



GIV CAPITAL

AML POLICY





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## INTRODUCTION

GIV Capital is committed to the highest standards of the Anti-Money Laundering (AML) compliance and Anti-Terrorist Financing (CFT), in accordance with applicable laws, and requires the management, and employees to follow the named standards.

GIV Capital places extremely high importance on assisting in discovering any money laundering scheme and/or terrorism financing activities, also requires its officers, introducing brokers and affiliated companies to adhere to these standards in preventing the use company's products and services for the purposes of money laundering and terrorism financing activities.

Money laundering – the process of converting funds, received from illegal activities (such as fraud, corruption, terrorism, etc.), into other funds or investments that look legitimate to hide or distort the real source of funds.

The process of money laundering can be divided into three sequential stages:

- Placement. At this stage funds are converted into financial instruments, such as checks, bank accounts, and money transfers, or can be used for purchasing high-value goods that can be resold. They can also be physically deposited into banks and non-bank institutions (e.g., currency exchangers). To avoid suspicion by the company, the launderer may as well make several deposits instead of depositing the whole sum at once, this form of placement is called smurfing.
- Layering. Funds are transferred or moved to other accounts and other financial instruments. It is performed to disguise the origin and disrupt the indication of the entity that made the multiple financial transactions. Moving funds around and changing in their form makes it complicated to trace the money being laundered.
- Integration. Funds get back into circulation as legitimate to purchase goods and services.

## AML POLICY

GIV Capital, as a company providing financial services, adheres to the principles of Anti-Money Laundering and actively prevents any actions that aim or facilitate the process of legalizing of illegally gained funds. AML policy means preventing the use of the company's services by criminals, with the aim of money laundering, terrorist financing or other criminal activity.

For this purpose, a strict policy on the detection, prevention and warning of the corresponding bodies of any suspicious activities was introduced by the company. A complex electronic system for identifying every company's client and conducting a detailed history of all operations was introduced as well.

The company reserves the right to suspend any client's operation, which can be regarded as illegal or, may be related to money laundering in the opinion of the staff.

## LEGAL FRAMEWORK

The Company is required to comply with the provisions of the applicable laws regarding the prevention of Money Laundering and Terrorist Financing. The main purpose of these Laws is to define and criminalize the laundering of proceeds generated from all serious criminal offences aiming at depriving criminals from the profits of their crimes.

In accordance with the AML and CTF Laws, the Company is obliged to set out policies and procedures for preventing money laundering and Terrorist Financing activities.

The AML and CFT procedures, which are implemented by the Company, are based on AML and CFT laws applicable in Saint Vincent, the recommendations of The Financial Action Task Force (FATF), in addition to other documents and information.

## COMPANY'S PROCEDURES

GIV Capital will make sure that it is dealing with a real person or legal entity. GIV Capital also performs all the required measures in accordance with applicable law and regulations, issued by monetary authorities. The AML policy is being fulfilled within GIV Capital by means of the following:

- know your customer policy and due diligence
- Client Categorization
- monitoring of client activity
- record keeping



## KNOW YOUR CUSTOMER AND DUE DILIGENCE

Because of the company's commitment to the AML and KYC policies, each client of the company has to finish a verification procedure. Before GIV Capital starts any cooperation with the client, the company ensures that satisfactory evidence is produced or such other measures that will produce satisfactory evidence of the identity of any customer or counterparty are taken. The company as well applies heightened scrutiny to clients, who are residents of other countries, identified by credible sources as countries, having inadequate AML standards or that may represent a high risk for crime and corruption and to beneficial owners who resides in and whose funds are sourced from named countries.

### Individual Clients

During the process of registration, each client provides personal information, specifically: full name; date of birth; origin; complete address, including phone number and city code. A client sends the following documents because of the requirements of KYC and to confirm the indicated information:

- A high-resolution copy of the first page of local or international passport, where the photo and the signature are clearly seen, or a copy of driver's license with the same requirements. The indicated documents must be valid at least 6 months from the filing date.
- A high-resolution copy of a receipt of utility services payment or bank statement, containing the full client's name and the actual place of residence. These documents should not be older than 3 months from the date of filing.

### Corporate Clients

In case the applicant company is listed on a recognized or approved stock exchange or when there is independent evidence to show that the applicant is a wholly owned subsidiary or a subsidiary under the control of such a company, no further steps to verify identity will normally be required. In case the company is unquoted and none of the principal directors or shareholders already has an account with GIV Capital, the official provides the following documents because of the requirements of KYC:

- a high-resolution copy of the certificate of incorporation/certificate;
- an extract from the Commercial Register, or equivalent document, evidencing the registration of corporate acts and amendments;
- names and addresses of all officers, directors and beneficial owners of the corporate entity;
- a high-resolution copy of Memorandum and Articles of Association or equivalent documents duly recorded with the competent registry;
- evidence of the company's registered address and the list of shareholders and directors;
- Description and nature of business (including the date of commencement of the business, products or services provided; and the location of principal business).
- This procedure is performed to establish the identity of the client and to help GIV Capital know/ understand the clients and their financial dealings to be able to provide the best services of online trading.

### Due Diligence Procedures

The practice to which the Company adheres in order to comply with the requirements of the Law on the subject of the client identification is achieved on a risk-based approach and it is set out below:

#### **i- Normal Client Due Diligence Procedure**

- Identification of the client and verification of the client's identity on the basis of information obtained from a reliable and independent source.
- For legal persons, taking risk-based and adequate measures to understand the ownership and control structure of the client.
- Obtaining information on the purpose and intended nature of the business relationship.
- Conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of the relationship to ensure that the transactions being conducted are consistent with the data and information held by the firm in connection with the client.



### **ii- Simplified Client Due Diligence Procedure**

Simplified procedures may apply for low risk clients. These measures shall apply when there is no suspicion of money laundering, regardless of any derogation, exemption or threshold, and not whenever a business relationship is established.

### **iii- Enhanced Client Due Diligence Procedure**

The Company should apply enhanced client due diligence measures in situations which by nature can present high risk of money laundering or terrorist financing.

The Company shall take specific and adequate measures to compensate for the high risk, by applying one or more of the following measures:

- Ensure that the client's identity is established by additional documents, data or information.
- Apply supplementary measures to verify or certify the documents supplied.
- Ensure that the first payment of the operations is carried out through an account opened in the client's name with a credit institution which operates in a country of which imposes requirements higher or equivalent to those laid down by Company's regulators.

## CLIENT CATEGORIZATION

Clients are categorized based on their risk profile into three main categories as explained below:

### **a) Low Risk Clients**

The following types of clients are considered lower risk. It should be noted that the Company shall gather sufficient information to establish if the client qualifies to be classified as lower risk client:

- i. Credit or financial institutions situated in another country which imposes requirements higher or equivalent to those laid down by Company's regulators.
- ii. Listed companies whose securities are admitted to trading on a regulated market of another countries which are subject to disclosure requirements consistent with Community legislation.

### **b) Normal Risk Clients**

All clients who do not fall under either High Risk or Low risk category will be considered as Normal Risk Clients.

### **c) High Risk Clients**

Clients with the following criteria are classified as High risk due to the following conditions:

1. Non face to face customers
2. Client accounts in the name of a third person
3. Politically exposed persons ("PEP") accounts
4. Electronic gambling /gaming through the internet
5. Customers from countries which inadequately apply FATF's recommendations
6. Clients that their nature entail a higher risk of money laundering and terrorist financing
7. Any other Client determined by the Company itself to be classified as such

## MONITORING OF CLIENT ACTIVITY

In addition to gathering information from the clients, GIV Capital continues to monitor the activity of every client to identify and prevent any suspicious transactions. A suspicious transaction is known as a transaction that is inconsistent with the client's legitimate business or the usual client's transaction history known from client activity monitoring. GIV Capital has implemented the system of monitoring the named transactions (both automatic and, if needed, manual) to prevent using the company's services by criminals.



## RECORD KEEPING PROCEDURE

The Company should keep the below listed documents and information for use in any investigation into, or analysis, of possible money laundering or terrorist financing by national authorities. The retention of the documents/data, other than the original documents or their certified true copies that are kept in a hard copy form, may be in other forms, such as electronic form, provided that the Company is able to retrieve the relevant documents/data without undue delay and present them at any time, to the relevant authorities, after a request.

- a- The name and address of clients and copies or records of official identification documents (like passports, identity cards, or driving licenses).
- b- The name and address (or identification code) of counterparties.
- c- The form of instruction or authority.
- d- The account details from which any funds were paid.
- e- The form and destination of payment made by the business to the client.
- f- Business correspondence.
- g- For client due diligence, a copy of the references of the evidence is required, for a period of at least 5 years after the business relationship with the client has ended.
- h- For business relationship and transactions, the supporting evidence and records for a period of at least five years following the carrying out of the transactions or the end of the business relationship.

## COMPANY TRAINING

The Company ensures that its employees are fully aware of their legal obligations according to the Law, in relation to the prevention of money laundering and terrorist financing by introducing a complete employee's education and training program.

The training program aims at educating employees on the latest developments in the prevention of money laundering and terrorist financing, including the practical methods and trends used for this purpose. The training program ensures that Company's employees are fully aware that they can be personally liable for failure to report information or suspicion, regarding money laundering or terrorist financing. The timing and content of the training provided to the employees of the various departments is adjusted according to the needs of each department.

The frequency of the training can vary depending on to the amendments of legal and/or regulatory requirements, employees' duties as well as any other changes in the financial system. The training program has a different structure for new employees, existing employees and for different departments of the Company according to the services that they provide.

On-going training is given at regular intervals to ensure that the employees are reminded of their duties and responsibilities and kept informed of any new developments.

Any personal information collected about the client such as name, address, date of birth and contact details will be maintained with GIV Capital Limited strictly for business purposes. Other information such as client transactions, copies of passports and proof of addresses will remain confidential and shared only between our account services and compliance departments. GIV Capital Limited may additionally inquire about the credit worthiness of the client, which will also remain confidential within our customer files. Such information may be maintained either physically or electronically with strict access procedures.

GIV Capital Limited may share client information with internal departments or affiliate offices who conduct marketing, back-office and customer service functions to accomplish normal business operations. However, client information is required to be kept confidential as each employee within the GIV Capital Limited has signed a Confidentiality Agreement in this regard.

Any questions or additional information regarding our privacy policy may be directed to our Customer Service Department at [support@giv-capital.com](mailto:support@giv-capital.com).



## DEFINITIONS

### 4.1- Money Laundering

Money laundering is the process of creating the appearance that large amounts of money obtained from serious crimes, such as drug trafficking or terrorist activity, originated from a legitimate source. There are three steps involved in the process of laundering money: Placement, Layering and Integration.

#### 4.1.1- Placement

Placement refers to the act of introducing "dirty money" (money obtained through illegitimate, criminal means) into the financial system in some way.

#### 4.1.2- Layering

Layering is the act of concealing the source of that money by way of a series of complex transactions and bookkeeping gymnastics.

#### 4.1.3- Integration

Integration refers to the act of acquiring that money in purportedly legitimate means.

### 4.2- Terrorism Financing

Terrorist financing (proceeds for crime) is the process by which funds are provided for financing or financial support to individual terrorists or terrorist groups.

A terrorist, or terrorist group, is one that has a purpose or activity to facilitate or carry out any terrorist action, and can involve: individuals or groups.

### 4.3- AML/CTF

The term AML CTF refers to "Anti Money Laundering and Counter Terrorism Financing" or "Anti Money Laundering and Combating Terrorism Financing".

#### 4.3.1- Anti-Money Laundering

Anti-Money Laundering ("AML") refers to a set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions.

#### 4.3.2- Counter Terrorism Financing

Counter Terrorism Financing ("CTF") refers to a set of procedures, laws or regulations designed to prevent financing or providing financial support to individual terrorists or terrorist groups.

### 4.3- Financial Action Task Force (FATF)

The Financial Action Task Force on Money Laundering ("FATF"), also known by its French name, Groupe d'action financière (GAFI), is an intergovernmental organization established in July 1989 by a Group of Seven (G-7) Summit in Paris, initially to examine and develop measures to combat money laundering.