

FXNX GLOBAL MARKETS LTD.

ANTI-MONEY LAUNDERING (AML) AND COUNTER-TERRORIST FINANCING (CTF) POLICY

1. Introduction

1.1. Purpose of the Policy

This Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy (hereinafter referred to as the "Policy") outlines the commitment of **FXNX Global Markets Ltd.** (hereinafter referred to as "FXNX" or the "Company") to comply with all applicable laws and regulations relating to the prevention of money laundering and terrorist financing. The purpose of this Policy is to establish a framework for detecting, preventing, and reporting money laundering and terrorist financing activities, thereby safeguarding the integrity and reputation of the Company.

1.2. Scope of the Policy

This Policy applies to all directors, officers, employees, agents, affiliates, and any other persons acting on behalf of FXNX (collectively referred to as "Employees"). It covers all products and services offered by the Company, including but not limited to trading in Forex, Contracts for Difference (CFDs), Commodities, Cryptocurrencies, Indices, and Shares.

2. Regulatory Framework

FXNX is incorporated under the laws of Saint Lucia with Registration Number **2024-00531**. The Company is committed to complying with the following legal and regulatory requirements:

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- **Money Laundering (Prevention) Act, Cap. 12.20** of Saint Lucia.
- **Anti-Terrorism Act, Cap. 3.16** of Saint Lucia.
- **International standards** set forth by the Financial Action Task Force (FATF).
- **Recommendations and guidelines** issued by the FSRA and other relevant regulatory bodies.

3. Definitions

For the purposes of this Policy:

- **Money Laundering:** The process by which criminals disguise the origins of illegally obtained money, typically by transfers involving foreign banks or legitimate businesses.
- **Terrorist Financing:** The provision of funds or other assets to carry out terrorist acts.
- **Politically Exposed Person (PEP):** An individual who is or has been entrusted with prominent public functions, including their immediate family members and close associates.
- **Beneficial Owner:** The natural person(s) who ultimately owns or controls a client or the person on whose behalf a transaction is being conducted.

4. Governance and Oversight

4.1. Board of Directors

The Board of Directors (the "Board") has the ultimate responsibility for ensuring that FXNX complies with all AML/CTF obligations. The Board shall:

- Approve the AML/CTF Policy and any subsequent amendments.
- Ensure that adequate resources are allocated to implement and maintain effective AML/CTF compliance programs.
- Oversee the appointment of a qualified Compliance Officer.

4.2. Compliance Officer

FXNX shall appoint a Compliance Officer (the "CO") who is responsible for the day-to-day management of AML/CTF compliance. The CO's duties include, but are not limited to:

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- Developing and maintaining the AML/CTF Policy and related procedures.
- Monitoring compliance with AML/CTF obligations.
- Reporting suspicious activities to the appropriate authorities.
- Providing training and guidance to Employees.
- Acting as the primary point of contact with regulatory bodies.

5. Customer Due Diligence (CDD)

5.1. Identification and Verification Procedures

FXNX shall undertake Customer Due Diligence measures when:

- Establishing a business relationship.
- There is a suspicion of money laundering or terrorist financing.
- There are doubts about the veracity or adequacy of previously obtained customer identification data.

The CDD process involves:

1. Collecting Customer Information:

- Full legal name.
- Date of birth.
- Nationality.
- Residential address.
- Contact information (phone number and email address).

2. Verifying Customer Identity:

- **Individuals:** Valid government-issued photo identification (e.g., passport, national ID card, or driver's license).
- **Proof of Address:** Recent utility bill, bank statement, or other official documents not older than three (3) months.

5.2. Enhanced Due Diligence (EDD)

Enhanced Due Diligence procedures shall be applied in situations of higher risk, including but not limited to:

- Accounts involving PEPs.

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- Customers from high-risk jurisdictions.
- Unusually complex or large transactions.

EDD measures include:

- Obtaining additional information on the customer and beneficial owner.
- Obtaining information on the source of funds and wealth.
- Increased monitoring of the business relationship.

5.3. Ongoing Monitoring

FXNX shall conduct ongoing monitoring of all business relationships to ensure that transactions are consistent with the Company's knowledge of the customer, their business, and risk profile.

- **Transaction Monitoring:** Automated systems shall be used to detect unusual or suspicious transaction patterns.
- **Periodic Reviews:** Customer information and risk assessments shall be reviewed periodically and updated as necessary.

6. Risk Assessment

FXNX shall adopt a risk-based approach to AML/CTF compliance by:

- Identifying and assessing the money laundering and terrorist financing risks that may be associated with customers, countries or geographic areas, products, services, transactions, or delivery channels.
- Designing and implementing controls to manage and mitigate identified risks.
- Documenting and updating risk assessments regularly.

6.1. Customer Risk Profiling

Customers shall be classified into risk categories (e.g., low, medium, high) based on:

- Nature and purpose of the account.
- Country of residence or operation.
- Type of products or services used.
- Transaction patterns and volumes.

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7. Record-Keeping and Retention

FXNX shall maintain all records pertaining to customer identification and transactions for a minimum period of five (5) years following the termination of the business relationship or completion of the transaction, whichever is later.

- **Customer Identification Records:** Copies of identification documents, account files, and business correspondence.
- **Transaction Records:** Details of all transactions, including amounts, currencies, dates, and counterparties.
- **Suspicious Activity Reports:** Documentation of all internal and external reports made.

8. Reporting Obligations

8.1. Internal Reporting

Employees must promptly report any knowledge or suspicion of money laundering or terrorist financing to the Compliance Officer using the designated internal reporting procedures.

8.2. External Reporting

The Compliance Officer shall report suspicious transactions to the Financial Intelligence Authority (FIA) of Saint Lucia without delay and in accordance with legal requirements.

- **Prohibition on Tipping Off:** Employees must not disclose to any customer or third party that a suspicious transaction report has been made or that a money laundering or terrorist financing investigation is underway.

9. Sanctions Compliance

FXNX shall comply with all applicable sanctions regimes, including those imposed by:

- The United Nations Security Council.
- The European Union.

9.1. Screening Procedures

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- **Customer Screening:** All new and existing customers shall be screened against relevant sanctions lists and PEP databases using the services of **Sumsub**.
- **Transaction Screening:** Transactions shall be monitored for involvement with sanctioned individuals, entities, or countries.

9.2. Prohibited Relationships and Transactions

FXNX shall not engage in business relationships or transactions with:

- Individuals or entities listed on sanctions lists.
- Shell banks or anonymous accounts.
- Persons known or suspected to be involved in criminal activities.

10. Training and Awareness

FXNX is committed to ensuring that all Employees are aware of their AML/CTF obligations.

10.1. Training Programs

- **Mandatory Training:** All Employees shall receive AML/CTF training upon hiring and annually thereafter.
- **Training Content:** Training shall cover relevant laws, recognizing and reporting suspicious activities, customer due diligence procedures, and internal policies.

10.2. Record of Training

FXNX shall maintain records of all training sessions conducted, including attendance records and training materials used.

11. Confidentiality and Data Protection

FXNX shall ensure the confidentiality and security of customer information.

11.1. Data Security Measures

- **Encryption:** All sensitive data shall be encrypted during transmission and storage.



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- **Access Controls:** Access to customer data shall be restricted to authorized personnel only.
- **Secure Systems:** Regular security assessments shall be conducted to protect against unauthorized access, cyberattacks, and data breaches.

11.2. Compliance with Data Protection Laws

FXNX shall comply with applicable data protection regulations, including but not limited to the General Data Protection Regulation (GDPR) where applicable.

12. Use of Third-Party Service Providers

FXNX utilizes the services of **Sumsub** for customer verification and AML screening.

- **Due Diligence:** FXNX shall conduct due diligence on third-party service providers to ensure their compliance with AML/CTF obligations.
- **Contracts:** Agreements with service providers shall include clauses that obligate them to comply with applicable AML/CTF laws and regulations.

13. Independent Audit and Review

FXNX shall ensure that its AML/CTF policies and procedures are subject to regular independent audit and review.

13.1. Internal Audits

- **Frequency:** Internal audits shall be conducted at least annually.
- **Scope:** Audits shall assess the effectiveness of the AML/CTF program, compliance with legal obligations, and adherence to internal policies.

13.2. External Audits

- **Appointment of External Auditors:** The Company may engage external auditors to perform independent assessments as necessary.
- **Reporting:** Findings from audits shall be reported to the Board and used to improve the AML/CTF program.

14. Compliance with Laws and Regulations

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FXNX and its Employees shall comply with all applicable laws, regulations, and guidelines relating to AML/CTF.

14.1. Legal Obligations

- **Cooperation with Authorities:** FXNX shall cooperate fully with law enforcement and regulatory authorities.
- **Notification of Changes:** The Company shall promptly notify the relevant authorities of any significant changes in its operations that may affect its AML/CTF obligations.

14.2. Consequences of Non-Compliance

- **Disciplinary Action:** Employees who fail to comply with this Policy may be subject to disciplinary action, including termination of employment.
- **Legal Penalties:** Non-compliance may result in civil or criminal penalties for the Company and/or individuals involved.

15. Policy Review and Amendments

This Policy shall be reviewed at least annually or more frequently if required due to changes in laws, regulations, or the Company's operations.

- **Responsibility:** The Compliance Officer is responsible for initiating the review process.
- **Approval:** Any amendments to the Policy must be approved by the Board.

16. Communication of the Policy

FXNX shall ensure that this Policy is:

- **Accessible:** Made readily available to all Employees through the Company's intranet or other means.
- **Communicated:** Key aspects of the Policy shall be communicated to customers, where appropriate, to enhance transparency.

17. Commitment to Ethical Conduct



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FXNX is committed to conducting its business with the highest level of integrity and ethical standards.

- **Zero Tolerance:** The Company has a zero-tolerance policy towards money laundering, terrorist financing, and other illicit activities.
- **Corporate Culture:** FXNX promotes a culture of compliance and encourages Employees to act responsibly and report any concerns.

18. Whistleblower Protection

Employees who, in good faith, report suspected violations of this Policy shall be protected from retaliation.

- **Confidentiality:** Reports shall be treated confidentially to the extent possible.
- **Non-Retaliation:** Retaliation against Employees who report concerns is strictly prohibited.

19. Use of Technology and Innovation

FXNX recognizes the importance of technology in enhancing AML/CTF compliance.

19.1. Advanced Monitoring Systems

- **Automated Solutions:** The Company employs automated systems for real-time transaction monitoring and risk assessment.
- **Artificial Intelligence (AI):** AI tools may be used to detect patterns indicative of suspicious activities.

19.2. Continuous Improvement

- **Upgrades:** Systems and tools shall be regularly updated to keep pace with emerging risks and regulatory developments.
- **Innovation:** The Company encourages the adoption of innovative solutions to strengthen AML/CTF defenses.

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