

# Risk Classification & Compliance Policy

## Risk Classification & Compliance Policy

WTP's framework for client risk assessment. Every client is classified before any engagement begins. No exceptions.

### Risk Levels

#### GREEN — We Accept

##### Criteria:

- Transparent business rationale and documented income
- Complete document package provided on time
- No critical red flags in any of the 8 categories
- Realistic expectations aligned with WTP's scope
- Source of Funds clearly documented and verifiable

Action: Proceed to package confirmation and execution.

#### YELLOW — Accept with Conditions

##### Criteria:

- Higher-risk jurisdiction (not sanctioned, but elevated scrutiny)
- Complex corporate structure requiring additional analysis
- Incomplete documentation that can be remediated
- Non-standard business activity requiring enhanced controls
- Minor red flags that can be mitigated

##### Action:

1. Offer Level 0 Advisory first
2. Document specific conditions for proceeding
3. Require enhanced SOF documentation
4. Apply ongoing monitoring during execution
5. Notify partner of conditional status and requirements

#### RED — We Decline

##### Criteria:

- Sanctions exposure (personal, corporate, or jurisdictional)
- Unresolvable SOF gaps — cannot document origin of funds
- Pressure to bypass compliance checks
- "Do it with no questions asked" attitude
- Prior criminal investigations for financial crimes
- Nominee structures designed to obscure ownership
- Negative media / adverse findings in screening

**Action:**

1. Issue decline communication (use Rejection Templates)
  2. Log reason in CRM (confidential, not shared with client)
  3. No re-engagement without material change in circumstances
  4. No advisory offered for RED profiles
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## Red Flags Matrix

8 categories assessed during pre-screen:

### 1. Source of Funds

RED FLAG	SEVERITY
Cannot explain origin of funds	HIGH
Cash-heavy business with no paper trail	HIGH
Funds from sanctioned country	CRITICAL
Recently liquidated assets with unclear provenance	MEDIUM
Inconsistent income vs. requested services	MEDIUM

### 2. Geography

RED FLAG	SEVERITY
Citizenship of sanctioned country	CRITICAL
Residence in high-risk jurisdiction	HIGH
Frequent travel to conflict zones	MEDIUM
No clear base country / perpetual traveler	MEDIUM

### 3. Banking History

RED FLAG	SEVERITY
Multiple bank account rejections	HIGH
Account closures initiated by bank	HIGH
No banking history in any country	MEDIUM
Only banking in high-risk jurisdictions	MEDIUM

### 4. Business Activity

RED FLAG	SEVERITY
Regulated industry without proper licenses	HIGH
Crypto-only business with no fiat connections	MEDIUM
Shell company with no real operations	HIGH

RED FLAG	SEVERITY
Gambling / adult entertainment	MEDIUM
Arms / defense (without government contract)	CRITICAL

## 5. Substance

RED FLAG	SEVERITY
No intention to have physical presence in UAE	MEDIUM
No employees planned, no office needed	MEDIUM
Company exists only for banking purposes	HIGH
Multiple entities with no operational justification	HIGH

## 6. Ownership Structure

RED FLAG	SEVERITY
Nominee shareholders / directors	HIGH
Multi-layered holding structures across jurisdictions	MEDIUM
Bearer shares	CRITICAL
Trust with undisclosed beneficiaries	HIGH
Rapid changes in ownership before application	HIGH

## 7. Tax Position

RED FLAG	SEVERITY
No current tax residency / stateless	HIGH
Ongoing tax investigation in home country	CRITICAL
Exit tax obligations unresolved	MEDIUM
Tax evasion motivation explicitly stated	CRITICAL

## 8. Client Behavior

RED FLAG	SEVERITY
Pressure to skip compliance steps	CRITICAL
Refusing to provide documents	HIGH
Unusual urgency with no logical explanation	MEDIUM
Changing story / inconsistent information	HIGH
Aggressive or threatening communication	HIGH
Offering bribes or "facilitation payments"	CRITICAL

## Scoring

SEVERITY	WEIGHT
CRITICAL	Automatic RED — any single critical flag
HIGH	2 points per flag
MEDIUM	1 point per flag
TOTAL SCORE	VERDICT
0	GREEN
1–3	YELLOW
4+ or any CRITICAL	RED

## Sanctions Screening

All clients are screened against:

- UN Consolidated Sanctions List
- EU Sanctions List
- OFAC (US Treasury) SDN List
- UAE Local Sanctions List
- FATF High-Risk Jurisdictions
- Adverse media databases

Screening is performed at intake and repeated before banking appointments.

## Documentation & Audit Trail

1. All risk assessments documented in Bitrix24 CRM
2. Red Flags Matrix completed for every client (stored as attachment)
3. Decline reasons logged (internal only, not shared externally)
4. Re-assessment requests require new pre-screen submission
5. Quarterly review of all YELLOW clients in active engagement