

FIBO GROUP, LTD  
**CLIENT ACCEPTANCE POLICY**

The Company's Client Acceptance Policy (hereinafter the "CAP"), in accordance with the principles and guidelines described in AML Manual, defines the criteria for accepting new Clients and stipulates the Client categorization criteria which shall be adhered to by the Company and especially by the employees who are involved in the Client Account Opening process.

### **I. GENERAL PRINCIPLES OF THE CAP**

The General Principles of the CAP are the following:

- a. The Company shall classify Clients into various risk categories and based on the risk perception decide on the acceptance criteria for each category of Client;
- b. Where the Client is a new Client, an account can be activated only after the relevant due diligence and identification measures and procedures have been conducted, according to the principles and procedures set forth in the AML Manual;
- c. All documents and data required to be obtained pursuant to the Company's Client Acceptance Policy must be collected before accepting a new Client;
- d. No client shall be accepted in anonymous or fictitious names(s);

### **II. CRITERIA FOR ACCEPTING NEW CLIENTS (BASED ON RISK)**

This Section describes the criteria for accepting new Clients based on their risk categorization.

#### **Low Risk Clients**

The Company shall accept Clients who are categorized as low risk Clients as long as the general principles set forth in this CAP are implemented.

Moreover, the Company shall follow the Simplified Client Identification and Due Diligence Procedures for low risk Clients set forth hereinafter.

### **Normal Risk Clients**

The Company shall accept Clients who are categorized as normal risk Clients as long as the general principles set forth hereinafter are implemented.

### **High Risk Clients**

The Company shall accept Clients who are categorized as high risk Clients as long as the general principles set forth hereinafter are implemented.

Moreover, the Company shall apply the Enhanced Client Identification and Due Diligence measures for high risk Clients as applicable.

### **Unacceptable Clients**

The Company reserves its right to deny the establishment of any business relationship with a person (physical and/or legal) assessed to fall within the groups of not accepted customers described below, or indeed if for any reason the Company is uncomfortable with the establishment of a business relationship.

The following list predetermines the types of Clients which are not acceptable for establishing a Business Relationship with the Company:

- Clients who fail or refuse to submit the requisite data and information for verification of their identity and creation of their economic profile;
- Shell Banks;
- Persons subject to specific sanctions (i.e. EU, UN, OFAC, local lists), including close family members, close associates and related entities (irrespective of the percentage of ownership, either direct or indirect, held by the entities subject to sanctions).
- Residents of Australia, Belgium, Iraq, Russia\*, the United Kingdom, the North Korea and the USA.

NB: Due to some legal formalities, residents of Russian Federation are restricted to register an account on Russian-language version of Company's website.

\*when registering on the company's websites in Russian language

### III. CLIENT CATEGORISATION CRITERIA

This Section defines the criteria for the categorization of Clients based on their risk:

#### Low Risk Clients

The following types of Clients can be classified as low risk Clients with respect to the money laundering and terrorist financing risks, which the Company may face:

- Credit or financial institutions covered by the BVI Financing and Money Services Act, 2009;
- Credit or financial institutions carrying out one or more of the financial business activities, as these are defined by the BVI Financing and Money Services Act, 2009, situated in a country outside the BVI that is considered by the FATF adequately to apply the FATF 40+9 Recommendations, which:
  - i. are subject to requirements and/or regulations equivalent to those laid down by the BVI Financing and Money Services Act, 2009; and
  - ii. are under supervision by a regulatory authority that is equivalent to the National Bank of the Virgin Islands for compliance with those requirements;
- Regulated companies and/or investment firms carrying out one or more of the financial business activities, as these are defined by the BVI Financing and Money Services Act, 2009 and/or the BVI Investment Business Act, 2010, situated in a country outside the BVI that is considered by the FATF adequately to apply the FATF 40+9 Recommendations, which:
  - i. are subject to requirements and/or regulations equivalent to those laid down by the BVI Financing and Money Services Act, 2009 and/or the BVI Investment Business Act,; and
  - ii. are under supervision by a regulatory authority that is equivalent to the BVI Financial Services Commission (the “FSC”) for compliance with those requirements;
- Listed companies whose securities are admitted to trading on a Regulated Market in the BVI or in a third country outside the BVI that is considered by the FATF adequately to apply the FATF 40+9 Recommendations, which are subject to disclosure requirements equivalent to those applicable in the BVI;

- Domestic public authorities of the BVI or public authorities of third countries outside the BVI that are considered by the FATF adequately to apply the FATF 40+9 Recommendations.

In each of the instances mentioned above, the Company must gather sufficient information to establish if the Client qualifies as a low risk Client.

### **Normal Risk Clients**

The following types of Clients can be classified as normal risk Clients with respect to the money laundering and terrorist financing risks, which the Company may face:

- Any Client who does not fall under the “low risk Clients” or “high risk Clients” categories set forth herein.

### **High Risk Clients**

The following types of Clients can be classified as high risk Clients with respect to the money laundering and terrorist financing risks, which the Company may face:

- a. Clients who are not physically present for identification purposes (non face-to-face Clients);
- b. Politically Exposed Persons (PEPs) accounts;
- c. Clients from countries that is considered by the FATF inadequately to apply the FATF 40+9 Recommendations;
- d. Any other Clients that their nature entail a higher risk of money laundering or terrorist financing;
- e. Any other Client determined by the Company itself to be classified as such.

## **IV. CLIENT DUE DILIGENCE AND IDENTIFICATION PROCEDURES APPLICATION OF CLIENT DUE DILIGENCE AND IDENTIFICATION PROCEDURES**

The Company shall duly apply Client identification procedures and Client due diligence measures in the following instances:

- a. When establishing a Business Relationship;

- b. When there is a suspicion of money laundering or terrorist financing, regardless of the amount of the transaction;
- c. When there are doubts about the veracity or adequacy of previously Client identification data.

## **DEVELOPMENT OF AN ECONOMIC PROFILE AND GENERAL CLIENT IDENTIFICATION AND DUE DILIGENCE PRINCIPLES**

The development of the Client's economic profile needs to include/comply with the following principles:

- a. The Company shall be satisfied that it is dealing with a real person and, for this reason, the Company shall obtain sufficient evidence of identity to verify that the person is who he claims to be. Furthermore, the Company shall verify the identity of the Beneficial Owners of the Clients' accounts. In the cases of legal entities, the Company shall obtain adequate data and information to understand the ownership and control structure of the Client. Irrespective of the Client's type (e.g., natural or legal entity, sole trader or partnership), the Company shall request and obtain sufficient data and information regarding the Client's business activities and the expected pattern and level of transactions. However, it is noted that no single form of identification can be fully guaranteed as genuine or representing correct identity and, consequently, the identification process will generally need to be cumulative;
- b. The verification of the Clients' identification shall be based on reliable data and information issued or obtained from independent and reliable sources, meaning those data, and information that are the most difficult to be amended or obtained illicitly;
- c. The data and information that are collected before the establishment of the Business Relationship, with the aim of constructing the Client's economic profile and, as a minimum, may include the following:
  - i. Purpose and the reason for requesting the establishment of a Business Relationship;
  - ii. Anticipated account turnover, the nature of the transactions, the expected origin of incoming funds to be credited in the account and the expected destination of outgoing transfers/payments;

- iii. Client's level of wealth and annual income and the clear description of the main business/professional activities/operations;
- d. The data and information that are used for the construction of the Client-legal entity's economic profile shall include, inter alia, the following:
- i. Name of the company;
  - ii. Country of its incorporation;
  - iii. Head office address;
  - iv. Names and the identification information of the Beneficial Owners
  - v. Names and the identification information of the directors;
  - vi. Names and the identification information of the authorized signatories;
  - vii. Financial information;
- e. The said data and information are recorded in a separate form designed for this purpose which is retained in the Client's file along with all other documents as well as all internal records of meetings with the respective Client. The said form is updated regularly or whenever new information emerges, that needs to be added to the economic profile of the Client or alters existing information that makes up the economic profile of the Client;
- f. Identical data and information with the abovementioned shall be obtained in the case of a Client natural person, and in general, the same procedures with the abovementioned shall be followed;
- g. Transactions executed for the Client shall be compared and evaluated against the anticipated account's turnover, the usual turnover of the activities/operations of the Client and the data and information kept for the Client's economic profile; significant deviations shall be investigated and the findings shall be recorded in the respective Client's file; transactions that are not justified by the available information on the Client, shall be thoroughly examined, so as to determine whether suspicions over money laundering or terrorist financing arise for the purposes of submitting an internal report.

The Company shall apply each of the Client due diligence measures and identification procedures set forth herein, but may determine the extent of such measures on a risk-sensitive basis depending on the type of Client or services offered; when so requested, the Company shall

be able to demonstrate to the Financial Investigation Agency (the “FIA”), the National Bank of the British Virgin Islands and/or the BVI Financial Services Commission (the “FSC”) that the extent of the measures is appropriate in view of the risks of the use of its services for the purposes of money laundering and terrorist financing.

For the purposes of the provisions relating to identification procedures and Client due diligence requirements, proof of identity shall be deemed to be satisfactory if:

- a. It is reasonable possible to establish that the Client is the person he claims to be; and,
- b. The person who examines the evidence is satisfied, in accordance with the appropriate procedures, that the Client is actually the person he claims to be.

## **FURTHER OBLIGATIONS FOR CLIENT IDENTIFICATIONS AND DUE DILIGENCE PROCEDURES**

In addition to the principles described hereinabove, the Company shall:

- a. Ensure that the Client identification records remain completely updated with all relevant identification data and information throughout the Business Relationship;
- b. Examine and check, on a regular basis, the validity and adequacy of the Client identification data and information it maintains, especially those concerning high risk Clients.

Despite the obligations described above and while taking into consideration the level of risk, if at any time during the Business Relationship, the Company becomes aware that reliable or adequate data and information are missing from the identity and the economic profile of the Client, then the Company shall take all necessary action, by applying the Client identification and due diligence procedures, in accordance with the Manual, to collect the missing data and information, the soonest possible, so as to identify the Client and update and complete the Client’s economic profile.

If, during the Business Relationship, a Client fails or refuses to submit, within a reasonable timeframe provided to him by the Company, the required verification data and information, the Company reserves the right to terminate the Business Relationship and close all the accounts of the Client in question, while at the same time it shall examine whether it is justified under the circumstances to submit a report to the Financial Investigation Agency (the “FIA”).

In addition to the obligations set forth above, the Company shall check the adequacy of the data and information of the Client's identity and economic profile, whenever one of the following events or incidents occurs:

- a. An important transaction takes place which appears to be unusual and/or significant compared to the normal pattern of transactions and the economic profile of the Client;
- b. A material change in the Client's legal status and situation occurs, such as:
  - i. Change of directors/secretary;
  - ii. Change of registered shareholders and/or Beneficial Owners;
  - iii. Change of registered office;
  - iv. Change of corporate name and/or trading name;
  - v. Change of the principal trading partners and/or undertaking of major new business activities.
- c. A material change occurs in the way and the rules the Client's account operates, such as:
  - i. A change in the persons that are authorized to operate the account;
  - ii. Application for the provision of new services.

## **V. SIMPLIFIED CLIENT IDENTIFICATION AND DUE DILIGENCE PROCEDURES**

In general terms, the Company's customers need to be verified in line with the requirements of the AMLTFCP. That said, some exemptions to the requirement to obtain CDD may apply in certain circumstances, as set out below.

With respect to the provisions of the Act and the Directives for Simplified Client Identification and Due Diligence Procedures, the following shall apply:

### **REGULATED ENTITIES**

The Company would not be required to obtain evidence of identity of an applicant for business where it has reasonable grounds for believing that the applicant for business is (a) a regulated

person, (b) a foreign regulated person, or (c) a legal practitioner or an accountant who belongs to a professional body whose rules of conduct or practice embody legal requirements for the detection and prevention of money laundering that are consistent with the requirements of the Caribbean Financial Action Task Force Recommendations or Financial Action Task Force Recommendations and the legal practitioner or accountant is supervised by his professional body for compliance with those requirements.

Importantly, the exception outlined above, does not apply where the person handling the transaction on behalf of the Company knows or suspects that the applicant is engaged in money laundering or terrorist financing.

## LOWER VALUE TRANSACTIONS

1) The Company is, in relation to a “1000 lower value transactions”, not required to obtain evidence of the identity (Proof of Identity) and evidence of residence (Proof of Residence) of an applicant for business where the amount to be paid to the Company is less than \$1,000 or the equivalent in another currency, unless the Company has reasonable grounds for believing (whether at the beginning or subsequently), that (i) the transaction is linked to one or more other transactions, and (ii) the total amount to be paid by or to the applicant for business in respect of all the linked transactions is US \$1,000 or more. However, this exemption will not apply where any person handling the transaction on behalf of the Company knows or suspects that the transaction involves money laundering or terrorist financing.

For these purposes, the Company would tend to view a relevant transaction here as being the transfer or series of transfers of funds whether as initial deposit or on-going margin calls (or equivalent) that the customer would pay to the Company or alternatively payments or repayments from the Company.

“Synthetic” transactions and trading activity entered into by FIBO on behalf of or with a customer on a leveraged basis should not constitute relevant transactions for these purposes. The exemption would not apply in the event that a Client trade yields a profit that involves payment or repayment of or over US\$1,000 from the Company to the Client. In such case, the Company should (unless another exemption applies) have full CDD (both Proof of Identity and Proof of Residence) on file before executing such a payment or repayment.

2) The Company is, in relation to a “10 000 lower value transactions”, required to obtain only the single evidence of the identity of an applicant for business (Proof of Identity) without evidence of the residence of an applicant for business (Proof of Residence), where the amount to be paid to the Company is less than \$10,000 or the equivalent in another currency, unless the Company has reasonable grounds for believing (whether at the beginning or subsequently),

that (i) the transaction is linked to one or more other transactions, and (ii) the total amount to be paid by or to the applicant for business in respect of all the linked transactions is US\$10,000 or more. However, this exemption will not apply where any person handling the transaction on behalf of the Company knows or suspects that the transaction involves money laundering or terrorist financing.

For these purposes, the Company would tend to view a relevant transaction here as being the transfer or series of transfers of funds whether as initial deposit or on-going margin calls (or equivalent) that the customer would pay to the Company or alternatively payments or repayments from the Company. “Synthetic” transactions and trading activity entered into by the Company on behalf of or with a customer on a leveraged basis should not constitute relevant transactions for these purposes.

The exemption would not apply in the event that a Client trade yields a profit that involves payment or repayment of or over US\$10,000 from the Company to the Client. In such case, the Company should (unless another exemption applies) have full CDD (both Proof of Identity and Proof of Residence) on file before executing such a payment or repayment.