

PREVENTION RULES AGAINST MONEY LAUNDERING (AML)

ALPHA FINANCE LAB recognizes the important role of the financial sector in the prevention and effective circumvention of money laundering and terrorist financing activities.

Money laundering is defined very broadly and includes all forms of management or possession of criminal assets, including the possession of criminal assets and the facilitation of any management or possession of criminal assets. The possession of criminal assets can take any form, including monetary form, securities, tangible and intangible assets.

ALPHA FINANCE LAB is linked to the Prevention of Money Laundering and Terrorist Financing Act (Law) 2008 signed in Belize, which establishes strong administrative requirements for all financial institutions.

The law requires companies to introduce and comply with the Money Laundering and Terrorist Financing Prevention Manual, which, together with all related internal policies and regulations, constitute the fundamental pillar of the internal control systems established to monitor compliance. of the procedures introduced by ALPHA FINANCE LAB in the field of prevention and detection of money laundering.

The compliance function is responsible for confirming compliance with various anti-money laundering procedures through purpose-built audits and other functional audits.

Our Anti-Money Laundering Manual binds members of the board of directors, executives, heads and managers of the Company's divisions, members of staff and any other person involved in the operations of the services offered. The procedures and recommendations contained in the Money Laundering Prevention Manual and in the law must be strictly followed by the Company's personnel. Employees should be made aware of the seriousness of money laundering and terrorist financing activities, their statutory obligations, and will be encouraged to cooperate and immediately report any suspicious transactions.

Our Anti-Money Laundering Manual and the law require ALPHA FINANCE LAB to establish and maintain specific policies and procedures to protect against clients, their businesses and financial systems being used for money laundering. These procedures have been designed to achieve two main purposes:

Facilitate the recognition and reporting of suspicious transactions;
Ensure, through strict implementation of the Know Your Customer principle (KYC) and maintaining adequate record-keeping procedures in case a customer is investigated, the financial institution can provide its part of the audit trail.
The Anti-Money Laundering Manual and all internal procedures provide the guidelines that the entire Company must follow to collaborate, in accordance with the law, in the detection and prevention of money laundering and terrorist financing activities.

All company employees must perform their duties in accordance with the guidelines set out in the Anti-Money Laundering Manual and the company's relevant internal regulations.

The company's Anti-Money Laundering Manual regulations are subject to continuous review and updating by the Regulatory Compliance Department, to ensure full compliance with legislation, regulations and directives of the International Financial Services Commission.

ALPHA FINANCE LAB ANTI-MONEY LAUNDERING (AML) POLICY

The objective of KNOW YOUR CUSTOMER (KYC) guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable banks to better know/understand their customers and their financial transactions, which in turn helps them manage their risks prudently.

The Basel committee has highlighted the need for financial institutions to implement effective Know Your Customer (KYC) standards as an essential part of risk management practices.

The Basel committee also stated that a key challenge in implementing robust KYC policies and procedures is how to implement an effective approach. Legal and reputational risks are global in nature and, as such, it is essential that each financial institution develop a global risk management program supported by policies that incorporate KYC standards.

It is important that the adoption of the customer acceptance policy and its implementation does not become overly restrictive and does not result in the denial of services to the general public, especially those who are economically or socially disadvantaged.

The term 'money laundering activities' covers not only criminals attempting to launder their ill-gotten gains, but also banking/financial institutions and their employees who are involved in their transactions and have knowledge that the property is derived from crime. . "Knowledge" includes the concept of conscious avoidance of knowledge.

Therefore, branch employees whose suspicions are aroused, but who then deliberately fail to conduct further investigation or report to higher authorities, and wish to remain in the dark, should be considered to have the required “knowledge” of criminal activities/transactions.

CUSTOMER DEFINITION

For the purposes of the KYC policy, a customer can be defined as:

- * A person or entity that maintains an account and/or has a business relationship with ALPHA FINANCE LAB.
- * In whose name the account is held (i.e. the beneficial owner)
- * Beneficiaries of transactions carried out by professional intermediaries, such as stockbrokers, registered accountants, lawyers, etc. as permitted by law.
- * Any person or entity related to a financial transaction, which may represent significant reputational or other risk to ALPHA FINANCE LAB, for example, a bank transfer or the issuance of a high value demand draft as a single transaction.

The KYC policy includes the following eight key elements.

1. Customer identification procedures
2. Transaction monitoring
3. Risk management
4. Training program
5. Internal control system
6. Record keeping
7. Assessments of KYC guidelines by inspection and internal audit system
8. Duties/responsibilities and accountability

Indicative guidelines

Company accounts and firms

The ALPHA FINANCE LAB Compliance Department must be aware of individuals using commercial entities as fronts to maintain accounts with banks.

The branch/office can examine the control structure of the entity, determine the origin of funds and identify the natural persons who have a majority interest and who make up the management. These requirements can be moderated according to the perception of risk, for example, in the case of a public company, it will not be necessary to identify all shareholders.

Customer Identification Procedure (CIP)

CIP can only be carried out in the following stages:

1. While the relationship is established
2. During the performance of an economic transaction
3. When the branch/office has doubts about the authenticity/veracity or adequacy of previously obtained customer identification data.

Customer identification means identifying the customer and verifying their identity using documents, data or information from independent and reliable sources.

ALPHA FINANCE LAB needs to obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of the banking relationship.

Being satisfied means that ALPHA FINANCE LAB must be able to satisfy the competent authorities that due diligence was observed based on the client's risk profile in accordance with current guidelines.

Risk Assessment

An effective KYC program must be implemented by establishing appropriate procedures and ensuring their effective implementation. It should cover management oversight, appropriate systems and controls, segregation of duties, training and other related matters. Responsibility must be explicitly assigned within the company to ensure that company policies and procedures are implemented effectively.

The nature and extent of due diligence will depend on the risk perceived by ALPHA FINANCE LAB. The client profile will be a confidential document and the details contained therein will not be disclosed for cross-selling or any other purpose.

ALPHA FINANCE LAB Internal Audit and Compliance plays an important role in evaluating and ensuring compliance with KYC policies and procedures. The compliance function must provide an independent assessment of ALPHA FINANCE LAB's own policies and procedures, including legal and regulatory requirements. It should be ensured that the audit machinery is adequately staffed with persons who are well versed in such policies and procedures.

Internal inspectors should specifically check and verify the implementation of KYC procedures in the branches/offices and comment on any shortcomings observed in this regard.

Selection of Specially Designated Nationals and Sanctioned Parties

All clients must be assessed through several independent risk intelligence databases, such as World Compliance and World Check (professional compliance databases).

Customer identification

Natural people

For clients who are natural persons, ALPHA FINANCE LAB must obtain sufficient identification data (passport, ID, government ID, etc.) to verify the client's identity, address/location (utility bill, bank statement, etc.) and also your recent photograph (if possible).

Legal persons

For clients who are legal persons or entities, ALPHA FINANCE LAB must verify the legal status of the person/legal entity through appropriate and relevant documents, verify that any person purporting to act on behalf of the person/legal entity is authorized and identify and verify the identity of that person. Understand the ownership and control structure of the client and determine who are the natural persons who ultimately control the legal entity.

If ALPHA FINANCE LAB decides to accept such accounts, the terms of the CAP policy ALPHA FINANCE LAB must take reasonable steps to identify who the beneficial owners are.

For new accounts:

“The Know Your Customer (KYC) procedure should be the key principle for the identification of an individual/corporate account. Customer identification should involve verification through an introductory reference from an existing account holder/a person known to the bank or based on documents provided by the customer.

Registry maintenance

All identification documentation and service records will be retained for a minimum period of no less than 7 years.



Training

All new employees will receive anti-money laundering training as part of the mandatory new employee training program. All applicable employees are also required to complete AML training annually. Participation in additional specific training programs is required for all employees with daily AML responsibilities.

Administration

For the purposes of the AML Policy, ALPHA FINANCE LAB will appoint the AML Compliance Officer.

The ALPHA FINANCE LAB AML Compliance Officer will be responsible for the administration, review, interpretation and application of this Policy. The Policy will be reviewed annually and modified as necessary.

The duties of the AML Compliance Officer with respect to the Policy will include, but are not limited to, designing and implementing, as well as updating the Policy as necessary; training of officials and employees; monitor compliance of ALPHA FINANCE LAB affiliates, maintaining necessary and appropriate records; and independent tests of the operation of the Policy.