

# AML Policy

## Contents

1. Introduction.....	2
2. The process of Money Laundering .....	2
3. Anti-Money Laundering (AML) Procedures.....	3
4. Compliance Officer Responsibilities .....	4
5. Prohibition of Third-party transactions.....	4
6. Anti-Money Laundering (AML) training of Employees.....	5



## 1. Introduction

TradeSmart Capital Limited, also known as "TradeSmart," "us," "we," or "our," is a company established in Saint Lucia, located at Meridian Place, Choc Estate, Castries, Saint Lucia, with the registration number 2024 – 00075. It operates under the name "TradeSmart."

TradeSmart is dedicated to the prevention of money laundering by adhering to strict service and compliance protocols.

2

## 2. The process of Money Laundering

2.1. "Money laundering" refers to the illicit process through which the proceeds from criminal activities—such as terrorism, fraud, corruption, organized crime, and others—are made to appear legal, despite their illegal origins. The process of money laundering involves three main stages:

- i. **Placement:** This initial stage involves introducing the proceeds from criminal activities into the financial system. Placement is a critical phase where these illegal transactions are most susceptible to detection, as the funds are directly entered into the financial system.
- ii. **Layering:** The layering stage is where launderers engage in complex financial maneuvers to obscure the original source of the funds. This involves shifting the funds across different accounts, altering their form, and moving them to various locations. The objective is to confound law enforcement efforts to trace the origins of the money. Techniques used in layering include executing multiple financial transactions, transferring funds between different institutions, and using fraudulent documents such as letters of credit with fake invoices or bills of lading to disguise the true origins of the money, break the audit trail, and maintain anonymity.
- iii. **Integration:** During the final stage, integration, the laundered money is reintroduced into the economy in such a manner that it appears to originate from a legitimate source. This allows the illicit proceeds to re-enter the financial system as apparently clean money.

### 3. Anti-Money Laundering (AML) Procedures

3.1. To combat illegal activities effectively, the Company enforces a rigorous anti-money laundering policy designed to identify customers engaged in illicit activities to a certain standard. This approach is intended to reduce procedural burdens for customers conducting legitimate and lawful business.

3.2. In adherence to stringent compliance measures, the Company focuses on several key areas:

- i. Conducting thorough identity checks on their clients through the implementation of a Know Your Client (KYC) Policy and Customer Due Diligence practices.
- ii. Maintaining comprehensive records of all past financial transactions associated with a client to aid in any necessary investigations and ensure transactional continuity.
- iii. Promptly reporting transactions that raise suspicion. Utilizing the service for illicit purposes could lead to criminal prosecution, as the Company is mandated to report such activities to the relevant authorities without delay.

3.3. As part of its efforts to prevent money laundering and associated unlawful activities, the Company strictly prohibits the acceptance of cash transactions, whether for deposits or withdrawals.

3.4. The Company retains the authority to halt or decline processing a transaction at any point if it suspects the transaction may be related to money laundering, criminal endeavors, or involves third-party funding.

3.5. In compliance with international laws, the Company is under no obligation to notify the Client when their suspicious activities have been reported to the appropriate regulatory bodies.

## 4. Compliance Officer Responsibilities

4.1. The Company's Compliance Officer (CO) is the central figure tasked with overseeing the prevention and detection of money laundering activities within the Company. The CO's responsibilities include:

- i. Providing support and guidance to the Company's staff to manage money-laundering risks effectively.
- ii. Developing and regularly updating the Company's Anti-Money Laundering (AML) compliance framework, including this Policy, to ensure it remains effective and complies with current laws and regulatory standards.
- iii. Organizing ongoing training sessions for employees to keep them informed about the latest developments in AML procedures and international regulations.
- iv. Implementing any other necessary measures not specifically mentioned here to deter AML activities.

4.2. The Company will appoint a Money Laundering Reporting Officer (MLRO) who will act as the primary contact for employees who detect or suspect money laundering transactions or activities. The MLRO is tasked with:

- i. Identifying and reporting suspicious transactions to the relevant authorities.
- ii. Carefully reviewing all internal reports and evaluating all pertinent information to decide if there is any indication of money laundering or terrorist financing (ML/TF) activities.

## 5. Prohibition of Third-party transactions

5.1. Third-party transactions are not allowed. Should a third-party transaction be identified, the involved funds will be redirected back to the original recipient.

5.2. A "third-party transaction" is defined as any transaction where the Company is either receiving funds from, or is requested to send funds to, someone other than the Account

holder, beneficiary, or partner with whom TradeSmart has conducted its thorough due diligence. Examples of such prohibited transactions include:

- i. When a beneficiary or partner, who has been approved to receive funds from the Company, asks the Company to forward those funds to someone else; or
- ii. When the Company receives funds from an unexpected third party, rather than directly from the Account holder.

## 6. Anti-Money Laundering (AML) training of Employees

5

6.1. The Company is committed to providing AML training to its employees, particularly those who interact directly with Account holders and beneficiaries. This training is crucial for:

- i. Initiating as promptly as possible after they begin their employment with the Company.
- ii. Continuing on a regular basis, at minimum annually, to ensure employees remain informed about the risks of money laundering and terrorist financing.

6.2. Upon starting their employment and whenever the policy is updated, each employee must be given a copy of this Policy. They are required to acknowledge in writing that they have received, read, and understood the contents of the Policy.