



AML Policy

InterMagnum is committed to the highest standards of the Anti-Money Laundering (AML) compliance and Anti-Terrorist 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.

Anti-Money Laundering (AML) policy

InterMagnum, 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, InterMagnum 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, InterMagnum 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



InterMagnum will make sure that it is dealing with a real person or legal entity. InterMagnum also performs all the required measures in accordance with applicable law and regulations, issued by monetary authorities. The AML policy is being fulfilled within InterMagnum 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 the company's commitment to the AML and KYC policies, each client of the company has to finish a verification procedure. Before InterMagnum 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.

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.

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 InterMagnum, 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 InterMagnum know/understand the clients and their financial dealings to be able to provide the best services of online trading.

Monitoring of client activity

In addition to gathering information from the clients, InterMagnum 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. InterMagnum has implemented the system of monitoring the named transactions (both automatic and, if needed, manual) to prevent using the company's services by criminals.

Deposit and withdrawal requirements

All the clients' operations to depositing and with withdrawing funds have the following requirements:

- In case of bank transfer or transfer from a bank card, the name, indicated during the registration must match the name of the owner of the account/bank card.
- Withdrawing funds from the trading account via the 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 account 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 with the help of which 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, 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.

The identification of a Politically Exposed Person (PEP)

You should under any circumstance declare your PEP (politically exposed person, hereinafter referred to as "PEP") status by marking the field in the verification section of your profile in the "my profile" section of your trading account with us and provide copies of documents which can confirm your status. Additionally, you are obligated to declare your source of funds under any circumstance.

A PEP is or can be a natural person who is, was or has been entrusted with or related to public functions and shall include but not be limited to one of the following options:



- a) Heads of a State, individuals with a governmental oriented role, (prime) ministers, deputy and / or assistant ministers;
- b) Members of a parliament or of a similar legislative body;
- c) Members of governing bodies or of political parties;
- d) Members of (supreme) courts or of other high-level judicial organizations.
- e) Members or employees of a court or of boards of central banks;
- f) Ambassadors or other significantly ranked officers in armed forces;
- g) Members of a administrative, management related or supervisory body of companies or enterprises which are state-owned;
- h) Mayors or high ranked position holders within municipalities.

Family members include the following:

- a) A spouse / the equivalent or a close family member of a PEP (including siblings or parents)

Persons which are known to be close to a PEP can mean:

- a) An individual which is known for to have a joint beneficial ownership of a legal entity or any other significantly close business relation with a PEP;
- b) An individual which holds the sole beneficiary ownership of a legal entity. An individual which is holding a position in the benefit of a PEP.

Magnum International Markets Ltd. – InterMagnum is obliged by nature to refuse services to a PEP and shall return the deposited funds in case the PEP or close associate cannot explain the origin of deposit funds in a satisfying manner.

3 risk categories which are considered during a risk evaluation:

- Your location / city / country of residence
- One or several parameters which recognize a person who is related to a transaction
- Your business activities of the person performing or related to the transaction

*Countries which, according to FATF, fail to comply with requirements in the prevention of money laundering / terrorism financing. The list of such can be found at: <http://www.fatf-gafi.org/countries/#high-risk>

Once we evaluated the previously mentioned risks we will evaluate every risk category (on a scale of 1 to 3:



Low Exposure

No relevant risk factors in every category. The transaction is transparent and nothing has been detected compared to a regular transaction. There is no reason to suspect any form of money laundering or the treat of such.

Middle Exposure

Presence of one or more risk factors which differ from average transactions of a person conducting affairs in the sector but the transactions are still considered as regular. There is no real reason to suspect risk factors could or may, generally, lead to a threat of laundering money or financing of terrorism.

High Exposure

The presence of one significant or multiple significant threats in the category that provide no clear explanation of the source of funds. Significant presence risk of money laundering suspicion or terrorism financing suspicion is relevant. The Company hold the right to request additional documentation for the purpose of AML/KYC screening.

The maintenance and preservation of transaction records for a period of 5 years from termination of the contractual obligation towards the client

The constant training of our staff in order to recognize suspicious transactions related to money laundering or terrorism financing.