

1. Policy Statement

ET MARKETS LTD ("Empire Trading"), a company incorporated in England and Wales (Company No. 16411406), is firmly committed to the prevention of money laundering, terrorist financing and sanctions evasion. EmpireTrading shall maintain unwavering compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Sanctions and Anti-Money Laundering Act 2018, and all other applicable UK legislation. This commitment safeguards EmpireTrading's reputation and upholds public and regulatory trust.

2. Policy Objectives

1. To establish clear and unambiguous policies regarding money laundering, terrorist financing and sanctions evasion under UK law.
 2. To define the compliance responsibilities of all employees and agents of EmpireTrading.
 3. To provide guidance on daily operations in alignment with legal and regulatory requirements.
 4. To foster a culture of strict adherence to legal obligations in all business activities.
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3. Definition of Money Laundering

Under the Proceeds of Crime Act 2002 (PoCA), money laundering occurs where a person engages in any of the following activities, knowing or suspecting that the property in question constitutes the proceeds of criminal conduct:

- Concealing or disguising the true nature, source, location, disposition, movement or ownership of the proceeds.
- Arranging or facilitating the acquisition, retention, use or control of the proceeds by or on behalf of another.
- Acquiring, using or possessing the proceeds.

Illicit behaviour includes assisting any person to evade prosecution or confiscation. Money laundering is an intentional offence; however, substantial failure to report suspicions may incur criminal liability for gross negligence.

4. Applicable UK Laws & Regulations

EmpireTrading shall comply with, and be governed by, the following primary legislation and regulatory instruments (including any amendments or replacements):

- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017)
- Proceeds of Crime Act 2002 (PoCA)
- Terrorism Act 2000
- Sanctions and Anti-Money Laundering Act 2018
- UK Financial Intelligence Unit (UKFIU) guidance documents
- Joint Money Laundering Steering Group (JMLSG) Guidance
- Any applicable UN Security Council Resolutions and UK autonomous sanctions regimes

EmpireTrading adopts a risk-based approach as mandated by the MLRs 2017, encompassing customer due diligence, ongoing monitoring and periodic risk assessments.

5. Investigatory Powers & Criminal Enforcement

The National Crime Agency (NCA), through the UKFIU, oversees the receipt of Suspicious Activity Reports (SARs) and conducts investigations into suspected illicit financial activities. Prosecutions are conducted by the Crown Prosecution Service under relevant statutes, with cases adjudicated in criminal courts.

6. Defences

PoCA and the Terrorism Act 2000 do not confer specific statutory defences for money laundering or terrorist financing. Ordinary criminal law defences (e.g., duress, mistake of fact) may apply where established, but no legislative defence exists solely for these offences. Once a SAR is submitted, the NCA must consider and may require referral to the Crown Court.

7. Transaction Monitoring System

EmpireTrading has implemented a transaction monitoring system to identify unusual or suspicious transactions.

- **Current State:** Daily CSV transaction extracts are manually reviewed by the Compliance Team.
 - **Future Enhancement:** By Q1 2026, EmpireTrading will deploy an automated monitoring platform capable of real-time alerts for red-flag indicators (e.g., rapid growth in trading volume, structured deposits/withdrawals).
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8. Detection of Unusual/Suspicious Transactions

Given our retail B2C model, typical trade sizes range from £10 to £1,000. Each transaction undergoes manual due diligence screening to detect anomalies such as:

- Unusually large or rapid deposit/withdrawal patterns.
 - Transactions from or to high-risk jurisdictions.
 - Structuring to avoid reporting thresholds.
 - Mismatches between customer profile and trading activity.
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9. Reporting Suspicious Transactions

All employees must report any suspicion of money laundering, terrorist financing or sanctions breaches to the AML Compliance Officer without delay.

- **SAR Submission:** SARs shall be filed via the UKFIU secure online portal within 24 hours of suspicion.
- **Threshold Transactions:** Cash transactions \geq €10,000 (or foreign currency equivalent) in a single operation or related series must be reported to the UKFIU under the MLRs 2017.

EmpireTrading will retain all SAR records and supporting documentation for at least 5 years from the date of the report.

10. Record Retention

EmpireTrading shall preserve all AML/CTF records — including identity verification documents, transaction logs, due diligence files and SARs — for a minimum of **5 years** from the date of the customer relationship end or transaction date, whichever is later, in compliance with MLRs 2017.

11. Risk Rating & Due Diligence

A dedicated Risk & Compliance Team shall:

1. Assign risk ratings (Low, Medium, High) to each customer based on factors such as jurisdiction, transaction profile and entity structure.
 2. Conduct enhanced due diligence (EDD) for High-risk clients, including verification of source of funds, beneficial ownership and ongoing monitoring.
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12. Sanctions & Regulatory Sanctions

Non-compliance with UK AML/CTF laws may attract:

- Administrative penalties (up to £1 million or 10% of turnover under MLRs 2017).
 - Criminal sanctions (up to 14 years' imprisonment and unlimited fines under PoCA and Terrorism Act).
 - Licence revocation or restrictions by regulatory authorities.
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13. AML/CTF Obligations of EmpireTrading

1. Identify and assess ML/TF risks in all business activities.
 2. Implement and maintain risk-based internal controls and policies.
 3. Conduct customer due diligence and ongoing monitoring.
 4. Screen customers and transactions against UK/UN sanctions lists.
 5. Prevent relationships with shell banks or sanctioned entities.
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14. Training & Awareness

- **Annual Training:** All staff shall complete AML/CTF and sanctions training annually, covering:

- Detection and reporting of suspicious activities.
 - Examples of ML/TF typologies relevant to trading services.
 - Internal policies and escalation procedures.
 - **Documentation:** Attendance records and training materials shall be maintained for at least 5 years.
 - **Updates:** Communicate any legislative amendments or typology developments promptly to relevant employees.
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15. Governance & Compliance Team

- **Designated AML Compliance Officer (ACO):** Responsible for the oversight of the AML/CTF program, SAR submissions, staff queries and regulatory liaison.
 - **Risk & Compliance Committee:** Meets quarterly to review policy implementation, risk assessments and control effectiveness.
 - **Independent Review:** An external audit of the AML/CTF program shall be conducted annually to verify compliance and recommend improvements.
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Approved by the Board of Directors, ET MARKETS LTD

Date: 19 May 2025

Next Review: 19 May 2026