



# ANTI MONEY LAUNDERING POLICY

Vault Markets (Pty) Ltd

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Version: 1



This Procedures Manual was drafted on the following:

FINANCIAL INTELLIGENCE CENTRE ACT, 2001 (Act No. 38 OF 2001)

as amended by:

Protection of Constitutional Democracy against Terrorist and Related Activities, 2004 (Act No. 33 of 2004)

Financial Intelligence Centre Amendment Act, 2008 (Act No. 11 of 2008)

General Intelligence Laws Amendment Act, 2013 (Act No. 11 of 2013)

Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017)



## 1. Purpose

The purpose of this Anti-Money Laundering (AML) Policy is to outline the measures, procedures, and responsibilities to prevent and detect money laundering and the financing of terrorism within Vault Markets ("the Company"). This policy is in compliance with applicable laws and regulations.

This policy also aims to establish the procedures for identifying and verifying the identity of our customers.

## 2. Policy Statement

Vault Markets is committed to maintaining the highest standards of integrity and compliance with AML laws and regulations. The Company will not knowingly engage in activities that facilitate money laundering or the financing of terrorism. It is the responsibility of all employees, contractors, and third parties associated with the Company to adhere to this policy.

This policy applies to all of our customers, including individuals, businesses, and other organizations.

## 3. Definitions

**Accountable Institutions:** All businesses or persons as listed in Schedule 1 of the Act, which includes inter alia listed companies, attorneys, estate agents, insurance companies and intermediaries, and unit trust management companies, which are identified as being vulnerable to money laundering activities and are therefore subject to specific obligations relating to money laundering. In the financial services environment it would include any FSP or a person carrying on the business of foreign exchange or providing investments.

**Beneficial Owner:** In respect of a legal person, means a natural person who, independently or together with another person, directly or indirectly:-

- Has majority ownership of the legal person;
- or exercises effective control over the legal person, including his or her capacity as executive officer, non-executive director, independent non-executive director, director, or manager, or trustee (such person is also referred to as a controlling person).

This is not based on only the persons who are noted as being owners or management on business documentation. For example, if a company is owned by another company or a trust, the beneficial owners are actually the natural persons who are behind that second company or trust and who are controlling it.



**Cash/cash transaction:** Coins and paper money of the Republic or of another country that is designated as legal tender and that circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue. This also includes travellers' cheques. It does not however include negotiable instruments, as well as the transfer of funds by means of a bank cheque, bank draft, electronic funds transfer, wire transfer or other written order that does not involve the physical transfer of cash.

**CDD Procedures:** Customer Due Diligence procedures in respect to the identification and verification of the identities of clients.

**ECDD (Enhanced Due Diligence):** ECDD means the application of an enhanced due diligence by investigating and obtaining additional information and verification when a client or transaction is classified as a high risk for ML/TF.

**Money Laundering:** An activity which has or is likely to have an effect on concealing or disguising the nature, source, location, disposition or movement of the proceeds of an unlawful activity or any interest which anyone has in such proceeds and included any activity which constitutes an offence in terms of Section 64 of FICA or Sections 4, 5 and 6 of POCA.

**PEP's:** High-risk clients with more opportunities than ordinary nationals to gain assets through illegal means like bribe-taking and money laundering. The potential risk of using titles for criminal activity makes them high-risk individuals. Among PEPs, there are different levels in terms of risk level: foreign, domestic and International Organization PEPs.

**POCA:** The Prevention of Organized Crime Act, 121 of 1998 - which provides for the main money laundering offences and for the forfeiture of the proceeds of crime.

**Proceeds of Crime:** Any financial benefit that a criminal derives in respect to any criminal activity.

**Proceeds of Unlawful Activities:** Any property or any service, advantage, benefit or reward which was acquired, received or retained, directly or indirectly, in the Republic or elsewhere, at any time before or after the commencement of POCA, in connection with or as a result of any unlawful activity carried on by any person, and includes any property representing property so acquired.

**Single Transaction:** A transaction other than a transaction concluded in the course of a business relationship and where the value of the transaction is not less than R 5000.00, except in the case of Section 20A.

**Smurfing, Splitting, Structuring:** Money Laundering methods which involve the splitting of proceeds of crime into smaller amounts to avoid detection.

**Suspicious Activity Reporting:** Suspicious and Unusual Activity Report to be submitted by AI in terms of Section 29(1) of the Act in respect of proceeds of unlawful activities or money laundering where the report relates to an activity which does involve a transaction between two or more



parties; OR In terms of Section 29(2) in respect of a transaction or a series of transactions about which enquiries are made, but which has not been concluded.

STR (Suspicious or Unusual Transaction Report): Suspicious or Unusual Transaction Report to be submitted by the AI in terms of Section 29(1) of the Act, in respect to proceeds of unlawful activities or money laundering where the report relates to a transaction relating to a transaction or series of transactions between two or more parties.

Transaction: A transaction concluded between a client and an AI in accordance with the type of business carried on by that institution (not limited to transactions involving the flow of money).

Unlawful Activity: Conduct which constitutes a crime, or which contravenes any law, whether such conduct occurred before or after the commencement of POCA and whether such conduct occurred in the Republic of South Africa or elsewhere.

Verification: A process whereby an AI is required to investigate and collect documentation providing sufficient proof of information requested from a client and where the accountable institution will compare the information with documentation that confirms such information.

#### **4. AML Compliance Officer**

The Company designates an AML Compliance Officer who is responsible for implementing and overseeing the AML program. The AML Compliance Officer will:

- Develop and maintain AML policies and procedures.
- Ensure employees are trained on AML requirements.
- Monitor and report suspicious activities.
- Conduct periodic risk assessments.
- Keep abreast of changes in AML laws and regulations.

#### **5. Customer Due Diligence (CDD) Identification and Verification**

The Company will perform customer due diligence on all customers. This includes:

- Identifying and verifying the identity of customers (including but not limited to) :
  - Full name
  - Date of birth
  - Identity number (for South African citizens) or passport number (for non-South African citizens)
  - Residential address
  - Email address



- Telephone number
- Keeping records of customer information.
- Conducting ongoing monitoring of customer transactions.

## 6. Verification Methods

### Individuals

- We will verify the identity of individuals by reviewing their original identity documents, such as a South African driver's license, passport, or identity card or passport in the case of non-South African persons.

### Businesses

- We will verify the identity of businesses by reviewing their original registration documents, such as their certificate of incorporation or business registration certificate.

### Other Organizations

- We will verify the identity of other organizations by reviewing their original constitution or trust deed.

### Beneficial Owner Identification and Verification

- The beneficial owners are the individuals who ultimately own or control the customer, or who exercise significant influence over the customer.

### Politically Exposed Person (PEP) Screening

- We will use our internal systems to screen all of our customers and their beneficial owners against lists of PEPs. PEPs are individuals who hold or have held a prominent public position or function, or who are close associates of such a person.

### Using Third Party Data Sources

- We may use third-party data sources, such as public records and commercial databases, to verify the identity of beneficial owners.

## 7. Reporting Suspicious Activities

All employees are required to promptly report any suspicious activities to the AML Compliance Officer. The Company will submit Suspicious Activity Reports (SARs) to relevant authorities as required by law.



#### **8. Record Keeping**

The Company will maintain records of customer identification and transactions for the required period as per applicable laws and regulations.

#### **9. Employee Training**

The Company will provide regular AML training to all employees to ensure awareness and compliance with AML policies and procedures.

#### **10. Sanctions Screening**

The Company will screen customers and transactions against applicable sanctions lists to prevent engagement with prohibited entities.

#### **11. Independent Review**

The AML program will undergo periodic independent reviews to assess its effectiveness and compliance with regulations.

#### **12. Non-Relation**

The Company prohibits retaliation against employees who report AML concerns in good faith.

#### **13. Commitment**

We are committed to preventing money laundering and terrorist financing. We will implement and enforce our anti-money laundering and counter-terrorist financing policies and procedures to ensure that our products and services are not used to facilitate these crimes. We are committed to complying with all applicable KYC requirements and will regularly review our KYC procedures to ensure that they are effective and up-to-date.

#### **14. Amendments**



This AML and KYC policy may be amended as necessary to remain compliant with changing laws and regulations.

## **15. Contact Us**

If you have any questions about this policy, please contact us at [help@vaultmarkets.trade](mailto:help@vaultmarkets.trade)