



---

**Policy on Anti-Money Laundering (AML),  
Combating the Financing of Terrorism  
(CFT) and Know-Your-Customer (KYC)**

---

Z Forex Capital Markets LLC

## **Introduction**

Following the regulations of the Financial Services Authority of Saint Vincent and the Grenadines, the purpose of this policy is to set out the internal practices, measures, procedures, and controls of Z Forex Capital Markets LLC (hereinafter referred to as "Z Forex Capital Markets LLC", "the Company", "we", "our" or "us") in relation to the prevention of money laundering (AML) and Terrorist Financing prevention, as well as Know Your Customer (KYC) policies.

The Money Laundering Reporting Officer (MLRO), who also serves as the Company's Compliance Officer, develops and updates AML, CFT (Combating the Financing of Terrorism), and KYC policies. The Reporting Officer communicates these policies to all Company employees.

The Financial Investigation Agency (FIA) is responsible for monitoring and reporting money laundering and terrorist financing activities. The Financial Investigation Agency Act, 2003 came into force on April 1, 2004. The MLRO plays a crucial role in monitoring and implementing the Company's AML/CFT regime, ensuring compliance with all relevant AML/CFT regulations and internal control systems.

## **Risk Management**

Z Forex Capital Markets LLC has established policies, procedures and controls to detect and prevent money laundering, terrorist financing and other illegal activities. Before accepting a potential client, the Company applies KYC and due diligence procedures to assess their risk factors, such as their position, linked accounts, business activities and other indicators.

The Reporting Officer is responsible for coordinating and monitoring the Company's AML/CFT Program and ensuring compliance with applicable rules and regulations.

## **KYC Requirements**

As part of our obligation to comply with global anti-money laundering and counter-terrorist financing regulations, we have implemented strict rules to verify the identity of our customers. Customers are required to provide proof of identity and the following checks and measures are implemented by Z Forex Capital Markets LLC:

- Identification and verification of the valid identity and address details of (potential) customers accepted by the judicial authorities, prior to the execution of transactions and throughout the duration of the business relationship,
- Ensure consistency between clients' income levels, financial services, business activities, general approach and sources of income,
- Checking whether clients are on national/international sanctions lists.

Individual clients (natural persons) must provide a copy of their passport or ID and a public utility bill or bank statement showing their permanent residence and mailing address.

Legal entities must provide copies of their company registration, memorandum and/or articles of association, certificates confirming the legal authority of shareholders and directors, documents showing the address of the registered office, and copies of the passports of shareholders and directors.

Customers are required to upload these documents to their personal accounts, and the Company reserves the right to request additional documents at any time via email. Failure to provide the required identity verification documents may result in the rejection of customer

requests. Once a customer's identity is verified, an account can be opened for them, allowing for transactions via bank transfer and cryptocurrencies. However, certain conditions must be met for cryptocurrency deposits and withdrawals.

The Reporting Officer may specifically review and verify the application of KYC procedures and address any observed lapses.

### **AML/CFT Policy**

Z Forex Capital Markets LLC will implement the necessary policies and procedures to mitigate the risk of money laundering, terrorist financing and other illegal actions. The Company's AML procedures include:

- Inquiring into the source of the client's assets and income to ensure they are consistent with their financial status,
- Understanding the customer's likely trading patterns to identify discrepancies,
- Training staff responsible for approving new accounts to identify additional accounts that may require enhanced customer identity verification.

### **Identification of Suspicious Financial Transactions**

Z Forex Capital Markets LLC has designated the Compliance Officer as the AML Reporting Officer to oversee the Company's AML Program and ensure compliance with AML legislation. Any suspicious activity reported by employees will be reviewed and reported to the Directors by The Reporting Officer. The following activities may indicate potential money laundering and will be closely investigated:

- Customers who maintain multiple trust accounts that are inconsistent with their business type, including transactions with nominee names,
- Customers with numerous accounts that receive significant cash deposits, resulting in a large total balance,
- Accounts that do not have normal personal or business-related activity, but receive or disburse large sums with no apparent purpose or relationship to the account holder,
- Customers who provide minimal or fictitious information when opening an account, or who have difficulty verifying the information provided,
- Customers who have accounts at multiple banks in the same location, especially if funds are regularly consolidated prior to transfer,
- Transactions that involve cash payments and associated credits on the same or preceding day,
- Submission of large checks from third parties endorsed in favor of the customer,
- Large cash withdrawals from previously inactive accounts or accounts credited with unexpectedly large amounts from abroad,
- Customers using separate tellers at the same time to perform significant cash or foreign currency transactions,
- Company representatives avoiding personal contact with the Company,
- Professional firms or companies that significantly increase their cash deposits or deposits for negotiable instruments and immediately transfer the funds to other accounts,
- Customers who refuse to provide information that would normally qualify them for credit or valuable banking services,

- Multiple persons making payments to the same account without reasonable explanation,
- Customers imported by foreign branches or subsidiaries in countries associated with drug production or trafficking,
- Trade finance methods, such as letters of credit, used to transfer money between countries that are not consistent with the customer's usual business,
- Clients who regularly make large payments or receive payments from countries commonly associated with drug production, processing, or marketing,
- Customers who make regular and large payments or receive payments from countries commonly associated with the manufacture, processing, or marketing of pharmaceuticals,
- Building large balances that do not match the customer's known business turnover, followed by the transfer of funds to overseas accounts,
- Unaccounted for electronic fund transfers from customers that do not pass through an account,
- Frequent requests for digital currencies, foreign currency exchanges, or other negotiable instruments,
- Frequent deposits of digital currencies or foreign currency bills, especially from abroad,
- Numerous wire transfers on an account, each of which is below the reporting requirement in the remitting country,
- Changes in employee characteristics, e.g. sudden lavish lifestyle,
- Transactions with an agent in which the identity of the ultimate beneficiary or counterparty is not disclosed, contrary to normal procedures.

The reporting officer is given sufficient time and resources to carry out his duties and has direct access to senior management on anti-money laundering and terrorist financing issues.

### **Monitoring, Record Keeping, and Notification**

Z Forex Capital Markets LLC has implemented systems to identify transactions and patterns of activity that are unusual or suspicious.

Transactions that arouse suspicion are closely monitored, with increased monitoring of high-risk accounts.

Key indicators are established for high-risk accounts that take into account factors such as the client's background, country of origin, source of funds, type of transactions, and other risk factors.

The Company maintains accurate and up-to-date records that are subject to regulatory review and stored in a filing system that complies with policies, business needs, and regulatory requirements.

IT's infrastructure has been established to meet AML/CFT obligations and to ensure data availability, accessibility, and secure backup.

### **Staff Training**

Z Forex Capital Markets LLC conducts ongoing employee training to ensure that employees are properly trained in KYC procedures. Training is tailored to different areas of staff and includes:

- AML Compliance Officer details and suspicious transaction reporting channels,

- Concepts of money laundering and terrorist financing,
- Money laundering methods and case studies,
- Applicable laws, regulations and company policies,
- Types of suspicious transactions and reporting procedures,
- Obligations to provide information and documents,
- Consequences of non-compliance with the obligations.

New employees are educated on the importance of KYC policies and basic requirements, while employees who deal directly with customers are trained to verify identities, perform due diligence on existing accounts, and recognize patterns of suspicious activity. Consistent implementation of KYC policies is critical, and a culture that promotes understanding among employees is key to successful implementation.

### **Conclusion**

Money laundering and terrorist financing pose a significant threat to society and the international financial system. Z Forex Capital Markets LLC is committed to supporting St. Vincent and the Grenadines' efforts to combat these threats. Facilitating financial transactions without taking into account the source of funds or the nature of the transactions may result in criminal and civil liability for employees and the Company.