

## POLICY OBJECTIVE

Based on the guidelines issued by the Financial Services Regulatory Authority on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) for Banking Sector, NEWERA CAPITAL MARKETS LIMITED (“the Company”) has implemented the following internal Suspicious Activity Report (“SAR”) policy and procedures to monitor suspicious transaction and to address its reporting obligation.

The following policy and procedures are developed for identifying, evaluating and investigating, reporting as well as record keeping of potential suspicious situation/transactions (including attempted or proposed).

## IDENTIFYING

The Company’s employees need to ensure that all potential/existing customers do not engage in criminal activity, money laundering or terrorist financing. They must monitor carefully at all unusual transactions to see if there is anything suspicious about the customer.

There are many reasons why an employee might become suspicious about a transaction/activity. Often it is just because of something unusual for a business, maybe a customer behaved strangely, or perhaps customer made unusual requests that did not seem to make sense.

The Company’s employees may be guided by the examples provided in the Company’s internal measures for “Mechanism or Red Flag to indicate occurrence of suspicious transaction”, to assist them in identifying any attempted or proposed suspicious transaction.

## EVALUATING AND INVESTIGATING

Whenever a Company’s employee detects any “red flag” that fits the list indicated above or senses any unusual activity/transaction, he/she must directly inform the AML Compliance Officer (“CO”) without delay.

Upon receiving any internal SAR from the Company’s employees, the CO will first evaluate the grounds for suspicion and he will make an initial decision of whether a customer/transaction is potentially suspicious.

The employee may be required to investigate the Customer/transaction further under the direction of the CO. This may include gathering additional information from the customer or from third party sources to assist in determining whether the customer/transaction is indeed suspicious and to eliminate “false positive”.

These procedures should reflect the principle of confidentiality, where employees are to ensure that investigation is conducted swiftly and that reports contain relevant information and are produced and submitted to the CO in a secured and confidential manner, within five (5) working days from the commencement of investigation.

## REPORTING

Internal Suspicious Activity Report (“SAR”) prepared by the Company’s employee must be reviewed by the CO within three (3) working days from receiving such report.

The CO is to complete his/her review within five (5) working days. Under the circumstances where a report requires further investigation, the timeframe can be exceeded up to a month.

Once the CO has finished review of the details, he/she should determine if that particular event rendered an attempted or proposed suspicious transaction.

The CO will consult with the Company’s Board of Directors to make the decision as to whether the customer/transaction is suspicious and whether a filing to the Authority(ies) is necessary.



## SUSPICIOUS ACTIVITY REPORTING POLICY AND PROCEDURES

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CO shall submit the STR using the specified reporting template, to both of the following authorities:

Financial Services Regulatory Authority  
6th Floor Francis Compton Building Waterfront,  
Castries St. Lucia W.I  
Tel: +758 468-2990  
Fax: +758 451-7655  
Email: finsersup@gosl.gov.lc

Financial Intelligence Authority  
P.O. Box GM959  
Gablewoods North P.O.  
Castries LC02 501  
Saint Lucia  
Tel. +758 451-7126  
Fax. +758 453-6199  
Email: slufia@candw.lc

The CO will inform the Company's Board of Directors of any report submitted. The fact that a report has been made is confidential. The CO, as well as the Company's employees shall ensure that in the course of submitting the SAR, such reports are treated with the highest level of confidentiality. No one, other than those involved in the investigation and reporting should be told about a SAR, except for the law enforcement or other competent authorities.

However, under the circumstances where the CO decides that there are no reasonable grounds for suspicion and no SAR is necessary to be submitted to the relevant authorities, the CO must document and file the decision, supported by the relevant supporting documentary evidence, which will be made available to the relevant supervisory authorities upon request.

### REPORTING

The DCO shall maintain a complete file on all internally generated reports and any supporting documentary evidence, regardless of whether such report has been submitted. In the case of a filed report, a backup documentation is necessary.

The following are some of the information maintained for record keeping, which includes but is not limited to:

- i. Maintain a record of identifying information provided by the Customer.
- ii. Where the Company relies upon a document to verify identity, the Company must maintain a copy of the document with clear evidence that the Company relied on and any identifying information it may contain.
- iii. Record the methods and result of any additional measures undertaken to verify the identity of the Customer.
- iv. Record the resolution of any discrepancy in the identifying information obtained.
- v. The nature or circumstances surrounding the transaction; and
- vi. Business background of the person conducting the transaction that is connected to the unlawful activity.

All transaction and identification records are to be retained for a minimum period of six (6) years, following the completion of transaction.

### REVIEW OF SUSPICIOUS ACTIVITY REPORTING POLICY AND PROCEDURES

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 Suspicious Activity Reporting Policy and Procedures is supported by management. NEWERA CAPITAL MARKETS LIMITED commits to providing this policy to all employee and displaying it in its business with clients.



## SUSPICIOUS ACTIVITY REPORTING POLICY AND PROCEDURES

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Signed by :

Date :