



## "ANTI-MONEY LAUNDERING"

1. Money Laundering is the process by which individuals attempt to conceal the origin and ownership of proceeds of illegal activity. Generally, money laundering involves any financial transaction:
  - 1.1 Using funds derived from criminal activity; or
  - 1.2 Conducted to facilitate or conceal criminal activity.
2. Money laundering activity is highly regulated by global and international legislation therefore any Company is strongly advised to implement AML Code of Practice, to avoid legal procedures and sanctions in the future.
3. The risk of Money Laundering by criminal elements through the company is the exploitation of the deposit/withdraws procedures made available by the Company, and the opportunity to present to law enforcement and tax entities that the source of the funds coming from the Company, is profit made in the Forex Markets.
4. **For example-** If the Company would allow a deposit of one entity to be credited to another entity's trading account, then the entity that owns the trading account can withdraw those funds to its own bank account, and report them as profits. This will disconnect the flow of funds from the depositing entity to the withdrawing entity. Criminal elements may use that option to transfer funds undetected by law enforcement agencies and conceal the true origin of the funds. The same applies to transfer of credit between accounts belong to different entities etc.
5. To avoid such abuse of the Company, the rule of thumb is not to allow the transfer of funds between different entities. For that, the Company must implement KYC ("**know Your Client**") procedures.

## **“KNOW YOUR CLIENT” PROCEDURES**

1. The customers of the Company are subdivided in two categories:
  1. Private Customers (natural persons) residents of any country.
  2. Corporate Customers (legal entities) residents of any country.
  
2. **If the customer is a private person (natural person) the following documents must be collected:**
  1. Full name details.
  2. ID number, and/or passport number (original or certified copies).
  3. Proof of residency– Copy of utility bill.
  4. Swift confirmation of the bank transfer. The information of the bank account showed on the SWIFT must be identical to (a) and (b) above. Otherwise, the deposit must be returned to the same bank account it came from, immediately, without crediting the trading account.
  
3. Withdrawals must be made to the same bank account the money was deposited from (to prevent money transfer between different entities' bank accounts, through the Company), and in the same currency (to prevent currency changes through the Company).
  
4. If the original account is no longer available, funds may be transferred to a different account of the same entity (you will need to get a copy of a check or other instrument proving the new account ownership), in the same currency and into the same country the original deposit was made from.
  
5. **If the customer is a corporation (legal entity) the following documents must be collected:**
  1. All statutory documents (Certificate of incorporation, memorandum and articles of association), and amendments to them (original or certified copies).
  2. Details on the shareholders, directors and ultimate beneficial owners (same details as those for natural persons described below).
  3. Powers of attorney for the persons carrying out interaction with the Company on behalf of the Customer (issuing orders, signing documents for opening the account and other procedures).
  4. Swift confirmation of the bank transfer. The information of the bank account showed on the SWIFT must be identical to (a) and (b) above. Otherwise, the deposit must be returned to the same bank account it came from, immediately, without crediting the trading account.
  
6. Withdrawals must be made to the same bank account the money was deposited from (to prevent money transfer between different entities' bank accounts, through the Company), and in the same currency (to prevent currency changes through the Company).
  
7. If the original account is no longer available, funds may be transferred to a different account of the same entity (you will need to get a copy of a check or other instrument proving the new account ownership), in the same currency and into the same country the original deposit was made from.

## **FAQ – frequently asked questions**

1. One can NOT deposit from a company he owns - to his personal trading account, and vice versa.
2. One cannot get deposits from his brother/mother/other relative bank account; unless that relative joins the trading account (signs the trader agreement).
3. Cash deposits to the Company's account by traders are forbidden. If such a deposit did occur, then in case of a withdrawal request, the trader will need to supply bank account details of the person who made the cash deposit, with a written proof of the account details (check, credit card etc.).
4. Do not credit a trading account before the deposit was complete (i.e. the required business days (usually three) have passed following the deposit). Do not credit the trading account based on future payments or checks.
5. A client cannot transfer funds between trading accounts not under his own name.