



**XM**

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# **MONEY LAUNDERING PREVENTION**

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### **1. The Company**

Trading Point of Financial Instruments Ltd operating under the trading name XM.com is a Cypriot Investment Firm ("CIF") registered with the Registrar of Companies in Nicosia under number: HE 251334, and governed by all applicable EU and Local Legislations including European Markets in Financial Instruments Directive II («MiFID II») and the Cyprus Investment Services and Activities and Regulated Markets of 2017 («Law 87(I)/2017»), as amended. The Company is supervised and regulated by the Cyprus Securities and Exchange Commission (hereinafter also called «CYSEC» or the «Commission» or the «Regulator») under license number 120/10, in accordance with the provisions of the law, Directives and Circulars issued by the Commission and legislation governing the roles and responsibilities of the Regulator.

### **2. Purpose**

Trading Point of Financial Instruments Ltd (hereafter the "Company") has established and implemented appropriate policies and procedures, in order to achieve the timely and continued compliance of the Company with the current Anti-Money Laundering ('AML') and Combating the Financing of Terrorism ('CFT') regulatory framework.

The primary objective of this document is to lay down the Company's internal policies, practices, measures, procedures and controls relevant to the prevention of Money Laundering and Terrorist Financing. These policies and the processes adopted, help the Company to comply with its obligations under the various laws, regulations and industry best practices. Moreover, the procedures are designed to:

- i) identify and/or assess the potential money laundering and terrorist financing ("ML/TF") risks to which it may be exposed from the provision of a designated service i.e. that the provision of a designated service by Trading Point might (whether inadvertently or otherwise) involve or facilitate money laundering or the financing of terrorism; and
- ii) manage and/or mitigate those risks within the applicable legislative framework.

### **3. Legal and Regulatory Framework**

For the purposes of this document the term «Applicable Legislation» shall include The Prevention and Suppression of Money Laundering and Terrorism Financing Law 188(I)/2007, as amended from time to time, Directive DI144-2007-08 regarding the Prevention of Money Laundering and Terrorist Financing as amended issued by the Commission (hereinafter called «AML Directive»), Directive (EU) 2018/843 ("AMLD V") amending Directive (EU) 2015/849 ("AMLD IV") of the European Parliament and the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (hereinafter called «EU Directive»); ESAs Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on anti-money laundering and countering the financing of terrorism ('The ML/TF Risk Factors Guidelines'), the Financial Action Task Force (FATF) recommendations, Directives, Circulars, Reporting Forms and other documents of the Commission which address the issues related to the Anti-Money Laundering procedures and any other legislative act of the European Parliament and the Commission currently in force substituting or amending the above mentioned.

### **4. Compliance with the AML/CFT Legislation**

The Company has developed and implemented a compliance program consisting of policies, procedures, transaction monitoring systems, internal controls and personnel training in line with applicable laws and regulations, as well as with international best practices. The AML/CFT Program, which employs a risk-based approach to managing the Company's AML risk, includes, but is not limited to:

- i. Customer On-boarding Policy
  - Defining the policy and process followed during on-boarding of new clients in order to adequately follow the applicable legal and regulatory framework

- ii. Risk-based Approach
  - AML/CFT Risk Assessment and Risk Management: The establishment of a Firm Wide Risk Management Framework to identify all quantifiable AML risks (inherent risk and residual risk) and to assist the Board of Directors in defining the Company's risk appetite
  - Customer Due Diligence, which incorporates "Know your Customer" or "KYC" procedures for the identification and verification of the identity of our customers, including, where applicable, their respective beneficial owners
  - Identification and execution of enhanced due diligence measures for monitoring high-risk clients, including Politically Exposed Persons (PEPs), their relatives and close associates
  - Senior management review and approval of high-risk customers, including Politically Exposed Persons
- iii. Customers Screening
  - The adoption of policies and procedures to ensure compliance with the applicable restrictive measures (i.e. EU/UN/OFAC sanctions) and that the Company does not engage in any activity for, on behalf of, for the benefit of, any individual, entity or organization subject to sanctions or maintain a relationship with a person against whom enforcement measures are effected. In this respect, ongoing customer screening is performed against a global collection of sanctions, Politically Exposed Persons, Adverse Media and Enforcement Data.
- iv. Ongoing Monitoring of Customers and Reporting
  - The establishment of systems and processes to monitor account activity and customer transactions
- v. Reporting
  - Creation, tracking and filing of Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) to the appropriate regulatory authority where required
- vi. Record Retention
  - The retention of customer and transaction records for a period of five (5) years after the termination of business relationship with customers, or transaction execution date
- vii. Training
  - The provision of adequate and frequent AML/CFT training for Company employees, relevant to the role they undertake, for the purpose of prevention of money laundering and terrorist financing
- viii. Independent Assessment
  - An independent audit review function to test the adequacy of the Company's anti-money laundering policies and procedures on an annual basis

## 5. AML Compliance Vigilance

The Company is fully committed to remaining vigilant to prevent the use of its products and services by those who seek to abuse them. It continually seeks to combat money laundering and terrorist financing through the prevention, detection and reporting of unusual or suspicious behaviour.

In addition, the Company constantly assesses the effectiveness of its existing policies, procedures and technologies and updates them as needed to address the changing environment. The Company also established an employee training program to ensure that the staff is well-informed about the evolving techniques used by criminals to penetrate the system and employees are well-equipped to combat money laundering and other financial crimes.

The fight against money laundering is a never-ending and ever-changing process. At Trading Point of Financial Instruments, we recognize that preventing money laundering and identifying potential terrorist financing activities involves constant vigilance and the ability to keep up with criminals' sophisticated schemes. We acknowledge that we must constantly work to identify and understand the potential risks of money laundering and terrorist financing and implement appropriate processes to mitigate and eliminate such risks.

## 6. Disclaimers

The Money Laundering Prevention Policy is a policy only, it is not part of our Terms and Conditions of Business and is not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have.

The Company reserves the right to refuse to process a transfer of funds at any stage if it believes it to be connected in any way to criminal activities or money laundering.

The Company reserves the right to review and/or amend its Money Laundering Prevention Policy, at its sole discretion, whenever it deems fit or appropriate.

## 7. Contact Details

Should you have a question about our Money Laundering Prevention Policy please direct your questions to our Compliance Department: [compliance@xm.com](mailto:compliance@xm.com).