

# Anti-Money Laundering Policy

UNFXB LTD (hereafter the “Company”), is owned and operated by Unicorn Forex Broker and regulated by the International Anti-Money laundering standards and the Prevention and Suppression of Money Laundering and Terrorist Financing Laws

## PART 1

### 1. BACKGROUND AND THE COMPANY’S OBLIGATIONS

#### 1.1. Definitions and Interpretation

The following words and expressions have the following meanings:

“Law” The Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007, 2010 and 2013

“The Company” **UNFXB LTD**

“MLRO” Money Laundering Reporting Officer.

“Regulations” International regulations

“Relevant Employee” An employee is a relevant employee if, at any time in the course of his / her duties, he / she may have access to any information that may be relevant in determining whether a person is engaged in money laundering.

#### 1.1.1. Policy Statement

- i. The policy of the Company is to not enter into business relationships with criminals or terrorists, process transactions which result from criminal or terrorist activity or facilitate any transactions involving criminal or terrorist activity including the financing of terrorism. The Company will endeavor to implement all policies and procedures necessary to prevent the laundering of money and to comply with all applicable legislation both in those countries where the Company conducts its business.
- ii. The directors, officers and employees of the Company shall at all times make every effort to maintain the highest standards of ethics, integrity, and prudence in the Company’s operation and administration so as to ensure that the Company creates and maintains a good reputation and standing.
- iii. The anti-money laundering policies and procedures to be adhered to by the Company are contained in this manual and any amendments thereto.
- iv. Where any issue or matter is not addressed by this manual, guidance is to be sought from the anti-money laundering legislation referred to in 1.1 above.

## 1.2. Introduction

Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of their criminal activities. The laundering of money is achieved by the placement of the money launderer's cash into the financial system, by creating complex layers of financial transactions to disguise the origin of the assets and by integration of the laundered proceeds into the economy as legitimately derived funds.

Money laundering is often thought of or associated with drug activity (smuggling, distribution, sales). However, terrorism, tax offences, bribes and a broad range of criminal activities are equally relevant.

A wide range of methods is used to launder the proceeds of criminal activity, from purchase and resale of expensive assets to more complex schemes, which involve money passing through networks of companies, often offshore.

However, three stages can generally be identified in a money-laundering scheme:

- **Placement:** This is the physical disposal of cash proceeds derived from criminal activity. For example, the dirty cash may be paid into a financial institution or be used to buy high value goods, property or business assets.
- **Layering:** Illegal proceeds are separated from their criminal source by creating layers of financial transactions to disguise the audit trail and provide anonymity. For example, goods or other assets may be resold or funds wire-transferred abroad.
- **Integration:** The laundered proceeds re-enter the financial system as normal business funds. For example, income from property appears "clean", or a complex series of transfers makes tracing the source of illegal funds extremely difficult.

## 1.3. General money laundering provisions

Liability for criminal conduct can attach to both individual employees and the Company itself if any of the offences below are brought by prosecuting authorities. Money laundering offences can be summarized as follows:

- **No arrangements relating to criminal property** – it is an offence to enter into arrangements which will facilitate acquisition, retention or use of criminal property. It is a defense that the employee reported his knowledge or suspicion to the law enforcement agencies via internal reporting procedures at the first available opportunity.
- **No tipping off** – it is an offence to disclose information either to the person who is the subject of a money laundering suspicion or any person other than the law enforcement agencies, which is likely to prejudice an investigation.
- **No acquiring, using or possessing criminal property** – it is an offence to acquire, use or possess criminal property.
- **No handling proceeds of corruption** – corruption by government leaders and public sector officials inevitably involve serious crimes. Not only is there a major reputational risk in handling such, but criminal charges and constructive trust suits can arise.

- Failure to report – it is an offence for a person who knows or suspects or has reasonable grounds for knowing or suspecting that another is engaged in money laundering not to report such knowledge or suspicion as soon as reasonably practical to the authorities via internal reporting procedures.

#### **1.4. Client confidentiality**

Reporting a suspicion of money laundering is a statutory defense to any claims in respect of alleged breaches of client confidentiality.

#### **1.5. Specific money laundering provisions for conducting the regulated activities**

The following apply to the Company so that suspicions of money laundering may be recognized and reported to the international authorities and so that the Company may produce its part of the audit trail to assist in official investigation. In particular, the Company:

- must have procedures to verify the identity of new counterparties;
- must have procedures for employees to report any suspicious transactions;
- must have record keeping procedures relating to the identity of clients and transactions effected for them;
- has responsibility to ensure that employees are suitably trained and made aware of the above procedures and in the recognition and handling of suspicious transactions;
- must appoint a senior person as a designated MLRO to whom reports of suspicious transactions are to be made. This person must be free to act on his own authority and to make further investigations to determine whether a suspicion can be discounted or must be reported. The MLRO will be able to delegate duties, but will be responsible for the activities of such delegates; and
- should stress to its employees the potential for personal liability as well as that of the Company for failure to observe any aspect of the international Regulations.

These procedures have been put in place to satisfy these requirements.

#### **1.6. The MLRO**

Initially, the Compliance Officer will be the Money Laundering Reporting Officer. In the future, should the Company decide to segregate the responsibilities of the Compliance Officer from those of the Money Laundering Reporting Officer, this manual will be amended accordingly. The MLRO will have responsibility for oversight of its compliance with the International Regulator's rules on systems and controls against money laundering. The MLRO will have a level of authority and independence with access to resources and information sufficient to enable him to carry out that responsibility.

The MLRO's responsibilities are:

- Acting as the appropriate person to whom a report is to be made of any information or other matter concerning an employee's relevant suspicions;

- To report suspicions to the international authorities as he/she considers appropriate;
- To liaise with and respond promptly to any reasonable request for information made by the international authorities; and
- To take reasonable steps to establish and maintain adequate arrangements for awareness and training.

### **1.7. Compliance**

Compliance with the Company's anti-money laundering procedures is of the utmost importance. Not only is it important to maintain the Company's integrity, but failure to comply may constitute a criminal offence and call into question whether or not the Company and the employee concerned is fit and proper to conduct the business for which the Company has been licensed. Failures by individuals to comply with the money laundering procedures set forth in this manual can therefore result in summary dismissal.

Compliance with the Company's anti-money laundering policies and procedures will be the responsibility of the Compliance Officer. Specifically, the Compliance Officer will be responsible for:

- oversight of the Company's anti-money laundering policies and procedures including upgrading or amending such policies and procedures to conform with changes in the International Regulations;
- ensuring that all relevant employees are made aware of the anti-money laundering policies and procedures of the Company; ensuring that all relevant employees are made aware of regulations in respect of anti-money laundering;
- ensuring that all relevant employees receive training in the recognition and handling of transactions carried out by or on behalf of any person who is or appears to be engaged in money laundering;
- ensuring that all new relevant employees receiving training as soon as practicable after their appointment;
- ensuring that the employees, management and directors of the Company adhere to the policies and procedures set out in this manual

## **PART 2**

### **THE COMPANY'S PROCEDURES AND OBLIGATIONS**

#### **2. Introduction**

##### **2.1. Duty on establishing business relationships**

The Company may not carry out a one-off transaction or form a business relationship in the course of relevant financial business unless:

- It has money laundering procedures in place, meaning:
  - identification procedures



- record keeping procedures; and monitoring;
- recognizing suspicious transactions;
- internal reporting procedures and such other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering;
- It makes its employees aware of the statutory duties and of the Company's procedures; and
- It maintains training procedures.

For these purposes, a one-off transaction is a transaction other than a transaction carried out in the course of an established business relationship.

- Media request – any request for a statement or information from the media or other source must be directed to the MLRO for handling.

## **2.2. Identification procedures**

The Company must ensure as soon as reasonably practical after the first contact has been made, and in any event before transferring or paying any money out to a third party, that satisfactory evidence is produced or such other measures are taken as will produce satisfactory evidence of the identity of any customer or counterparty (an "applicant"). If a client appears to be acting on behalf of another, identification obligations extend to obtaining sufficient evidence of that third party's identity.

Where satisfactory evidence is not supplied, the firm will not proceed with any further business and bring to an end any understanding it has reached with the client unless in either case the firm has informed the International Regulator. If there is knowledge or a suspicion of money laundering, it will be reported without delay as provided under these procedures to the MLRO.

### **Methods of Identification**

The Company will make sure that it is dealing with a real person or legal entity and obtain sufficient evidence to establish that the applicant is that person or organization. When reliance is being placed on any third party to identify or confirm the identity of any applicant, the overall legal responsibility to ensure that the procedures and evidence obtained are satisfactory rests with the Company.

As no single form of identification can be fully guaranteed as genuine, or representing correct identity, the identification process will need to be cumulative, and no single document or source of data (except for a database constructed from a number of other reliable data sources) must therefore be used to verify both name and permanent address.

The Company will take all required measures, according to applicable law and regulations issued by monetary authorities, to establish the identity of its clients and beneficial owners. Without exception any potential new client shall have to be introduced by an existing client and/or must have an existing relationship with the Company.

Below are examples of suitable documentary evidence. Care should be taken to ensure that any documents offered are originals, or are copies certified by a lawyer, Public Notary or authorized financial intermediary. Photocopies of all identification documents must be taken in the Company's premises and or before an Executive Director and or the MLRO and or the person designated by the Company.

### **Due Diligence**

It is essential to collect and record information covering the following categories:

- Source of wealth (description of the economic activity which has generated the net worth)
- Estimated net worth
- Source of funds
- References or other documentation to corroborate reputation information where available

### **Individual customers**

The identity will be established to the Company's satisfaction by reference to official identity papers or such other evidence as may be appropriate under the circumstances including, without limitation: full name; date of birth; origin; marital status; name of wife/husband, if married; name of parents; complete address, including phone number and city code; occupation; information on the earnings and his/her financial situation. Identification documents must be current at the time of the opening.

Evidence of the applicant's identity should be taken and copied in the form of:

- A passport or a national identity card
- Income tax registration number
- Confirmation of address

The Company must also obtain separate evidence of the applicant's permanent residential address. This should be from the best available source. This relevant evidence may be obtained directly from the customer or through a reputable credit or financial institution in the applicant's country of residence.

### **Corporate customers**

Where the applicant company is listed on a recognized or approved stock exchange or where there is independent evidence to show that the applicant is a wholly owned subsidiary or subsidiary under the control of such a company, no further steps to verify identity over and above the usual commercial checks and due diligence will normally be required.

Where the applicant is an unquoted company where none of the principal directors or shareholders already has an account with us, the following documents will be obtained from an official or recognized independent source:

- A copy of the certificate of incorporation/certificate of trade or the equivalent; evidence of the company's registered address; and the list of shareholders and directors.
- Extract from Commercial Register, or equivalent document, evidencing the registration of corporate acts and amendments.
- Names and addresses of all officers and directors of the corporate entity
- Names and addresses of the beneficial owners of the corporate entity
- Memorandum and Articles of Association or equivalent documents duly recorded with the competent registry.
- Description and nature of business including:
- Date of commencement of business;
- Products or services provided;
- Location of principal business
- Recent financial statements on the corporate entity (if available)

#### **Beneficial Owners**

Due diligence must be done on all principal owners identified in accordance with the following principles:

- Natural persons: where an applicant is an individual, the Company must clearly establish, based on information and documentation provided by the client, whether the client is acting on his/her own behalf.
- Legal entities: where the client is a company, such as a private investment company, the Company must understand the structure of the company, based on information and documentation provided by the client, sufficiently to determine the provider of funds, principal owner(s) of the shares and those who have control over the funds, e.g. the directors and those with the power to give direction to the directors of the company. With regard to other shareholders the Company will make a reasonable judgment as to the need for further due diligence. This principal applies regardless of whether the share capital is in registered or bearer form.

#### **2.3. High- risk countries**

The Company will apply heightened scrutiny to clients and beneficial owners' resident in and funds sourced from countries identified by credible sources as having inadequate anti-money laundering standards or representing high-risk for crime and corruption. The Company will apply more stringent standards to the transactions carried out by clients or beneficial owners domiciled in such countries.

### **Offshore jurisdictions**

Risks associated with entities organized in offshore jurisdictions are covered by due diligence procedures laid out in these guidelines. However, the Company will apply more stringent standards to the transactions carried out by clients or beneficial owners head-quartered in such jurisdictions.

### **High-risk activities**

Clients and beneficial owners whose source of wealth is derived from activities known to be susceptible to money laundering will be subject to heightened scrutiny.

### **Public officials**

Individuals who have or have had positions of public trust such as government officials, senior executives of government corporations, politicians, political party officials, etc. and their families and close associates will be subject to heightened scrutiny.

## **2.4. Verification responsibility**

It is the responsibility of the MLRO to verify the identity of each new applicant when taking on a new client. The verification procedures must be completed, and satisfactory evidence of the new applicant's identity must be obtained before the applicant is sent a customer agreement except in exceptional circumstances (as determined in writing by the Compliance Officer).

## **2.5. Verification procedures**

The verification process should be documented by making a record of the relevant information on the Company's Client Identification Questionnaire.

If in doubt as to which information must be obtained to verify an applicant's identity staff must consult the MLRO for guidance without delay and prior to commencing any dealings.

## **2.6. Compliance Officer approval**

Once completed, the Client Identification Questionnaire should be completed and signed by the employee or the person designated by the Company and must be handed over to the Compliance Officer for record keeping. For each applicant the Compliance Officer must also countersign the forms and will be responsible for deciding what further information, including documentation, is required prior to conducting business for the applicant.

## **2.7. Record keeping procedures**

The Company must also keep all records for not less than 5 years from the date of completion of the transaction. These should include records verifying the identity of counterparty and a record of transactions with or for that client.



## **2.8. Education and training**

Staff who handle or are managerially responsible for handling transactions which may involve money laundering will be made aware of:

- their responsibilities under the Company's anti-money laundering arrangements, including those for obtaining sufficient evidence of identity, recognizing and reporting knowledge or suspicion of money laundering and use of findings of material deficiencies;
- the identity and responsibilities of the MLRO;
- the law and regulations relating to money laundering; and
- the potential effect on the Company, its employees, and its clients of any breach of money laundering provision. All members of staff will receive periodic training in addition to the information provided in this document. This is expected to include seminars organized by the Compliance Officer. Employees should ensure that they regularly update their knowledge of these procedures given the seriousness of the consequences of breaching the Law and the International Regulations.

A record of anti-money laundering training supplied must be maintained and will include the dates, nature, and names of recipients of such training.

## **2.9. Duty to report**

There is a statutory and regulatory obligation on all staff to report information which comes to their attention, which gives rise to knowledge of suspicion or reasonable grounds for knowledge or suspicion of money laundering. Thus, even if a member of staff does not actually know or suspect but reasonably should have known or suspected, and does not report, he would be committing an offence. To this end, continuous surveillance for suspicious transactions must be carried out. Knowing its customers is the Company's most important line of defence in preventing or detecting money laundering activities. It is important that the Company verifies the identity of new counterparties and ensures that they are involved in bona fide business activities and that they share the Company's high standards of integrity and business practice.

Knowledge in relation to money laundering has been in the past defined widely and includes: wilfully ignoring the obvious, wilfully and recklessly failing to make inquiries as a reasonable and honest person would make, knowledge of circumstances which would indicate facts to such honest and reasonable person or put them on enquiry.

Suspicion is assessed on a subjective basis although goes beyond mere speculation.

Reasonable grounds to suspect introduces an objective test rather than a subjective test of suspicion. It might therefore include wilfully blindness (i.e. turning a blind eye to the obvious), negligence (recklessly failing to make adequate enquiries) and failing to assess adequately the facts and information presented or available.

The Company will therefore ensure that staff takes all reasonable steps in the particular circumstances to know the customer and the rationale for the transaction or instruction.

## **2.10. Suspicious transactions**

A suspicious transaction will often be one which is inconsistent with a customer's known legitimate business. Emphasis will therefore be placed on knowing the customer's business and his / her requirements. It is the responsibility of all staff to report knowledge or suspicion of money laundering.

The following questions may help to determine whether a transaction is suspicious:

- Is it inconsistent with the client's known activities?
- Is the size of the transaction consistent with the norm?
- Are there any other transactions linked to the transaction in question of which the Company is aware and which could be designed to disguise money and divert it into other forms or other destinations or beneficiaries?
- Is the transaction rational for the client?
- Has the client's pattern of transaction changed?
- Does the client have a reason for doing business in the country concerned?
- Is the client's proposed method of payment unusual?

Suspicions of money laundering, however minor, should be discussed immediately with the MLRO. An internal form for making a report of a suspicion or knowledge of money laundering is in place.

The MLRO is required to report to the International Regulator where a report of knowledge or suspicion has been made.

Steps should also be taken to monitor accounts held on behalf of customers that hold positions of public trust such as government officials, politicians and any known connected accounts.

## **2.11. Confidentiality**

Reporting a suspicion is a defence to a claim for breach of a confidence. However, any statements to the press or other publicity must be routed through the MLRO or his deputy. Similarly, any requests for information or statements should be referred to him or his deputy for reply. Confidentiality whilst an investigation is ongoing is of the utmost importance and employees are reminded of the offence of "tipping-off".

## **2.12. Internal reporting**

Employees must report any relevant money laundering suspicions to the MLRO.

The suspicion should be fully documented, including the name and location of the reporting employee, full details of the client, and an account of the information giving rise to the suspicion.

All internal enquiries made in relation to the report, and the reason behind whether or not to submit the report should also be documented.

The MLRO should remind the reporting employee to avoid “tipping off” the subject of the reported suspicion, and that information concerning a report should not be disclosed to any third parties.

The requirement to report also includes those situations where the business or transaction has not proceeded because the circumstances surrounding the application or proposal give rise to a suspicion of money laundering.

### **2.13. External reporting**

The MLRO or his duly authorized delegate will consider reported applications, and where, following consideration, the suspicion remains, a report must be made to the International Regulator.

Any report made by the MLRO or his delegate will not be subject to the consent or approval of any other person.

In order to make this assessment, the MLRO will have access to any information, including “know your business information” in the Company’s possession that could be relevant. Know your business information will include: information about the financial circumstances of a client or any person on whose behalf the client has been acting or is acting; and the features of the transactions which the Company has entered into with or for the client.

### **2.14.**

#### **Money Launderin**

Due to money laundering laws, deposit money in any way , Withdrawals will be made in the same way as well.

Failure to make a transaction or low trading volume means that the broker is used as a fund and UNFXB has the right to deduct 5% of the amount when requesting a withdrawal.