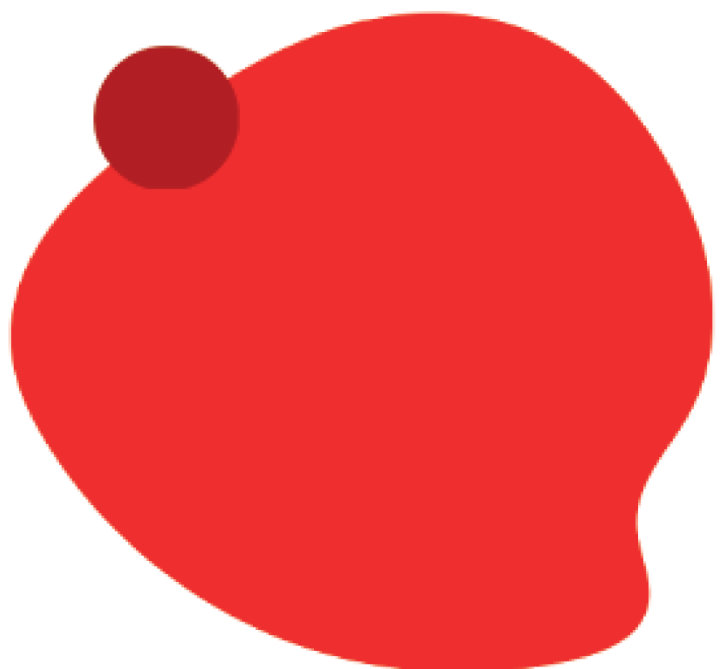




# Anti-Money Laundering (AML) Policy

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## Introduction

This Anti-Money Laundering (“AML”) Policy outlines the commitment of the Company, a provider of online trading services, to combat money laundering and terrorism financing activities. The Company is dedicated to upholding the highest standards of integrity and compliance with relevant laws and regulations.

The Company recognizes the importance of implementing robust AML measures to safeguard its operations from being exploited for illicit financial activities. This policy serves as a guide for employees, management, and stakeholders in understanding their roles and responsibilities in preventing money laundering and terrorism financing.

## Application

This AML Policy applies to all employees, affiliates, and management involved in the Company’s operations, including but not limited to trading activities, client support service, and clients.

## Understanding Money Laundering

Money laundering refers to the process of concealing the origins of illegally obtained funds to make them appear legitimate. It involves multiple stages aimed at integrating illicit funds into the financial system to disguise their illicit origins.

## General Examples of Money Laundering Situations

Some instances of money laundering situations of Client activities include, but are not limited to:

- a) High Volume, Low-Value Trades - Clients engaging in a pattern of high-frequency trading with small transaction amounts may attempt to conceal the source of illicit funds by blending them with legitimate trading activity.
- b) Layering through Complex Trading Strategies - Clients may employ sophisticated trading strategies involving multiple accounts or transactions across different markets to obscure the audit trail and disguise the origin of illicit funds.
- c) Abnormal Trading Patterns - Clients exhibiting unusual trading patterns, such as consistently profiting from insider information or executing trades contrary to market trends, may be attempting to launder money through the online trading platform.
- d) Frequent Account Access from High-Risk Jurisdictions - Clients accessing their trading accounts from jurisdictions known for lax AML regulations or high levels of financial crime may raise suspicions of money laundering or terrorism financing.

Trading financial instruments involves a high level of risk to your capital, with the potential for losses exceeding your initial investment. Over 70% of traders experience losses. Market volatility, driven by economic factors and geopolitical events, can cause significant price fluctuations, making accurate predictions challenging. It is crucial to understand the risks involved and to consider your risk tolerance carefully before trading. There is no guarantee of profit, and past performance is not indicative of future results.

- e) Use of Virtual Private Networks (VPNs) or Proxy Servers - Clients using VPNs or proxy servers to obfuscate their geographic location and bypass regional restrictions may be attempting to conceal their identity and engage in illicit trading activities.

Examples of money laundering situations may include structuring transactions to avoid reporting requirements, using shell companies to disguise ownership, and engaging in high-risk transactions without legitimate business purposes. Such money laundering situations may also include but are not limited to the following:

- a) Lack of Robust Client Due Diligence (CDD) Procedures - Failure to conduct thorough CDD on clients, including verifying their identity, assessing their risk profile, and monitoring their transactions, can enable money launderers to exploit the platform for illicit activities.
- b) Insufficient Transaction Monitoring - Inadequate systems for monitoring and analyzing client transactions in real-time may result in the failure to detect suspicious patterns or unusual trading activity indicative of money laundering.
- c) Failure to Screen for Politically Exposed Persons (PEPs) - Neglecting to screen clients for PEP status and their associated risks may result in the platform unwittingly facilitating transactions for individuals with significant exposure to corruption or illicit financial activities.
- d) Limited Compliance Oversight of Third-Party Payment Processors - Relying on third-party payment processors without adequate due diligence and oversight exposes the platform to the risk of unwittingly facilitating money laundering through the processing of funds from illicit sources.

These examples highlight potential scenarios where both clients and the Company may engage in activities conducive to money laundering within the context of online trading services. Implementing robust AML measures, including comprehensive client due diligence, transaction monitoring, and staff training, is essential to mitigate these risks and uphold the integrity of the platform.

## **Terrorism Financing Overview**

Terrorism financing involves providing financial support or resources to terrorist organizations or individuals to facilitate terrorist activities. It includes fundraising, transferring funds, and providing material support to terrorists.

## **Money Laundering Offenses**

Money laundering offenses encompass various predicate offenses, including but not limited to fraud, drug trafficking, corruption, and terrorist financing. The Company is committed to preventing and detecting such offenses within its operations.

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## **Predicate Offenses**

Predicate offenses are criminal activities that generate proceeds that are subsequently laundered. The Company acknowledges the importance of identifying and reporting predicate offenses to relevant authorities.

## **Role of Board of Directors**

The Board of Directors of the Company is responsible for overseeing the implementation and effectiveness of the AML Policy. They are accountable for setting the tone from the top and ensuring adequate resources are allocated to AML compliance efforts.

## **Responsibilities of the Board**

The duties of the Board of Directors include:

- a) Providing oversight and guidance on AML matters.
- b) Approving the AML Policy and related procedures.
- c) Appointing a Compliance Officer and ensuring their independence and competence.
- d) Reviewing reports on AML compliance and addressing any deficiencies.

## **Compliance Officer Appointment and Annual Report**

The Company shall appoint a qualified individual as the Compliance Officer, responsible for overseeing the implementation of the AML Policy and ensuring compliance with relevant laws and regulations. The Compliance Officer is responsible for implementing and maintaining the Company's AML program, including developing policies and procedures, conducting risk assessments, and providing training to employees.

The Compliance Officer shall prepare an annual report detailing the Company's AML activities, including any suspicious transactions reported, training conducted, and AML program enhancements

## **Monthly Prevention Statement**

The Company shall issue a monthly prevention statement to all employees, highlighting the importance of AML compliance and reminding them of their obligations under the AML Policy.

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## **Risk-Based Approach to AML Measures**

The Company applies appropriate measures and procedures to mitigate money laundering and terrorism financing risks, following a risk-based approach tailored to its business activities and client base.

## **Risk Identification and Evaluation**

The Company identifies, records, and evaluates money laundering and terrorism financing risks associated with its operations, clients, products, and geographic locations.

## **Mitigation Strategies for AML Risks**

Based on the risk assessment, the Company designs and implements measures to manage and mitigate money laundering and terrorism financing risks, including client due diligence procedures, transaction monitoring, and enhanced controls for high-risk activities.

## **Monitoring and Improvement**

The Company continuously monitors client transactions and account activities to detect suspicious or unusual behavior that may indicate potential money laundering or other illicit activities. The Company's robust monitoring mechanisms enable it to promptly investigate and take appropriate action to prevent and mitigate risks.

## **Adaptive Risk Management**

The Company adopts an adaptive approach to risk management, adjusting its AML measures and procedures in response to changes in the risk landscape and regulatory environment.

## **International Organizations**

The Company collaborates with relevant international organizations, such as the Financial Action Task Force (FATF), to stay abreast of global AML standards and best practices.

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## Information Sources for Risk Identification

The Company utilizes various sources of information, including internal data, public records, and information-sharing networks, to identify and assess potential money laundering and terrorism financing risks.

## Addressing Serious Tax Offenses

The Company recognizes the importance of preventing and detecting serious tax offenses that may be associated with money laundering activities and cooperates with tax authorities as required by law.

## Client Due Diligence Procedures

As part of its commitment to combating money laundering and other financial crimes, the Company enforces stringent Client Due Diligence (CDD) procedures. These procedures involve thoroughly verifying client identities and assessing the risks associated with their transactions. By adhering to CDD protocols, the Company aims to enhance the integrity of its services and mitigate the potential for illicit activities.

Client due diligence measures and identification procedures are applied at the onset of the business relationship and on a continuous basis throughout the client relationship.

## Client Identification and Verification Obligations

The Company is obligated to conduct client identification and due diligence procedures for all clients in accordance with applicable laws and regulations.

## Monitoring of Client Records

The Company continuously monitors and updates client identification records to ensure accuracy and completeness, particularly in response to changes in client risk profiles or regulatory requirements.

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## Verification Procedures by Type

The Company implements client identification and verification procedures tailored to the type of client, taking into account factors such as the nature of the business relationship and the level of risk associated with the client.

CLIENT IDENTIFICATION, VERIFICATION, AND DUE DILIGENCE MEASURES SHALL COMPRISE:

- a) Identification Procedures for All Types of Clients - The Company shall establish and maintain procedures to identify all clients, including individuals, legal entities, and beneficial owners.
- b) FATCA & CRS Reportable Information: General Requirements - The Company shall comply with reporting requirements under the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) by collecting and reporting relevant client information to tax authorities as mandated by law.
- c) Construction of an Economic Profile - The Company shall construct an economic profile for each client, including information on their financial background, sources of income, and expected transactional behavior, to assess the risk of money laundering or terrorism financing.
- d) Transactions that Favor Anonymity - The Company shall implement enhanced monitoring and due diligence procedures for transactions that favor anonymity or involve high-risk activities, such as cash transactions or transactions with offshore entities.
- e) Failure or Refusal to Submit Information for the Verification of Client's Identity - The Company shall promptly terminate or restrict business relationships with clients who fail or refuse to provide information for the verification of their identity or engage in suspicious behavior.
- f) Client Termination - The Company reserves the right to terminate or refuse business relationships with clients involved in or suspected of money laundering, terrorism financing, or other illicit activities.
- g) Simplified Client Identification and Due Diligence Procedures - The Company may apply simplified client identification and due diligence procedures for low-risk clients or products, subject to regulatory requirements and risk assessment.
- h) Enhanced Client Identification and Due Diligence Procedures - The Company shall implement enhanced client identification and due diligence procedures for high-risk client or products, including Politically Exposed Persons (PEPs) and high-value transactions.
- i) Cross-Frontier Correspondent - The Company shall apply additional due diligence measures for correspondent relationships with foreign financial institutions to mitigate the risk of money laundering or terrorism financing.
- j) Non-Face-to-Face Clients - The Company shall implement specific procedures to verify the identity of non-face-to-face clients, such as online account opening or remote identification methods, in compliance with regulatory requirements.
- k) Politically Exposed Persons - The Company shall conduct enhanced due diligence on Politically Exposed Persons (PEPs) and their family members or close associates to mitigate the risk of corruption or undue influence.

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- l) Electronic Gambling/Gaming through the Internet - The Company shall implement measures to prevent the use of its platform for electronic gambling or gaming activities that may be associated with money laundering or terrorism financing.
- m) Clients from Countries that Inadequately Apply FATF Recommendations - The Company shall apply enhanced due diligence measures for clients from countries identified as having inadequate anti-money laundering and counter-terrorism financing controls by the Financial Action Task Force (FATF).
- n) Trust Accounts - The Company shall implement specific due diligence procedures for trust accounts, including identifying the settler, trustee, beneficiaries, and ultimate beneficial owners, to mitigate the risk of money laundering or terrorism financing.

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