



AML POLICY

ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

POLICY

AMarkets LTD (“AMarkets”) is committed to complying with all applicable regulations and laws that apply to its business and, in furtherance of its past anti-money laundering efforts, has developed and initiated a comprehensive program to combat money laundering.

AMarkets will take all necessary steps to ensure that the investors, clients, agents, and intermediaries with whom we do business will not be a party to illegal, money laundering transactions in support of terrorism or otherwise; and AMarkets will engage in such activities and measures as are necessary to frustrate and prevent money laundering.

Every employee at AMarkets is responsible for protecting AMarkets from money laundering activity. AMarkets management is committed to training AMarkets employees about the consequences of money laundering to each employee and the firm, including criminal, civil and disciplinary penalties, up to and including termination, and the very significant harm that is likely from any connection with money laundering activity by the firm.

It will be the policy of AMarkets to accept deposits in its name for trading accounts only. No deposits will be accepted in any other name other than AMarkets or its direct subsidiary.

AMarkets businesses must:

- protect AMarkets and its clearing institution from being used for money laundering
- adhere to the Know Your Customer policies and procedures
- take appropriate action once suspicious activity is detected and make reports to government authorities in accordance with applicable laws: and
- comply with applicable money laundering laws, regulations and firm policies and procedures.

INTRODUCTION

In the global marketplace, the attempted use of financial institutions to launder money is a significant problem that has caused great concern in the international and domestic community, which has resulted in the passage of strict laws and increased penalties for money laundering worldwide.

This Policy establishes governing principles and standards to protect AMarkets and its clearing firm and its businesses from being used to launder money. All AMarkets employees, wherever located, must be vigilant in the fight against money laundering and must not allow AMarkets or its clearing firm to be used for money laundering activities.

A. What is Money Laundering?

Money laundering is not just an attempt to disguise money derived from the sale of drugs. Rather, money laundering is involvement in any transaction or series of transactions that seek to conceal or disguise the nature or source of proceeds derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud, and many other crimes.

B. The Importance of this Policy to the Individual Employee of the company

In adhering to this Policy, as with every aspect of its business, AMarkets expects that its employees will conduct themselves in accordance with the highest ethical standards. AMarkets employees shall not knowingly provide advice or offer assistance to individuals who attempt to violate or avoid money laundering laws or this Policy.

Money laundering laws apply not only to criminals who try to launder their ill-gotten gains, but also to financial institutions and their employees who participate in those transactions if the employees know that the property is criminally derived. "Knowledge" includes the concepts of "willful blindness" and "conscious avoidance of knowledge." Those employees of a financial institution whose suspicions are aroused, but who then deliberately fail to make further inquiries, wishing to remain ignorant, may be considered under the law to have the requisite "knowledge." AMarkets employees who suspect money laundering activities should refer the matter to their supervisor and AMarkets's Anti-Money Laundering Compliance Officer.

Failure to adhere to this Policy may subject AMarkets employees to disciplinary action up to and including termination of employment.

C. Wire Transfers

When AMarkets transfers funds of \$10,000 or more, AMarkets maintains a wire transfer advise that contains at least the following information: the name and address of the transmitter and recipient, the amount of the transmittal order, the execution date of the transmittal order; payment instructions received from the customer, the identity of the recipient's financial institution (i.e., the name and address of the recipient and the account number of the recipient). AMarkets will not wire money from a customer's account to a third party under any

circumstance even if the customer makes a request to do so. AMarkets understands that certain events in the future may warrant the need for a third party wire to be made by AMarkets. In the event a third party needs to be made, the wire must first be approved by the AML Compliance Officer.

Wire advices will be retained for at least two years and such information will be retrievable by the names and account numbers belonging to the AMarkets customer involved in the transfer.

D. Know Your Customer

The requirement to “know your customer” is one borne of sound business practices and established regulatory oversight. Presently, industry regulations require firms to undertake reasonable efforts to obtain and maintain the essential facts relative to each customer and each account opened. For ease of use, all customer information captured is maintained in the firm’s new account documentation for two years, which includes the customer account application, corporate resolutions (if applicable), governmental photo identification for investors (e.g., driver’s license, passport, national identity card) or other such documentation as may be appropriate to ascertain and verify a person’s identity. Therefore, all employees are reminded to obtain valid government issued photo identification on all natural person accounts as well as directors on institutional accounts.

In cases where the account is that of an institution (e.g., corporation, limited liability company, partnership, trust, etc.), AMarkets will ask the customer to provide the legal documents to form the institution (e.g., Articles of Incorporation, Partnership Agreement, Articles of Organization, Trust Agreement, etc.), register of all directors and shareholders (in relation to whom all natural person documentation KYC requirements will apply) and may ask for a financial statement.

The process of “knowing” one’s customer is not concluded once the initial account opening information has been obtained. Even after the account is established, registered persons are required to update their customer’s information in the normal course of the relationship.

For situations where AMarkets cannot form a reasonable belief as to the customer’s identity, the account should not be opened. AMarkets AML Compliance Officer will determine if a suspicious activity report needs to be filed. UNDER NO CIRCUMSTANCES WILL A CUSTOMER BE PERMITTED TO FUND THEIR ACCOUNT OR PLACE TRADES IN THEIR ACCOUNT UNTIL THE ACCOUNT HAS BEEN APPROVED AND THE CUSTOMER HAS REASONABLY DEMONSTRATED ITS IDENTITY PURSUANT TO THESE POLICIES AND PROCEDURES.

If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, AMarkets will not open a new account and, after considering the risks involved, consider closing any existing account. In either case, the anti-money Laundering Compliance Officer will be notified so that we can determine whether we should report the situation to the regulator.

AMarkets is a company with a global scope and thus numerous applications are submitted in languages other than English that are not able to be read by the AML compliance officer and several of the account opening personal. If an account is opened in a foreign language, then it must be reviewed for approval by an AMarkets employee or third party translator proficient in the aforementioned language. All correspondence between the foreign applicant and the AMarkets employee regarding customer identification problems / issues must be described and translated in detail to a principal of the firm and maintained in the applicant's file for two years.

E. Suspicious Individuals and Blocked Countries

If a customer attempts to use bribery, coercion, undue influence, or other inappropriate means to induce the firm to open an account or proceed with a suspicious or unlawful activity or transaction, and any other situation that AMarkets reasonably determines requires immediate government intervention, then AMarkets will immediately notify appropriate law enforcement authorities.

AMarkets has also implemented in house policy for blocking citizens or institutions or naturalized residents of the following countries: the United States of America.

AMarkets will not open an account under any circumstances from an individual currently residing in one of these countries, with the exceptions noted below. AMarkets will also not open any account from a citizen of one of these countries who is currently domiciled in a different unblocked country.

Although by no means exhaustive, the following is a list of potential indicators of suspicious activity, which, if unexplained, may evidence money laundering activity. All employees that work in areas susceptible to money laundering activities must play an active role in the monitoring of account activity. All such employees must monitor account activity to aid in the detection and identification of unusual size, volume, pattern or type of transactions. All such employees must be cognizant of geographic factors, such as whether jurisdictions designated as “non-cooperative” are involved, any of the “red flags” or suspicious activities outlined below:

F. Senior Foreign Government/Public Officials

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Additional scrutiny is required to identify accounts maintained for senior foreign government/public officials, their immediate family members, and close associates that may involve the proceeds of foreign official corruption.

G. For the purpose of this Policy, the following definitions apply:

- A “senior foreign political figure” is a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. This definition includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.
- The “immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.
- A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.
- Foreign clients (new and established) who appear to be in any of the above categories must be asked if they are, in fact, a senior foreign political figure, a member of the figure’s immediate family, or a close associate of the figure. If the client answers in the affirmative, or is uncertain in answering this question, the matter should be discussed with your supervisor/branch office manager and AMarkets AML Compliance Officer.
- AMarkets will not accept any account for a senior foreign political figure, the figure’s immediate family or a close associate of the figure unless approved by senior management. If approved, the supervisor, in consultation with the AML Compliance Officer, shall develop and maintain appropriate methods of monitoring the account.

H. Hiring New Employees

AMarkets recognizes that a successful AML Program is only as effective as the people who perform its functions. Therefore, any applicant that has a derogatory, suspicious or criminal background will not be hired.

I. Recordkeeping

AMarkets will retain records pertaining to its customer identification and verification efforts, including all identifying information provided by a customer, all identifying information obtained about a customer from third party databases, the methods used and results of verification, and the resolution of any discrepancy in the identifying information. AMarkets will maintain all these records for two years after the account has been closed. Furthermore, AMarkets will maintain all records pertaining to suspicious activity reporting on file for a period of five years.

J. Additional Resources

Any questions relating to this AML policy and procedures shall be referred to AMarkets's AML Compliance Officer. The AML Compliance Officer shall take the appropriate steps to answer all inquiries and assist in the investigation of suspicious activities. Where necessary, the firm's senior management, General Counsel, governmental authorities, including law enforcement, shall be consulted on specific anti-money laundering issues. On rare occasion, there will be a legitimate need to approve exceptions for a given client. The AML Compliance Officer and other appropriate Senior Management must approve any exception or deviation from the standards set forth in this Policy. Exceptions to this Policy, if any, will be maintained by the AML Compliance Officer.