

SOLVERTRADE, Compliance Unit - AML & KYC Policy Statement Version 2.0, 28/05/2018

TERMINOLOGY

"ACT"	Proceeds of Crime Act 2013
"AML/CFT ACT"	Anti-Money Laundering and Terrorism Financing Regulations 2014
"THE COMPANY"	SOLVERTRADE LTD. (24754 IBC 2018)
"SVG FSA"	St.Vincent and the Grenadines Financial Services Authority
"SVG FIU"	St.Vincent and the Grenadines Financial Services Authority
"MLRO"	Money Laundering Reporting Officer
"RELEVANT EMPLOYEE"	An employee is a relevant employee if, at any time in the course of his / her duties, he / she may have access to any information that may be relevant in determining whether a person is engaged in money laundering.

Introduction

SOLVERTRADE is committed to the highest standards of Anti-Money Laundering (AML) compliance and Anti-Terrorist Financing (ATF) and requires its management and employees to adhere strictly to industry best practice standards.

Money laundering – the process of converting funds, received from illegal activities (such as fraud, corruption, terrorism, etc.), into other funds or investments that look legitimate to hide or distort the real source of funds.

The process of money laundering can be divided into three sequential stages:

- Placement. At this stage funds are converted into financial instruments, such as checks, bank accounts, and money transfers, or they can be used for purchasing high-value goods that can then be resold. Such funds can also be physically deposited into banks and non-bank institutions (e.g., currency exchangers). To avoid suspicion by the company, the launderer may seek to make several deposits instead of depositing the whole sum at once; this form of placement is called smurfing.

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- Layering. Funds are subsequently transferred or moved to other accounts and other financial instruments. It is performed to disguise the origin and disrupt the indication of the entity that made the multiple financial transactions. Moving funds around and changing their form makes it more complicated to trace the money being laundered.
- Integration. Funds get back into circulation as legitimate to purchase goods and services.

AML policy

The policy of the Company – 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. The directors, officers and employees of the Company shall at all times make every effort to maintain the highest standards of ethics, integrity, and prudence in the Company's operation and administration so as to ensure that the Company creates and maintains a good reputation and standing. The directors, officers and employees shall at all times act in such a manner as to preserve the reputation of St. Vincent and the Grenadines as a major international financial center and to prevent the use of the jurisdiction for illegal, criminal and terrorist purposes

SOLVERTRADE adheres to the principles of Anti-Money Laundering and actively seeks to prevent any actions that aim or facilitate the process of legalising illegally gained funds. Our AML policy has been designed to prevent the use of the company's services by criminals, with the aim of money laundering, terrorist financing or other such criminal activities.

SOLVERTRADE adopts a strict policy regarding the detection, prevention and warning of the corresponding bodies of any suspicious financial activity. In this context, SOLVERTRADE notifies clients that it has the right to report any suspected fraudulent activity to relevant law enforcement agencies. Additionally, by way of forensic auditing, SOLVERTRADE's broker technology keeps a record of all client interactions and associated operations.

To prevent money laundering, SOLVERTRADE neither accepts nor pays cash under any circumstances. SOLVERTRADE reserves the right to suspend any client's operation which is regarded as illegal or may be related to money laundering in the opinion of the company.

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Company's procedures

SOLVERTRADE will ensure that it is dealing with a real person or legal entity. SOLVERTRADE performs all the required measures in accordance with applicable law and best practice regulations, issued by monetary authorities. The AML policy is being fulfilled within SOLVERTRADE by means of the following:

- Know your customer policy and due diligence
- Monitoring of client activity
- Record keeping

Know your customer and due diligence

Because of SOLVERTRADE's commitment to AML, each client has to successfully complete the company's verification procedure. Before SOLVERTRADE starts any co-operation with the client, the company ensures that adequate and sufficient evidence is produced that affirms the identity of the customer or counterparty in question. SOLVERTRADE applies heightened scrutiny to individuals who are residents of countries having inadequate AML standards, or that may represent a potential risk for crime and / or corruption to the wider financial system.

Individual clients

The identity will be established to the Company's satisfaction by reference to official identity papers or such other evidence as may be appropriate under the circumstances. Information on identity will include, without limitation: full name; date of birth; nationality; complete residential address. Identification documents must be current at the time of the opening.

Personal Customers details required:

1. True full name and/or names used
2. Current permanent address, including postal code
3. Date of birth
4. Profession or occupation

Names should be verified by reference obtained from a reputable source that bears a photograph, such as:

- Current valid full passport
- Government issued photo identification card

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In addition to the customer's name verification, the current permanent address should be verified by obtaining any one of the following documents in original form:

- Copy of a recent utility bill
- Local tax authority bill
- Bank statement
- Checking a telephone directory
- Credit card monthly statement

In addition to the above, an introduction from a respected customer personally known to the Manager of the Company or from a trusted member of staff can assist the verification procedure.

Details of the introduction should be recorded on the customer's file.

In addition:

- Where customer contact is face-to-face;
- Where address verification may be difficult, government issued photo identification must be obtained
- If in doubt seek to verify identity with a reputable credit or financial institution in the customers country of residence

Where customer contact is not face-to-face;

Verification of identity and current address should be sought from a reputable credit or financial institution in the applicant's country of residence.

Corporate clients

In case the applicant company is listed on a recognised or approved stock exchange, or when there is independent evidence to show that the applicant is a wholly owned subsidiary or a subsidiary under the control of such a company, no further steps to verify identity will normally be required. In case the company is unquoted and none of the principal directors or shareholders already has an account with SOLVERTRADE, the applicant company official is required to provide the following documents by way of KYC:

High-resolution copy of the applicant company's certificate of incorporation.

Extract from the Commercial Register, or equivalent document, evidencing the registration of the applicant company's corporate acts, amendments or by-laws.

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Full names and residential addresses of all of the applicant company's officers, directors and / or beneficial owners of the corporate entity.

High-resolution copy of the applicant company's Memorandum and Articles of Association or equivalent documents duly recorded with the official registrar.

Evidence of the applicant company's registered office address, along with a list of all of the applicant company's shareholders and directors.

Description and nature of the applicant company's business (including the date of commencement of the business, its products and / or services, along with the location of the principal business).

This procedure is performed to establish the identity of the client and to help the company know and understand the clients and their financial dealings with SOLVERTRADE a view to being able to provide the best online trading services for the client, as well as satisfying best practice AML regulations and guidelines.

Beneficial Owners

Due diligence must be done on all principal owners identified in accordance with the following principles:

a) Natural persons: where an applicant is an individual, the Company must clearly establish, based on information and documentation provided by the client, whether the client is acting on his/her own behalf.

b) Legal entities: where the client is a company, such as a private investment company, the Company must understand the structure of the company, based on information and documentation provided by the client, sufficiently to determine the provider of funds, principal owner(s) of the shares and those who have control over the funds, e.g. the directors and those with the power to give direction to the directors of the company. With regard to other shareholders the Company will make a reasonable judgment as to the need for further due diligence. This principal applies regardless of whether the share capital is in registered or bearer form.

While use of clear scanned versions of documents will be accepted and in case any further clarification is needed, attested scanned copies or original attested copies may be sought for.

The certifiers may be:

- a notary public or another authority with equivalent power to certify copies of documents in the relevant jurisdiction; or

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- a relevant state official (judge, police officer, consular official, etc); or
- an authorized financial institution.

Copies of documentation may also be certified by the Company's staff, if these have been made in their presence.

If any document regarding the corporate entity (such as extract from the Commerce Register) is available online through an official website of the relevant state authority, the Company may refer to such online version of the document, provided that a printout is made by a staff member of the Company and stored in the respective client file.

The clients will also be asked to provide relevant contact details, such as phone number and e-mail address

Monitoring of client activity

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 appropriate authorities in cases where they are 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 limits.

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.

Intensified monitoring for higher risk accounts is conducted. The Company has set key indicators for such accounts, taking note of the background of the customer, such as the country of origin and source of funds, the type of transactions involved, and other risk factors.

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Client deposit and withdrawal requirements

All of the clients' operations to deposit and withdraw funds have the following requirements:

In case of bank transfer or transfer from a bank card, the name indicated during the registration process must match the name of the owner of the associated bank account and / or bank card, as the case may be.

Withdrawing funds from the trading account via a method, which is different from the depositing method, is possible solely after withdrawing the sum, which is equal to the sum of client's deposits via the method and to the same source used for depositing.

If the account was credited in the way that cannot be used for funds withdrawal, the funds may be withdrawn to a bank account of the client, or any other way may be used as agreed with the Company, providing that the Company is able to prove the identity of the account owner.

If the account has been credited with funds through various payment systems, funds withdrawal shall be made on a pro rata basis commensurate to the size of each deposit.

In case of depositing via Visa/ MasterCard, Wire Transfer, e-Payments, the withdrawal of funds, which exceed the sum of the client's deposits, is possible via any of the following methods: Visa/ MasterCard, Wire Transfer, e-Payments. In case of depositing via another method, the withdrawal of funds that exceed the sum of the client's deposits, is possible via any available method, by the client's choice.

Duty to Report

There is a statutory and regulatory obligation on all staff to report information which comes to their attention, which gives rise to knowledge or suspicion or reasonable grounds for knowledge or suspicion of money laundering. Thus, even if a member of staff does not actually know or suspect but reasonably should have known or suspected, and does not report, he/she would be committing an offence. To this end, continuous surveillance for suspicious transactions must be carried out. Knowing its customers is the Company's most important line of defence in preventing or detecting money laundering activities. It is important that the Company verifies the identity of new counterparties and ensures that they are involved in bona fide business activities and that they share the Company's high standards of integrity and business practice.

Knowledge in relation to money laundering has been in the past defined widely and includes: wilfully ignoring the obvious, wilfully and recklessly failing to make inquiries

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as a reasonable and honest person would make, knowledge of circumstances which would indicate facts to such honest and reasonable person or put them on enquiry.

Suspicion is assessed on a subjective basis; however it goes beyond mere speculation.

Reasonable grounds to suspect introduces an objective test rather than a subjective test of suspicion. It might therefore include wilful blindness (i.e. turning a blind eye to the obvious), negligence (recklessly failing to make adequate enquiries) and failing to assess adequately the facts and information presented or available.

The Company will therefore ensure that staff takes all reasonable steps in the particular circumstances to know the customer and the rationale for the transaction or instruction.

Internal reporting

Employees must report any relevant money laundering suspicions to the MLRO.

The suspicion should be fully documented, including the name and location of the reporting employee, full details of the client and the respective account, description of the information giving rise to the suspicion.

All internal enquiries made in relation to the report, and the reasoning for submission or non-submission of the report should also be documented.

The MLRO should remind the reporting employee to avoid “tipping off” the subject of the reported suspicion, and that information concerning a report should not be disclosed to any third parties.

The requirement to report also includes those situations where the business or transaction has not proceeded because the circumstances surrounding the application or proposal give rise to a suspicion of money laundering.

External reporting

The MLRO or his duly authorized delegate will consider the reported information, and where, following consideration, the suspicion remains, a report must be made to SVG FSA.

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Any report made by the MLRO or his/her delegate will not be subject to the consent or approval of any other person.

In order to make this assessment, the MLRO will have access to any information, including “know your business information” in the Company’s possession that could be relevant. Know your business information will include: information about the financial circumstances of a client or any person on whose behalf the client has been acting or is acting; and the features of the transactions which the Company has entered into with or for the client.