

POLICY OBJECTIVE

The Anti Money Laundering, Know Your Customer & Due Diligence policy of NEWERA CAPITAL MARKETS LIMITED (“the Company”) is formulated in accordance with the provisions of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Crime Act - Cap. 3.04, Money Laundering (Prevention) Act Cap. 12.20, Money Laundering (Prevention) (Amendment) Act No. 20 of 2016, Act No. 13 of 2019, Act No. 16 of 2021, Act No. 5 of 2023, Money Laundering (Prevention) Regulations SI #53 of 2023, Anti-Terrorism Act - Cap. 3.16, Anti-Terrorism (Amendment) Act No. 28 of 2019, Act No. 8 of 2023 and the Financial Action Task Force 40 Recommendations and is intended to ensure that reporting institutions under Financial Services Regulatory Authority, Saint Lucia understands and comply with the requirements and obligations imposed on them.

- a. Besides bringing the recommendation up to date in addressing new and emerging threats, the 2012 revision of the International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation (FATF 40 Recommendations), sought to clarify and strengthen many of its existing obligations as well as to reduce duplication of the Recommendations. One of the new Recommendations introduced is on the obligation of countries to adopt a risk-based approach in identifying, assessing and understanding the countries’ ML/TF risks, which places further expectation to assess and mitigate ML/TF risks. Financial Services Regulatory Authority, Saint Lucia has issued necessary directives vide circulars from time to time, covering issues related to Know your Client (KYC norms), Anti-Money Laundering (AML), Client Due Diligence (CDD) and combating Financing Terrorism (CFT).
- b. The purposes of creation of this policy are as listed below:
 - i. To look at the origins of the clients and will not deal with clients from countries that are listed by the Financial Action Task Force (FATF) and/or the Government of Saint Lucia with either on-going or substantial ML/TF risks or strategic AML/CFT deficiencies that pose a risk to the international financial system.
 - ii. Not to conduct business with shell banks, risk-based assessment of customer base and all transactions, prohibition of anonymous customer accounts, implementation of KYC policy etc.
 - iii. Not to enter into business relationships with any criminals and/or terrorists.
 - iv. Not to process transactions which result from criminal and/or terrorist activity and not to facilitate any transactions involving criminal and/or terrorist activity including the financing of terrorism.
- c. The Company undertakes to implement all policies and procedures necessary to prevent the money laundering and to comply with all applicable legislation in this regard.
 - i. The directors, officers and employees of the Company shall at all times make every effort to maintain the highest standards of ethics, integrity, and prudence in the Company’s operation and administration so as to ensure that the Company creates and maintains a good reputation and standing.
 - ii. The directors, officers and employees shall at all times act in such a manner as to preserve the reputation of Saint Lucia is a major international financial center and to prevent the use of the jurisdiction for illegal, criminal and terrorist purposes.
 - iii. The anti-money laundering policies and procedures to be adhered to by the Company are contained in this manual and any amendments thereto.
 - iv. Where any issue or matter is not addressed by this manual, guidance is to be sought from the anti-money laundering legislation referred above.

ANTI-MONEY LAUNDERING REQUIREMENTS

There are five key anti-money laundering requirements that are specific to “regulated activity”. These provides a useful approach for the Company to consider when looking at how to manage the money laundering risk.

- i. Customer identification procedures (KYC).
- ii. Record keeping procedures in relation to customer's identity and their transactions.
- iii. Procedures of internal reporting to the Compliance Officer (CO) appointed to receive and consider information that give rise to knowledge or suspicion that a customer is engaged in money laundering activities.
- iv. Other internal control and communication procedures for the purpose of forestalling and preventing money laundering.
- v. Measures for making employees aware of the above procedures to prevent money laundering and of the legislation relating to money laundering and provision of training to their employees in the recognition and handling of transactions suspected to be associated with money laundering and suspicious transactions.

COMPLIANCE

Compliance with the Company's Anti Money Laundering procedures is of the utmost importance. Not only is it important to maintain the Company's integrity, but failure to comply may constitute a criminal offence and call into question whether or not the Company and the employee concerned is fit and proper to conduct the business for which the Company has been licensed. Failures by individuals to comply with the money laundering procedures set forth in this manual can therefore result in summary dismissal.

TARGETED FINANCIAL SANCTIONS ON TERRORISM FINANCING, PROLIFERATION FINANCING AND UNDER OTHER UN-SANCTIONS REGIMES

- i. The Company is required to keep abreast of the relevant United Nations Security Council Resolutions (UNSCR) list relating to combating the financing of terrorism, which includes:
 - a) UNSCR 1267 (1999), 1373 (2001), 1988 (2011), 1989 (2011) and 2253 (2015) which require sanctions against individuals and entities belonging or related to Taliban, ISIL (Da'esh) and Al-Qaida; and
 - b) new UNSCR list which is published by the UNSC or its relevant Sanctions Committee as published in the United Nations (UN) website.
- ii. The Company must maintain a sanctions database which comprised, at the minimum, the following:
 - a) UNSCR list: Company shall refer to the Consolidated UNSCR List published in the following UN website: <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library/united-nations-security-council-resolutions-unsucr> The UNSCR List shall remain in the sanctions database until delisting of the specified entities and designated country or person by the UNSC or its relevant Sanctions Committee is published in the UN website
 - b) A Key Reporting Institution ("KRI") may monitor and consolidate other countries' unilateral sanctions lists in their sanctions database.
- iii. Sanctions Screening Customers: Company shall conduct sanctions screening on existing, potential or new customers against the Domestic List and UNSCR List. Where applicable, screening shall be conducted as part of the CDD process and ongoing due diligence.
- iv. Dealing with False Positives:
 - a) To ensure that any matches to UNSCR List are true matches in order to eliminate false positives.
 - b) Conducting further inquiries for additional information and identification documents from the customer, counter-party or credible sources to assist in determining whether the potential match is a true match.
 - c) In the case of similar or common names, the Company may direct any query to the relevant authorities to ascertain

whether or not the customer is a specified entity.

- v. Upon determination and confirmation of a customer's identity as a specified entity, designated person and/or related parties, a KRI is required to immediately conduct the following:
 - a) freeze the customer's funds, properties, other financial assets and economic resources; or
 - b) where applicable, to block transactions in order to prevent dissipation of the funds, other financial assets and economic resources.
- vi. The Company will reject a potential customer, when there is a positive name match.

CLIENT DUE DILIGENCE (CDD)

The Company must ensure as soon as reasonably practical after the first contact has been made, and in any event before transferring or paying any money out to a third party, that satisfactory evidence is produced or such other measures are taken as will produce satisfactory evidence of the identity of any customer or counterparty (an "applicant"). If a client appears to be acting on behalf of another person, identification obligations extend to obtaining sufficient evidence of that third party's identity.

Where satisfactory evidence is not supplied, the firm will not proceed with any further business and bring to an end any understanding it has reached with the client unless in either case the firm has informed Financial Services Regulatory Authority, Saint Lucia. If there is knowledge or a suspicion of money laundering, it will be reported without delay as provided under these procedures to the CO.

Further described identification requirements should be carried out using documents checklist.

METHODS OF IDENTIFICATION

The Company will make sure that it is dealing with a real person or legal entity and obtain sufficient evidence to establish that the applicant is that person or organization. When reliance is being placed on any third party to identify or confirm the identity of any applicant, the overall legal responsibility to ensure that the procedures and evidence obtained are satisfactory rests with the Company.

As no single form of identification can be fully guaranteed as genuine, or representing correct identity, the identification process will need to be cumulative, and no single document or source of data (except for a database constructed from a number of other reliable data sources) must therefore be used to verify both name and permanent address.

The Company will take all required measures, according to applicable law and regulations issued by regulatory authorities, to establish the identity of its clients and, where applicable, their respective beneficial owners in accordance to our KYC policy.

DUE DILIGENCE

In addition to identification information (as described below), it is essential to collect and record information covering the following for all categories of clients:

- i. Source of wealth (description of the economic activity which has generated the net worth)
- ii. Estimated net worth
- iii. Source of funds to be invested
- iv. References or other documentation to corroborate reputation information where available
- v. Independent background checks through a reputable screening system



vi. Whether Individual or director or shareholders are PEPs If yes, additional information and documentation is requested.

INDIVIDUAL CUSTOMERS

The identity will be established to the Company’s satisfaction by reference to official identity papers or such other evidence as may be appropriate under the circumstances. Information on identity will include, without limitation: full name; date of birth; nationality; complete residential address. Identification documents must be current at the time of the opening.

Documents used for client identification purposes will typically include:

- i. A passport, a national identity card or an equivalent in the relevant jurisdiction;
- ii. A separate document confirming the residential address (utility bill, bank statement, acknowledgement of address issued by a relevant official).

CORPORATE CUSTOMERS

Where the applicant company is listed on a recognized or approved stock exchange or where there is independent evidence to show that the applicant is a wholly owned subsidiary or subsidiary under the control of such a company, no further steps to verify identity over and above the usual commercial checks and due diligence will normally be required.

Where the applicant is an unquoted company, it will be subject to a procedure aimed to identify it, confirm its existence, good standing and authority of persons acting on its behalf. Documentation required for such purposes may change depending on each particular jurisdiction and will typically include:

- i. Certificate of incorporation/certificate of trade or the equivalent, evidencing the company is indeed incorporated in a particular jurisdiction under the respective legislation;
- ii. Certificate of Incumbency or an equivalent document, listing current directors of the company
- iii. Statutes, Memorandum and Articles of Association or equivalent documents confirming the authority of the respective officers of the company to legally bind it and the manner in which this may be done.
- iv. Extract from the Commercial Register of the country of incorporation may also be used to confirm the aforementioned information, if such information is provided in the extract.

REVIEW OF ANTI MONEY LAUNDERING, KNOW YOUR CUSTOMER & DUE DILIGENCE POLICY

NEWERA CAPITAL MARKETS LIMITED is committed to continuously improve this policy and it will be reviewed regularly (at least every six months) for effectiveness and updated.

This Anti Money Laundering, Know Your Customer & Due Diligence Policy is supported by management. NEWERA CAPITAL MARKETS LIMITED commits to providing this policy to all employee and displaying it in its business with clients.

Signed by :

Date :