



## KYC (Know Your Customer) Policy

KYC policy is important worldwide lately, especially among banks and other financial institutions, in order to prevent identity theft, money laundering, financial fraud and terrorist activity. An effective anti-money laundering compliance program must include KYC procedures. Information must be provided to learn the true identity of the customer, the nature of the customer's business, and the intended purpose of the customer's transactions. CXM Direct LLC is using leading automated global screening solutions for AML purpose in order to guarantee the customers to meet the required KYC and AML criteria.

As broker, CXM shall be responsible for:

- Providing the account application
- Conducting KYC procedures
- Clearing and monitoring of all trades
- Being the custodian of the accounts, funds and paperwork
- Each trading account applicant, Introducing Broker or Money Manager must provide full set of required KYC documentation and be approved by the CXM before any withdrawal request can be processed on that account.
- No 3<sup>rd</sup> party deposit and withdrawal requests will be accepted by CXM

## Account Registration

New customers should provide their own personal information and documents as below. CXM will not disclose the information to the third parties and keep it in a high security protected database.

- Full Name and previous names if any
- Date of Birth
- Place of Birth
- Nationality
- Contact Information
- A copy of your valid passport (photo page) or government issued photo ID from your country of current residence<sup>1</sup>
- Utility bill with your permanent residential address (no older than 6 months)
- KYC questionnaire

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<sup>1</sup> We will use automated and in certain cases manual tools to cross refer to a passport reference Code any passport copies which are unfamiliar in terms of look, style and format.





## Primary Verification (government issued photo IDs)

1. Current copy of valid passports<sup>2</sup>;
2. National Identity cards.
3. Current valid driving licenses.
4. Armed forces identity cards.

Primary identity documentation for identity must be obtained and retained on these clients. Primary identity documentations acceptable are:

## Additional verification

In addition to this primary identity documentation, we must also obtain additional verification of identity information - secondary identity documentation. The following documentation is acceptable:

- A recent utility bill (which is less than 6 months old);
- A recent bank or credit card statement
- A recent bank reference (which is less than 6 months old).

## Alternative verification documentation:

1. Valid Driver License
2. An Original Utility Bill (Electricity, Water or Gas Bill)
3. Bank Statements (online or offline)
4. Bank Statement Detailization (first page and last transactions)
5. Professional reference letters<sup>3</sup>
6. Bank reference letters
7. Credit Card Statements
8. Council Tax Bill
9. Tax letter or Bill
10. House Rental Official Agreement – Issued from a Rental Agent
11. Letter from your local municipality
12. Phone bill
13. Internet bill
14. Insurance statement
15. Any valid government issued document with address.

Additionally, the following actions can be performed when need be to further verify the address of the applicant:

1. Conducting a credit reference agency search;
2. Utilizing an address verification service; or
3. Visiting the principal at the principal's permanent residential address.

## In case if client is not an individual but is a legal person or arrangement:

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<sup>2</sup> We will cross refer to a passport reference Code any passport copies which are unfamiliar in terms of look, style and format.

<sup>3</sup> From a professional person who knows the principal. The reference must show the permanent residential address of the principal





## Being a Private company

1. Certificate of incorporation or registration;
2. Valid and Current Certificate of Good Standing;
3. Proof of Registered office and place of business;
4. Valid government issued photo IDs of the principals of the company as (1) above;
5. Letter of Appointment or Authorization Letter for anyone who interfaces with CXM on behalf of the company, and valid proof of ID for that person;
6. Proof of ID of the significant Ultimate Beneficiary Owners (20%+ interest)

## Being a Trust

1. Copy of a trust deed or pertinent extracts thereof;
2. Certificate of Good Standing from the Trust registry;
3. Proof of address for registered office and place of business of the trustee;
4. Valid government issued photo IDs of the principals of the trustee as per (1) and or (2) above.
5. Valid government issued photo ID of the significant Ultimate Beneficiary Owners (20%+ interest)

## Being a Partnership

1. Copy of the partnership deed;
2. Copy of the latest report and accounts;
3. Partnership Charter and bylaws stating the nature of the business of the partnership;
4. Valid government issues photo IDs of the significant partners (20%+ interest) as above;
5. Letter of Appointment or Letter of Authorization for a person that purports to act on behalf of the Partnership.

## Reduced or simplified Customer Due Diligence (CDD)

Where the risk of money laundering or terrorist financing is lower and where information on the identity of the applicant for business is public information or where adequate checks and controls exist elsewhere then reduced or simplified due diligence measures can be applied. The entities to which this applies are:

- a. A regulated financial service in a reputable jurisdiction provided there are no nominee arrangements;
- b. Public companies listed on the stock exchanges and Recognized, Designated and Approved Stock Exchanges or subsidiaries thereof as per the AML Code;
- c. Government bodies;
- d. A pension or superannuation or alike scheme that provides retirement benefits to employees as per the requirements in the AML Code.





## Enhanced CDD measures

Enhanced CDD measures will be applied in all high-risk business relationships, customers and transactions (particularly in case of Politically Exposed Persons (PEPs), non-face to face business relationship and NCCTs and non-equivalent jurisdictions involved).

## Execution of our Client Agreement and Risk Disclosure Agreement

In addition, all applicants are also required to fill in and sign our Client Agreement, Terms of Services, Risk Disclosure Agreement, Privacy Disclosure and Liquidity Guidelines.

All new customers' names will be compared to the list provided by our screening service provider. If a customer's name appears on the list or any of the suspected fraud alerts are triggered, the application will be rejected.

## Suspicious Transactions

Suspicious transactions are those that have no business or apparent lawful purpose, are unusual for the customer, or lack any reasonable explanation.

## Deposit and Withdrawal

We do not accept 3<sup>rd</sup> party funds. Also, incoming and outgoing bank wires must be to the same banking institution having the customer's name on the account. Customers should login to CXM user portal to proceed deposit and withdrawal. Our Customer Service Department will verify the information and approve the transaction.

The Company's anti-money laundering procedures mandate that individuals and entities that refuse to provide information verifying their identities, will not be permitted to open accounts at CXM.

All new accounts will be subject to the stringent approval process by "COMPLIANCE". "COMPLIANCE" will ensure that the new account form is complete. "COMPLIANCE" will review all new accounts for financial credit worthiness and trading suitability purposes. However, he will also review for anti-money laundering purposes. "COMPLIANCE" will check to ensure that identifying information is listed for all individuals named on the new account form and that none of the individuals named on the outsourced screening service list or any other watch lists are opened at the Company.

The stated purpose of customers in placing funds with us is set forth in our customer agreement, to wit: speculation in foreign currencies. Any conduct or account activity that is inconsistent with trading foreign currencies with a goal of profiting thereby, must be





considered suspicious activity and reported immediately to “COMPLIANCE” who will evaluate the situation and determine whether to take further action consistent with these procedures.

We thank you for your cooperation in helping us make CXM a safer place to trade.

When you check the box, it represents that you have read and agreed the policy.

