



One Click Allocation of Global Assets

GTC GLOBAL TRADE CAPITAL LTD.

Compliance Policy



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Procedures for New Accounts

When a business relationship is being established, the nature of the business that the customer expects to conduct with GTC should be ascertained at the outset to show what might be expected as normal activity. In order to be able to judge whether a transaction is or is not suspicious, GTC compliance needs to have a clear understanding of the legitimate business of their customers.

With the increased competition between brokerage houses, seen in recent years, the need to develop new business has become paramount. Care must, however, be exercised when opening new accounts either for Institutional, businesses or private individuals. Customer references have to be themselves checked for authenticity and reliability. GTC staff are duty bound to record detailed evidence of each customer's identity. The nature of the identity given to us should be photocopied and retained in our records along with the relevant dates when it was submitted. Where facilities are required, we must know the precise purpose (and subsequently check to see that the facility has been used for that purpose) and, of course, the terms and source of repayment or settlement of the facility. It is advisable, from time to time, to call on the business premises to see if it appears to be, prima facie, conducting itself within the description given to the GTC E.g. manufacturer, Producer, hedger, retail trader, etc. It should be noted that corporate accounts are one of the most likely vehicles for money laundering.

Notes should always be prepared when customer contact has taken place, be it in person at either the GTC or the customer's premises or over the telephone. Such is admissible as evidence in a court of law. The evidence of a customer closing his account must be retained for five years and these should include details of how the transaction which closed the account was handled so that an audit trail is in place.

1. Account opening for Personal Customers:

The following information should be established and independently verified:

- true name and/or names used
- correct permanent address including postcode.

Ideally, for applicants being seen face-to-face, the true name and names used should be verified by reference to a document that has been obtained from a reputable source that bears a photograph. Wherever possible, a current valid passport or national identity card should be requested and reference number recorded. Particular care should be taken in accepting



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documents that are easily forged or which can be easily obtained in false identities. In case face-to-face contact is not possible then a legally certified copy should be requested. An introduction from a respected customer personally known to GTC or from a trusted member of staff, may assist the verification procedure but must not replace the need for address verification procedures. A registered letter to the customer at the address given may prove sometimes regarding verification of the address.

2. Internet and Cyber trading/banking:

Banking/Trading on the internet adds a dimension to brokerage risks, unlicensed deposit taking and tax evasion, and opens up new mechanisms for fraud and money laundering whose use is unregulated. In case accounts are opened on the internet, the identity of the customer should be established to the fullest satisfaction and also there is sufficient communication to confirm address.

3. Account Opening for Institutions: (clubs and Institutions)

In the case of accounts to be opened for clubs or societies, the constitution of the institution should be verified for its legitimate purpose. Where there is more than one signatory to the account, the identity of at least two signatories should be verified initially and, when signatories change, care should be taken to ensure that the identity of at least one current signatory on the mandate has been verified.

4. Trust, Nominee and Fiduciary Accounts:

Trust, nominee and fiduciary accounts are a popular vehicle for criminals wishing to avoid the identification procedures and mask the origin of the criminal money they wish to launder. Particular care needs to be exercised when the accounts are set in offshore locations with strict bank secrecy or confidentiality rules. Trusts created in jurisdictions without equivalent money laundering procedures in place will warrant additional enquiries.

The declaration should be obtained from the trustees/nominees at the outset, the capacity in which they operate or make an application. Sight of original trust deed, and any subsidiary deed evidencing the appointing of the current trustees should be obtained. Any application to open an account or undertake a transaction on behalf another without the applicant's identifying their trust or nominee capacity should be regarded as suspicious and further enquiries should be made.

5. Account opening for Corporates and other financial services clients:



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The guidelines for GTC have been adequately highlighted in this document as per the guidance notes to financial Institutions and other principles. However, listed below are our own set of procedures, keeping in line with the same. This document forms an integral part of the earlier guidelines and should be followed in conjunction with the entire document as above.

5.1 Know your customer - as explained in this entire document.

5.2 Any new account should be entertained on the reference of at least one suitable person or business who is prepared to introduce the prospective account holder in writing or affix his signature on our account opening forms. (This is not mandatory but preferred).

5.3 Bank references from at least one bank of brokerage or trade referee should be obtained on the prospective account holder. In the event that for any reason a bank reference is not available, the customer should provide evidence of current dealing with any bank in a regulated country i.e bank statement etc.

5.4 GTC Comprehensive Account opening documentation should be filled in entirety with all sections fully completed in full and signed in full.

5.5 Blanker Indemnity/Undertaking to be taken from all account holders for receiving remittances as per the prescribed forms. 5.6 Customers who wish to place securities and other assets against which they will use GTC financial services should complete relevant section of our documentations as below:

- Charge Over deposit/funds/Assets
- Promissory Note
- Letter of guarantee

5.7 Annual audited accounts to be on file for every business/company account regardless of whether there is an exposure on the part of GTC or not.

5.8 Detailed compliance and due diligence report on all accounts to be maintained in the customers files and updated periodically.

5.9 Any change in constitution or any matter of an account holder should be updated in the customer file within 60 days of such change.



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6. Scrutiny of Accounts and monitoring

When a new business account is established it must be established as to the names of the beneficial owners. GTC comprehensive account opening document provides for the beneficial owner to be disclosed. Patterns of transactions from the date of the opening of an account soon becomes apparent and regular scrutiny of statements and computer print-outs is essential in order to spot any untoward or unusual business transactions. An examination of debits/ transfers that have been drawn and paid relative to an account will very often prove helpful. All debits/ transfers should be crossed "Account Payee" to stop them being handed on and passed through a bank other than that of the bank holder. Business accounts require a special scrutiny especially those that are handling a fair amount of turnover and accounts which are very active. How do the activities compare with what the client has stated when opening the account and the types of financial services that he is using. One must also bear in mind that we may not be the sole broker in a business enterprise. An exchange of confidential information with another financial institution may be necessary in pursuing enquiries where there is a suspicious transaction involved but such action should only be taken in exceptional circumstances.

One of the important things to watch for is excessive trading by the customer especially if he is losing a lot of money and continues to trade regardless. This may be a money laundering scheme and such accounts and transactions should most definitely be looked out for.

Likewise, vigilance is required on all incoming transfers of funds; to what do these relate? If as part of business activity the account has been opened for. Do these relate to the reasons the accounts were established for. Payments to agents for "commission" purposes also need careful verification by us. Similarly, deposits and transfers to offshore jurisdiction i.e. where wholesale deposits are fairly common should also be scrutinized.

7. Securities

All staff must be aware that bearer securities such as bonds are easily transferred from one person to another and can do so without trace. Special care should be taken if customers wish to deposit various types of security with us against trading their accounts with GTC & the authenticity and the origin of those securities must be ascertained, advance. A word or two about forex transaction accounts.

We maintain these for bonafide customers mainly for three reasons:



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1. As a means of meeting Foreign Exchange demands rather than in undertaking purchases of such for smaller amounts.
2. To facilitate business transactions, e.g. where a trader is using US Dollars to pay for and sell his goods. This avoids him having to reconvert each transaction via the local currency.
3. To use the facility as a hedge for his business or currency conversion dealings.

Transactions that take place on these accounts should be carefully monitored especially as many such accounts are denominated in US Dollars which is the favourite currency of money launderers. Special care should be taken to ensure that non-resident customers are, in effect, such and are not using that guise for unauthorized purposes, e.g. tax evasion.