



# Anti-Money Laundering

STATEMENT

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## 1. Introduction

- 1.1. In compliance with the Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA 2002), the Prevention of Corruption Act 2002 (POCA 2002) and the Prevention of Terrorism Act 2002 (POTA 2002) IFX Brokers have adopted an Anti-Money Laundering (AML) compliance policy ("Policy") to describe its commitment to remaining constantly vigilant to money laundering prevention and combating the financing of terrorism.
- 1.2. For the purposes of the Policy, money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have been derived from legitimate origins or constitute legitimate assets.
- 1.3. Money laundering has been criminalised in section 4 of the Prevention of Organised Crime Act, 1998. A money laundering offence may be described as the performing of any act that may result in concealing the nature of the proceeds of crime or of enabling a person to avoid prosecution or in the diminishing of the proceeds of crime.
- 1.4. Apart from criminalising the activities constituting money laundering, South African law also contains several control measures aimed at facilitating the detection and investigation of money laundering. These control measures, as contained in the Financial Intelligence Centre Act, 2001 (the "FIC Act"), are based on three basic principles of money laundering detection and investigation, i.e. that:
  - 1.4.1. intermediaries in the financial system must know with whom they are doing business;
  - 1.4.2. the paper trail of transactions through the financial system must be preserved;
  - 1.4.3. possible money laundering transactions must be brought to the attention of investigating authorities.
- 1.5. The control measures introduced by the FIC Act include requirements for institutions to establish and verify the identities of their clients, to keep certain records, to report certain information and to implement measures that will assist them in complying with the FIC Act.

## 2. KYC (Know-Your-Client)

- 2.1. KYC is the process of due diligence to be undertaken by financial institutions/intermediaries to identify and locate an entity or individual to ensure that the financial transactions are not part of money laundering or terrorist financing. The process involves
- 2.2. Identification of the customer with reference to some valid photo identification document and
- 2.3. Address proof of the customer where he generally resides and is available in case of need.
- 2.4. KYC procedure also enables us to know/understand our customers and their financial dealings better **which in** turn help us manage our risks prudently.
- 2.5. The KYC policy of the Company has been framed incorporating the following 4 key elements:
  - 2.5.1. Customer Acceptance Policy;
  - 2.5.2. Customer Identification Procedures;
  - 2.5.3. Monitoring of Transactions; and
  - 2.5.4. Risk Management.

## 3. Creating awareness



- 3.1. All business units and locations within IFX Brokers (Pty) Ltd. will cooperate to create a cohesive effort in the fight against money laundering. Each business unit and location has implemented risk-based procedures reasonably expected to prevent, detect and cause the reporting of transactions required under the FIAMLA, and further contained in the following statutes and their corresponding Regulations, Exemptions and Guidance Notes:
  - 3.1.1. Prevention of Organised Crime Act, 121 of 1998 (“POCA”);
  - 3.1.2. Financial Intelligence Centre Act, 38 of 2001 (“FICA”); and
  - 3.1.3. Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004 (“POCDATARA”).

#### **4. Training**

- 4.1. IFX Brokers (Pty) Ltd. is fully committed to remaining constantly vigilant to money laundering prevention and combating the financing of terrorism for the purpose of risk management (reputational risk, legal risk and regulatory risk) and serious crime prevention (social duty) and it will not allow its systems to be abused in furtherance of these crimes.
- 4.2. The Company will provide training to its employees on the provisions of relevant anti-money laundering legislation and internal rules applicable to them, relating to the following:
  - 4.2.1. Reporting of suspicious and / or unusual transactions (“STRs”) and terrorist property (“TPRs”);
  - 4.2.2. Establishment and verification of all customer particulars in respect of any customer that enters into a single transaction or a business relationship with the Bank, known as Know-Your-Customer (“KYC”); and
  - 4.2.3. Keeping records relating to every business transaction that is entered into between the Company and a client, whether it is a single transaction or a transaction concluded in the course of a business relationship.

