

AML/COMPLIANCE POLICY

INTRODUCTION

The purpose of this Policy is to highlight the commitment of **Royal ETP LLC** to comply with **the laws of Saint Vincent and the Grenadines, the Proceeds of Crime Act, the Anti-Money Laundering and Terrorist Financing Regulations**, related AML/CFT legislations and generally the highest level of best industry practices in terms of AML/CFT measures and controls.

By adopting this Policy, **Royal ETP LLC** strongly aspires to formalizes the day-to- day measures taken to combat ML and TF and enhance the board's, senior management's and all employees' understanding of relevant laws, rules, regulations and codes of conduct on ML and TF applicable to **Royal ETP LLC** operations.

This Policy has also been designed to guide and assist **Royal ETP LLC** and its employees to fully apply a more effective, risk based and focused approach in the course their day to day operations and duties respectively.

Royal ETP LLC adopts an AML/CFT approach that corresponds to the risks it is exposed to as a result of the nature of its business, customers, products, services and any other matters which are relevant in the context of AML/CFT and ensures such risk-based assessments are: (i) objective and proportionate to the risks; (ii) based on reasonable grounds; (iii) properly documented; and (iv) reviewed and updated at appropriate intervals.

VERIFICATION PROCEDURES

Royal ETP LLC is required to identify its customers, and where applicable, their beneficial owners and then verify their identities, which **Royal ETP LLC** deems essential to the prevention of money laundering and combating the financing of terrorism.

Proof of Residence Requirements

- Recent Utility Bill (i.e. electric, water, telephone, gas) - The bill must be less than three (3) months old. Please note that a mobile phone will be accepted as a valid Proof of Residence only if the name on the bill matches the name of the registration and same for the telephone number.
- Recent Bank Statement - Must be less than three (3) months old

Screen shots of bank statements are only acceptable in cases where the bank account being used for proof of address is the same as the one used to fund the account.

- Recent Mortgage Statement
- Signed Lease Agreement still within term
- Bank, Investment Letter

NOTE that all documents provided in any other language excepting English should be translated. Translation should be provided for each non-English document.

- Deed or Other Evidence of Property;
- Bill for Homeowner's or Renter's Insurance Policy (less than six (6) months old);

- Security System Bill/Statement (less than six (6) months old);
- Government-Issued Letters or Statements Establishing Current Address (less than twelve (12) months old).

For example:

- Tax Letters and notices;
- Letters or notices from government housing authorities;
- Jury duty notices;
- Voter registration notices;
- Other official government letters or notices showing customer name and address being verified.

The proof of residence must:

- Show current address
- Show name as indicated on the account application
- Be from a credible source (with a visible logo)
- Be dated within the last three (3) months
- Proof of residence from Municipality, Land registry
- Valid Lease Agreement (one year)

Corporate Account Information

- Certificate of Incorporation
- Certificate of Registered Office
- Memorandum and Articles of Association
- Certificate of Good Standing/ Incumbency
- Certificate of Incumbency
- Certificate of Directors and Secretary
- Certificate of Shareholders
- A resolution of the board of directors for the opening of the account and granting authority to those who will operate it
- Proof of Identification for Shareholder(s)/Director(s)/Secretary/UBO
- Proof of Residence for Shareholder(s)/Director(s)/Secretary/UBO

SANCTIONS AND PEP LISTS SCREENING

Royal ETP LLC screens applicants against recognised Sanctions and Politically Exposed Persons (PEPs) lists. Individuals and legal entities are screened against mentioned lists:

- on the onboarding stage when the user is submitting the application.
- on each anti-fraud and AML alerts manually by Compliance Officer.
- daily by running automatically with a script to re-check all DB of customers.

For the screening process performing **Royal ETP LLC** uses inhouse system supported by sumsub

COMPLIANCE OFFICER

Pursuant to the Saint Vincent Regulations, the main functions of the CO comprise the following:

- To ensure continued compliance with the requirements of the Saint Vincent Anti-Money Laundering and Terrorist Financing Regulations subject to the ongoing oversight of the board of the financial institution **Royal ETP LLC** and senior management.
- To undertake day-to-day oversight of the program for combatting money laundering and terrorism financing;
- To regularly report, including reporting of non-compliance, to the board and senior management;
- To contribute to designing, implementing and maintaining internal compliance manuals, policies, procedures and systems for combatting money laundering and terrorism financing.

The **Royal ETP LLC** defines the beneficial owner as the natural person who ultimately owns or controls a customer; on whose behalf a transaction is being conducted; and includes those natural persons who exercise ultimate control over a legal person or arrangement. The responsibilities of the MLRO comprise the following:

- undertaking a review of all internal disclosures in the light of all available relevant information
- maintaining all related records;
- giving guidance on how to avoid tipping off the customer if any disclosure is made;
- providing reports and other information to senior management.

MONITORING TRANSACTIONS

The clients are known not only by verifying their identity but, more importantly, by analysing their transactional patterns. Therefore, **Royal ETP LLC** relies on data analysis as a risk-assessment and suspicion detection tool. **Royal ETP LLC** performs a variety of compliance-related tasks, including capturing data, filtering, record-keeping, investigation management, and reporting. System functionalities include:

- Daily check of Users against recognized "black lists" (e.g. OFAC), aggregating transfers by multiple data points, placing Users on watch and service denial lists, opening cases for investigation where needed, sending internal communications and filling out statutory reports, if applicable;
- Case and document management.

Regarding the AML/KYC Policy, RBS CML will monitor all transactions and it reserves the right to:

- ensure that transactions of suspicious nature are reported to the proper law enforcement through the Compliance Officer.
- request the client to provide any additional information and documents in case of suspicious transactions.
- suspend or terminate Client's Account when **Royal ETP LLC** has reasonable suspicion that such client engaged in illegal activity.

RISK ASSESSMENT

Royal ETP LLC, in line with the international requirements, has adopted a risk-based approach to combating money laundering and terrorist financing. By adopting a risk-based approach, **Royal ETP LLC** can ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate to the identified risks. This will allow resources to be allocated in the most efficient ways. The principle is that resources should be directed in accordance with priorities so that the greatest risks receive the highest attention.