant beneficial owner (e.g. Nominees acting on behalf of persons whose identity has not been disclosed to the Firm).
- Not allowing a business relationship to commence unless the Customer's due diligence has been completed.
- Not establish or maintain an anonymous account, an account in a fictitious name, or a nominee account which is held in the name of one person but which is controlled by or held for the benefit of another person whose identity has not been disclosed to the Firm.

2.5 Reliance on others

- Relying on other persons to conduct Customer due diligence on the Firm's behalf only if Forex City is satisfied that they are properly regulated and will undertake the work to the same standard as the Firm if Forex City were undertaking the due diligence itself.

2.6 On-going due diligence and Customer activity monitoring

- Keeping Forex City's information about its Customers up to date and verifying any significant changes.
- Monitoring the Customer's activities and Transactions throughout the life of the relationship for signs of suspicious behavior that may require closer scrutiny.

3	MANAGEMENT ARRANGEMENTS & RESPONSIBILITIES
----------	---

3.1 Senior Management

- (1) Responsibility for Forex City's compliance with the policies, procedures, systems, and controls set out in this Manual rests with every member of its Board of Directors.

- (2) Forex City's Board of Directors understands FSC's expectation that they will establish a robust and effective AML/CTF and sanctions compliance culture for the business and acknowledge that they must exercise due skill, care, and diligence in carrying out their responsibilities, noting that the FSC may take enforcement action against them (and against any Forex City's Employee) in respect of any breach of the AML Rules.
- (3) Specifically, the Board of Directors are responsible for:
 - (a) Establishing and maintaining effective policies, procedures, systems, and controls to prevent opportunities for money laundering about the Firm and its activities;
 - (b) Ensuring that Forex City's AML systems and controls:
 - (i) include the provision to the Board of Directors of regular management information on the operation and effectiveness of its AML systems and controls necessary to identify, measure, manage, and control Forex City's money laundering risks;
 - (ii) Enable it to determine whether a Customer or a Beneficial Owner is a Politically Exposed Person; and
 - (iii) Enable Forex City to comply with all applicable laws and regulations; and
 - (c) ensuring that regular risk assessments are carried out on the adequacy of Forex City's AML systems and controls to ensure that they continue to enable it to identify, assess, monitor, and manage money laundering risk adequately, and are comprehensive and proportionate to the nature, scale and complexity of its activities.

3.2 MLRO and Deputy MLRO

- (1) Forex City has appointed a Money Laundering Reporting Officer ("MLRO") and a Deputy MLRO to be responsible for the implementation and oversight of the Firm's compliance with the Rules in the AML Module.
- (2) The MLRO and Deputy MLRO are required to deal with the FSC & FIU openly and cooperatively and must disclose appropriately any information of which the FSC would reasonably expect to be notified.
- (3) The MLRO and Deputy MLRO have direct access to the Board of Directors and timely and unrestricted access to all information necessary to enable them to carry out their duties.
- (4) All Employees are required to cooperate fully with the MLRO and the Deputy MLRO in the performance of their duties.

3.3 Responsibilities of the MLRO

- (1) The MLRO is responsible for the implementation and oversight of the following matters:
 - (a) The day-to-day operations for compliance by the Firm with its AML policies, procedures, systems and controls;
 - (b) Acting as the point of contact to receive internal SARs from Employees;
 - (c) Establishing and maintaining an appropriate money laundering training program and adequate awareness arrangements, as set out in Section 7 of this Manual.
- (2) The Firm and the MLRO will co-operate openly in all their dealings with the FSC and will disclose appropriately any information of which the FSC would reasonably be expected to be notified and ensure that all communications with the FSC are conducted in English.
- (3) The MLRO, with the prior approval of the Board, may delegate responsibilities, such as approval of low-risk clients, to the Compliance department of Forex City.

3.4 Audit

- (1) The Firm will commission regular reviews and assessments of the effectiveness of its money laundering policies, procedures, systems, and controls, and its compliance with them, and will specifically cover the following:
 - (a) Sample testing of compliance with the Firm's CDD arrangements;
 - (b) An analysis of all notifications made to the MLRO to highlight any area where procedures or training may need to be enhanced; and

- (c) A review of the nature and frequency of the dialogue between the Board of Directors and the MLRO.
- (2) Such reviews will be carried out by the Group's Compliance Department at least annually.

3.5 Annual AML return

- (1) The Firm will complete the Annual AML Return form on an annual basis for the period 1 August to 31 July and submit it to the FSC by the end of September each year.
- (2) The Annual AML Return requires Forex City to provide FSC with:
 - (a) Its documentation as to:
 - (i) Its latest business risk assessment;
 - (ii) The Firm's AML Policies and Procedures;
 - (iii) Its Customer risk assessment template; and
 - (iv) the most recent AML audit report and details of any action taken;
 - (b) An explanation of its policies and procedures for:
 - (i) Ensuring that the Board of Directors exercise due, skill and care in carrying out their responsibilities under the AML module (examples should be provided);
 - (ii) Undertaking Customer risk assessments and assigning risk ratings;
 - (iii) Identifying Customers and Beneficial Owners who are PEPs;
 - (iv) Conducting Simplified EDD and Enhanced CDD;
 - (v) Making use of UN resolutions or sanctions and government, regulatory, and international findings including the checks carried out and their frequency;
 - (vi) Undertaking ongoing monitoring of its Customers and Transactions;
 - (vii) Providing and delivering AML training to all relevant employees and ensuring its effectiveness; and
 - (viii) Monitoring and detecting suspicious activity.
 - (c) Information as to whether:
 - (i) It has been unable to conduct or complete CDD within 30 days for any new Customer and to explain what steps were or are being taken to close the matter;
 - (ii) It has been unable to conduct or complete CDD for any new or existing Customer during the relevant period and the resulting action it has taken;

- (iii) It relies on third parties to conduct CDD on its behalf or outsources one or more elements of its CDD obligations;
- (d) Numerical data as to:
 - (i) The total number of customers as of the date of the return;
 - (ii) The number of customers in each risk rating;
 - (iii) The number of customers that have been identified as PEPs;
 - (iv) the number of relevant Employees that have received AML training during the year analyzed between the Board of Directors, staff, etc., and the number of relevant Employees that have not received such training; and
 - (v) The number of Suspicious Activity Reports that have been reported internally by staff to the MLRO and externally by the MLRO to the FIU.
- (e) The date:
 - (i) Of Forex City's most recent business risk assessment;
 - (ii) That the Firm last reviewed the adequacy of the CDD information it holds on its Customers and Beneficial Owners and the details of any material findings of the review; and
 - (iii) the last internal audit of the Firm's AML policies, procedures, systems, and controls and Forex City's compliance with its obligations under the AML Module.
- (3) The Annual AML Return also requests details of the names of the Board of Directors, the MLRO, and Deputy MLRO, whether the role is outsourced, and a description of the MLRO's role within the Firm (including any other roles he may perform within the Firm) and the arrangements in place when the MLRO is absent.
- (4) The contents of the Annual AML Return must be acknowledged by every member of the Board of Directors before its submission to the FSC, each of whom must sign a declaration that, to the best of their knowledge and belief, having made due inquiry, that the information given is complete and correct.
- (5) A copy of the annual AML Return (or a report in another form specified by the FSC & FIU) will be provided to the AMLSCU who under Cabinet Resolution 38 of 2014, require biannual reports.

3.6 Notifications to FSC

- (1) The Firm will inform the FSC in writing as soon as possible, about its activities carried on in or from the FSC:
 - (a) Receives a request for information from a regulator or agency responsible for AML or counter-terrorism financing regarding inquiries into potential money laundering or terrorist financing;

- (b) becomes aware, or has reasonable grounds to believe, that a money laundering event has occurred or may have occurred in or through its business;
- (c) becomes aware of any money laundering or sanctions matter about the Firm or a member of its Group which could result in adverse reputational consequences to the Firm; or

4	THE RISK-BASED APPROACH
----------	--------------------------------

4.1 Overview

- (1) Forex City adopts an AML approach that is proportionate to the risks it is exposed to as a result of reviewing the nature of its business, Customers, products, services, and any other matters that are relevant in the context of money laundering and ensures such risk-based assessments are (i) objective and proportionate to the risks; (ii) based on reasonable grounds; (iii) properly documented; and (iv) reviewed and updated at appropriate intervals.
- (2) The Firm’s “risk-based approach”, involves:
 - (a) business risk assessments: periodic assessments of Forex City’s business which enable the Board of Directors to understand the money laundering risks facing the Firm, assess Forex City’s vulnerabilities to those risks, and take all reasonable steps to eliminate or manage them;
 - (b) Customer risk assessments: assessments of the money laundering risks presented by each Customer of the Firm; and
 - (c) Risk mitigation using Customer due diligence and ongoing monitoring that is proportionate to the risks that have been assessed.
- (3) The Firm will not do business where the client’s ownership structure or control arrangements prevent it from identifying any significant beneficial owner.
- (4) Employees are referred to the Client Verification Procedures for detailed descriptions and information on higher-risk and prohibited client arrangements.

4.2 Business risk assessment

- (1) Forex City will, at least annually, identify and assess any money laundering risks to which its business is exposed, taking into consideration the nature, size, and complexity of its activities and, to the extent relevant, any vulnerabilities relating to:
 - (a) Its type of Customers and their activities;
 - (b) The countries or geographic areas in which it does business;
 - (c) Its products, services, and activity profiles;
 - (d) Its distribution channels and business partners;
 - (e) The complexity and volume of its Transactions;
 - (f) The development of new products and new business practices, including new delivery mechanisms, channels and partners; and
 - (g) The use of new or developing technologies for both new and pre-existing products.
- (2) Forex City will ensure that any risk identified in the business risk assessment is taken into account in its day-to-day operations, including (i) the development of new products (ii) the taking on of new Customers and (iii) changes to its business profile.
- (3) Forex City will use the information obtained in its periodic business risk assessments to develop and maintain its AML policies, procedures, systems, and controls, ensure that they adequately mitigate the risks that have been identified, assess their effectiveness, and assist in the allocation and prioritization of AML resources and in carrying out its Customer risk assessments.

4.3 Customer risk assessment

- (1) Before undertaking CDD on a new Customer, Forex City will undertake a Customer risk assessment and assign the Customer a risk rating proportionate to the Customer's money laundering risks.
- (2) When undertaking a Customer risk assessment, the Firm will:
 - (a) Identify the Customer and any Beneficial Owner;
 - (b) Obtain information on the purpose and intended nature of the business relationship;
 - (c) Take into consideration:
 - (i) the nature of the Customer, its ownership and control structure, and its Beneficial Ownership, if any, i.e. its legal structure, business or occupation, location of the Customer's business, and commercial rationale for its business model, and the potential of the Customer to be involved in tax crimes;
 - (ii) The nature of the Customer's business relationship with the Firm, i.e. how the The customer is introduced to the Firm;

- (iii) The Customer's country of origin, residence, nationality, place of incorporation or place of business;
 - (iv) The relevant product, service, or Transaction; and
 - (v) Take into consideration the outcomes of the business risk assessment.
- (4) Forex City will assign the Customer a risk rating of "high", "medium" or "low". Note that Customers having similar characteristics may be assigned different risk ratings having regard to the product concerned and any other relevant factors relevant to the Customer risk assessment.
 - (5) The Customer risk assessment will be fully documented, reviewed, and approved by the MLRO and filed on the Customer file. All "high" risk business relationships and any business relationship involving PEP must be approved by the SEO.
 - (6) The Firm will periodically review each Customer's risk rating to ensure that it remains up-to-date in light of current AML risks.

4.4 Politically exposed persons

- (1) Politically exposed persons ("PEPs"), members of their immediate families and close associates, and others having a high profile or position of influence can pose a higher money laundering risk as their position may make them vulnerable to corruption.
- (2) The FSC considers that:
 - (a) Whilst "PEP" status does not of itself incriminate the individual concerned or any entity with which it is associated, the FSC considers that it puts the Customer, or the Beneficial Owner, into a higher risk category.
 - (b) Generally, a foreign PEP presents a higher risk of money laundering because there is a greater risk that such a person if he were committing money laundering, would attempt to place his money offshore where the Customer is less likely to be recognized as a PEP and where it would be more difficult for law enforcement agencies in his home jurisdiction to confiscate or freeze his criminal property.
 - (c) After leaving office, a PEP may remain at a higher risk for money laundering if such a person continues to exert political influence or otherwise poses a risk of corruption.
- (3) PEPs will be identified by the Firm via GB Group. If a PEP is identified, the MLRO will advise on how to proceed. If the PEP is a beneficial owner it may be necessary to take further steps to establish the person's source of wealth and source of funds and to monitor the person's conduct during the business relationship.
- (4) The MLRO will maintain a PEP Register in which to record all PEPs that have been identified within the Firm's client base and their connection with the client concerned.

- (5) PEPs will be monitored at least annually by the MLRO for evidence of adverse media comments. Any significant issues arising will be reported to the SEO with a recommendation as to what action should be taken.

5	CUSTOMER DUE DILIGENCE
----------	-------------------------------

5.1 Customer due diligence

- (1) Customer due diligence (“CDD”) is the process of:
- (a) On a risk-assessed basis, verifying the identity of the Customer and any Beneficial Owner based on original documents, or data or information issued by or obtained from a reliable and independent source;
 - (b) Understanding the Customer’s Source of Funds¹ and Source of Wealth², e.g., by reference to published accounts or application form; and
 - (c) Undertaking ongoing due diligence of the Customer business relationship.
- (2) For this manual the term “Customer” includes any of the following:
- (a) A client for the Firm’s products or services;
 - (b) Business partners that assist in delivering services such as introducers, lawyers, accountants, and other regulated financial institutions involved in the transaction.
- (3) It is important to identify a customer, understand the customer’s ownership and control structure, and assess the probity of all parties involved, including the directors, shareholders, and any other persons with significant involvement in the business or transaction in question. Equally, it is important to establish the purpose and nature of the customer’s intended business relationship with the Firm, the nature, and source of the funds or other assets involved, and whether the business or transaction in question is consistent with the Firm’s understanding of the nature and scale of the customer’s business, objectives and strategy.
- (4) The level of CDD to be undertaken, both initially and for the duration of the business relationship must be determined by reference to the Customer’s risk rating assigned under the Customer risk assessment.
- (5) If the Customer Risk Assessment indicates that Normal CDD will not be sufficient for the higher money laundering risk perceived to be associated with the business relationship in question, the Firm should obtain and verify additional information about the customer, its beneficial owners, and the purpose of the transaction. The additional measures are referred to as Enhanced CDD.
- (6) The Firm’s due diligence procedures for establishing and verifying the identity of the Customer and Beneficial Owners are set out in the Client Verification Procedures.

- (1) Understanding the customer's "source of funds" means understanding where the customer will find the money to finance the business or transaction in question.
- (2) Understanding the customer's "source of wealth" means understanding how the customer's global wealth or net worth was acquired or accumulated.

5.2 Identification and Verification of Beneficial Owners

- (1) When determining whether to verify the identity of a Beneficial Owner, Forex City will take a risk-based approach having regard to all the circumstances of the case including, in particular, the Customer's ownership and control structure, the size of the individual's legal or Beneficial Ownership in the customer, whether the Beneficial Owners are associated or connected in some way, and the money laundering risks of the Customer and the product or service involved.
- (2) If Forex City decides not to verify a particular Beneficial Owner or to adopt a threshold below which the verification of Beneficial Owners will not be carried out, it will document the reasons for its decision in the Customer risk assessment.
- (3) A threshold for verification may be appropriate in cases where the Customer-specific risks are lower, e.g.:
 - (a) A low-risk corporate Customer undertaking business involving lower-risk products or services; or
 - (b) A widely held collective investment fund whose members' funds derive from low-risk sources, e.g. employee pension contributions.
- (4) Conversely, in the case of a fund with a small number of investors, each having a large shareholding or other interest, identification, and verification of each of the Beneficial Owners would be appropriate unless significant mitigates are identified (and documented in) the Customer risk assessment.
- (5) In respect of actual and potential Beneficial Owners of a trust, the identification and verification should include the trustee, settlor, protector, enforcer, beneficiaries, other persons with power to appoint or remove a trustee, and any person entitled to receive a distribution, whether or not such person is a named beneficiary.
- (6) Under Federal AML legislation, if the customer is a legal person, Forex City must obtain information identifying the names and addresses of partners and shareholders who each hold more than 5% of the capital of the legal person i.e. it applies a specified threshold.
- (7) This does not affect the approach that should be taken for verifying the identity of beneficial owners where no threshold is specified. As a result, under the Federal AML legislation, Forex City will need to obtain information identifying partners and shareholders who hold more than 5% of the capital of the legal person. Then, by the risk-based approach, Forex City should determine whether it is necessary also to identify other persons who may be beneficial owners and verify their identity.

5.3 Name Screening and Google searches

- (a) When undertaking due diligence, the Firm will carry out screening checks via ID3 checks, C6 ongoing screening tool, and Google searches to establish whether the proposed relationship with the client will involve politically exposed persons (PEPs) or other higher-risk persons such as individuals, groups, organizations, entities, etc., where suspicion of money laundering or terrorist financing exists, and persons under sanctions or resolutions issued by the UN Security Council and/or by other bodies.
- (b) These background checks must be carried out on the client entity, its directors, and any relevant authorized signatories and its ultimate beneficial owners. In the case of a private company, for example, the screening checks and Google searches will be carried out on the company, its directors, any person who will sign the Engagement Letter, and any shareholder having significant influence over the company.
- (c) The names of all persons checked and the results obtained must be recorded on the CDD Checklist.
- (d) If the screening and Google searches reveal adverse media comments or identify PEPs, sanctioned persons, or other issues giving cause for concern, the MLRO will advise the SEO on how (and whether) to proceed and what further CDD should be obtained.
- (e) In particular, the MLRO will notify FSC immediately on the Firm becoming aware that it is providing, is about to provide, or has provided a service to any person in contravention of a relevant sanction or resolution issued by the United Nations Security Council.

5.4 Authenticity of documents obtained

- (a) All verification must be based on original documents or certified copies thereof or data or information issued by or obtained from reliable, independent sources. All documents should be checked for reasonableness. The Firm must not be blind to the possibility of forgery, fraud, and identity theft as well as simple human error.
- (b) Ideally, documents should be inspected in original form and photocopied by any Forex City employee having physical possession of the document concerned.
- (c) Where this is not possible, for example, because the Firm has no physical contact with the person concerned, then the Firm should obtain a first-generation photocopy certified as a true copy of the original document by a person of good standing such as a registered lawyer or notary, a chartered accountant, a police officer, embassy or consular official, or other similar person.
- (d) The certified photocopy must:
 - (i) bear language attesting that the photocopy is a true copy of the original document;
 - (ii) show the date on which the photocopy was made and certified; and
 - (iii) Show the name, occupation, and business address of the person who certified the photocopy.
- (e) Note that the requirement for a “first generation” photocopy means that copies of photocopies are not acceptable.

- (f) Other acceptable sources of CDD are (a) publicly available information downloaded from government and regulator's official websites (b) reputable company or information-reporting agencies (c) banking references and (d) on a risk-sensitive basis, information found on the internet or commercial databases.
- (g) For higher-risk situations identification information should be independently verified, using both public and non-public sources. For lower-risk situations, not all of the relevant identification information would need to be verified.

5.5 Enhanced CDD

- (1) If the Customer has been assigned a "high" risk rating following the Customer risk assessment the The firm must undertake Enhanced CDD.
- (2) Enhanced CDD involves, to the extent necessary as determined on a case-by-case basis:
 - (a) Obtaining and verifying additional:
 - (i) Identification information on the Customer and any Beneficial Owner;
 - (ii) Information on the intended nature of the business relationship; and
 - (iii) Information on the reasons for a Transaction;
 - (b) Updating more regularly the CDD that Forex City holds on the Customer and any Beneficial Owners;
 - (c) Verifying information on the Customer's Source of Funds and Source of Wealth;
 - (d) Increasing the degree and nature of monitoring of the business relationship, to determine whether the Customer's Transactions or activities appear unusual or suspicious;
 - (e) Obtaining a member of the Board of Directors approval to commence a business relationship with the Customer; and
 - (f) where applicable, and if the Firm is not satisfied with the results of the due diligence overall, requiring that any first payment made by a Customer to open an account must be made through a bank account in the Customer's name with a Bank; Regulated Financial Institution whose entire operations are subject to regulation and supervision, including AML regulation and supervision, in a jurisdiction with AML regulations which are equivalent to the standards set out in the FATF recommendations; or a Subsidiary of a Regulated Financial Institution referred to above, if the law that applies to the Parent ensures that the Subsidiary also observes the same AML standards as its Parent.
- (3) Where appropriate, the Enhanced CDD measures may include:

- (a) Obtaining documentary evidence as to the source or circumstances that gave rise to the Customer's funds and wealth;
- (b) getting a better understanding of the Customer's business and business structures, the Customer's use of the Firm's products and services, and the nature and level of business to be expected from the Customer;
- (c) taking steps to be satisfied that a Customer's use of complex legal structures and/or the use of trust and private investment vehicles, has a genuine and legitimate purpose and to properly understand the chain of title, authority, or control leading to the ultimate Beneficial Owner, settler and beneficiaries, if relevant.
- (d) to the extent that the assets belong to the Beneficial Owner and not the Customer, enquiring into the Beneficial Owner's source of funds and Source of Wealth.
- (e) Verifying the Source of Funds by obtaining independent corroborating evidence such as, for example, proof of dividend payments connected to a shareholding, bank statements, salary/bonus certificates, loan documentation, and proof of a Transaction that gave rise to the payment into the account. A Customer should be able to demonstrate and document how the relevant funds are connected to a particular event that gave rise to the payment into the account or to the source of the funds for a Transaction.
- (f) verifying the Source of Wealth by obtaining independent corroborating evidence such as, for example, for corporates, share certificates, publicly-available registers of ownership, bank or brokerage account statements, probate documents, audited accounts, and financial statements, news items from a reputable source and other similar evidence.
- (g) Commissioning a third-party vendor report to obtain further information on a Customer or Transaction or to investigate a Customer or Beneficial Owner in very high-risk cases. Such reports may be particularly useful where there is little or no publicly available information on the Person concerned.

5.6 Simplified CDD

- (1) If the Customer has been assigned a "low" risk rating following the Customer risk assessment the The firm may undertake Simplified CDD.
- (2) The Simplified CDD must be proportionate to the money laundering risks identified and may include any of the following:
 - (a) Verifying the identity of the Customer and identifying the Beneficial Owner after the establishment of the business relationship;
 - (b) Reducing the frequency of, or as appropriate, not undertaking Customer identification updates;
 - (c) Deciding not to verify an identified Beneficial Owner;
 - (d) Deciding not to verify an identification document other than by requesting a copy;

- (e) Not enquiring as to a Customer's Source of Funds or Source of Wealth.
 - (f) Reducing the degree of ongoing monitoring of Transactions, based on a reasonable monetary threshold or the nature of the Transaction; or
 - (g) Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship, but inferring such purpose and nature from the type of Transactions or business relationship established.
- (3) Notwithstanding that the risks may be low for all such Customers the Firm will not adopt a one-size fits all approach for all its low-risk Customers and will undertake CDD that is proportionate to the risks identified on a case-by-case basis. For example, where the money laundering risks are very low, the Firm may simply identify the Customer and verify such information only to the extent that this is commercially necessary whereas in the case of a complex Transaction more comprehensive simplified CDD might be required.
 - (4) For the avoidance of doubt, Forex City is always required to 'identify' beneficial owners, except for retail investment funds which are widely held, and investment funds where the investor invests via pension contributions. However, the Firm may decide not to 'verify' beneficial owners of a low-risk customer.
 - (5) The Firm might reasonably reduce the frequency of or eliminate Customer identification updates where the money laundering risks are low and the service provided does not offer a realistic opportunity for money laundering.

5.7 Timing of Customer Due Diligence

- (1) Forex City will ensure that appropriate CDD is, or has been, undertaken when:
 - (a) It proposes to establish a business relationship with a new Customer;
 - (b) It has not undertaken a transaction for the Customer in over 12 months;
 - (c) it doubts the veracity or adequacy of CDD documents, data, or information it has obtained, e.g. where there is a material change in the way the account is operated which is not consistent with the Customer's business profile or where it appears that the Customer is not the real Customer;
 - (d) It suspects money laundering; or
 - (e) There is a change in the risk rating of the Customer, or it is otherwise warranted by a change in the Customer's circumstances
- (2) Generally, the CDD must be completed by or before the time at which any business relationship is formalized, e.g. by the signing of a client agreement or the acceptance of terms of business.
- (3) Exceptionally, however, subject to the SEO's approval, the CDD may be completed after that time if:
 - (a) deferral of the verification of the Customer or Beneficial Owner is necessary in order not to interrupt the normal conduct of a business relationship to execute a time-

critical Transaction, which if not executed immediately, would or may cause a Customer to incur a financial loss due to price movement or loss of opportunity; and

- (b) There is little risk of money laundering occurring and any such risks identified can be effectively managed by the Firm; and
 - (c) The verification is completed as soon as reasonably practicable and, depending on the nature of the Customer relationship, ideally within 30 days.
- (4) Where the Firm is not reasonably able to comply with the 30 day rule, above, it must, prior to the end of the 30 day period, document the reason for its non-compliance, complete the verification as soon as possible and record the non-compliance event in its Annual AML Return. Note that the FSC may specify a period within which the verification must be completed, failing which the FSC may direct the Firm to cease any business relationship with the Customer.
- (5) The Firm's policy is not to establish a business relationship with any Customer until CDD has been completed.
- (6) The Introducing Broker Agreement must contain the following language and must be signed by the client to signify its confirmation:

"This Agreement is subject to you providing Forex City with information requested by Forex City, at its absolute discretion, to enable Forex City to satisfy any and all obligations it may have under the legislation and regulations applicable in the FSC for the prevention of money laundering, terrorist financing and other financial crimes. Forex City may be obliged to terminate this Agreement if information requested to satisfy these obligations is not submitted or is insufficient. By signing this Agreement, you warrant that you are acting on your own behalf and not on behalf of any third party."

5.8 Failure to complete Customer due diligence

- (1) If the Firm is unable to conduct or complete the CDD, it will apply one or more of the following measures as may be appropriate in the circumstances:
- (a) Not carry out a Transaction with or for the Customer in cash;
 - (b) Not open an account or provide a service;
 - (c) Not otherwise establish a business relationship or carry out a Transaction;
 - (d) Subject to (2), terminate or suspend any existing business relationship with the Customer;
 - (e) Subject to (2), return any monies or assets received from the Customer; and
 - (f) Consider whether the circumstances necessitate the making of a SAR to the FSC.
- (2) Where CDD cannot be completed, it may be appropriate not to carry out a Transaction pending completion of the CDD. **Where CDD, or a material part of it, such as identifying and verifying a**

Beneficial Owner cannot be conducted, the business relationship with the Customer should not be established.

- (3) In the case of a new Customer it may be appropriate to terminate the business relationship before a product or service is provided. In the case of an existing Customer, however, while termination of the business relationship should not be ruled out, suspension may be more appropriate depending on the circumstances. In either case the Firm must be careful not to tip off the Customer.
- (4) The Firm is not obliged to terminate or suspend any existing business relationship with the Customer, or return any monies or assets received from the Customer, if:
 - (a) To do so would amount to “tipping off” the Customer; or
 - (b) The FSC & FIU directs Forex City to act otherwise.
- (5) Note that failure to comply with (b) above would constitute a significant violation of the AML Rules which may lead to FSC enforcement action.

5.9 Monitoring the Customer relationship

- (1) When undertaking on-going CDD the Firm must, using the risk-based approach:
 - (a) Monitor Transactions to ensure they are consistent with the Firm’s knowledge of the Customer, his business and risk rating;
 - (b) Pay particular attention to any complex or unusually large Transactions or unusual patterns of Transactions that have no apparent or visible economic or legitimate purpose;
 - (c) Enquire into the background and purpose of the Transactions;
 - (d) periodically review the adequacy of the CDD information it holds on Customers and Beneficial Owners to ensure that the information is kept up to date, particularly for Customers with a higher risk rating; and
 - (e) Periodically review each Customer’s risk assessment to ensure that its risk rating remains appropriate in light of current money laundering risks.
- (2) In monitoring the Customer relationship, the Firm will undertake a periodic review to ensure that Customer identity documentation, such as passport number and address and, for a Legal Person, its share register or list of partners, etc., is accurate and up-to-date.
- (3) In particular such reviews will be carried out when:
 - (a) The Firm changes its CDD documentation requirements;
 - (b) An unusual Transaction with the Customer is expected to take place;
 - (c) There is a material change in the business relationship with the Customer; or
 - (d) There is a material change in the nature or ownership of the Customer.

- (4) The degree of on-going CDD to be undertaken will depend on the Customer risk assessment.
- (5) The Firm will use manual or automated systems, or a combination thereof, depending on, amongst other things, the size and nature of the Firm's business and Customer base, and the complexity and volume of Transactions.
- (6) Forex City will also review its Customers, their business and Transactions against UN Security Council sanctions lists and against any other sanctions list, such as EU, U.K. HM Treasury, U.S. OFAC, etc., that may be relevant.

5.10 Reliance on a third party to undertake CDD on the Firm's behalf

- (1) Subject to certain conditions, Forex City may rely on the CDD obtained by a third party if it has reasonable grounds for believing that the third party will undertake the CDD in a manner that is consistent with FSC Rules and that there are no bank secrecy or data protection laws that would prevent the Firm from having access to any relevant information upon request without delay. In all such cases, however, the Board of Directors acknowledges that Forex City remains responsible for compliance with, and liable for any failure to meet, the relevant CDD requirements. Accordingly, all such arrangements must be referred to the MLRO for pre-approval.
- (2) Forex City may rely on any third party listed below to conduct one or more elements of CDD on its behalf or rely on information previously obtained by them:
 - (a) An Authorised Person;
 - (b) A law firm, notary, or other independent legal business, accounting firm, audit firm or insolvency firm, or an equivalent person in another jurisdiction; or
 - (c) A Financial Institution.
- (3) However, Forex City will rely on that person only if and to the extent that the third party:
 - (a) Immediately provides Forex City with:
 - (i) All relevant CDD information; and
 - (ii) Written confirmation that, if they are required, certified copies of the CDD documents will be provided to Forex City upon request, without delay;
 - (b) is subject to regulation, including AML, by a Financial Services Regulator or other competent authority in a country with AML regulations which are equivalent to the standards set out in the FATF Recommendations and is supervised for compliance with such regulations;
 - (c) Has not relied on any exception from the requirement to conduct any relevant elements of CDD which Forex City seeks to rely on; and
 - (d) Ensures that any information previously obtained remains up to date.

- (4) If Forex City is not reasonably satisfied that a Customer or Beneficial Owner has been identified and verified by the third party in a manner that is consistent with FSC Rules, it will immediately perform the CDD itself with respect to any deficiencies identified.
- (5) Before appointing an outsourced service provider to undertake CDD, Forex City will follow its in-house outsourcing procedures and in particular will undertake appropriate due diligence to assure itself of the service provider's suitability and ensure that the service provider's obligations are clearly documented in a binding agreement.

6	SANCTIONS AND OTHER FINDINGS
----------	-------------------------------------

6.1 Relevant United Nations resolutions and sanctions

- (1) A firm must exercise due care to ensure that it does not provide services to, or otherwise conduct business with, any person engaged in money laundering, terrorist financing or the financing of weapons of mass destruction.
- (2) Forex City will therefore ensure it is informed as to, and takes appropriate measures to comply with relevant resolutions or sanctions issued by the United Nations Security Council.
- (3) Forex City will immediately notify the FSC upon becoming aware that it is:
 - (a) Carrying on or about to carry on an activity;
 - (b) Holding or about to hold money or other assets; or
 - (c) Undertaking or about to undertake any other business whether or not arising from or in connection with (a) or (b);

For or on behalf of a person in contravention of a relevant sanction or resolution issued by the United Nations Security Council.

- (4) The MLRO will ensure that any notification made to FSC in accordance with (3) above includes details of the relevant activity and the action taken or proposed to be taken by Forex City with regard to the matters specified in the notification.

6.2 Government, regulatory and international findings

- (1) Governments in many countries have enacted legislation to make money laundering and terrorist financing criminal offences, and have legal and regulatory processes in place to enable those engaged in these activities to be identified and prosecuted. Internationally, the FATF has done much to encourage governments to adopt minimum standards including, in particular, making their national regulators require financial services firms in their jurisdictions to follow specific due diligence procedures in relation to customers.
- (2) Generally, the member countries of the FATF are regarded as having arrangements for the prevention of money laundering that are at least equal to those in the FSC.
- (3) Forex City will ensure it is informed as to, and take appropriate measures to comply with (including by undertaking further due diligence on, or by not carrying out a Transaction for or on behalf of,

any person who is the subject of) any findings, recommendations, guidance, directives, resolutions, sanctions, notices or other conclusions issued by:

- (a) FATF;
 - (b) auritius enforcement agencies; and
 - (c) The FSC, concerning:
 - (i) arrangements for preventing money laundering, terrorist financing or the financing of weapons of mass destruction in a particular country or jurisdiction, including any assessment of material deficiency against relevant countries in adopting international standards; and
 - (ii) The names of persons, groups, organisations or entities or any other body where suspicion of money laundering or terrorist financing or the financing of weapons of mass destruction exists.
- (4) Forex City will examine and pay special attention to any Transaction or business relationship with persons located in such countries or jurisdictions, (including countries or jurisdictions which are no longer identified as deficient or which have been relieved from special scrutiny) and ensure that it is aware of the background against which the assessments, or the specific recommendations have been made.
- (5) Forex City must immediately notify the FSC in writing if it becomes aware of non-compliance by a person with a finding and provide the FSC with sufficient details of the person concerned and the nature of the non-compliance.

6.3 Obtaining and taking reasonable measures to comply with sanctions and other national and international obligations

- (1) The Firm will maintain a list of the countries and jurisdictions referred to in 6.2(3)(e)(i) and will use G B Group and such other sources as may be appropriate to identify any person of a kind referred to in 6.2(3)(e)(ii).
- (2) The sources mentioned in (2) above will be referred to at the Customer on-boarding stage, and subsequently, as appropriate, as part of on-going Customer monitoring. If an apparent match is found, the MLRO must be notified immediately for guidance on how to proceed.
- (3) With regard to (2) above, the Firm will continue to give special attention to Transactions with counterparties located in countries or jurisdictions which are no longer identified as deficient or have been relieved from special scrutiny.

7

MONITORING AND REPORTING OF SUSPICIOUS ACTIVITY

7.1 Overview

- (1) Forex City maintains:
 - (a) Policies, procedures, systems and controls with which to monitor and detect suspicious activity or Transactions in relation to potential money laundering or terrorist financing; and
 - (b) AN AML training and awareness programme that enables Employees to recognise when they have reasonable grounds to suspect that money laundering or terrorist financing is taking place and the means by which suspicions must be reported.

7.2 Examples of suspicious activity

- (1) Money laundering and terrorist financing operations may take many forms: there is no unique set of circumstances or pattern of behaviour by which they can be recognised. The key to recognising suspicious activity is knowing enough about the Customer and the Customer's normal expected activities to recognise when their activity is abnormal.
- (2) By way of example, circumstances that might give rise to reasonable grounds for suspicion at the Customer take-on stage might be where the Customer:
 - (a) Refuses without reasonable explanation to provide information requested; and/or
 - (b) Makes extensive use of offshore accounts, companies or structures in circumstances where its economic needs do not support such arrangements.
- (3) Subsequently, during the course of a business relationship with a Customer, circumstances that might give rise to reasonable grounds for suspicion might be:
 - (a) Transactions which have no apparent purpose, which make no obvious economic sense, or which are designed or structured to avoid detection;

- (b) Transactions requested by a person without reasonable explanation, which are out of the ordinary range of services normally requested or are outside the Firm's experience in relation to that particular Customer;
- (c) Transactions of a size or pattern that, without reasonable explanation, are out of line with previous experience or are deliberately structured to avoid detection;
- (d) The Customer uses the relationship for a single Transaction or for only a very short period of time;
- (e) Unnecessary routing of funds through third party accounts; or
- (f) Unusual Transactions without an apparently profitable motive.

These examples are not exhaustive and Employees must use their reasonable judgement in determining if the circumstances they observe should be regarded as suspicious.

7.3 Obligation to make further enquiries

- (1) A Transaction that appears unusual is not necessarily suspicious. Even Customers with a stable and predictable Transaction profile may have periodic Transactions that are unusual for them. Customers may, for perfectly good reasons, have an erratic pattern of Transactions. So the unusual is, in the first instance, only a basis for further inquiry, which may in turn require judgement as to whether it is suspicious. A Transaction or activity may not be suspicious at the time, but if suspicions are raised later, an obligation to report then arises.
- (2) If you have reasonable grounds to suspect, you must not ignore a possibly valid suspicion by wilful blindness, negligence (i.e. wilfully and recklessly fail to make adequate enquiries) or by failing to assess adequately the facts and information that are either presented or available.

7.4 Obligation to report

- (1) Any Employee who knows or suspects or who has reasonable grounds for knowing or suspecting that a person is engaged in money laundering has a personal obligation to make an Internal SAR to the MLRO. This obligation applies even in situations when no business relationship was developed if the circumstances were suspicious.
- (2) Knowledge means actual knowledge such as that gained from a person's admission that he is involved in a particular criminal activity, for example, tax evasion. Suspicion, on the other hand, is a personal and subjective assessment that falls short of belief but which must be more than mere speculation and which should be based upon some foundation that money laundering has occurred or is about to occur.
- (3) Note, however, that an Employee who considers a Transaction to be suspicious would not be expected to know the exact nature of the criminal offence or that the particular funds were definitely those arising from money laundering or terrorist financing.
- (4) The requirements mentioned above do not preclude an Employee from consulting with his line manager or other Employees in deciding whether or not the circumstances merit the sending of an Internal SAR to the MLRO. However, notwithstanding such consultation, the Employee must decide

for himself whether the MLRO should be notified and the Employee should not be prevented or dissuaded from doing so if he knows, suspects or has reasonable grounds for knowing or suspecting that a person may be involved in money laundering.

- (5) Notwithstanding that all External SAR's should be made only by the MLRO or Deputy MLRO (as set out in 8.7), the Firm's policy is that it will not prejudice an Employee who discloses any information regarding money laundering to the FSC or to any other relevant body involved in the prevention of money laundering including, the FIU or other Financial Intelligence Unit.

7.5 Reporting procedures

- (1) Any knowledge, suspicion or reasonable grounds for knowing or suspecting that a person is attempting money laundering or terrorist financing must be reported to the MLRO. This includes suspicious activity or behaviour of any kind, including customers or potential customers.
- (2) In the first instance, the Employee may report informally, by telephone or in person but, subsequently, he must submit an Internal SAR which he must also date and sign.
- (3) The Internal SAR provides documentary evidence that the Employee has fulfilled his personal obligation to report suspicious circumstances and creates a permanent record of what those circumstances were.
- (4) The template for the Internal SAR form is shown at Appendix 7A.

7.6 Inquiry by the MLRO

- (1) On receipt of an Internal SAR, the MLRO will promptly:
 - (a) Inquire into and document the circumstances in relation to which the report was made;
 - (b) If required, make an External SAR to the FSC & FIU as soon as practicable; and
 - (c) Notify the FSC immediately that such report has been made.
- (2) If no External SAR is made the MLRO must record his reasons for not doing so.

- (3) Note that the decision whether or not to make an External SAR is the MLRO's alone and is not subject to the consent or approval of any other person.
- (4) If Forex City knows or assumes that the funds which form the subject of the report do not belong to a Customer but to a third party, the MLRO must include this fact, and the details of the Firm's proposed course of further action in relation to the case, in the report.

7.7 Reporting to the FIU and the FSC

- (1) The template for the External SAR is shown on the FSC website.
- (2) The External SAR will be completed by the MLRO and must be emailed or faxed to the FSC & FIU at the address shown below. Immediately following its submission, the MLRO will notify the FSC that such report has been made.

FIU	FSC
The Manager-in-charge Anti-Money Laundering Suspicious Cases Unit	FSC Supervision

- (3) The external SAR should be accompanied by any supporting information, and any additional information which would help the FIU to further its investigations or which could link the SAR to other SARs and other investigations if possible.
- (4) The MLRO must request and be sure to obtain a formal acknowledgment from the FIU that the External SAR has been received, e.g., by way of successful fax transmission report or email confirmation.
- (5) Following submission of an external SAR the FIU may establish on-going dialogue with the MLRO as the investigation continues and more information may be requested. The FIU will provide the MLRO with a final outcome when a conclusion is reached.

7.8 Tipping off

- (1) Employees must therefore be sensitive to these issues when considering CDD measures and take all reasonable care to avoid “tipping off”.
- (2) Accordingly, if the Firm reasonably believes that performing CDD measures will tip-off a Customer or potential Customer, it may choose not to pursue that process and should file an External SAR instead.

TEMPLATE: INTERNAL SUSPICIOUS ACTIVITY REPORT

<p>Full name of Customer:</p> <p>Name of Customer’s representative, if any:</p>
<p>Current or last known address:</p> <p>Phone or other contact details:</p>
<p>Customer’s business or occupation:</p> <p>Passport or identity card number:</p> <p>Nationality:</p> <p>Place of business or incorporation:</p>
<p>Nature and amount of suspected transactions:</p> <p>Details of any connected accounts:</p>
<p>Reason for suspicion:</p>
<p>Instructions of the MLRO to the person making the report:</p>

PERSON MAKING THE REPORT		MONEY LAUNDERING REPORTING OFFICER	
Name:	Name:	Signature:	Signature:
Date:	Time:	Date:	Time:

TEMPLATE: EXTERNAL SUSPICIOUS ACTIVITY REPORT

(تقرير معاملة مشبوهة)
 نموذج تقرير عن
 المعاملات المصرفية المشبوهة أو التي تدل على احتمال غسل الأموال
(Suspicious Transaction Report)

Form of a report on Suspected Financial Transaction or those indicating possible Money Laundering

To be filled by the concerned Financial Institution:

بملا من قبل المنشأة المالية المعنية

Full name of Customer		الاسم الكامل للعميل
Passport No/Details of license:		رقم جواز السفر / تفاصيل الرخصة :
Nationality:		الجنسية
Address/ known address:		العنوان / العناوين المسجلة:
Amount of suspected transactions:		مبالغ المعاملات المصرفية المشبوهة:
Source of suspicion:		مصدر الشك:
Signature of employee in charge:		توقيع الموظف المسؤول
Date:		لتاريخ

8	RECORD KEEPING
---	----------------

8.1 Objectives

(1) Forex City's record keeping objectives are to ensure that:

- (a) The FSC or another competent authority is able to assess the Firm's compliance with the FSC Rules, Anti Money Laundering and Combatting the Financing of Terrorism and Proliferation

(Miscellaneous Provisions) Act 2020, government, regulatory or international findings and any other legislation applicable in the FSC;

- (b) Any Transaction which was processed by or through the Firm on behalf of a Customer or other third party can be reconstructed;
- (c) Any Customer or third party can be identified; and
- (d) The Firm can satisfy, within an appropriate time, any regulatory enquiry or court order to disclose information.

8.2 Records to be maintained

(1) Forex City will maintain the following records:

Customer due diligence	(a) a copy of, all documents and information obtained in undertaking initial and on-going CDD; and (b) the supporting records (i.e. original documents and/or certified copies) in respect of a business relationship which is the subject of CDD including on-going monitoring;
Suspicious activity reports	(a) Internal SARs and all relevant details; (b) external SARs and any relevant supporting documents and findings, including internal findings and analysis; and (c) any relevant communications with the FSC & FIU.
Risk assessments	(a) Any business risk assessment and how it was used to assist the carrying out of any Customer risk assessment; and (b) any Customer risk assessment and any risk rating assigned.
Staff awareness and training	(a) The dates when the training was given; (b) the nature of the training; and (c) the names of Employees who received it.

- (2) All such records will be retained for at least six years from the date on which the notification or report was made, the business relationship ends or the Transaction is completed, whichever occurs last. If the date on which the business relationship with a Customer has ended remains unclear, it will be taken to have ended on the date of the completion of the last Transaction.
- (3) Where such records are kept in electronic format, the Firm will ensure that they are readily accessible and available to respond promptly to any FSC requests for information. Further, such records will be maintained in the English language or accompanied by a salient translation, where necessary.
- (4) Risk assessments must be provided to the FSC upon request.