



# Liyan AML Policy

## Money laundering prevention policy (Anti money laundering)

Money laundering refers to the process of hiding the source of criminal proceeds so that they seem to come from a legitimate source. Liyan Broker has implemented strict policies to manage and mitigate the risks associated with money laundering and the financing of terrorism. The objective is to detect any suspicious activities performed by customers and prevent or mitigate risks.

The Broker is obligated to continually monitor its level of exposure to money laundering and terrorism financing risks. By understanding its clients' instructions and knowing them well, Liyan Broker believes that it can assess risks and identify suspicious activities more effectively.

## Customer Identification and Verification

Effective Customer Due Diligence (CDD) measures are vital in managing money laundering and terrorist financing risks. CDD involves identifying the customer and verifying their identity based on documents, data, or information at the start of the business relationship and on an ongoing basis.

For individual customers, Liyan registration process requires customers to provide their full name, date of birth, country of residence, mobile phone number, and email address. For corporate customers, the registration process requires the full company name, registration number and date, country of registration/incorporation, registered address, mobile phone number, and email address.

After receiving the identification information, Liyan Broker's staff should verify it by requesting the appropriate documents. The appropriate documents for verifying a customer's identity include high-resolution scanned copies or photos of pages of a passport or any other national ID, indicating family name and name(s), date and place of birth, passport number, issue and expiry dates, country of issue, and client's signature for individual customers. For corporate customers, high-resolution copies of documents showing the existence of the entity, such as Certificate of Incorporation, Certificate of Change of Name, Certificate of Good Standing, Articles of incorporation, and a government-issued business license are required.

To verify a customer's proof of address, the Broker requires a high-resolution copy of a utility bill (fixed-line phone, water, electricity) issued within the last three months, or a copy of a tax or rates bill from a local authority in the same correct name of the customer.

To deposit or withdraw funds using a credit/debit card, customers must provide a copy of a bank statement for a current, deposit, or credit card account, as well as a bank reference letter. Additionally, they must provide a scanned copy or photo of the credit/debit card, showing both the front and back. The front side should display the cardholder's full name, expiration date, and the first six and last four digits of the card number (with the remaining digits covered). The back should show the cardholder's signature, but the CVC2/CVV2 code must be masked.

If an existing customer refuses to provide the required information or intentionally provides false information, the Broker may consider closing their account after assessing the risks involved. The Regulations measures call for further research and identification of customers who may pose a high risk of money laundering or terrorism financing.

If Liyan Broker determines that a business relationship with a customer poses a high risk, it will take additional measures, such as obtaining information regarding the source of funds or the customer's wealth through email or phone. The Broker may also seek further information from the customer or third-party sources to clarify or update the customer's information and the nature and purpose of their transactions with the Broker.

When Liyan Broker's staff is verifying a customer's statements regarding their source of funds or wealth, they typically request and carefully examine information related to the customer's employment status, business or occupation. In certain situations, the staff may ask for additional evidence or data related to the employment or occupation, specifically any supporting documents such as employment agreements, bank statements, or letters from the employer or business.

Liyan Broker conducts continuous customer due diligence and account monitoring for all business relationships with customers. This includes regularly reviewing and updating the Broker's understanding of what its customers are engaged in, the level of risk they pose, and whether there are any inconsistencies with previously known information or beliefs held about the customer. Additionally, any significant changes in

the nature or purpose of the customer's business relationship with the Broker will be examined.

## **Liyan Broker's payment policy**

Liyan Broker's payment policy is governed by the Regulations for Non-Trading Operations, which are an integral part of the Client Agreement. These regulations can be found on the "Regulatory Documents and Agreements" page within the "About Us" section of the Broker's website.

The Broker will designate an AML Compliance Officer who will assume full responsibility for the Broker's anti-money laundering (AML) and combating the financing of terrorism (CFT) program. The AML Compliance Officer shall report any material breaches of the Broker's internal AML policy and procedures and the regulations, codes, and standards of good practice to Liyan Broker's Board or a relevant committee.

The AML Compliance Officer's duties include:

- a) Ensuring the Broker's adherence to regulatory requirements;
- b) Establishing and maintaining the Broker's internal AML program;
- c) Establishing an audit function to test the Broker's AML procedures and systems;
- d) Providing training to employees on identifying suspicious transactions;
- e) Receiving and investigating internal reports of suspicious activity and transactions from staff, and filing reports to the Financial Intelligence Unit (FIU) as necessary;
- f) Ensuring that the Broker keeps proper AML records;
- g) Obtaining and updating information on findings related to countries with inadequate AML systems, laws, or measures.

All the Broker's employees, managers, and directors must be aware of this AML policy. Employees, managers, and directors involved in AML-related duties must undergo suitable vetting, including a criminal background check at the time of employment and monitoring during employment. Any violation of this policy or the AML program must be reported confidentially to the AML Compliance Officer. If the violation implicates the AML Compliance Officer, the employee must report the violation to the Chief Executive Officer.



To prevent money laundering and financing of terrorism schemes, employees in areas that are susceptible to such schemes must receive training on how to comply with this policy or the AML program. They should be able to recognize money laundering and terrorism financing risks and know what to do once they are identified.

## Employee Training and Education

Liyan Broker provides AML training to employees involved in customer interactions or AML checking, verification or monitoring processes. The Broker may conduct the training internally or hire external third-party consultants. Every new employee in the Broker is assigned a supervisor who teaches him or her about policies, procedures, customer documentation, forex markets, trading platforms, and more. There is a training plan for each new employee, and tests are conducted over 2-3 months (depending on the employee's level within the business).

Liyan Broker's AML training program aims to ensure that employees receive the appropriate level of training regarding any possible AML/TF risks. The content of the training includes the following:

- The Broker's commitment to the prevention, detection, and reporting of ML and TF crimes.
- Examples of ML and TF that have been detected in similar organizations to create an awareness of the potential ML and TF risks faced by the Broker's employees.
- Well-known or recognized typologies, especially those made available by the FATF or AML Supervisors.
- The consequences of ML and TF for the Broker, including potential legal liability.
- The responsibilities of the Broker under the AML Act and Regulations.
- The particular responsibilities of employees as identified in this AML Policy, and how employees are expected to follow Liyan Broker's AML procedures.
- How to identify and report unusual activity that may be a suspicious transaction or attempted transaction.
- The rules that apply against unlawful disclosure of suspicious transactions ("tipping off").

**Last updated:**

**10/06/2023**