

ADS Securities Hong Kong Limited

Policy for the Reactivation of Frozen Accounts



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1. Introduction

This Policy for the Reactivation of Frozen Accounts (this “**Policy**”) codifies the existing handling and reactivation process of frozen accounts maintained with ADS Securities Hong Kong Limited (“**ADSS HK**”).

2. Scope

This Policy only covers FX accounts (the “**accounts**”) on the OREX trading platform, and aims to ensure that:

- (i) ADSS HK adequately monitor the activities of the accounts, and duly change their status based on account activities and all relevant information;
- (ii) ADSS HK adequately assess the background and all relevant information of the client applying for reactivation of the frozen account; and
- (iii) All account status are closely monitored.

3. Account Status

Account status is basically divided into four categories, namely (i) active, (ii) inactive, (iii) dormant, and (iv) frozen, where detailed explanation as to the reason of change of account status is as follows:

	Account Status	Definition
1.	Active	Funded or traded in the last 30 days
2.	Inactive	Last funded or traded date > 30 days but < 365 days
3.	Dormant	Last funded date or traded date > 365 days
4.	Frozen	Manual change based on all relevant facts and information regarding the client and the subject account

4. Frozen Accounts

In normal circumstances, when an account is dormant for 12 months, ADSS HK will proceed to freeze the account, and the client will be notified of such change in the account status. However, a dormant account will be subjected to review first rather than automatically being changed into a different status, as manual change is required for changing an account to “frozen” status after all relevant facts and information have been duly considered. As such, a dormant account may not necessarily be converted into a frozen account, and this will need to be access on a case by case basis.

The client of a frozen account is not allowed to operate the account, and all trading activities will be blocked. Further, fund deposit or withdrawal is not permitted for frozen accounts, When ADSS HK received fund deposit from a client whose account has been frozen, the fund will not be accredited to the client’s frozen account, but will be hold in a segregated bank account for client monies until the frozen account is reactivated successfully.

Clients whose account has been frozen will be duly notified of such change, and clients will be advised to contact ADSS HK should they want to reactivate and trade in their accounts again.



5. Reactivation of Frozen Accounts

To reactivate a frozen account, the client must contact ADSS HK where his identity will be verified. After verification of identity and personal information is completed, the client will be requested to fill in a customer due diligence form ("**CDD Form**") in order to update his or her information and personal circumstances, so that ADSS HK can fulfil the requisite know-your-client ("**KYC**") process, and ensure that the true and full identify of the subject client, together with his or her financial situation, investment experience, and investment objectives are duly established, recorded, and updated where applicable.

After the CDD Form is completed, ADSS HK will re-assess the risk tolerance level of the client by further requesting the client to fill in a risk profiling questionnaire. In addition, the client will be subjected to screening against updated terrorist and sanctions list, where combining with other existing or updated information, the AML risk level of the client will be re-assessed. In this regard, the full client profile will be updated, and the client and his or her account will be subjected to usual monitoring and screening, as well as regular review as the case may be.

The frozen account will then be reactivated after KYC is duly completed, and the account status will be changed from "frozen" back to "active", where events triggering the change of account status are the same as those stipulated in section 3 above.