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ANTI MONEY LAUNDERING & KNOW YOUR CUSTOMER (KYC) POLICY

Purpose

This policy establishes the global standards, guidelines and requirements with regards to prevention of money laundering under the Money Laundering and Terrorist Financing (Amendment) Regulations 2019, Anti-Money Laundering Act, 20101 (AMLA'10) under Pakistan law and any other applicable international standards of best practice. The purpose of this policy is threefold:


1. To provide an overview of what constitutes money laundering in-order to make it easily identifiable, as well as demonstrate the company's commitment to identifying and stopping such actions, provide ongoing training to all employees, and provide updates when revisions to local/international money laundering regulations are made
2. To communicate the company's process in carrying out due diligence in order to establish the identity of our clients and ultimate beneficial owners of entities that the company deals with
3. To instruct employees on what actions to take if they suspect any person/entity of Money Laundering, in-order to protect the reputation of the company and safeguard its interests


Scope of Policy

This policy applies to all AJCL executives, shareholders, team members, customers, business partners, subsidiaries, suppliers, and/or local and federal government personnel/officials, bodies and agencies within Pakistan, the UK or any other jurisdiction that the company operates in, as well as those customers, business partners, suppliers, foreign government personnel/officials, bodies and agencies with whom we interact with in countries around the world.

Definitions

- **Beneficial Owner:** an individual who owns shares or voting rights in a company or in case indirectly held, the natural person for whose benefit those shares or voting rights ultimately belong.

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Reviewed by:	<u>Rameez Loan</u>	<u>_____</u>	<u>_____</u>
Approved by:	<u>Omer Jaffer</u>	<u>_____</u>	<u>_____</u>

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- **Controlling Persons:** an individual who ultimately owns or controls more than 25% of a company's shares or voting rights, or who otherwise exercise control over the company or its management.
- **Due Diligence:** performing checks in order to establish an individual's identity and bonafides as well as the process through which an evaluation is conducted of a natural person or company.
- **Money Laundering:** the process of taking the proceeds of an activity that could be construed as contra-legal or against societal business norms and making them appear legal or the process by which the original source of money is obscured or when the transfer of money is stated to be for a particular purpose but is actually meant for another purpose.
- **Tipping Off:** the act of alerting a party that you are suspicious of their activities, prior to making a money laundering report, thus giving them the opportunity to hide their offences.


Policy Statement


The company is committed to adhere to the highest ethical standards and transparency while engaging in its various business activities in full compliance with applicable local and international regulations. However, given the broad international footprint and diverse product range of the company and its affiliates, as well as to ensure congruence with the company's value systems it is deemed necessary to undertake active due diligence on our partners, suppliers, clients and vendors; to ensure that they meet the appropriate standard and that international banking transfers are made in a proper and compliant manner.

Money Laundering is the act of hiding illegal or 'dirty' money by putting it through a series of cycles/layering in order to make the funds appear legal or 'clean'. There are a number of stages involved in which a person attempts to filter cash obtained illegally into the financial system in such a way as to obscure its origins, in order for the funds to appear legitimate and ultimately enable the individual to use the money and enjoy the assets, without arousing suspicion. Money laundering also includes money that's used to fund terrorism, however it's obtained.

Training

Activities that permit or allow money laundering or enable suspected criminal organizations to enter into the regular economy by disguising themselves as bonafide businesses undermines the integrity of financial institutions, businesses and the economy as a whole, as well as encouraging further criminal activities. Therefore, it is the responsibility of all to be on the lookout for suspicious behaviour as well as follow processes in order to prevent such activities

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from taking place. In the industries where the company operates there is a tangible good or service being exchanged as a consequence of the transfer of any money but recognizing that the company has a broad geographic reach, we would like to put in place adequate measures to ensure that the counterparts we deal with are above board and not engaged in any illicit activities, nor would we like to enable tax evasion. Therefore, The company commits to equip all employees by providing them with full training within their first 3 months of employment, followed by annual refreshers to include any update in the law so that all employees are adequately equipped in this area. Once training has been provided, a record will be kept and maintained in an employee's personnel file.

Due diligence


When onboarding a new client, it is necessary to carry out due diligence in order to establish the identity of our clients. It is also essential to conduct a thorough evaluation of the customer, whether they are a natural person or a company, in order to establish their general repute, financial soundness and to ensure that their values are aligned with the company's business objectives and ethical values. Furthermore, certain requirements to establish a customer's identity are also a requirement set out by applicable local and international regulations that cover anti money laundering. Customer due diligence means taking steps to identify your customers and checking they are who they say they are both directly and, when required, through external stakeholders. In practice this means obtaining a customer's:


- Name
- Company registration document
- photograph on an official document which confirms their identity for individuals
- residential address and date of birth for individuals
- company tax registration
- bank reference letter

The following guidance should be followed in this regard.

When onboarding a new client we should request the following from them:

- A copy of photographic ID which should be one of the following:
 - Passport
 - Driving Licence
 - Valid International Photo ID Card
- Proof of address such as a utility bill or bank statement – ideally this should display their residential address and should be no older than 3 months old. In instances where this is not possible, proof of company address will suffice.

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- Company formation documents to include details of the current beneficial owners (and identity documents for any person who holds 25% or more of the company's shares).

We will require these documents before we can commence entering into a contract with the client and an annual review shall be required to be conducted to ensure upto date documents and to certify that there has been no change in the status of the counterpart.

Enhanced due diligence

There may be instances when enhanced due diligence is required for the following reasons:

- when the customer is not physically present when you carry out identification checks
- when you enter into a business relationship with a 'politically exposed person' (PEP) - typically, a non UK or domestic member of parliament, head of state or government, or government minister and their family members and known close associates
- when you enter into a transaction with a person from a high risk third country identified by the EU (see Annexure A)
- when the transaction is particularly high value or would be considered unusual in any way and deviating from industry norms in that business
- any other situation where there's considered to be a higher risk of money laundering


In these situations you should practice enhanced due diligence, and therefore when onboarding a new client where any of the above applies, it may be necessary to do the following:


- Request certified or notarised copies of photographic ID and proof of address
- Check their ID documents with a credit or financial institution governed by the Financial Conduct Authority, or regulated firm of Solicitors to further verify their identity
- Ask the client to provide proof of their source of funds
- Once the first payment has been made, check the account the payment has come from is in the name of the customer or company that we have dealt with

You should use your discretion in this regard, and if you are unsure, speak to your manager or nominated compliance officer.

Due diligence checklist

Customer due diligence will be required for each new customer. You will be required to complete the Anti Money Laundering / Know Your Customer checklist (see Annexure B) each time you take on a new client. This must be completed before engaging in a contract with them. On an annual basis, we will review the information we hold and ask if there have been any changes to personnel. Where this applies, it will be necessary to carry out due diligence on any new beneficial owner within that company.

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You will also need to set out the nature of each relationship with a counterpart, including your expected sales volume, average transaction size in monetary terms, and any other information deemed necessary for compliance to have a complete understanding of the terms of engagement.

Reporting suspicious behaviour

If you have reason to suspect activities of money laundering, or would otherwise like to share information as a whistleblower you must make a report to your nominated compliance officer, EmmaRuth Vadevalloo. You should give as much information as possible to include the person(s) involved and recall details of a specific event, correspondence or discussion which caused you to be suspicious. Any information you share will be treated with confidence and anonymously (should you request that this be the case unless your identity is required to be shared as part of an official investigation) and shall be thoroughly investigated. You must not alert the parties involved that you are suspicious of their activities or that you have made a report to your nominated officer. This is called 'tipping off' and may give the concerned party an opportunity to hide their offences.

The report will be investigated in further detail and if necessary, will ultimately be reported to the applicable National Crime Agency (NCA). However, your obligations are simply to report the suspicious behaviour to the nominated officer and this is where your responsibility ends.

If you would like to report suspicious behaviour to your nominated officer, you can contact EmmaRuth Vadevalloo on:


E: emmaruth.vadevalloo@ajcl.co.uk


M: +44 740 745 6835

Ext: 233

Responsibility of All AJCL Team Members

We value every member of our team, and it is our sincerest hope that every team member actively upholds the core values of the company, and its standards and guiding principles. Every member of the AJCL team is required to comply with this policy and immediately report any perceived suspicious behaviour with regards to money laundering offences that they may be directly or indirectly aware of to the nominated compliance office. Deviation or non-compliance with this policy including, attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the process, system, or data may result in disciplinary actions, up to and including termination. Any member of the AJCL team engaged in or involved directly or indirectly in any form of money laundering, may face legal investigation, prosecution, fines, and up to imprisonment if found guilty under the applicable penal code/s, jurisdiction of and laws as enacted under the Money Laundering and Terrorist


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Financing (Amendment) Regulations 2019 under UK law and Anti-Money Laundering Act, 20101 (AMLA'10) under Pakistan law.

Right to Revise

AJCL reserves the right to revise, modify, delete, or add to any and all policies, procedures, work, guidelines, or standards herewith or in any other document.


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ANNEXURE INDEX

ANNEXURE A - HIGH-RISK THIRD COUNTRIES

ANNEXURE B - CUSTOMER DUE DILIGENCE CHECKLIST

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ANNEXURE A - HIGH-RISK THIRD COUNTRIES

I. High-risk third countries which have provided a written high-level political commitment to address the identified deficiencies and have developed an action plan with FATF.


No.	High-risk third country
1	Afghanistan
2	Bosnia and Herzegovina
3	Guyana
4	Iraq
5	Lao PDR
6	Syria
7	Uganda
8	Vanuatu
9	Yemen


II. High-risk third countries which have provided a high-level political commitment to address the identified deficiencies, and have decided to seek technical assistance in the implementation of the FATF Action Plan, which are identified by FATF Public Statement.

No.	High-risk third country
1	Iran

III. High-risk third countries which present ongoing and substantial money laundering and terrorist financing risks, having repeatedly failed to address the identified deficiencies and which are identified by FATF Public Statement.

No.	High-risk third country
1	Democratic People's Republic of Korea (DPRK)

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ANNEXURE B - CUSTOMER DUE DILIGENCE CHECKLIST

Company _____ Main Contact _____


Expected Sales Volume _____ Average Transaction Size (\$) _____

Basic Due Diligence	Core Documents	Date Requested	Date received			
<p>Basic Due Diligence should be exercised when entering into any contract with a new client.</p> <p>You should request ID for each individual beneficial owner.</p>	Photographic ID, such as: -passport -driving license -identity card					
	Proof of Residential Address such as: -utility bill -bank/card statement (If not possible to obtain, reasons given and instead, proof of business address)					
	Company Formation documents to include details of beneficial owners					
	Company Tax Registration Certificate					
	Bank Reference Letter (optional)					
Enhanced Due Diligence	Additional Documents					
<p>Enhanced due diligence may be necessary:</p> <ul style="list-style-type: none"> when the customer is not physically present when you carry out identification checks when you enter into a business relationship with a 'politically exposed person' (PEP) when you enter into a transaction with a person from a high risk third country when the transaction is particularly high value or unusual in any way any other situation where there's a higher risk of money laundering 	Certified or notarised Photographic ID					
	Proof of Source of Funds					
	ID verified by financial or credit institution					
	All Docs Received	Annual Review	Annual Review	Annual Review	Annual Review	Annual Review
Date						
Signed by Manager						

name

signature

Date

Prepared by: EmmaRuth Vadevalloo  29-04-2020

Reviewed by: Rameez Loan _____

Approved by: Omer Jaffer _____