

Anti-money laundering policy

INTRODUCTION

The document describes SystemDevCorporate LLC's anti-money laundering policy, registration number 301 LLC 2020 (the "Company") and its involvement in detecting and preventing any activity related to money laundering and terrorist financing and the possibility of using its products and services for the purpose of money laundering.

DEFINITION

Money laundering is a financial transaction the purpose of which is to conceal the source of funds obtained illegally (fraud, corruption, organized crime, terrorism, etc.). The main crimes related to money laundering are defined by law. The process of money laundering takes place in three stages.

- **Accommodation.** This is the physical placement of cash in banks and non-bank financial institutions such as currency exchange offices; the conversion of cash into other financial instruments such as payment orders or traveller's cheques; the use of cash to pay for expensive goods that can then be sold. For money laundering, criminals generally choose foreign banks with no legal regulations or insufficient anti-money laundering legislation to place them in regulated environments under the guise of "clean".

- **Stratification.** Detachment of illicit income from its source by creating layers of financial transactions (numerous transfers of money between financial institutions, processing of cash loans, use of counterfeit invoices, waybills, etc.) aimed at hiding the true source of income and masking the verifiable trace of these income, as well as to ensure anonymity. Criminals transfer funds in order to change their form and location. In this way, various financial transactions are stacked on top of each other and make it difficult for law enforcement agencies to track "dirty" money;

- **Integration.** During integration, laundered money is placed back into the economy. This way, they enter the banking system under the guise of honestly earned income.

The anti-money laundering policy includes the following activities:

- Applying a risk-based approach;
- Compliance with due diligence and "Know Your Client" policy;
- Monitoring and reporting on suspicious transactions/activities;
- Accounting.

RISK-BASED APPROACH

Identification of possible money-laundering risks during transactions and work with clients allows the Company to take appropriate measures to control and reduce these risks. Traditionally, the following types of risk are distinguished for risk assessment:

NATIONAL RISK

The country risk, combined with other factors, provides useful information on the potential money laundering and terrorist financing risk. The main factors that increase the level of risk in the country are the following:

- Countries that are subject to sanctions, embargoes or similar measures;

- Countries on the FATF blacklist as non-cooperative in the global fight against money laundering and terrorist financing, or as having inadequate legislation that lacks specific anti-money laundering bodies;

- Availability of credible information that the country is funding or supporting terrorist activities.

CUSTOMER RISK

It is impossible to say with certainty which clients represent the highest risk. However, the following customer characteristics have been identified as posing potential risks:

- Manufacture of weapons;
- Business with a high proportion of cash
- Unregulated charities and other non-profit organizations.

BUSINESS RISK

The overall assessment of the money laundering risk should take into account certain types of activities of financial institutions providing services to their customers, which are included in the list by regulatory and governmental authorities, as well as other reliable sources, as potentially dangerous activities in terms of money laundering.

DUE DILIGENCE AND "KNOW YOUR CUSTOMER" POLICY

The company is an online forex broker, therefore, any cooperation between the company and its clients is carried out in absentia. In order to identify the client, the Company uses the data of electronic brokers, as well as performs other internal checks (e.g. identification of duplicate accounts, confirmation of the identity of the owner of the bank account, etc.), in order to identify and document the Client's identity and obtain all necessary information about the Client, the objectives and nature of his planned activities.

The Company will receive and document any additional information about Clients and assess the risk of money laundering using a risk-based approach.

Securities Broker shall establish whether the Client acts on behalf of another natural or legal person as a representative (intermediary, trustee). In such cases a necessary condition for cooperation with the Client is the provision of the necessary documents proving the identity of the intermediary and the person he/she represents, as well as the contract proving the establishment of the trust between the said persons.

MONITORING AND REPORTING OF SUSPICIOUS TRANSACTIONS/ACTIVITIES

In addition to conducting initial due diligence, the Company will monitor customer activity to identify any suspicious (or fraudulent) activity. In addition to the use of an automated monitoring system, the Company will also engage its own employees and outsourcing providers as needed to perform additional monitoring of transactions. Client accounts have been provided with a number of status fields displaying the client's profile in the system, which also enables automatic monitoring of clients' activity.

The Company has introduced an official system of reporting on suspicious activities and a procedure that will allow all employees of the Company to report to the responsible financial monitoring officer on any suspicious activity related to money laundering or terrorist financing. The system includes three stages:

- All personnel must exercise strict control over any unusual or suspicious operations/activities;

- Suspicious transactions/activities must be reported in accordance with applicable laws/regulations of relevant legislation;

- All information on suspicious transactions/activities will be provided to the responsible financial monitoring officer on a monthly basis.

ACCOUNT

All documents obtained for the purpose of customer identification as required by the HSC policy, all transaction data as well as other information related to money laundering cases, including suspicious activity reports and documentation related to account monitoring, will be kept in the Company's archive for at least 5 years in accordance with the current anti-money laundering law/regulations in force.