



Anti-Money Laundering Policy

1. Policy Statement

ARRACO Global Markets, ARRACO FX, 'ARRACO' and its staff are committed to the highest standards of anti-money laundering (AML), including anti-fraud, anti-corruption and taking measures to mitigate against financial crime.

We abide by and adheres to all applicable laws and regulations regarding AML in all jurisdictions where it conducts its business. We have developed and implemented a comprehensive set of measures to identify, manage and control all AML risks.

We understand that the money laundering regulations and legislation place a responsibility upon ARRACO employees to combat money laundering with regard to a wide area of financial transactions, including possessing, or in any way dealing with, or concealing, the proceeds of any crime.

2. Purpose

This purpose of this policy is to ensure that ARRACO complies with the obligations and requirements set out by UK legislation, regulations and rules regarding AML. This includes ensuring that we have adequate systems and controls in place to mitigate against any risk posed to the firm and its clients.

This policy is also in place to ensure that all employees know and understand their obligations with regards to our anti-money laundering measures and the consequences of non-compliance in this area.

ARRACO will do everything possible to protect its staff and clients from being exposed to money laundering and will comply with the guidance and rules laid out in Money Laundering Regulations 2007, The Proceeds of Crime Act 2002 and the Terrorism Act 2000.

Any actual or suspected acts of money laundering will be reported to the necessary NCA, relevant for the Group entity or Operational Entity for which any alleged infringement has taken place and where applicable to regulatory

requirements, an MLRO will be appointed to oversee all aspects of the anti-money laundering functions.

3. Scope

The policy relates to all staff (meaning permanent, fixed term, and temporary staff, any third-party representatives or sub-contractors, agency workers, volunteers, interns and agents engaged with ARRACO in the UK or overseas) within the organisation and has been created to ensure that staff deal with the area that this policy relates to in accordance with legal, regulatory, contractual and business expectations and requirements. Failure of any staff member to adhere to the guidance and objectives laid out in this policy, may lead to disciplinary action.

4. What Is Money Laundering

Money laundering is the term used to describe the process or act of disguising or hiding the original ownership of money that has been obtained through criminal acts such as terrorism, corruption, or fraud. Such monies are then moved through legitimate businesses and sources to make it appear 'clean'. ARRACO operates under and complies with the below laws, Acts and regulations with regards to our Anti-Money Laundering policy and procedures:

- The Proceeds of Crime Act 2002 (POCA)
- Serious Organised Crime and Police Act 2005 (SOCPA)
- The Terrorism Act 2000, as amended by the:
- The Anti-Terrorism, Crime & Security Act 2001
- Terrorism Act (Amendment) Regulations 2007
- The Terrorism Act 2006
- The Bribery Act 2010
- The Money Laundering Regulations 2007
- The FCA Handbook
- The Joint Money Laundering Steering Group (JMLSG)

5. Objectives

To prevent financial crime and money laundering within our organisation, ARRACO aims to meet the below objectives:

- The reporting and detection of suspected money laundering to the NCA
- All staff are trained and must remain vigilant for the signs of money laundering
- No payment of cash will be accepted by the company

- Due diligence and client identification procedures will be followed by all staff and at all times
- Frequent risk assessment and audits of all AML and terrorist financing controls and systems
- To appoint a Money Laundering Reporting Officer with sufficient knowledge and seniority as to complete the tasks and objectives laid out in this document
- Maintain client identification procedures in all circumstances
- Implement procedures to enable the reporting of suspicions of money laundering
- Maintain record keeping procedures
- Utilise an employee screening program to ensure due diligence

5.1 Anti-Bribery and Anti-Corruption

ARRACO operates a zero-tolerance policy with regards to bribery and corruption, we have a structured Anti-Bribery and Corruption Policy in place with our intent and objectives in this area and also realise that impact that bribery and corruption have on the money laundering requirements,

As bribery and corruption are often associated with organised crime and/or money laundering, we are committed to applying high standards of honesty and integrity throughout our organisation and ensure that all staff operate in accordance with the intent.

6. Procedures

ARRACO adheres to and complies with the principles of the Know Your Customer policy which aims to prevent financial crime and money laundering through client identification and due diligence. All customers/clients who are new to the organisation will undergo procedural due diligence checks prior to opening an account, as laid out below:

6.1. Due Diligence Checks

For businesses, credit and company background checks will be performed prior to account acceptance, details of which will be kept on file as evidence of due diligence and anti-money laundering checks.

Due diligence checks are obligatory in the UK when a single transaction exceeds EUR15,000 or where doubt exists about the identity or reliability of the customer.

6.2. Monitoring & Auditing Due Diligence

At ARRACO the Compliance Officer is responsible for ensuring that due diligence checks, and anti-money laundering measures are being completed and are fit for purpose. Regular monthly audits are completed on due

diligence forms, company checks and customer ID to ensure that staff are carrying out the due diligence and AML processes in accordance with this policy and legal requirements.

7. Measures to Prevent Money Laundering

There are certain measures and controls that can be implemented and carried out to help prevent against money laundering. ARRACO carries out such measures in the course of its daily business activities and is committed to preventing any aspect of financial crime.

7.1 Due Diligence Questionnaire – this questionnaire acts as an application form for new customers and asks detailed questions about the business/person for purposes of performing due diligence checks. Customers are also expected to provide accompanying documents where applicable such as Certificate of Incorporation, Data Protection Certificate and Regulatory Body Membership etc.

7.2 Traceable Transactions – all transactions carried out by ARRACO are recorded in such a manner that their original origin can be traced should the need arise.

7.3 Records Management – all documents, accounts and transactions associated with clients/customers will be retained as per the legal or statutory retention periods, which currently stands at ‘Close of Account +5 Years’.

7.4 Reporting – Where required, an MLRO will be appointed and is responsible for monitoring all anti-money laundering measures and raising SAR’s when needed. All documents relating to money laundering reporting, business transactions, client identification and customer due diligence are retained for a minimum of 7 years. We will ensure that the below minimums are met with regards to the information disclosed on any reports:

- Full details of the people involved
- Full details of the nature of their/your involvement
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent
- Where they took place
- How they were undertaken
- The approx./exact amount of money/assets involved;
- What has given rise to the suspicion

Using all of the information available at the time, the MLRO to make an informed decision using sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them

to prepare their report for the National Crime Agency (NCA), where appropriate.

7.6 Ongoing Due Diligence – the customer engagement team is responsible for the ongoing due diligence checks for the life of the client/customer account, ensuring that all information is kept up-to-date and that no adverse information has arisen since the last monitoring check was performed. Such checks are to be performed on all existing, active customers on a rolling annual basis.

8. Training

ARRACO has implemented a comprehensive Anti-Money Laundering and Financial Crime training program to ensure that all staff, in particular individuals responsible for transaction processing and/or initiating and/or establishing business relationships, undergo AML knowledge, competency and awareness training.

Our training methods and sessions are tailored to the business to ensure that staff are aware of the different possible patterns and techniques of money laundering that could occur in their everyday duties and roles.

9. Responsibilities

9.1 ARRACO will appoint an MLRO where regulatory or legally required and will comply with all UK legislation and regulations regarding the prevention and mitigation of money laundering.

9.2 ARRACO will ensure that all staff are provided with the time, resources and support to learn, understand and implement processes and actions to prevent money laundering and will be expected to be vigilant at all times with respect to any acts of suspected financial crime. Any suspicions are to be reported to the Compliance Officer immediately.

9.3 The Compliance Officer will ensure that any actual or suspected case of money laundering is detailed on a Suspicious Activity Report (SAR) and is reported to the National Crime Agency (NCA) with immediate effect.