



## **ANTI MONEY LAUNDERING POLICY**

---

## ANTI MONEY LAUNDERING POLICY

---

This Policy represents the basic standards of Anti-Money Laundering and Combating Terrorism Financing (hereinafter collectively referred to as AML) procedures of Trade Principal Group drafted its AML policy in compliance with the Federal laws with respect to money laundering and terrorist financing.

This policy is in effective and copies of this Policy will be distributed to all and all relevant employees must be thoroughly familiar with and make use of the material contained in this Policy.

### **Money Laundering & Terrorist Financing- Definitions & Procedures Money Laundering**

Money laundering is a generic term used to describe any process that conceals the origin or derivation of the proceeds of crime so that the proceeds appear to be derived from a legitimate source.

Money laundering is sometimes wrongly regarded as an activity that is associated only with organized crime and drug trafficking. It is not. It occurs whenever any person deals with another person's direct or indirect benefit from crime.

The term 'money laundering' is in fact a misnomer. Often it is not money that is being laundered but other forms of property that directly or indirectly represent benefit from crime. Any form of tangible or intangible property is capable of representing another person's benefit from crime. The main objective of the money launderer is to transform 'dirty' money into seemingly clean money or other assets in a way to leave as little trace as possible of the transformation.

Traditionally, money laundering has been described as a process that takes place in three stages as follows:

**Placement** – This is the first stage in which illicit funds are separated from their illegal source. Placement involves the initial injection of the illegal funds into the financial system or carrying of cash Across borders.

**Layering** – After successfully injecting the illicit funds into the financial system, laundering them requires creating multiple layers of transactions that further separate the funds from their illegal source. The purpose of this stage is to make it more difficult to trace these funds to the illegal source.

**Integration** – This is the final stage in a complete money laundering operation. It involves reintroducing the illegal funds into the legitimate economy. The funds now appear as clean income.

The purpose of the integration of the funds is to allow the criminal to use the funds without raising suspicion that might trigger investigation and pursuit. In reality, the three stages often overlap and the benefit from many crimes including most financial crimes does not need to be 'placed' into the financial system.

Money laundering is a crime that is most often associated with banking and money remittance services. Whilst banks are often an essential part of successful laundering schemes, the financial and related services that Licensees offer are also vulnerable to abuse by money launderers.

### **Terrorist financing**

Terrorist financing is the act of providing financial support to acts of terror, terrorists or terrorist organizations to enable them to carry out terrorist acts. Unlike other criminal organizations, the primary aim of terrorist groups is non-financial. Yet, as with all organizations, terrorist groups require funds in order to carry out their primary activities.

This simple fact – the need for funds – is key in fighting terrorism. Follow the money. Follow the financial trail. This is the core objective of all measures that aim to identify, trace, and curb terrorist financing. There are similarities and differences between money laundering and terrorist financing. Differences include:

- ☒ Terrorist financing is an activity that supports future illegal acts, whereas money laundering generally occurs after the commission of illegal acts;
- ☒ Legitimately derived property is often used to support terrorism, whereas the origin of laundered money is illegitimate.

Similarities include:

- ☒ Terrorist groups are often engaged in other forms of criminal activity which may in turn fund their activities;
- ☒ Both money laundering and terrorist financing require the assistance of the financial sector. The key to the prevention of both money laundering and terrorist financing is the adoption of adequate CDD measures by all Licensees both at the commencement of every relationship and on an on-going basis thereafter.

### **Customer Due Diligence Procedures to be adopted.**



**Identify and verify the identity of applicants for business.**

This should be done by identifying and verifying the identities of applicants for business whether they are Directors, Shareholders, Beneficial Owners, Settlers or Contributors of capital, Beneficiaries, Protectors, Enforcers, Trustees, Bank mandate and Power of Attorney holders, etc by verifying:

**In case of natural persons:**

Full Name:

Permanent residential address:

Date of birth:

Place of birth:

Nationality:

Primary identity documentation for identity must be obtained and retained on these clients. They must bear a photograph of the principal. Primary identity documentations acceptable are:

1. Current valid passports;
2. National Identity cards.
3. Current valid driving licenses.

In addition to this primary identity documentation, we must also obtain additional verification of identity information- secondary identity documentation. The following documentation is acceptable:

4. A recent utility bill (which is less than 3 months old);
5. A recent bank or credit card statement (as such PO Box addresses are not acceptable as permanent residential addresses of clients. Some countries have P.O Box addresses such as in Middle East and Africa) (which is less than 3 months old);
6. A recent bank statement (which is less than 3 months old).
7. A domestic passport (page with registration address)

The same document cannot be used for the verification of both the identity and the residential address of the client.

**In case if client is not an individual but is a legal person or arrangement:**

**(i) Being a Private company**

- (a) Obtain an original or appropriately certified copy of the certificate of incorporation or registration;
- (b) Check with the relevant companies' registry that the company validly exists;
- (c) Obtain details of the registered office and place of business;
- (d) Verify the identity of the principals of the company as above;
- (e) Verify that any person who purports to act on behalf of the company is so authorized, and identifying \_\_\_\_\_ that \_\_\_\_\_ person;

**(ii) Being a Trust**

- (a) Obtain a copy of a trust deed or pertinent extracts thereof;
- (b) Where the trust is registered – check with the relevant registry to ensure that it does exist;
- (c) Obtain details of the registered office and place of business of the trustee;
- (d) Verify the identity of the principals of the trustee as per (1) and or (2) above.

**(iii) Being a Partnership**

- (a) Obtain a copy of the partnership deed;
- (b) Obtain a copy of the latest report and accounts;
- (c) Verification of the nature of the business of the partnership to ensure that it is legitimate; (d) verifying the identity of the significant partners (20% interest) as above;
- (e) Verifying that any person that purports to act on behalf of the Partnership is so authorized, and Identifying that person.

**Additional Due Diligence measures for financial institutions**

- Company must undertake following additional due diligence measures while establishing and maintaining correspondent relationships:
- Obtaining sufficient information about a respondent institution to avoid any relationships with “shell-banks”;
- Determining from publicly available sources of information the reputation of a respondent institution, including whether it has been subject to a money laundering or terrorist financing investigation or other regulatory action;

- Assessing the respondent institution’s anti-money laundering and terrorist financing controls on a periodic basis;
- Company is bound to comply with the anti-money laundering regulations and international laws.

As company is dealing with foreign financial brokerage firms we must monitor all financial transactions with utmost vigilance and must report suspicious activities to the concerned authorities.

### **Additional Due Diligence measures for Political Exposed Person (PEP)**

Identification of Politically Exposed Person (PEP) is conducted in accordance with the recommendations of the Financial Action Task Force (FATF)

<http://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf>

### **Goals and objectives**

The main purpose of the Policy is to establish the essential standards designed to prevent the Group from being used for money laundering and terrorism financing.

Other objectives pursued by this Policy are as follows:

- Promote a “Know Your Customer” policy as a cornerstone principle for the business ethics and practices;
- Introduce a controlled environment where no business with a Customer is transacted until all essential information concerning the Customer has been obtained;
- Conduct self-assessments of compliance with AML policy and procedures.

Adherence to this policy is absolutely fundamental for ensuring fully comply with applicable antimoney laundering legislation.

The company will not have any relationship with any shell banks. The company is committed to examining its anti-money laundering strategies, goals and objectives on an ongoing basis and maintaining an effective AML Policy. Company is obliged to follow the 40+9 recommendations given by the FATF Financial Action Task Force.

### **Monitoring and reporting of suspicious transactions/activity**

The website is owned and operated by a Company Group which includes Trade Principal LTD SVG (Operating under the Trading name ‘Trade Principal’) with registration number 24658 with registered address at Suite 305 Griffith Corporate Centre, Beachmont, Kingstown, Saint Vincent and the Grenadines and Billions Trade LTD a company registered under the laws of Scotland (Providing Clearing Payment Services, answers claims and responsible for activity of partners) with registration number 557198 with address at 101 Rose Street South Lane, Edinburgh, Scotland EH23JG.



- All personnel must be diligent in monitoring for any unusual and potentially suspicious transactions/activity basing on the relevant criteria applicable in the jurisdiction of the company incorporation.
- The reporting of suspicious transactions/activity must comply with the International laws/regulations

### **Record keeping**

- Records must be kept of all documents obtained for the purpose of identification and all transaction data as well as other information related to money laundering matters in accordance with the applicable antimoney laundering laws/regulations of the country;
- All records must be kept for at least 6 years;

### **Training**

- Training on anti-money laundering will be provided to those new employees who work directly with customers and to those employees who work in other areas that may be exposed to money laundering and terrorist financing threats which includes; Identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering and internal policies to prevent money laundering.
- Follow-up trainings must take place not less than once a year.

### **Our Commitment**

We are committed to complying fully with all applicable laws and regulations relating to combating money laundering and any activity which facilitates the funding of terrorist or other criminal enterprises.

We are responsible for uncovering or reporting any activity that might constitute, indicate or raise suspicions of money laundering. To this end, we provide continuing education and training for all such persons.

Trade Principal Group is required to comply with all trade and economic sanctions imposed by OFAC against targeted foreign countries and shall cooperate fully with government agencies, self-regulatory

The website is owned and operated by a Company Group which includes Trade Principal LTD SVG (Operating under the Trading name 'Trade Principal') with registration number 24658 with registered address at Suite 305 Griffith Corporate Centre, Beachmont, Kingstown, Saint Vincent and the Grenadines and Billions Trade LTD a company registered under the laws of Scotland (Providing Clearing Payment Services, answers claims and responsible for activity of partners) with registration number 557198 with address at 101 Rose Street South Lane, Edinburgh, Scotland EH23JG.



organizations and law enforcement officials. As required by the Act, Trade Principal Group may supply information about former, current or prospective clients to such bodies.

The website is owned and operated by a Company Group which includes Trade Principal LTD SVG (Operating under the Trading name 'Trade Principal') with registration number 24658 with registered address at Suite 305 Griffith Corporate Centre, Beachmont, Kingstown, Saint Vincent and the Grenadines and Billions Trade LTD a company registered under the laws of Scotland (Providing Clearing Payment Services, answers claims and responsible for activity of partners) with registration number 557198 with address at 101 Rose Street South Lane, Edinburgh, Scotland EH23JG.

[www.tradeprincipal.com](http://www.tradeprincipal.com)