ANTI-MONEY LAUNDERING &
COMBATING THE FINANCING OF TERRORISM
POLICY

Registered Address:
Bonovo Road, Fomboni, Island of Mohéli, Comoros Union

Representative Office Address:
Office No. 2903, Al Manara Tower, Marasi Drive Street, Business Bay, Dubai, United Arab Emirates.

About the Policy

1. Company aims to conduct all business in an honest and ethical manner. We take zero-tolerance approach to money laundering and terrorist financing and are committed to acting professional, fairly and with integrity in all our business dealings. We will uphold all the laws relevant to money laundering and terrorist financing everywhere we do business. If any applicable local laws are more stringent than this Policy, such local laws must be adhered to.

2. This Policy is designed to set out our responsibilities, and of those working with us, in observing and upholding our position on money laundering and terrorist financing and provides information and guidance on how to recognise and deal with issues relating to such criminal activity.

3. In some countries a failure to report suspicious of money laundering is a criminal offence carrying a custodial sentence and / or a fine on conviction. It is also criminal offence to inform or tip off the person and/or entity we have money laundering suspicions of about our report. Any of Company entity and potential, their employees and/or directors could be liable for prosecution. Given the serious nature of a breach, failure by any employee and/or director to comply with this Policy may lead to disciplinary actions being taken that could result termination of employment and / or directorship.

Does this Policy apply to me?

1. This policy applies to the Company, including all workers, counterparties, & third parties.

2. All the employees are obliged to comply with this Policy, and it may be amended by Company at any time.

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Key Terms:

Counterparty	Means any third party with whom we have, or propose to have, commercial relationship. Counterparties include, therefore, suppliers, customers, partners, and products and/or service providers.
Company	Kanak Capital Markets LLC
Third Party	Means any individual or organisation you meet during the course of your work for us, and includes actual and potential suppliers, distributors, business contacts, agents, advisors, clients, customers, and government and public bodies, including their advisers, representatives and official, politicians and political parties.
Workers	Means in relation to Company, all individuals working at all levels and including senior managers, officers, directors, employees (whether permanent, fixed term or temporary) consultants, contractors, trainees, second staff, casual worker and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us wherever located.

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What is Money Laundering?

1. Money laundering is the process by which criminal attempt to conceal the true origin and ownership of the proceeds of their criminal activities. If undertaken successfully, it also allows them to maintain control over those proceed and ultimately to provide legitimate cover for their source of income.

2. The liquidity of investment products particularly attracts sophisticated money launderers since it allows them to quickly move from one product to another, mixing lawful and illicit proceeds and integrating into legitimate economy.

3. Despite the variety of methods employed to launder proceeds the process is accomplished in three stages, which may comprise numerous transactions by the launderers, that could alert a financial institution to criminal activity.
   (a) **Placement**- the physical disposal of cash proceeds derived from illegal activity placing it into circulation via financial institutions and business.
   (b) **Layering**- separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity.
   (c) **Integration**- the provision of apparent legitimacy to criminal derived wealth. If the layering process has succeeded, integration schemes place the laundered proceeds back into the economy in such a way that they re-enter the financial system appearing to be normal business funds.

Anti-Money Laundering & Combating the Financing of Terrorism (AML & CFT)

1. There is a common obligation arising from statutory and regulatory requirements not to facilitate money laundering and terrorism financing. There is a need for awareness and vigilance to detect potential money laundering and system for reporting suspicious activities to the law enforcement agencies.

2. Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used to fund any form of terrorism or those who encourage, plan, or engage in terrorism.

3. There are five stages of terrorism financing:

(a) **Acquisition** - movement of fund or goods

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(b) **Aggregation** - funnelling or pooling smaller amounts into larger ones.

(c) **Transmission to terrorist organization** - movement of aggregated funds or goods to central terrorist organisation.

(d) **Transmission to terrorist cell** - allocation of funds to terrorist cells, and

(e) **Conversion** - funds exchanged for end use good and services to carry out terrorist activities.

Identification Procedure for Counterparties.

1. As with many polices, Company takes a risk-based approach towards anti-money laundering (AML') and counter terrorism financing (CTF). The legal and financial Department will identify the money laundering and terrorism financing risk through investigation work so that they can build a risk profile for each Counterparty. Once a risk assessment is carried out on a prospective counterparty, then Company can decide what type of due diligence is necessary. After a prospective counterparty has been registered in the Company system, then we shall carry pout regular monitoring of its transactions and activities.

2. Once Counterparty due diligence process is complete, then as long as records are up to date and maintained, no further evidence is needed when subsequent transaction are undertaken.

3. It is also necessary to keep such identification information up to date with the frequency depending in the risk profile of the Counterparty.

4. Through its Know Your Customer (KYC) process, Company will carry out a risk assessment to determine the degree of investigation on the prospective Counterparty, what risk classification will be and what documents will be required.

Counterparty Risk Assessment:

5. The below is a list of topics that will be investigated to discover what level of risk the prospective Counterparty poses.

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a. Sanction: Is the prospective Counterparty on the list of persons/firms/countries that are sanctioned? If there are sanctions, are they sectoral or country based and if they are sectoral, do they impact the business you will be doing?

b. Country/Geography: Is the prospective Counterparty incorporated in a country that is on the list of high risk. The financial Action Task Force (FATF) countries, is it on other national or international findings or inadequate AML defences list? There are specific websites that Legal/Financial will keep an eye on, such as https://www.fatf-gafi.org/countries/, additional checks will be conducted through World-Check system.

c. Regulated Status: Is the prospective Counterparty regulated by a financial services regulator? This is a slight manual process in which you will need to have a list of all regulatory websites to check. If it is regulated, this will help tremendously with lowering the risk.

d. Company structure and ownership: Who is the beneficial owner majority shareholder and how is the prospective Counterparty structured. This is a great importance and will always remain a hot topic. You will get a lot of resistance on this but always keep pushing as this is the only way to discover shell companies / politically exposed persons (PEP)/ sanctioned person, etc.

e. Company Profile: What activities does the prospective Counterparty carry out and what will be the nature of the business relationship.

f. Existence of PEPS: Are there PEPs that are on the board of directors/ owners of the prospective Counterparty (e.g., a government or political official, senior executive or and immediate family member of a government or political official, or senior executive).

g. Public Listing: Is the prospective Counterparty publicly listed on an exchange? To find this out Bloomberg is the best search engine.

h. Market Standing: Are their negative articles on systems like World-Check or online that give you any indication of anything worrying that you need to be aware of.

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i. Foreign Account Tax Compliance Act (FATCA)/ Comprehensive Ranking System (CRS): Does the prospective Counterparty need to be sent self-certification forms or does it fail under ta non-reportable entity and if so, why?

6. Once Company can classify the risk level, it can then determine the required level of due diligence.

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Counterparty Due Diligence

7. After the risk assessment has been completed and the risk rating has been assigned, then we will assess the level of due diligence that is needed. Below we have listed the places from which we may obtain the information needed in our investigation.

    a. Regulatory agencies.
    b. FAFT/ United Nations/ UK Treasury Financial Sanction Notices/ European Commission/ office of Foreign Assets Control (OFAC)
    c. Central Bank Database
    d. Moody's Credit Agency
    e. Fitch Credit Agency
    f. Work-Check
    g. Legal Entity Identifiers (Developed by the Regulatory Oversight Committee which is a group of more than 60 public authorities from more than 40 nations.
    h. National Futures Association list of registered entities
    i. Firms registered with FATCA for Global Impact Investing Network

8. Based upon the information that is collected from each source Company can decide the level of due diligence necessary.

Simplified Due Diligence

9. Whether a Counterparty required simplified or enhanced due diligence, there is a basic level of information that Company will require to obtain from the prospective Counterparty. In cases where we have a very ow risk Counterparty, such as a prescribed low risk
   Counterparty we will:

    a. Review the Counterparty less often- unless warranted by change of risk profile or any material change to the beneficial owner.
    b. Monitor activities less often, and
    c. Use more simplified terms of business/contracts

10. The below is the list of documentation that can be requested from the Counterpart as a part of the Counterparty depend on the risk assessment of the Counterparty.

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a. Lates ed financial you can obtain information on the beneficial owners, list of directors, assets, in which country they have operations, do they have going concerns,
b. Memorandum and Article of Association
c. Commercial or business license
d. Certificate of incorporation or equivalent
e. AML policy, if a prospective Counterparty does not have one or know what you are talking about, it might be that case that AML is not of importance to them and that they do not carry out the necessary checks to prevent money laundering.
f. Legal entity names and address.
g. Membership of regulatory agencies or other bodies.
h. Necessary identification; you need to have verified passport copies of the beneficial owners.
i. Ownership Structure: If you ask this in the forms you send them. You can then verify this with the information you find online so you can see if the details match.
j. Contracts/terms.
k. Counterparty classification questionnaire or notification letter.
l. AML questionnaire, KYC Form
m. FATCA Forms
n. Board of Directors, if not known; and
o. Comprehensive Ranking System self-certification forms.

11. Once the KYC department has the above information (as may be relevant), they can summarize it in the KYC profile form. The KYC will contain the following: a list of documents that have been requested, the date we initiated the request, our Counterparty classification, the date of Counterparty registration and any further relevant information. There will be continuous reviews on both the risk assessment and the KYC profile as needed depending on the risk classification of the Counterparty.

12. It is important that due diligence is always carried out, no matter how small the risk may be.

Enhanced Due Diligence

13. If a Counterparty is deemed as high risk, then we will be to carry out enhanced due diligence. Such instance includes prospective Counterparties that:

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a. Do not provide any ownership or board of directors' details
b. Have over-complex ownership structure that seems unusual for the type of business they have.
c. Are sanctioned or are known to have significant money laundering, terrorism financing and/or corruption concerns.
d. Do not permit any face-of-face contact or any visits to their offices.
e. Do not want to be invoiced in the normal standard manner.

14. In such circumstances Company will need to obtain documentation they would normally get from the simplified due diligence process and then go above and beyond. We will need to verify and validate their identity; understand in detail their profile and activities, do a search into their source of funds and wealth, and understand the potential for money laundering and/or terrorist financing. We need to do a deep dive into what risk this prospective Counterparty could pose (our analysis should always be risk based), what we are doing to mitigate that risk, why we have requested extra information and how it enabled us to conclude. Sometimes we can obtain services of an external compliance firm or lawyers to help obtain further information or carry out additional investigation on the prospective Counterparty.

15. Once we have completed the investigation then we provide a report of our findings to senior management. The Director/Senior Management will decide with the assistance of KYC department and the Legal Team if the prospective Counterparty can be registered. If the decision is to proceed, then we will need to document the decision and the date of registration. If there is a PEP, we need to detail and mention this so that the Senior Management are aware and approve it.

16. We will need to carry out more regular checks on high-risk Counterparties, monitor their risk profile, do more monitoring of their trading activities, get compliance report from the compliance techniques we use and always make sure that the employees are aware of their duties to report any suspicious activities to the KYC Department.

Politically Exposed Person (PEP)

17. The definition of a PEP is "Individual who are or have been entrusted with prominent public functions in a country or territory, for example heads of state or of government, senior government, judicial or military official, senior executives of state-owned co- operation, important political party officials but not middle ranking or more junior individuals in these categories."

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18. If there is PEP involved / exposed then we must show that we have authorization from the manager / director / CEO, etc. to accept this Counterparty because we need to show that they are informed and aware of the Counterparty Company is registering.

19. IF we find that a prospective Counterparty is or has a beneficial owner who is a PEP, then we should extend the consideration of PEPS to those entities.

20. If deemed that it is necessary to carry out enhanced due diligence on a prospective

Counterparty because of its connections to PEPS Company will look at.

a. System for identifying PEPs.
b. Assessment of PEPS home jurisdiction
c. Understand the nature of PEPS authority
d. Close Family and Close Association; and
e. Domestic PEPS vs Foreign PEPs.

21. The key in to involve senior management, monitor business activities and make sure that all due diligence information is updated.

Money Laundering Reporting Officer (MLRO)

1.1 Internal Communications

The Money Laundering Reporting Officer ("MLRO") the firm's designated employee with the overall responsibility for the establishment and maintenance of effective anti-money laundering systems and controls.

The MLRO is a required function which requires regulatory approval of that person. The regulator expects the MLRO to be based independent of the Management and Board of Directors and to be of sufficient seniority within Kanak Capital Markets to be able to act on his/her own authority. The MLRO must have access to all Know Your Business/Customer information.

The MLRO's responsibilities include the following:

1. Monitoring of the effectiveness of Kanak Capital Markets's anti-money laundering controls;

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2. Overseeing the firm's compliance with the regulator's rules on anti-money laundering systems and controls;
3. Having overall responsibility for the day-to-day operation of such policies, even where these have been delegated;
4. Ensuring that client acceptance standards are compliant with Kanak Capital Markets's policies;
5. Receiving and reviewing internal disclosures and submitting external reports to the FIU;
6. Responding promptly to any reasonable request for information made by the Central Bank, FSA, FIU or law enforcement;
7. Liaising with the FSA, the FIU and other external agencies;
8. Ensuring that anti-money laundering training is provided, its standards and scope are appropriate and that records are kept;
9. Reporting to the Board on at least an annual basis (via a MLRO Report) and keeping the management updated on money laundering issues;
10. Obtaining and using national and international findings, for example the findings of the FATF, IMF and World Bank;
11. Appointing of a Deputy MLRO to cover the MLRO's periods of absence (if the MLRO is temporarily unavailable for 12 weeks or more in any consecutive 12-months period, regulatory pre-approval is required);
12. Ensuring that the client and transaction monitoring is being undertaken;
13. Assessing the risks of Kanak Capital Markets's client base and business activities in relation to money laundering on an on-going basis; and
14. Ensuring the firm's policies and procedures are being communicated effectively to all relevant employees.

While the MLRO may delegate their duties to another appropriate person, such delegation needs to be documented. In such cases the regulator will expect the MLRO to take ultimate managerial responsibility.

1.2 Contact with Third Parties

Kanak Capital Markets's personnel must not discuss any issues relating to the firm's anti-money laundering policies and procedures with any third parties without prior consent of the MLRO. All requests from the regulator or other investigating and enforcement agencies must be referred to the MLRO without delay.

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1.3 Court Orders

The following orders may be served on Kanak Capital Markets as part of an on-going investigation.

Should you receive any such order, please give it to the MLRO without delay:

- - a production order;
- - a disclosure order;
- - a client information order;
- - an account monitoring order;
- - a search and seizure warrant; or
- - an order for financial information under an Act

Targetted Financial Sanctions

The term targeted financial sanctions includes both asset freezing without delay and prohibition from making funds or other assets or services, directly or indirectly, available for the benefit of sanctioned individuals, entities, or groups.

The purpose of TFS is to deny certain individuals, entities, or groups the means to violate international peace and security, support terrorism or finance the proliferation of weapons of mass destruction. To achieve this, it seeks to ensure that no funds or other assets or services of any kind are made available to designated persons for so long as they remain subject to the targeted financial sanctions measures.

• The UNSC has a UN Consolidated List of all the sanctioned individuals, entities, or groups designated by the United Nations Sanctions Committees or directly by the UNSC. This link can be found on: https://www.un.org/securitycouncil/content/un-scconsolidated-list

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Reporting STRS / SARS

FIs, DNFBPS, and VASPS should be able to differentiate between cases that require submitting an FFR/PNMR, and between suspicious transactions and activities that require submitting an STR/SAR.

Any suspicious transactions or activities that might be related to sanctions evasion, and which do not include confirmed or partial name matches to the UN Consolidated List, should be reported to the FIU by raising a STR/SAR through the necessary goAML platform/s.

In the context of implementing TFS, reporting entities are advised to familiarize themselves with the TFS-related Reasons for Reporting (RFRS) in goAML. Below is a non-comprehensive list of TFS related RFRS when raising STRS/SARS:

• Customer is engaging in complex commercial deals and arrangements that seem to be aiming to hide the final destiny of the transaction/good or the beneficial owner, which could be a designated individual, entity, or group. (E.G: the use of a front company, middlemen, or intermediaries by the designated individual to circumvent the targeted financial sanctions).

• Customer is carrying out multiple ATM cash withdrawals in short succession across various locations in territories where sanctioned people have influence or around the border of sanctioned countries linked to terrorist financing.

• Customer is suspected to be working or acting on behalf of, or is controlled by, a sanctioned individual, entity, or group.

• Customer or transaction is suspected of being linked (directly or indirectly) to DPRK's nuclear related, WMD-related, or ballistic missiles weapons program.

• Customer or transaction is suspected of being linked (directly or indirectly) to IRAN's nuclear weapons program.

• Customer or transaction is suspiciously involved in the supply, sale, delivery, export, or purchase of dual use, controlled, or military goods to countries of proliferation concerns or related to illegal armed groups.

• Transaction involves sale, shipment, or export of dual use goods incompatible with the technical level of the country to which it is being shipped.

• Trade finance transaction involves shipment route (if available) through country with weak export control laws or weak enforcement of export control laws.

• Inclusion of the individual/entity in the international sanctions list

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Red Flag Indicators Related to an Individual customer

The individual customer(s) have the following behaviours, which shall constitute as red flag, where the customer is:

1. Reluctant, unable, or refuses to provide personal information.
2. Insists on the use of an intermediary in all interactions, without sufficient justification.
3. Actively avoids personal contact without sufficient justification.
4. Refuses to co-operate or provide information, data, and documents usually required to facilitate a transaction.
5. Makes unusual requests of the real estate agency, brokerage or its employees.
6. A PEP, with no significant dealings in jurisdiction and no clear economic or other rationale for a real estate transaction in the jurisdiction.
7. Conducting a transaction which appears incompatible with their socio-economic, educational or professional profile or about which they appear not to have a good understanding.
8. The signatory to company accounts without sufficient explanation.
9. Interested in foreign company formation.
10. Takes an unusual interest in assisting or helping to facilitate the business arrangements of the other party to the transaction.
11. Makes unusual requests for maintaining the secrecy of the transaction.
12. Customer suddenly cancels the transaction when asked for identification or information.

Red Flag Indicators Related to a Transaction

1. Involves the use of a large sum of cash, without an adequate explanation as to its source or purpose.
2. Appears to be between parties with a questionable connection or generates doubts that cannot be sufficiently explained by the customer.
3. Appears to be between two or more parties that are connection without an apparent business or trade rationale.
4. Is a business transaction that involves family members of one or more of the parties without a legitimate business rationale?
5. Involves a repeat transaction between parties over a contracted period of time.
6. Is financed by a non-financial institution third party, whether a natural or a legal person, with no logical explanation or commercial justification.
7. Loans are received from private third parties without any supporting documents.

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8. Is executed from a business account but appears to involve personal purchases or sales.
9. Involves complicated transactions routing without sufficient explanation or trade records.
10. Involves the transfer of real property from an individual to a corporate entity or legal arrangement in an off-market sale.
11. Involves the use of multiple large cash payments to pay down a loan or mortgage.
12. Involves the early repayment of loan or mortgage.
13. Includes contractual agreement with terms that are unusual or that do not make business sense for the parties involved.
14. Involves funds that are sent to, or received from, a foreign country where there is no apparent connection between the country and the customer, and/or which are sent to, or received from, a low-tax offshore jurisdiction or not that is considered to pose a high AML/CFT risk.
15. Involves property purchased with cash, which is then used as collateral for a loan within a short period of time.
16. Involves the unexplained use of power-of-attorney or other delegation processes.
17. Involves persons residing in tax heaven or High-Risk Countries, when the characteristics of the transactions match any of those included in the list of indictors.
18. Is carried out on behalf of minors, incapacitated persons or other categories of persons who appear to lack the mental or economic capacity to make such decisions.
19. Involves several transactions which appear to be linked, or which involve the same parties or those persons who may have links to one another.
20. Involves foundations, cultural or leisure associations or non-profit making entities ingeneral, when the characteristic of the transaction do not match the goals of the entity.
21. Involves legal persons which, although incorporated in the jurisdiction, are mainly owned by foreign nationals, who may or may not be resident for tax purposes.
22. Involves the contribution of real estate to the share capital of a company which has no registered address or permanent establishment in the country.
23. Shows signs, or it is certain, that the parties are not acting on their own behalf and are trying to hide the identify of the real customer.
24. Involves unexplained last-minute changes involving the identify of the parties and/or the details of the transaction and/or the details of financing.
25. Involves circumstances in which the parties:
    a. Do not show particular interest in the characteristics of the property;
    b. Do not seem particularly interested in obtaining a better price for the transaction or in improving the payment terms;

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Monitoring

22. Whatever risk profile we have given our Counterparty, we will need to do monitoring as part of our KYC process. With high-risk Counterparty we will need to do more monitoring as stated above but the minimum we should be doing is the monitoring of:
    a. Daily Transactions
    b. Trade queries Counterparty may have or change they may want to make post trade.
    c. Invoices for any anomalies or abnormal trading pattern in comparison to previous months.

23. We need to have constant communication with the employees so that we can do regular spot checks and make sure that the employees keep the KYC/Legal/Accounts updated of any changes in trading pattern, volumes or overall demeanour that would be suspicious. They must know how to spot suspicious activities or behaviour, how to report them and what their responsibilities are with this regard.

Establishing relationships with Third Parties.

1. This Policy prohibits any Worker from appointing (or renewing the appointment of) any Third Party if he or she knows or has a good reason to believe they have engaged in any unlawful conduct. Workers are responsible for ensuring that appropriate due diligence is conducted on all Third Parties and that contractual protections and safeguards are in place. The Legal Team will advise on the level of due diligence required and the form of any contractual clause required. Any due diligence must be completed before an Agreement with a Third Party is signed or renewed or any work is undertaken.

Money Laundering Awareness

1. All Workers should be aware of their own personal statutory obligations and that you can be personally liable for any failure to report information in accordance with internal procedures.

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Do	Don't
1. You are encouraged to raise concerns about All Workers and all those acting for or on any issues or suspicion of criminal activity at the earlier possible stage. 2. If you are involved in procurement decisions, you must disclose to your line manager any conflict of interest for example a family member works for the business bidding for the work. 3. You must ensure that you read, understand, and comply with this Policy, complete any associated training assigned to you and avoid any activity that might lead to, or suggest, a breach of this Policy or applicable law. 4. Our zero-tolerance approach to criminal activity of any kind must be communicated to all third parties at the outset of our business relationship with them, and as appropriate thereafter.	All Workers and all those acting for or on behalf of Company are strictly prohibited from doing business with any person they suspect of criminal activities without prior consent of Company Senior Management. Senior Management shall not grant consent without following the appropriate internal processes and procedures and / or applicable laws.

How to raise a concern.

1. You must notify the Senior Management or KYC department straight away if:

    a. You discover or suspect a Counterparty's criminal conduct.
    b. You believe / suspect that a conflict with this Policy has occurred or may occur in the future.
    c. You are a victim of unlawful activity.

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2. In the event that scenario (a) above arises, do not have any further commercial dealings with the Counterparty until the Company Senior Management has confirmed that you may. This means, until you receive confirmation you must not enter into an agreement with the Counterparty. It is equally as important that you do not inform the Counterparty that you have made such a report to the Company Senior Management, as such information is highly. confidential and could put the Counterparty on notice of possible investigation. The Company Senior Management will make any necessary report to the relevant authority in the jurisdiction in which the criminal conduct arises.

No Retaliation

Workers who refuse to participate in criminal activities or those who raise concern or report another's wrongdoing, are sometimes worried about possible repercussions. Workers should not have such concerns, as we encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in criminal activity or making a report in good faith.

Employee Training.

1. KCM provides AML awareness training every year to all staff as per the AML control process. The training is be provided through seminar along with guidance booklet conducted by AML Compliance Team which is available to every employee of the Company.

2. The training covers all aspects of national and internal money laundering awareness so that staff are aware of what money laundering and terrorism financing is, how we deal with these important topics, what the national and international obligations are and all our roles in mitigating these risks.

3. The meeting is monitored by Senior Management of the Company.

4. All the relevant details of the training are provided to employees and kept in accordance with the record keeping requirement set out below.

- Compliance Officer Duties
- Assess operational risks
- Provide financial crime compliance advice

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- Creating and implementing AML frameworks, procedures and policies
- Acting as a first point of contact for compliance concerns
- Screening payments
- Training staff on compliance procedures
- Being a champion of compliance culture
- Developing strategies for risk management
- Reviewing and auditing the organisation's adherence to compliance procedures
- Remaining up to date on current regulatory and compliance changes
- Reporting compliance issues and recommending changes

Record Keeping

We must keep transparent financial records and have appropriate internal control in place. All the accounts and records related to dealings with Counterparties and Third Party, should be prepared and maintained with strict accuracy and completeness. All such accounts and records shall be kept for **at least** 5 years after their creation.

Financial Action Task Force

1. "The Financial Action Task Force ('FATF') is the global standard setting body for AML and CTF. In order to protect the international financial system from money laundering / terrorism financing risks and to encourage greater compliance with AML / CTF standards, the FATF identifies jurisdiction that have strategic deficiencies and works with them to address those deficiencies that pose risk to the international financial system. (www.fatf-gafi.org)

2. FATF provide recommendations on which countries are meeting necessary requirements regarding financing through money laundering, terrorism financing, financing of the proliferation of weapons of mass destruction and revenue generated from corruption and tax offenses.

3. The list of these jurisdiction can be found on www.fatf-gafi.org. There are 2 sets of important data set out by FATF. Firstly, there is a lost of jurisdiction which FATF state as having strategic AML / CTF deficiencies and who have not made enough progress in this field. Secondly, FATF list the countries that they classify as high risk.

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United Nations Security Council Sanctions Committee

4. "The Committee can take enforcement measures to maintain or restore international peace and security.' 'Such measures range from economic and / or other sanctions not involving the use of armed force to international military action.'

US Department of Treasury

It is important to check the Treasury's OFAC "Specifically Designated National and Blocked Persons' List (SDN List) to make sure we are not engaged in transactions with people or entities from embargoed countries and region on the OFAC website.

FinCEN

The Financial Crime Enforcement Network ('FinCIN') is an agency of the United states Department of the Treasury. FinCIN's aim is to improve the integrity of financial system by assisting in the uncovering and prevention of financial crimes. The regulations set by the FinCIN will be adhered to and the FinCIN website www.fincin.gov will be regularly checked for news and information.

Together, here at, Kanak Capital Markets, we aim to fight and finish Money Laundering and Terrorism Financing activities as a team and work closely with the relevant authorities to monitor, report, and aid at any given time. We strive on operating in a safer world and environment for everyone.

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