

# AML POLICY



**N1CM** is committed to the highest standards of the Anti-Money Laundering (AML) compliance and AntiTerrorist Financing and requires the management, and employees to follow the named 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 can be used for purchasing high-value goods that can be resold.  
They can also be physically deposited into banks and non-bank institutions (e.g., currency exchangers). To avoid suspicion by the company, the launderer may as well make several deposits instead of depositing the whole sum at once, this form of placement is called smurfing.
- **Layering.** Funds are 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 in their form makes it complicated to trace the money being laundered.
- **Integration.** Funds get back into circulation as legitimate to purchase goods and services

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## 1. AML Policy

**N1CM**, like most companies providing services on the financial market, adheres to the principles of Anti - Money Laundering and actively prevents any actions that aim or facilitate the process of legalizing of illegally gained funds. AML policy means preventing the use of the company's services by criminals, with the aim of money laundering, terrorist financing or other criminal activity.

For this purpose, a strict policy on the detection, prevention and warning of the corresponding bodies of any suspicious activities was introduced by the company. Moreover, **N1CM** has no right to report clients that the law enforcement bodies are informed on their activity. A complex electronic system for identifying every company's client and conducting a detailed history of all operations was introduced as well.

To prevent money laundering, **N1CM** neither accepts nor pays cash under any circumstances. The company reserves the right to suspend any client's operation, which can be regarded as illegal or, may be related to money laundering in the opinion of the staff.

Company's procedures:

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

## 2. Know Your Customer and Due Diligence

Because of the company's commitment to the AML and KYC policies, each client of the company has to finish a verification procedure. Before **N1CM** starts any cooperation with the client, the company ensures that satisfactory evidence is produced or such other measures that will produce satisfactory evidence of the identity of any customer or counterparty are taken. The company as well applies heightened scrutiny to clients, who are residents of other countries, identified by credible sources as countries, having inadequate AML standards or that may represent a high risk for crime and corruption and to beneficial owners who resides in and whose funds are sourced from named countries. The Client undertakes to provide the Company, forthwith upon its request, with any and all information that the Company may be required, or considers necessary or desirable, to provide to any applicable governmental or regulatory authority in relation to anti-money laundering laws and regulations.

## 2.1. Individual clients

During the process of registration, each client provides personal information, specifically: full name; date of birth; origin; complete address, including phone number and city code. A client sends the following documents (in case the documents are written in non-Latin characters: to avoid any delays in the verification process, it is necessary to provide a notarized translation of the document in English) because of the requirements of KYC and to confirm the indicated information:

- A high-resolution copy of the first page of local or international passport, where the photo and the signature are clearly seen, or a copy of driver's license with the same requirements. The indicated documents must be valid at least 6 months from the filing date.
- A high-resolution copy of a receipt of utility services payment or bank statement, containing the full client's name and the actual place of residence. These documents should not be older than 3 months from the date of filing.

## 2.2. Corporate clients

In case the applicant company is listed on a recognized 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 **N1CM**, the official provides the following documents because of the requirements of KYC:

- A high-resolution copy of the certificate of incorporation/certificate;
- An extract from the Commercial Register, or equivalent document, evidencing the registration of corporate acts and amendments;
- Names and addresses of all officers, directors and beneficial owners of the corporate entity;
- A high-resolution copy of Memorandum and Articles of Association or equivalent documents duly recorded with the competent registry;
- Evidence of the company's registered address and the list of shareholders and directors;
- Description and nature of business (including the date of commencement of the business, products or services provided; and the location of principal business).

This procedure is performed to establish the identity of the client and to help **N1CM** know/understand the clients and their financial dealings to be able to provide the best services of online trading.

### 3. Monitoring of client activity.

In addition to gathering information from the clients, N1CM continues to monitor the activity of every client to identify and prevent any suspicious transactions. A suspicious transaction is known as a transaction that is inconsistent with the client's legitimate business or the usual client's transaction history known from client activity monitoring. N1CM has implemented the system of monitoring the named transactions (both automatic and, if needed, manual) to prevent using the company's services by criminals.