



# Ventura Prime FX Limited

## AML POLICY

December 2019

Version - 1.0

VENTURA PRIME FX LIMITED

Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Federal Territory of Labuan, Malaysia  
Labuan Financial Service Authority (LFSA) Regulated - Registration Number: LL16224



## CONTENTS

## Page No

1	DEFINITIONS AND MEANINGS .....	1
2	POLICY STATEMENT AND OBJECTIVES: .....	4
3	SUMMARY OF BUSINESS, RISKS AND LEGISLATION .....	5
4	WHAT IS MONEY LAUNDERING? .....	6
5	WHAT IS TERRORIST FINANCING? .....	8
6	COMPLIANCE .....	10
7	CONSEQUENCES OF NON-COMPLIANCE.....	13
8	COMPLIANCE OFFICER.....	14
9	RISK ASSESSMENT & DUE DILIGENCE.....	16
10	VERIFICATION OF IDENTITY .....	21
11	VERIFICATION OF END USER APPLICANTS.....	23
12	VERIFICATION OF EXISTING END USER CLIENTS .....	24
13	END USER APPLICANTS: EXEMPTION FROM VERIFICATION .....	25
14	REQUIRED STANDARDS FOR VERIFICATION & DUE DILIGENCE COPY DOCUMENTATION.....	26
15	POST VERIFICATION REQUIREMENTS .....	27
16	REPORTING PROCEDURE .....	27
17	REGISTER OF AGENCY REPORTS AND ENQUIRIES .....	29
18	COMPLAINTS PROCEDURE.....	29
19	RECORD KEEPING.....	30
20	STAFF TRAINING PROGRAM .....	33
21	EMPLOYEE VETTING .....	34



22	GENERAL GUIDELINES TO COMPLIANCE.....	35
	• Individuals.....	36
	• Legal Persons: .....	37
	• Low risk Applicants for Business and Customers.....	38



## 1. DEFINITIONS AND MEANINGS

"**Anti-Money Laundering Regulations**" means the Anti-Money Laundering Regulations, as prescribed by the Labuan Financial Service Authority from time to time.

"**Agency**" means the Financial Investigation Agency established under section 3 of the Financial Investigation Agency Act, 2003.

"**Applicant for Business**" means a Person seeking to form a Business Relationship or carry out a One-Off Transaction with a Relevant Person who is carrying on Relevant Business in or from within the LM

"**Business Relationship**" means a [continuing]<sup>1</sup> arrangement between a Relevant Person and one or more parties, where:

- (a) the Relevant Person has obtained satisfactory evidence of identity of the party who, in relation to the formation of that Business Relationship, was the Applicant for Business;
- (b) the Relevant Person engages in business with the other party on a frequent, habitual or regular basis; and
- (c) the monetary value of dealings in the course of the arrangement is not known or capable of being known at entry.

"**LM**" means Labuan, Malaysia.

"**LM Company**" means a company that is a company incorporated, continued or reregistered under the Labuan Financial Services and Security Act 2010 (LFSSA)

"**Compliance**" means compliance with the provisions of Anti-Money Laundering and Terrorist Financing legislation in effect from time to time in the LM. For the purposes of this Compliance Manual, the term "Compliance" will not cover compliance with all regulatory or statutory requirements applicable to Ventura Prime FX Limited.

"**Compliance Officer**" means a senior officer with relevant qualifications and experience appointed by the Relevant Person to deal with compliance matters and responsibilities on behalf of the Relevant Person, as set out under Section 5.3 of the Guidance Notes.

"**Online Trading Services**" means

- (a) the formation of LM companies, including the continuation of companies as LM Companies;
- (b) the provision of Ventura Prime FX Services;
- (c) the provision of Registered Office Services;
- (d) the provision of directors or officers for companies, whether such companies are LM Companies or companies incorporated or registered in a jurisdiction outside the LM; or

- (e) the provision of nominee shareholders in companies, whether such companies are LM Companies or companies incorporated or registered in a jurisdiction outside the LM.

"Customer" means a Person who has an established Business Relationship with the Ventura Prime FX "Entity" means:

- (a) a Person that is engaged in a Relevant Business within the meaning of regulation 2 (1) of the Anti-Money Laundering Regulations and, for the avoidance of doubt, it includes a Person that is regulated by the LABUAN FSA by virtue of any regulatory legislation provided in the LABUAN FSA Act; or
- (b) a non-financial Business designated by the Commission in the Nonfinancial Business (Designation) Notice, 2008.

"End Users" means together End User Clients and End User Applicants.

"End User Applicant" means an Applicant for Business for its own benefit.

"End User Client" means a Customer contracting for its own benefit.

"FATF" means the Financial Action Task Force.

"LABUAN FSA Act" means the Financial Services and Securities' Act 2010

"LABUAN FSA" means the Labuan Financial Services Authority

"Foreign Regulated Person" means a person that:

- (a) is incorporated, registered, licensed or formed, or if it is not a body corporate, has its principal place of business, in a jurisdiction outside the LM;
- (b) carries on business outside the LM that, if carried on within the LM, would fall within a category of business specified in paragraphs (a) to (e) of the definition of "Relevant Business"; and
- (c) in respect of the business referred to in paragraph (b):
  - (i) is subject to legal requirements in its jurisdiction for the detection and prevention of money laundering that are consistent with the requirements of the FATF Recommendations in relation to that business; and
  - (ii) is properly and adequately supervised for compliance with those legal requirements by a foreign regulatory authority.

"Legal Person" means all bodies corporate including partnerships, companies, trusts, foundations, associations and any incorporated or unincorporated clubs, societies, charities, churches and other non-profit making bodies, institutes, friendly societies established pursuant to the Friendly Societies Act (Cap 268), provident societies or cooperative societies established pursuant to the Cooperative Societies Act (Cap 267) and any similar bodies.



"**One-Off Transaction**" means a transaction that constitutes Relevant Business and which is carried out other than in the course of an established Business Relationship formed by a Relevant Person.

"**Person**" means any individual or Legal Person.

"**Professional**" means a Person, not otherwise functioning as a body corporate, partnership or other similar body, who engages in a Relevant Business within the meaning of the Anti-Money Laundering Regulations

"**Professional Service Client**" means a professional introducer such as a law firm, accountant, bank, trust company, or similar professional organisation who is acting as an intermediary introducer of an Applicant for Business (being one of its own clients or customers).

"**Relevant Business**" means:

1. The Business of:

- i. Providing Online Trading Facilities in currencies, commodities, Futures, stocks, options, CFD's
- ii. the Business of dealing in precious metals & commodities when such transaction

"**Relevant Person**" means a Person carrying on Relevant Business.

"**Regulated Person**" means a Person who is licensed or registered to carry on a Relevant Business.

"**Reporting Officer**" means the member of Senior Management appointed pursuant to the Anti-Money Laundering Regulations to be responsible for the vigilance policy and to determine whether an activity is suspicious and should be reported to the Agency.

"**Senior Management**" means the Entity's officer or officers holding the position of director, manager or equivalent position, and includes any other Person who is directly involved in the Entity's decision making processes at a senior level.

"**Staff**" or "**Employees**" means all Persons who in the course of their employment with Ventura Prime FX deal with Applicants for Business or Customers and their transactions.

"**Terms of Business**" means those terms agreed between the Ventura Prime FX and a Professional Service Client that generally confirm the completion (or not) of identification verification of the Applicant for Business, the retention of records in accordance with the Anti-Money Laundering Regulations and the provision of such records to the Ventura Prime FX upon demand.

"**Verification Subject**" means the Person whose identity is required to be established by verification.



## 2. POLICY STATEMENT AND OBJECTIVES:

- 2.1. The stated policy of the Ventura Prime FX is that they shall not knowingly either deal with criminals, or handle transactions or proceeds which result from or relate to criminal activity.
- 2.2. The Ventura Prime FX shall not deal with Persons that are subject to United Nations, or any other sanctions or embargoes applicable to the LM.
- 2.3. The Ventura Prime FX, its directors, officers and Employees shall at all times endeavor to maintain the companies' good standing and reputation.
- 2.4. The Ventura Prime FX, its directors, officers and Employees shall at all times act in a manner to preserve the reputation of the LM and other jurisdictions in which they operate and to prevent their use for illegal and criminal purposes.
- 2.5. The Compliance policies and procedures to be adhered to by the Ventura Prime FX are contained in this Compliance Manual and any amendments thereto. This Compliance Manual shall be read in conjunction with the Proceeds of Criminal Conduct Act, 1997, Drug Trafficking Offences Act, 1992, Anti-Money Laundering Regulations, the directives in effect from time to time in the LM.

### 3. SUMMARY OF BUSINESS, RISKS AND LEGISLATION

#### 3.1 . Summary of business

The Ventura Prime FX holds a Money Broking Licence under the Financial Services and securities Act, 2010 of LM. As such it is authorised to provide Online Trading & Broking Services to clients.

Schedule 2 (*Organisational Chart*) of this Compliance Manual provides a quick reference guide to illustrate:

- (a) who the members of Senior Management are;
- (b) who and the Compliance Officer is; and
- (c) the reporting channels to be used by Employees of the Ventura Prime FX for purposes of Compliance and complying with the internal reporting structure of the Ventura Prime FX.

#### 3.2 Summary of risks associated with the business

As a provider of Online Trading Services, the Ventura Prime FX will always be at risk of abuse for purposes of money laundering and terrorist financing. The "abusers" may be seeking new corporate vehicles or trusts as a means of disguising or hiding assets or transactions, as a conduit for proceeds obtained through illegal acts or for creating layers of "smoke and mirrors" to prevent identification of ultimate controllers or owners of assets or Legal Persons.



## 4. WHAT IS MONEY LAUNDERING?

### 4.1 The term Money Laundering

Money laundering is a generic term used to cover all activities used to conceal the origins of criminal proceeds so that they appear to have originated from a legitimate source. This gives rise to three features common to Persons engaged in criminal conduct, namely that they seek:

- (a) to conceal the true ownership and origin of criminal proceeds;
- (b) to maintain control over them; and
- (c) to change their form.

There are three stages of money laundering: placement, layering and integration. They may occur in sequence, but may often overlap. Each is discussed in more detail below.

### 4.2 Placement

This is the physical disposal of criminal proceeds. In the case of many serious crimes (not only drug trafficking) the proceeds take the form of cash which the criminal wishes to place in the financial system. Placement may be achieved by a wide variety of means according to the opportunity afforded to and the ingenuity of the criminal, his advisers and their network.

Typically, it may include:

- (a) placing cash on deposit at a bank (often intermingled with legitimate credit to obscure the audit trail), thus converting cash into a readily recoverable debt.
- (b) physically moving cash between jurisdictions;
- (c) making loans in cash to Businesses which appear to be legitimate or are connected with legitimate Businesses, thereby converting cash into debt;
- (d) purchasing high-value goods for Personal use or as expensive presents to reward existing or potential colleagues;
- (e) purchasing the services of high-value professionals or firms ;
- (f) purchasing negotiable assets in One-Off Transactions; or
- (g) placing cash in the Client account of a professional intermediary.

### 4.3 Layering

This is the separation of criminal proceeds from their source by the creation of layers of transactions designed to disguise the audit trail and provide the appearance of legitimacy. Again, this may be achieved by a wide variety of means according to the opportunity afforded to, and the ingenuity of, the criminal, his advisers and their network.

Typically, it may include:

- (a) rapid switches of funds between banks and/or jurisdictions;
- (b) use of cash deposits as collateral security in support of legitimate transactions;
- (c) switching cash through a network of legitimate Businesses and “shell” companies across several jurisdictions; or
- (d) resale of goods/assets.

### 4.4 Integration

This is the stage in which criminal proceeds are treated as legitimate. If layering has succeeded, integration places the criminal proceeds back into the economy in such a way that they appear to be legitimate funds or assets.

The criminal remains relatively safe from vigilance systems while proceeds are not moving through these stages and remain static. Certain points of vulnerability have been identified in the stages of laundering which the launderer finds difficult to avoid and where his activities are therefore more susceptible to recognition, in particular:

- (a) cross-border flows of cash;
- (b) entry of cash in the financial system;
- (c) transfers within and from the financial system;
- (d) acquisition of investments and other assets;
- (e) incorporation of companies; and
- (f) Formation of trusts.

Accordingly, Staff are to be most vigilant at these points along the audit trail where the criminal is most actively seeking to launder – i.e. to misrepresent the source of criminal proceeds. One of the recurring features of money laundering is the urgency with which, after a brief “cleansing”, the assets are often reinvested in new criminal activity.

## 5. WHAT IS TERRORIST FINANCING?

### 5.1 General information

In principle terrorist financing differs from money laundering in that the funds that are used to finance terror are often obtained through legitimate legal income generating business practices. Once such funds are in the financial system, they may be subjected to money laundering in the conventional sense (as outlined in Section 4 of this Compliance Manual) to hide or obscure the links between the source of the funds and the ultimate purpose to which they are put.

Financial support for terrorist activities may come direct from certain states or jurisdictions, or from organisations large enough to be able to collect and make the funds available to the terrorist organisation. Terrorism may also be funded from sources channeled more directly through the financial system.

Terrorist groups are known to utilise income-generating activities of their own, which may be, or certainly appear to be, legitimate businesses. Terrorist groups may also derive some of their funding from individuals or entities that have legitimately earned income.

Terrorist groups are also known to use traditional methods of money transmission such as Hawala to move funds between jurisdictions. The unique feature of the system is that no promissory instruments are exchanged between the Hawala brokers; the transaction takes place entirely on the honour system. As the system does not depend on the legal enforceability of claims, it can operate even in the absence of a legal and juridical environment. No records are produced of individual transactions. Such transactions often involve transfers from the source jurisdiction through a third country, further obscuring the ultimate destination of the funds.

The ability to combat terrorist financing often relates to recognising an involvement with persons or entities that have been identified, by governments or other international authorities, as having some connection with terrorism. Terrorists will attempt to hide or obscure the true beneficiary of transactions, especially cross-border transactions, and will utilise a number of transactions involving relatively small individual amounts. As such, the patterns of transactions or behaviour that ordinarily indicate an unusual underlying activity are much more difficult to detect. Proper due diligence in relation to each Applicant for Business and Customer and the Business Relationship is therefore essential in the fight against terrorist financing.

### 5.2 Supposedly legitimate sources of terrorist financing

As many terrorist movements have an ideological rationale, individual terrorists or terrorist groups may occasionally be able to rely on legitimately generated sources of income. This is a key difference between terrorist groups and traditional criminal organisations. Examples of fundraising methods specifically used by terrorist groups include:

- (a) Collection of membership dues and / or subscriptions;
- (b) Sale of publications, cassettes and other items;

- (c) Speaking tours, cultural and social events;
- (d) Door-to-door solicitation within the community; (e) Appeals to wealthy members of the community; and
- (e) Donations of a portion of their personal earnings.

Many religious communities encourage the donation of a percentage of one's income to charity. No automatic assumptions should be drawn that such donations bear any relation to terrorist financing. However, donations, often made on an irregular basis, continue to be a lucrative source of funds from private individuals, certain states/jurisdictions, and from the sale of publications. Occasionally, large donations made by wealthy individuals in certain countries to charitable organisations that have connections with terrorist organisations, are less associated with terrorism than with extortion, such as Mafia-style protection payments, where a 'donation' ensures that the donor's business interests remain operational.

### 5.3 Non-legitimate sources of terrorist financing

Criminality provides a much more consistent revenue stream to terrorist organisations. They will often choose activities that carry low risks and generate large returns. Major sources of income are:

- (a) Kidnap and extortion;
- (b) Smuggling;
- (c) Fraud, including cheque and credit card fraud;
- (d) Misuse of non-profit organisations and charities fraud; and
- (e) Drug trafficking.

## 6. COMPLIANCE

### 6.1 Introduction

In accordance with the Anti-Money Laundering Regulations, the Ventura Prime FX should maintain the following anti-money laundering procedures (as described under the Anti-Money Laundering Regulations):

- identification and verification procedures;
- record keeping procedures;
- internal reporting procedures (including the appointment of the Reporting Officer and Compliance Officer);
- a written system of internal controls and communication procedures (including the adoption of policies and procedures to prevent the misuse of technological developments for the purpose of money laundering or terrorist financing); and
- procedures for Staff anti-money laundering training and awareness.

In practice, Compliance essentially involves:

- identifying the Applicant for Business, which may in turn involve identifying a number of Verification Subject(s);
- gathering information on the Verification Subject(s) so as to confirm the true identity of and establish that the information obtained on the Verification Subject(s) is correct;
- Staff recognising and reporting suspicions of money laundering to the Reporting Officer and/or Compliance Officer;
- the Reporting Officer investigating reports made by Staff of suspected money laundering and reporting the suspicions, where such suspicions are reasonable, to the Agency;
- training and re-training;
- keeping all records of dealings with each Customer for the prescribed period of time; and

Senior Management, together with the Compliance Officer, regularly monitoring and revising, as necessary, the Ventura Prime FX Compliance procedures including having in place this Compliance Manual and an independent audit function (adequately resourced) to test compliance (including sample testing) with its written internal system of controls and the Regulations .

## 6.2 Identifying the Applicant for Business and Verification Subject

The Ventura Prime FX must establish, to its reasonable satisfaction, that every Person relevant to the Applicant for Business, or Customer (as the case may be) actually exists and that the information provided in respect of those Persons is correct.

Persons Relevant to the Applicant for Business, or Customer, may include:

- (a) the End User;
- (b) the Professional Service Client;
- (c) the Professional Service Client's Own Client (if not the End User Client);
- (d) directors and officers of the Applicant for Business or Customer;
- (e) shareholders or controllers (particularly the ultimate beneficial owners) of the Applicant for Business or Customer;
- (f) settlors, trustees and beneficiaries of an Applicant for Business or Customer that is a trust;
- (g) partners of an Applicant for Business or Customer that is a Partnership;
- (h) underlying principles of the Applicant for Business or Customer; and
- (i) all Persons instructing the Ventura Prime FX in relation to an Applicant for Business or Customer.

## 6.3 Responsibilities of Senior Management The Senior Management must:

- Adopt such documented policies (including this Compliance Manual), consistent with the requirements of the Regulator and the Anti-money Laundering Regulations and related enactments, as may be relevant to the prevention of money laundering and terrorist financing;
- allocate responsibility for the establishment and maintenance of risk-based anti-money laundering and terrorist financing systems and controls and monitor the effectiveness of such systems and controls;
- ensure that overall the Ventura Prime FX anti-money laundering and terrorist financing systems and controls are kept under regular review and that breaches are dealt with promptly;
- oversee the Ventura Prime FX anti-money laundering and terrorist financing regime and ensure speedy action in effecting corrective measures with respect to any identified deficiencies;

- ensure that regular and timely information relevant to the management of the Ventura Prime FX anti-money laundering and terrorist financing risks is made available to the Senior Management; and
- ensure that the Compliance Officer is adequately resourced.

The obligations of Senior Management above form part of this Compliance Manual.

#### 6.4 Responsibilities of Employees

An Employee must:

- (a) at all times comply with this Compliance Manual and other internal control systems of the Ventura Prime FX, including all measures relating to the employer's anti-money laundering and terrorist financing mechanisms; and
- (b) disclose any suspicion of money laundering and terrorist financing he/she comes across in the course of his duties to the Reporting Officer or other appropriate senior officer in accordance with this Compliance Manual and/or other internal control systems and reporting procedures of the Ventura Prime FX.

An Employee shall make a report to the Compliance Officer concerning (where applicable) a suspicious Applicant for Business or Customer he/she has been involved with in any previous employment, if that Applicant for Business or Customer subsequently becomes an Applicant for Business of the Ventura Prime FX (provided the Employee recalls that previous suspicion).

## 7. CONSEQUENCES OF NON-COMPLIANCE

### 7.1 From a legal perspective:

- a) Non-compliance with the Compliance Regulations on the part of the Ventura Prime FX and/or its Employees may result in the Ventura Prime FX and/or Employees facing criminal prosecution and are liable on summary conviction to a fine or imprisonment not exceeding two years or both.
- b) non-compliance with the requirements of the Anti-Money Laundering Regulations or any directive issued thereunder on the part of the Ventura Prime FX and/or its Employees may result in the Ventura Prime FX and/or Employees facing criminal prosecution and are liable:

### 7.2 From a commercial perspective there would likely be significant reputational damage if the Ventura Prime FX and/or its Employees were not compliant with these requirements.



## 8. COMPLIANCE OFFICER

### 8.1 Compliance Officer

- (a) Ventura Prime FX shall appoint a senior member of Staff to the position of Compliance Officer as per section 5.3 of the guidelines issued by Labuan FSA
- (b) The Compliance Officer:
  - (i) must be a senior and key member of its Staff;
  - (ii) must be sufficiently independent to perform his or her role objectively;
  - (iii) must have sufficient resources, including time to perform his or her functions effectively; and
  - (iv) must have unrestricted access to all books and records of the Ventura Prime FX and to its Personnel, including executive and non-executive directors, senior management and auditors.
- (c) To avoid possible conflicts of interest, the terms of reference of a Compliance Officer should clearly state that, in respect of compliance matters, his or her duties should not be subordinated to the interests, or perceived interests, of the Ventura Prime FX..
- (d) The duties and responsibilities of the Compliance Officer) shall include:

### 8.2 Compliance Manual

- (a) establishing and maintaining satisfactory Compliance procedures, including establishing and satisfactorily maintaining this Compliance Manual in accordance with the requirements of the applicable Anti-Money Laundering legislation in the LM from time to time; and
- (b) make available the Compliance Manual at the time of examination or inspection by LABUAN FSA.

The Compliance officer shall undertake the following

- (a) establish, communicate, monitor and enforce effective compliance policies and procedures to address legislative and regulatory requirements
- (b) carry out structural review of the compliance arrangements and control systems and make regular assessment reports to the senior management.
- (c) identify and deficiencies
- (d) make recommendations for any updates or revisions to the manual, subject to a minimum submission of once a year in line with the LABUAN FSA Act and all other relevant financial services legislations;

- (e) the Regulatory guidelines and applicable guidance issued by the LABUAN FSA; and
- (f) any directives or practice directions issued by the LABUAN FSA in relation to the Ventura Prime FX.

8.3 **Developing compliance culture**: ensuring that all Senior Management and Staff are familiar with and understand the laws and policies of the LM relating to financial services inclusive of understanding the current regulatory regime and the need for compliance with such regime and this Compliance Manual.

8.4 **Training program**: establishing and maintaining a program of training Staff in compliance functions such as client acceptance procedures, KYC procedures and suspicious activity reporting.

8.5 **Required returns**: ensuring that all returns required to be made to the LABUAN FSA are complete, accurate and filed within the relevant time period.

8.6 **Reviews and assessments**: undertaking structured reviews and making regular assessment reports to senior management identifying any deficiencies and making recommendations for updates and revisions.

8.7 **Annual Compliance Report**: preparing and submitting to the board of directors of the Ventura Prime FX an annual compliance report. A copy of the report must be maintained with the other books and records of the Ventura Prime FX and a copy submitted to Labuan FSA as per Sec 6.6 of their guidelines.

8.8 **Complaints procedure**: establishing, maintaining and monitoring a complaints procedure for monitoring and handling of complaints.

8.9 **Compliance Reports**: as per Sec 6.6 of the Labuan FSA guidelines must be prepared and submitted to the Board.

## 9. RISK ASSESSMENT & DUE DILIGENCE

### 9.1 What is risk assessment and due diligence?

Risk assessment and due diligence refers to the steps the Ventura Prime FX (or an Employee) is required to take in dealings with an Applicant for Business or Customer in order to forestall and prevent money laundering, terrorist financing and other financial crimes.

### 9.2 What does the risk assessment involve?

Each Applicant for Business must be assessed to determine the existence of any risks relating to money laundering or terrorist financing and for purposes of managing and mitigating any such risks identified.

The Ventura Prime FX must therefore develop a risk profile of Applicants for Business and Customers. This requires that the Ventura Prime FX:

- (a) collects appropriate and relevant information relating to identity and the Business Relationship;
- (b) prepares and records (on the basis of the due diligence information) an initial risk assessment for the Applicant for Business or the Customer;
- (c) determines (using the initial risk assessment) each Verification Subject relating to the Applicant for Business or Customer and the extent to which verification of the Verification Subject's identity needs to be undertaken; and
- (d) periodically updates, from the establishment of a Business Relationship, the due diligence information that it holds in respect of a Customer and adjusts the risk assessment (if appropriate) as the Business Relationship develops.

Assessing the risks associated with money laundering and terrorist financing by category assists in developing a strategy to effectively manage potential risks as it allows the Ventura Prime FX to subject Applicants for Business and Customers to proportionate controls and monitoring. Risk categories might include:

- (a) customer risk;
- (b) product/service risk; and
- (c) country/geographic risk.

The explanations to the Code contain considerations that ought to be taken into account when assessing risks related to these categories. Those **considerations have been copied to Schedule [4] (Risk Considerations) of this Compliance Manual for ease of reference.**

The results of the risk assessment will dictate the level and degree of the due diligence that must be conducted. As such, where a Customer or transaction is determined to be "low risk"

in terms of the Business Relationship the due diligence may be streamlined and, conversely, will be enhanced for "higher risk" Customers or Business Relationships.

### 9.3 What does due diligence involve?

Due diligence is a primary component of risk identification and assessment.

(a) The process is enquiry based with the objective being to:

- (i) verify the identity of each Verification Subject determined as being relevant to the Applicant for Business or the intended Customer;
- (ii) identify the purpose and intended nature of the Business Relationship;
- (iii) understand the circumstances and Business of the Applicant for Business or intended Customer, all by reference to reliable evidence.

(b) A customer due diligence process requires the Ventura Prime FX:

- (i) to inquire into and identify the Applicant for Business, or Customer, and verify the identity;
- (ii) to obtain information on the purpose and intended nature of the Business Relationship;
- (iii) to use reliable evidence through such inquiry as is necessary to verify the identity of the Applicant for Business or Customer;
- (iv) to utilize such measures as are necessary to understand the circumstances and business of the Applicant for Business or the Customer, including obtaining information on the source of wealth and funds, size and volume of the business, and expected nature and level of the transaction sought;
- (v) to conduct, where a Business Relationship exists, an ongoing monitoring of that relationship and the transactions undertaken for purposes of making an assessment regarding consistency between the transactions undertaken by the Customer and the circumstances and business of the Customer; and
- (vi) to inquire into and identify a Person who purports to act on behalf of an Applicant for Business or a Customer, which is a Legal Person or a partnership, trust or other legal arrangement, is so authorized and to verify the Person's identity.

There is also an ongoing obligation in respect of existing Business Relationships, with the Ventura Prime FX being required to conduct ongoing monitoring of that relationship so as to assess consistency between transactions undertaken by the Customer and the circumstances and business of the Customer.

The Ventura Prime FX must also inquire into and identify a person who purports to act on behalf of an applicant for business or a customer, which is a Legal Person or other legal arrangement, is so authorized and to verify the Person's identity.

#### 9.4 When must due diligence be conducted?

Each time the Ventura Prime FX has dealings with an Applicant for Business or a Customer, the Ventura Prime FX must engage in due diligence (irrespective of the nature or form of the Business).

Due diligence must be undertaken in any of the following circumstances:

- (a) when establishing a Business Relationship;
- (b) when effecting a One-Off Transaction involving funds of or above US\$15,000<sup>2</sup>;
- (c) when there is a suspicion of money laundering or terrorist financing;
- (d) where a Business Relationship or transaction presents any specific higher risk scenario; and
- (e) when the entity has doubts about the veracity or adequacy of previously obtained customer identification data.

#### 9.5 What due diligence must be carried out for an individual?

The Ventura Prime FX must undertake identification and verification measures where:

- a) the individual is the Applicant for Business (or a joint Applicant for Business);
- b) the individual is the beneficial owner<sup>3</sup> or controller of an Applicant for Business; and
- c) the Applicant for Business is acting on behalf of the individual.

#### 9.6 What additional due diligence must be carried out for trusts and/or Legal Persons?

For the purposes of establishing a Business Relationship, it is essential that the Ventura Prime FX:

- (a) knows who in fact controls the funds of the Legal Person or has a controlling power or management over the Legal Person in relation to the funds; and
- (b) be able to ascertain and verify the identity of the controlling elements or owners (the "Controllers") in relation to every Legal Person.

It should be noted that the legal owners of a Legal Person may be identifiable individuals or other legal entities; however, the beneficial ownership may rest with others. This arises

normally where the legal owner is acting for the beneficial owner (i.e. Controller) or because there is a legal obligation for the ownership to be registered.

As such, where the Applicant for Business or Customer (or a relevant Verification Subject) is the trustee of a trust or a Legal Person the due diligence may be more complex and may extend to several layers to establish the required degree of identification of the Controllers.

If the Ventura Prime FX (as part of the risk assessment process) makes a determination that a relationship with a trust or the product or service channels in relation to the trust presents a higher level of risk, the Ventura Prime FX must perform enhanced customer due diligence and obtain and verify the identities of all the beneficiaries with a vested right in the trust and such other additional information as the Ventura Prime FX considers relevant.

### 9.7 When is enhanced due diligence required?

Where a Business Relationship involves:

- (a) a politically exposed Person;
- (b) a business activity, ownership structure, anticipated, or volume or type of transaction that is complex or unusual, having regard to the risk profile of the applicant for business or customer, or where the business activity involves an unusual pattern of transaction or does not demonstrate any apparent or visible economic or lawful purpose; or
- (c) a Person located in a country considered or identified as high risk or that has sanctions, embargos or other restrictions imposed on it,
- (d) enhanced due diligence must be carried out.

### 9.8 When can a Customer be considered "low risk"

Various factors may be taken into account for determining the money laundering and terrorist financing risks posed by a particular Applicant for Business or a Customer in the context of its Business Relationship. Factors that may indicate a lower risk might include where the Applicant for Business or a Customer:

- (a) is a financial institution subject to anti-money laundering and terrorist financing requirements that are aligned with the FATF Recommendations;
- (b) is a Government statutory body;
- (c) is a publicly listed company that is subject to regulatory disclosure requirements;
- (d) is resident in a RLM Recognised Jurisdiction;
- (e) is, in the case of a body corporate that is part of a group, subject to and properly and adequately supervised for compliance with anti-money laundering and terrorist financing requirements that are consistent with the FATF Recommendations; and constitutes (having regard to the anti-money laundering and terrorist financing obligations it is

subject to), after diligent consideration by the Ventura Prime FX, little or no risk in the context of money laundering and terrorist financing.

A streamlined or simpler due diligence and verification procedure exists for a "low risk" Applicant for Business or Customer.

The Compliance Officer must be consulted in regard to all low risk determinations made by the Ventura Prime FX.

## 9.9 Exemptions from conducting due diligence

A Ventura Prime FX may be exempt from having to conduct CDD to the extent that it:

- (a) relies on a written introduction made of an applicant for business or a customer
- (b) its applicant for business or customer is either regulated in the LM or regulated in a LM Recognised Jurisdiction.

## 9.10 Updating due diligence information

Ventura Prime FX is obligated to ensure that the due diligence information it holds in relation to a Customer is accurate.

Where the Business Relationship is:

- (a) determined as being "high-risk", the Ventura Prime FX shall update the due diligence information at least once every year;
- (b) determined as being "low-risk" or "normal risk", the Ventura Prime FX shall update the due diligence information at least once every three years; and
- (c) terminated, the Ventura Prime FX shall (to the extent possible) keep the due diligence information up to date as of the date of termination.

In addition to the prescribed periods listed above, if the Ventura Prime FX forms the opinion upon careful assessment that a Customer presents a high risk or engages in transactions that are of such a material nature as to pose a high risk, it or he shall at that point in time apply customer due diligence or, where necessary, enhanced customer due diligence, measures and review and keep up-to-date the Customer's due diligence information.

If a Business Relationship established with a Customer terminates before the Ventura Prime FX is able to comply with the review and updating of the requisite customer due diligence information, the Ventura Prime FX need only record its satisfaction on the customer's file that it has done what was reasonable in the circumstances and was unable to obtain any information to update the Customer's due diligence information. The Ventura Prime FX must record on the Customer's file the information that it is in possession or is aware of or has been able to access.

## 10. VERIFICATION OF IDENTITY

### 10.1 General verification requirements

As part of the risk profiling procedure, the Ventura Prime FX will have determined (using the initial risk assessment) each Verification Subject relating to the Applicant for Business or Customer and the extent to which verification of the Verification Subject's identity needs to be undertaken.

Verification is therefore the procedure that the Ventura Prime FX must undertake to establish the identity of each Verification Subject. The Ventura Prime FX can do this by:

- (a) carrying out the verification itself;
- (b) by carrying out the verification before or during the course of establishing a Business Relationship or engaging in a transaction;
- (c) relying on verification conducted by a Professional Service Client; or
- (d) in the case of a Legal Person that is a subsidiary, by relying on verification conducted by its parent company; and
- (e) ensuring that, where reliance is placed on an independent data source, the source, scope and quality of the data received is reasonably acceptable.

Best practice is to complete the verification exercise prior to establishing the Business Relationship. However, should it be necessary so as not to disrupt the normal conduct of business, the Ventura Prime FX may complete the verification after the establishment of the Business Relationship provided:

- (a) the verification exercise is completed within a reasonable period not exceeding 21 days from the date of establishment of the Business Relationship; and
- (b) all money laundering and terrorist financing risks are properly and effectively managed by the Ventura Prime FX.

### 10.2 Specific verification requirements

There are different requirements associated with the establishment of identity of Verification Subjects depending on their type, nature and legal personality. In addition, exceptions to the requirement to conduct verification may apply depending on who the Applicant for Business or Customer is. The nature of the verification exercise may also differ where the Applicant for Business or Customer has been introduced to the Ventura Prime FX by a Professional Service Client.



### 10.3 Exceptional Verification Requirements

(a) Where the Ventura Prime FX:

(i) forms the opinion that, having regard to the nature of its business, any of the requirements for verification of identity is inapplicable or, subject to (b) below, may be achieved by some other means; or

(ii) is unable to effect a verification of any matter in relation to a Legal Person, and is satisfied on the basis of the information acquired and verified, including taking account of its or his risk assessment and ensuring the absence of any activity that might relate to money laundering, terrorist financing or other criminal financial activity, it

(A) may establish a Business Relationship with the Legal Person concerned (applicant for business or customer) after recording its or his satisfaction and the reasons therefor; and

(B) shall make available the information recorded under sub-paragraph (i) in an inspection or whenever requested by the Regulatory Authorities

(b) Where the Ventura Prime FX forms the opinion pursuant to (a)(i) above that it may be able to achieve any of the requirements for verification of identity by some other means, it shall, prior to establishing a Business Relationship with the Legal Person, carry out the verification by that other means.

(c) The responsibility remains at all times with the Ventura Prime FX with regard to carrying out an appropriate risk assessment and risk profiling of an Applicant for Business prior to forming a Business Relationship.

## 11. VERIFICATION OF END USER APPLICANTS

### 11.1 Identifying the Verification Subject(s)

- (a) On receipt of an enquiry from an End User Applicant, the Ventura Prime FX shall send a questionnaire to the End User Applicant in order to identify the Verification Subject(s)
- (b) Where the Applicant for Business is a Legal Person comprised of a large number of partners, directors or shareholders, only the partners relevant to the Applicant for Business, or the principal directors and controlling shareholders of the company, are required to be treated as Verification Subjects.
- (c) In addition, the questionnaire shall request the following information in respect of a LM company to be formed on behalf of the End User Applicant:
  - (i) the nature of the Business Relationship;
  - (ii) the names and addresses, of the proposed directors and officers; and
  - (iii) the names and addresses of the proposed shareholders and the extent of their proposed shareholding.

### 11.2 Terms of Business and Completing Verification

- (a) Together with the questionnaire described above, the Ventura Prime FX shall prepare and send to the End User Applicant, Terms of Business which shall:
  - (i) advise the End User Applicant of the existence of Anti-Money Laundering legislation in effect from time to time in the LM and the duties and obligations of the Ventura Prime FX under such legislation;
  - (ii) request the End User Applicant to agree, going forward, to:
    - (A) keep the Ventura Prime FX promptly informed of any changes in its contact details;
    - (B) where the End User Applicant is a Legal Person, keep the Ventura Prime FX promptly informed of any changes in its controllers , shareholders or owners; and
    - (C) keep the Ventura Prime FX promptly informed of all changes in shareholders, directors or officers of any

LM companies formed by the Ventura Prime FX on behalf of the End User Applicant.

- (b) The End User Applicant shall return a signed copy of the Terms of Business to the Ventura Prime FX together with all documents and information requested. These documents shall be kept on the End User Applicant's file.

## 12. VERIFICATION OF EXISTING END USER CLIENTS

12.1 Where the Compliance Officer considers it necessary, the Ventura Prime FX shall send Terms of Business to existing End User Clients:

- (a) advising the End User Client of the existence of Anti-Money Laundering legislation in effect in the LM and outlining the Ventura Prime FX duties and obligations under such legislation;
- (b) asking the End User Client to agree, going forward, to:
  - (i) keep the Ventura Prime FX promptly informed of any changes in the End User Client's contact details;
  - (ii) where the End User Client is a Legal Person, keep the Ventura Prime FX promptly informed of any changes in its controllers, shareholders or owners; and
  - (iii) keep the Ventura Prime FX promptly informed of any changes in the shareholding, directors or officers of all LM companies formed by the Ventura Prime FX on behalf of the End User Client.

12.2 A schedule shall be attached to the Terms of Business requesting all information and documents as are necessary to enable the Ventura Prime FX to comply with its obligations and duties under Anti-Money Laundering legislation in effect in the LM.

12.3 The End User Client shall return a signed copy of the Terms of Business to the Ventura Prime FX, together with all documents and information that may be requested by the Ventura Prime FX. These documents shall be kept on the End User Client's file.

### 13. END USER APPLICANTS: EXEMPTION FROM VERIFICATION

13.1 Verification in respect of an Applicant for Business is not required where that Applicant for Business is:

- (a) a Regulated Person; or
- (b) Foreign Regulated Person; or
- (c) a legal practitioner or accountant who:
  - (i) belongs to a professional body whose rules of conduct or practice contain requirements for the detection and prevention of money laundering that are consistent with the requirements of the FATF Recommendations; and
  - (ii) is supervised by his or her professional body for compliance with those requirements listed in (i) above.

13.2 Verification in respect of an Applicant for Business for a One-Off

Transaction is not required where the amount to be paid by or to that Applicant for Business is less than US\$10,000 or the equivalent amount in another currency. The One-Off Transaction must not be linked to other transactions where the combined value of all the linked transactions would result in a value in excess of US\$10,000.

13.3 These exemptions do not apply to the extent the Ventura Prime FX (or any Person handling the transaction on its behalf) knows or suspects that the Applicant for Business is engaged in, or the transaction involves, money laundering or terrorist financing.

## 14. REQUIRED STANDARDS FOR VERIFICATION & DUE DILIGENCE COPY DOCUMENTATION

- 14.1 Where Customer due diligence and/or verification of a Verification Subject is reliant on a copy of a document presented by the Applicant for Business or Customer, the Ventura Prime FX shall ensure that the document is properly certified.
- 14.2 A copy document is properly certified if on the face of it:
- a. the Person certifying the document indicates that:
    - (i) he has seen and compared the original document verifying the identity and residential address of the Applicant for Business or Customer;
    - (ii) the copy document is certified as a complete and accurate copy of the original; and
    - (iii) if the document contains a photograph of the Applicant for Business or Customer, the photograph bears a true likeness to the individual to whom the certification relates.
- 14.3 The Ventura Prime FX shall not accept a certified copy of a document presented for a Business Relationship or transaction unless it is satisfied that the Person certifying the document:
- a. is independent of the individual, trust or Legal Person for which the certification is being provided; and
  - b. is subject to professional rules of conduct or statutory compliance measures (which carry penalties for breach).
- 14.4 Where the certification is conducted in a high risk country, or where there is doubt regarding the veracity of the information or documentation provided, additional steps (as may be necessary) should be taken by the Ventura Prime FX to ensure that the Person certifying the document is in fact real.

## 15. POST VERIFICATION REQUIREMENTS

- 15.1 The Ventura Prime FX shall keep a written record (in relation to required identity verification for each Applicant for Business and Customer) of:
- (a) the steps taken and the evidence obtained for purposes of verification of a Verification Subject; and
  - (b) any exemption granted or relied upon and the Ventura Prime FX reasons justifying the exemption.
- 15.2 This record shall be maintained as part of the record of an Applicant for Business or Customer.

## 16. REPORTING PROCEDURE

- 16.1 Each Employee of the Ventura Prime FX shall:
- (a) report any suspicions of money laundering or terrorist financing in relation to an activity or transaction (including an attempted activity or transaction that has been turned away) to the Compliance Officer;
  - (b) ensure that any report made under (a) above provides details of the information, giving rise to any knowledge or reasonable grounds for such suspicion held, including full details of the Applicant for Business or Customer.
  - (c) No action, suit or prosecution or other proceedings shall lie or be brought instituted or maintained in any court or any tribunal or proceedings against the staff who report such violation or non-compliance provided that such act was done or made in good faith
- 16.2 Upon receipt of a report from an Employee of the Ventura Prime FX, the Compliance Officer shall determine:
- (a) whether the information contained in the report supports the suspicion; and
  - (b) if there is a need under the circumstances to submit a report to the Agency.
- 16.3 The Compliance Officer shall:
- (a) make a written report to the Agency of every suspicious transaction relating to the Ventura Prime FX;
  - (b) record in writing any decision made by the Compliance Officer (including the reasons on which such decision is based) that information provided to him/her by Staff does not substantiate a suspicion of money laundering or terrorist financing; and

- (c) when uncertain as to whether the details of a report received by him/her substantiate a suspicion, make a report of such suspicion to the Agency.

16.4 All reports shall:

- (a) be in writing and in a legible and sufficiently detailed form;
- (b) be clear and contain sufficient information to enable the receiver of the report to understand its contents and determine its compliance with this Compliance Manual.

16.5 The Reporting Officer shall maintain a register of reports to include:

- (a) particulars of all suspicious activities reported to him by Staff;
- (b) the decision reached by him on the matter (including the reasons on which his decision is based); and
- (c) where a report is made to the Agency:
  - (i) the date of the report; and
  - (ii) the Person who made the report.

16.6 A copy of the report and the acknowledgement of receipt from the Agency shall be retained by the Ventura Prime FX.

## 17. REGISTER OF AGENCY REPORTS AND ENQUIRIES

17.1 The Ventura Prime FX shall maintain a register of:

- (a) all reports made to the Labuan FSA; and
- (b) all inquiries relating to money laundering made of it by the Labuan FSA.

17.2 The register shall contain (as a minimum):

- (a) the date and nature of the report or inquiry;
- (b) the name and agency of the inquiring officer;
- (c) the powers being exercised and pursuant to which authority;
- (d) details of the transaction or accounts involved.

17.3 Entries in the register shall be maintained for at least five years.

## 18. COMPLAINTS PROCEDURE

18.1 The Compliance Officer shall establish, maintain and monitor a complaints procedure for the monitoring and handling of complaints.

18.2 A complaint form shall be completed for each complaint, the complaint form shall include:

- (a) the name and address of the complainant;
- (b) the date the complaint was made;
- (c) the date the complaint was reported to the Complaint's Officer;
- (d) the nature of the complaint;
- (e) how and when the complaint was investigated;
- (f) any action taken regarding the complaint.



## 19. RECORD KEEPING

- 19.1 All records (including all verification documents, Business Relationship records and records of all work undertaken on behalf of Customers) shall be maintained by the Ventura Prime FX in an easily retrievable form. All records should be capable of retrieval and production in a legible form and within a reasonable time period. Proper record keeping is crucial to the proper supervision of the Business Relationship or On-Off Transaction by the Ventura Prime FX.
- 19.2 A retrievable form in respect of a record may consist of:
- (a) an original document / record or a certified copy of such original;
  - (b) microform;
  - (c) computerised or other electronic data; or
  - (d) a scanned document of the original documents which is certified where necessary.
- 19.3 Records relating to due diligence and identity verification shall:
- a) consist of information:
  - b) regarding the source from which the information can be obtained; or
  - c) that is sufficient to enable the obtaining of identity details where it is not practicable to obtain or retain a copy of the evidence; and
  - d) be kept in such manner so as to facilitate the monitoring of Business Relationships and transactions.
- 19.4 The Ventura Prime FX must maintain (as a minimum) the following records for Customer transaction information purposes:
- (a) the name and address of the Customer;
  - (b) in the case of a monetary transaction, the kind of currency and amount involved;
  - (c) the beneficiary of the monetary transaction or product, including his name and address;
  - (d) where the transaction involves a Customer's account, the number, name or other identifier with respect to the account;
  - (e) the date of the transaction;
  - (f) the nature of the transaction (including, where the transaction involves securities and investment, the form in which funds are offered and paid out);

- (g) in the case of a transaction involving an electronic transfer of funds, sufficient detail to enable the establishment of the identity of the Customer remitting the funds and compliance with paragraph (c);
- (h) account files and business correspondence with respect to a transaction; and
- (i) sufficient details of the transaction for it to be properly understood.

19.5 The Ventura Prime FX must maintain training records that shall include:

- (a) the date the training was conducted;
- (b) the names of the Employees who attended the training (and the desired target audience for the training);
- (c) the duration of the training; and
- (d) the nature of, and topics covered in, the training.

19.6 The Ventura Prime FX must maintain the following records for a period of at least five years:

- (a) the records relating to due diligence and verification, compliance auditing, law enforcement, the Ventura Prime FX systems of internal control (including training records); the register of Agency reports and inquiries and responses to requests for information;
- (b) the policies and procedures of the Ventura Prime FX regarding relevant internal control measures;
- (c) the internal suspicious activity reports made and the supporting documentation (from the date of any such report);
- (d) the decisions of the Reporting Officer in relation to suspicious activity reports and the basis for the decisions reached (from the date of any such report);
- (e) the activities relating to complex or unusual transactions (by size or pattern) undertaken or transactions that have no apparent economic or lawful purpose (from the date the Business Relationship terminated or the transaction completed);
- (f) the activities of Customers and transactions that are connected with jurisdictions that are not fully compliant with the FATF Recommendations (from the date the Business Relationship terminated or the transaction completed);
- (g) the activities of Customers and transactions which relate to jurisdictions on which sanctions, embargos or other restrictions are imposed (from the date the Business Relationship terminated or the transaction completed);
- (h) account files and business correspondence with respect to a transaction; and
- (i) completed complaint forms.



- 19.7 Where the Business Relationship is terminated because of a change of Ventura Prime FX:
- (a) if the Ventura Prime FX claims a lien on the records, it shall remain responsible for the maintenance of such records until the expiry of the prescribed five year period or until such records are transferred (whichever occurs first).

## 20. STAFF TRAINING PROGRAM

20.1 The Ventura Prime FX shall provide training to all of its Employees to ensure that they are aware of:

- (a) the general nature and process of money laundering and terrorist financing;
- (b) the provisions, implications and obligations (personal and of the Ventura Prime FX) imposed under all Anti-Money Laundering and Terrorist Financing legislation in effect in the LM from time to time;
- (c) the relevant regional and international conventions, UN Security Council Resolutions and standards established by FATF and other organisations of which the LM is a member relating to money laundering and terrorist financing;
- (d) all of the procedures and policies covered by this Compliance Manual (including those relating to Customer due diligence, identity verification, reporting and record keeping); and
- (e) the importance of constant vigilance when dealing with new Applicants for Business and Customers and the recognition of and reporting to the Compliance Officer of suspicious transactions.

20.2 The training provided shall be:

- (a) tailored to the appropriate level of Employee responsibility such that:
  - (i) Senior Management and supervisors receive higher level training; and
  - (ii) Specialist training be provided to and undertaken by the Compliance Officer;
- (b) conducted in sufficient detail to ensure a good understanding of the issues relative to money laundering and terrorist financing;
- (c) held frequently (and, in any event, at least once a year) and should:
  - (i) include regular refresher training sessions particularly when new Anti-Money Laundering and Terrorist Financing laws are enacted, or existing legislation is amended in the LM;
  - (ii) include new joiner training for new Employees as soon as possible after the commencement of their employment with the Ventura Prime FX; and
- (d) be conducted immediately prior to (or as soon as possible after) the implementation of this Compliance Manual.
- (e) designed to test Employee knowledge of anti-money laundering and terrorist financing issues commensurate with established standards.

## 21. EMPLOYEE VETTING

21.1 The Ventura Prime FX shall:

- (a) assess the competence and probity of its Employees at the time of recruitment and at the time of any subsequent change to the Employee's role; and
- (b) Monitor, on an ongoing basis, the competence and probity of its Employees.

21.2 Where an Employee is dismissed on account of short comings in relation to his/her competence with any anti-money laundering or terrorist financing requirements or his/her probity, the Ventura Prime FX must within seven days of such dismissal provide written notification to the Agency and the LABUAN FSA of the fact together with such information so as to enable the Agency and LABUAN FSA to understand the circumstances and reasons for the dismissal.

21.3 The Ventura Prime FX may not shield an Employee by failing to notify the Agency or LABUAN FSA.

## 22. GENERAL GUIDELINES TO COMPLIANCE

- 22.1 All Staff who work with Customers shall have a reasonable, general, knowledge of the nature of the particular Customer so as to be able to recognize suspicious activities or transactions.
- 22.2 Once a Business Relationship exists, it is vital that Staff remain vigilant so as to recognize activities/transactions that are unusual in the context of their understanding of the Customer's business.
- 22.3 Staff shall not base verification on any single document, but shall rather obtain the evidence required of this Compliance Manual. In this respect, they shall be suspicious of, and query, failure to provide such evidence.
- 22.4 The Ventura Prime FX shall retain all verification documents for the required period of time (save in the case of Professional Service Clients, in which case it is sufficient if it holds a written confirmation from the Professional Service Client stating that it will supply to the Ventura Prime FX the necessary verification documents as and when requested by the Ventura Prime FX).
- 22.5 The Compliance Officer or Staff member shall record all verification steps taken in the Applicant for Business or Customer's file together with the reasons for arriving at a decision on verification. This is particularly important where it is possible that the basis of a verification or compliance decision may be questioned in the future.
- 22.6 Where verification of an Applicant for Business is incomplete or unsatisfactory, no further work shall be done on behalf of that Applicant for Business. In no circumstances shall the Ventura Prime FX release constituent documents to an Applicant for Business where verification is unsatisfactory. Only with the consent of the Compliance Officer may constituent documents be released to an Applicant for Business before completion of verification.
- 22.7 Where verification of an Applicant for Business or Customer remains incomplete for an unreasonable amount of time, or is unsatisfactory, the Ventura Prime FX shall suspend the Business Relationship with that Person until such time as verification is satisfactorily completed. The Ventura Prime FX shall not perform further Online Trading Services on behalf of that Person.
- 22.8 Staff shall report to the Reporting Officer or Compliance Officer unusual business activity or incomplete verification that raises a suspicion of money laundering or terrorist financing.
- 22.9 Removal and Vacancy of the Compliance Officer. Ventura Prime FX shall observe the guidelines under Sec 7.1 issued by the Labuan FSA in this regard.

## Schedule 1

### Person specific verification (information and documents) for each Verification Subject

This Schedule sets out the required information and documentation that must be obtained in relation to each Verification Subject of an Applicant for Business or Customer.

#### 1. Individuals.

1.1. Information: The following information shall be obtained in respect of each Verification Subject

- (a) full legal name (including former names, other current names and aliases used);
- (b) gender
- (c) date and place of birth;
- (d) nationality;
- (e) principal residential address;
- (f) full contact details, including the address to which the Ventura Prime FX's invoice should be submitted; (g) occupation and employer; and
- (g) Specimen signature.

1.2. This information shall be kept up to date for as long as the Business Relationship between the Ventura Prime FX and the End User Client continues and is best verified by a copy of the individual's passport, national identity card or driver's licence bearing a photograph.

1.3. Verification of an individual may be made through personal introduction from a known and respected Customer or member of its key staff. Any such personal introduction shall contain:

- a) the full legal name and residential address of the individual, including:
  - (i) if opening an account, the postcode and any address printed on a personal cheque tendered to open the account; and
  - (ii) as much information as is relevant to the individual as the Ventura Prime FX considers necessary;
- b) the date, place of birth, nationality, telephone and fax number, occupation, employer's name and specimen signature of the individual where a Personal account cheque is presented to open an account; and

- c) the full legal name and residential address and, in the case of a member of key staff, the rank of the key staff, introducing the individual and a brief description of the Customer's or key staff's knowledge of the individual.
- 1.4. Where a Personal cheque is tendered to open an account, the signature shall be compared to the submitted specimen signature.

## 2. Legal Persons:

2.1 The following information shall be obtained in respect of each Legal Person:

- (a) the full name and registration or identification number of the Legal Person and the date and place of incorporation, registration or formation;
- (b) full contact details including the registered office address and mailing address to which the Ventura Prime FX invoice should be submitted;
- (c) the principal place of Business and type of Business engaged in;
- (d) full contact details of all directors (where such are not provided by the Ventura Prime FX);
- (e) full contact details of all Persons who will be instructing the Ventura Prime FX.
- (f) if applicable, the address (physical and mailing) of its Ventura Prime FX; and
- (g) the identity of each individual who owns 10% or more of the Legal Person (i.e. the identity of each individual holding a 10% voting interest or more in that Legal Person and each individual ultimately holding a 10% voting interest in any corporate shareholder<sup>4</sup>).

## 2.2 Companies

This information shall be kept up to date for as long as the Business Relationship between the Ventura Prime FX and the company continues and is best verified by the following, copies of which shall be maintained on the file:

- (a) a copy of the company's certificate of incorporation and memorandum and articles of association (or equivalent documents);
- (b) copies of the passports or national identity documents of the company's authorized signatories;
- (c) copy of the resolution or mandate authorising and approving the establishment of the Business Relationship including full names of all directors and their specimen signatures; and



- (d) such other additional documents as the Ventura Prime FX considers essential to the verification process (for example, a reference from the company's bankers, lawyers or accountants as to the company's reputation and standing).

### 2.3 Other Legal Persons

For Legal Persons other than a company, the following information shall be required:

- (a) the full name and current residential address of the Applicant for Business, including:
  - a. if opening an account, the post code of any address printed on the Personal cheque tendered to open the account; and
  - b. such other relevant information as may be considered appropriate; and
- (b) the date, place of birth, nationality, telephone and fax number, occupation, employer's name and specimen signature of the individual acting for the Applicant Business

### 3. Low risk Applicants for Business and Customers

Where the Ventura Prime FX (through its Compliance Officer) assesses a Legal Person who is an Applicant for Business to be of low risk, the applicant's identity may be verified by relying on any two of the following:

- a. the Legal Person's certificate of incorporation, together with its memorandum and articles of association or equivalent document (or, in the case of a partnership, the partnership agreement or equivalent document);
- b. the Legal Person's latest audited financial statements, provided they are not older than one year prior to the establishment of the Business Relationship;
- c. information acquired from an independent data source or a third party organisation that the Ventura Prime FX considers is reasonably acceptable;
- d. conducting a search of the relevant registry or office with which the Legal Person is registered; or
- e. wire transfer information, where a subscription or redemption payment is affected through a wire transfer from a specific account in a financial institution that is regulated in a LM recognized Jurisdiction and the account is operated in the name of the applicant.

Schedule 2  
Organisational Chart

