

ANTI-MONEY LAUNDERING
AND
COMPLIANCE PROCEDURES
OF
Torroso Ltd

1. What is Money Laundering?

Money laundering is the act of converting money or other monetary instruments gained from illegal activity into money or investments that appear to be legitimate, so that its illegal source cannot be traced.

2. How is money laundered?

Money Laundering usually is done through three stages:

- i. Placing the cash or cash equivalents into the financial system;
- ii. Transferring or moving money to other accounts (e.g. forex accounts) through a series of financial transactions designed to obscure the origin of the money (e.g. executing trades with little or no financial risk or transferring account balances to other accounts);
- iii. Re-introducing these money into the economy so that the money appears to have come from legitimate sources (e.g. closing a forex account and transferring the money to a bank account).

3. Anti-Money Laundering and Compliance Procedures

Domestic and international laws that apply to companies, whose customers can deposit and withdraw funds from their accounts, make it illegal for the Company, or its employees or agents, to knowingly engage, or attempt to engage in a monetary transaction of criminally derived property.

Therefore, The Company is taking security measures and has adopted policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements.

Furthermore, the Company is committed to assisting governments combat the threat of money laundering and financing terrorist activities around the world.

For that purpose the Company has set up a highly sophisticated electronic system. This system documents and verifies client identification records, and tracks and maintains detailed records of all transactions.

The Company carefully monitors and tracks any suspicious activities, and reports such activities "providing timely and comprehensive information" to law enforcement bodies.

In order to minimize the risk of money laundering and financing terrorist activities, the Company neither accepts cash deposits nor pays cash under any circumstances. The Company reserves the right to refuse to process a transfer at any stage, where it believes the transfer to be connected in any way to money laundering or criminal activity.

The Company has put in place 'Know Your Customer' (KYC) programmes as an essential element for service, risk management and control procedures. Such programmes include:

3.1. Customer Identification

In order to comply with the laws of Anti-Money Laundering, the Company requires two different kind of documentation to be able to verify the identity of the customer as below:

- i. A legal government-issued, identifying document with the picture of the customer on it. It may be a government-issued passport, driver's license (for countries where the driver's license is a primary identification document) or local ID card (no company Access cards).
- ii. A proof of residency with the customer's own name and actual address issued within the last six months. It may be a utility bill, a bank statement, an affidavit, or any other document with the customer's name and address from an internationally recognized organization.

3.2. On-going monitoring

On-going monitoring is an essential aspect of effective KYC procedures. The Company can only effectively control and reduce the risk if it has an understanding of normal and reasonable account activity of its customers so that it has means of identifying transactions which fall outside the regular pattern of an account's activity. Without such knowledge, it is likely to fail in its duty to report suspicious transactions to the law enforcement bodies in cases where the Company is required to do so. The extent of the monitoring needs to be risk-sensitive.

For all accounts, the Company has systems in place to detect unusual or suspicious patterns of activity. This can be done by establishing limits for a particular class or category of accounts. Particular attention is paid to transactions that exceed these thresholds.

Certain types of transactions alert to the possibility that the customer is conducting unusual or suspicious activities. They may include transactions that do not appear to make economic or commercial sense (big transactions), or that involve large amounts of cash deposits that are not consistent with the normal and expected transactions of the customer.

3.3. Record Keeping

The Company shall keep records for a period of at least one year. The one year period is calculated following the carrying out of the transactions or the end of the business relationship.

The following records shall be kept:

- i. Copies of the evidential material of the customer identity.
- ii. Relevant evidential material and details of all business relations and transactions, including documents for recording transactions in the accounting books and
- iii. Relevant documents of correspondence with the customers and other persons with whom they keep a business relations, to exercise due diligence in handling accounts of existing customers on an on-going basis and to detect patterns of suspicious activity. Regular refresher training is provided to ensure that employees are reminded of their responsibilities and are

kept informed of new developments. It is crucial that all relevant staff fully understand the need for and implement KYC policies consistently. A culture within services that promotes such understanding is the key to a successful implementation.

NOTE: THE COMPANY AT ANY TIME CAN INQUIRE AND OBTAIN ADDITIONAL DOCUMENTS AND INFORMATION IF REQUIRED.

IF AT ANY LATER STAGE ANY CHANGES OCCUR IN THE STRUCTURE OF THE OWNERSHIP STATUS OR TO ANY DETAILS, THE CUSTOMER HAS TO INFORM THE COMPANY AND PROVIDE ANY NEW INFORMATION AND DOCUMENTS.

IF IN THE COUNTRY OF THE POTENTIAL/EXISTING CUSTOMER ANY OF THE REQUIRED DOCUMENT DOES NOT EXIST IN THE FORM REQUIRED BY THE COMPANY THE COMPANY MAY ACCEPT A SIMILAR DOCUMENT SERVING THE NEEDS OF DUE DILIGENCE.

THESE GUIDELINES HAVE BEEN IMPLEMENTED TO PROTECT THE COMPANY AND ITS CLIENTS.

IF YOU HAVE ANY INQUIRIES, PLEASE CONTACT US VIA E-MAIL:

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