

## **Anti-Money Laundering (AML) Policy**

Money laundering is the act of converting money or other material values gained from illegal activity (terrorism, drug dealing, illegal arms trade, corruption, human traffic and etc.) into money or investments that appear to be legitimate. Such activity is used so that the illegal source of money and other material values cannot be traced.

### **Policy Statement and Principles**

MOF Securities Limited has adopted a program that complies with the AML/CTF Act. As part of this process, you will need to provide evidence of identification.

### **Scope of Policy**

This policy applies to all MOF Securities Limited officers, employees, appointed producers and products and services offered by MOF Securities Limited.

All business units and locations within MOF Securities Limited 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 International Anti Money Laundering law.

All efforts exerted will be documented and retained in accordance with the Anti-Money laundering law. The AML Compliance Committee is responsible for initiating Suspicious Activity Reports ("SARs") or other required reporting to the appropriate law enforcement or regulatory agencies. Any contacts by law enforcement or regulatory agencies related to the Policy shall be directed to the AML Compliance Committee.

### **Policy**

It is the policy of MOF Securities Limited to prohibit and actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities.

MOF Securities Limited is committed to AML compliance in accordance with applicable law and requires its officers, employees and appointed producers to adhere to these standards in preventing the use of its products and services for money laundering purposes.

### **Customer Identification Program**

MOF Securities Limited will provide notice to customers that it is requesting information from them to verify their identities, as required by applicable law.

## **Verifying Information**

In verifying customer identity, appointed producers shall review photo identification. MOF Securities Limited shall not attempt to determine whether the document that the customer has provided for identification has been validly issued.

For verification purposes, MOF Securities Limited shall rely on a government-issued identification to establish a customer's identity. MOF Securities Limited however, will analyse the information provided to determine if there are any logical inconsistencies in the information obtained.

MOF Securities Limited will document its verification, including all identifying information provided by the customer, the methods used and results of the verification, including but not limited to sign-off by the appointed producer of matching photo identification.

## **Customers Who Refuse to Provide Information**

If a customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, the appointed agent shall notify their New Business team. MOF Securities Limited will decline the application and notify the AML Compliance Committee.

## **Monitoring and Reporting Suspicious Activity**

MOF Securities Limited collects and verifies identification data of the Client and also logs and tracks itemized statements of all transactions carried out by the Client.

If MOF Securities Limited tracks suspicious transactions of the clients and transactions executed under nonstandard conditions. The Company performs its anti-money laundering compliance on the basis of AML FATF recommendations.

MOF Securities Limited neither accepts cash deposits nor disburses cash under any circumstances.

MOF Securities Limited reserves the right to refuse to process a transaction at any stage, when it believes the transaction to be connected in any way to money laundering or criminal activity. In accordance with international law MOF Securities Limited is not obligated to inform the client that they were reported to the corresponding governing bodies due to client's suspicious activity.

## **Suspicious Activities**

The customer exhibits unusual concern regarding the firm's compliance with government reporting requirements and the firm's AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents.

The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer's stated business strategy.

The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.

Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.

The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.

The customer exhibits a lack of concern regarding risks, commissions, or other transaction costs.

The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.

The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.

The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from the firm's policies relating to the deposit of cash and cash equivalents.

The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the \$10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.

For no apparent reason, the customer has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.

The customer is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force.

The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.

The customer's account shows numerous currency or cashier's check transactions aggregating to significant sums.

The customer's account has a large number of wire transfers to unrelated third parties inconsistent with the customer's legitimate business purpose.

The customer's account has wire transfers that have no apparent business purpose to or from a country identified as money laundering risk or a bank secrecy haven.

The customer's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.

The customer makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose.

The customer makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.

The customer engages in excessive journal entries between unrelated accounts without any apparent business purpose.

The customer requests that a transaction be processed in such a manner to avoid the firm's normal documentation requirements.

The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as penny stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)

The customer's account shows an unexplained high level of account activity with very low levels of securities transactions.

### **Our Compliance Regime**

MOF Securities Limited implemented a compliance regime, as laws require from financial institutions, including appointment of a compliance officer, preparation of policies and procedures, periodic review of their effectiveness, and ongoing compliance training of our staff.

MOF Securities Limited is committed to regularly update its electronic system for inspection of suspicious transactions and for verification of client identification records, in accordance with any new regulations as they are promulgated, as well as providing training for its employees on enhancements to anti-money laundering procedures that may be required by new regulations.