



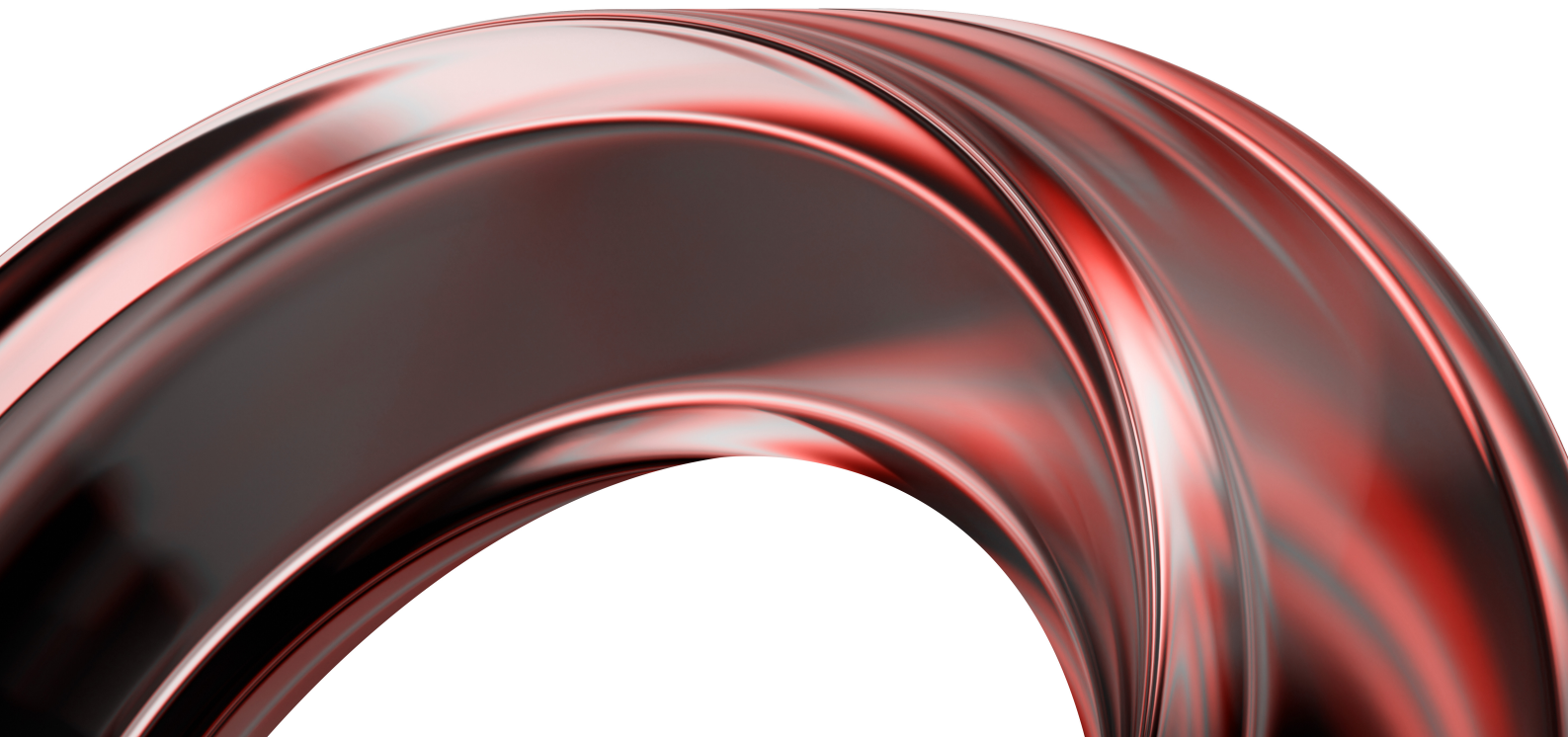
---

# CLIENT ONBOARDING PROCESS

---

EC MARKETS LIMITED

AN INVESTMENT DEALER (FULL SERVICE DEALER EXCLUDING UNDERWRITING)  
LICENCE AND GLOBAL BUSINESS COMPANY LICENSED BY THE FSC



| DOCUMENT HISTORY |                 |  |                        |
|------------------|-----------------|--|------------------------|
| Version          | Date of Changes | Comments   | Date of Board Approval |
| 1.0              | June 2022       | The Client Onboarding Process was drafted and submitted to the Board.  | 20.06.2022             |
| 2.0              | July 2023       | No changes were made.  | 31.07.2023             |
| 3.0              | July 2024       | The Client Onboarding Process has been revised in terms of the process of onboarding of retail clients and client funding. | 25.07.2024             |
| 4.0              | December 2024   | The Process has been revised to include jurisdictions under increased monitoring and classification of clients.            | 23.12.2024             |
|                  |                 |  |                        |
|                  |                 |  |                        |
|                  |                 |  |                        |
|                  |                 |  |                        |

## TABLE OF CONTENTS

|   |    |
|---|----|
| DOCUMENT HISTORY .....  | 1  |
| INTRODUCTION .....  | 3  |
| CLIENT ONBOARDING PROCESS (WALKTHROUGHS) .....                    | 3  |
| KYC GUIDELINES FOR INDIVIDUAL / CORPORATE CLIENTS .....           | 4  |
| TARGET MARKET .....   | 7  |
| PROHIBITED COUNTRIES .....  | 8  |
| JURISDICTIONS UNDER INCREASED MONITORING (FATF'S GREY LIST) ..... | 8  |
| ENHANCED DUE DILIGENCE .....                                      | 9  |
| CLASSIFICATION OF CLIENTS .....                                   | 10 |

## INTRODUCTION

EC Markets Limited (the “Company”) is authorized and regulated by the Financial Services Commission of Mauritius (“FSC”). The Company is committed to complying with its legal and regulatory responsibilities in relation to Anti-Money Laundering & Counter Terrorist Financing (AML/CFT) and has no appetite for non-compliance. The Board of the Company is responsible to ensure that this Client Onboarding Process is revised and updated from time to time to be in line with any legislative changes in Mauritius in particular the Mauritius AML Legislations.

This Client Onboarding Process is a mandatory requirement for the Company and applies to all end-Clients which will be onboarded, be they retail or corporate. It articulates a set of minimum standards and requirements that meet and aim to exceed regulatory and legislative obligations and the guidance provided by the FSC.

## CLIENT ONBOARDING PROCESS (WALKTHROUGHS)

### Stage 1: Client Acceptance

#### 1. Sourcing of Clients

The Clients are sourced from its target market.

#### 2. Registration of clients

- Any client, wishing to open a live account, needs to do the registration on the website: <https://www.ecmarkets.sc/>.
- All clients are requested to complete the KYC Questionnaire / Corporate Application Form as applicable. The clients are required to read the Client Agreement, the Legal documentation, and their contents which are available on the website.
  - ***Application Form will not be accepted until all the required information, and declaration have been provided.***
- The Onboarding / Backoffice Team shall liaise with the prospective clients. If the Client refuses to provide the information or such information as may be required, when requested, or appears to have intentionally provided misleading information, the Company will not proceed with opening an account for the client.
- Further to the above, the clients are required to submit the Customer Due Diligence (“CDD”) documents as per the policy of the Company.

## KYC GUIDELINES FOR INDIVIDUAL / CORPORATE CLIENTS

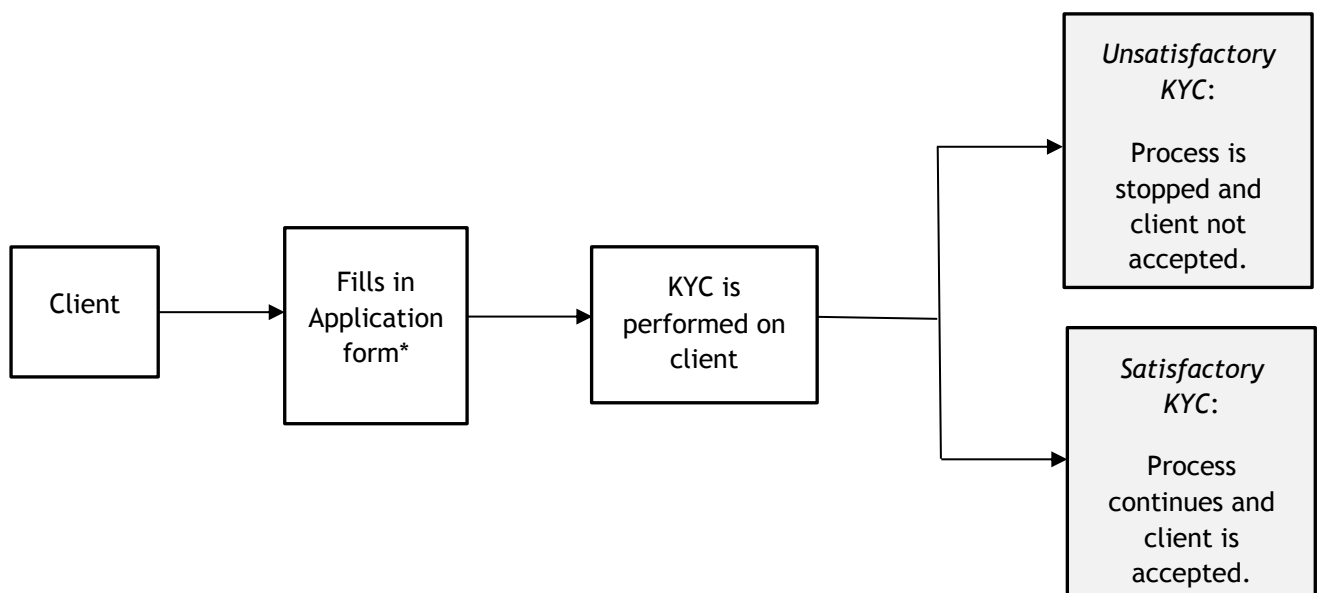
| INDIVIDUAL / RETAIL   |   |
|---|---|
| Proof of Identity   | Proof of Address [Within 3 months] & PO Box addresses are <u>NOT</u> acceptable.  |
| <ul style="list-style-type: none"> <li>Valid passport; or</li> <li>Valid national identity card; or</li> <li>Valid driving licence</li> </ul> | <ul style="list-style-type: none"> <li>Utility bill (such as Electricity, Water, Landline bill) issued to the individual by name;</li> <li>Bank or credit card statement;</li> <li>Valid lease agreement or tenancy contract;</li> <li>Valid Passport, ID, or Driving Licence where the residential address of the person has been mentioned – <i>there will not be any need to submit a separate Proof of Address, unless Enhanced Due Diligence measures are applied depending on the surrounding circumstances.</i></li> </ul> |

- *It is explicitly understood and recognized that the Proof of Address (“POA”) is requested from the customers, and that the said proof of address is valid and acceptable when received. However, the Customer will not be asked after each 3 months’ period to submit a fresh POA. Should the Customer change residential address during the course of the business relationship, he/she has a duty to accordingly inform the Company of the change.*
- *Any CDD documents submitted, should be duly certified as true copy of the original documents, and should be translated in either English or French in case they are in foreign languages.*
- *The client records will be maintained for at least 7 years after closure of the Trading account of any client.*

| CORPORATE / INSTITUTIONAL CLIENTS   |  |
|---|--|
| Type  | Requirements   |
| <b>1. Legal proof of existence</b>  | Either one of the followings: <ul style="list-style-type: none"> <li>▪ Certificate of Incorporation</li> <li>▪ Commercial Licence / Trade Licence</li> </ul>           |
| <b>2. Company’s proof of address</b><br>- <i>POA within 3 months</i><br>- <i>PO Box not acceptable</i><br>- <i>Duly translated in English or French</i> | Either one of the followings: <ul style="list-style-type: none"> <li>▪ Utility bill</li> <li>▪ Bank Reference Letter</li> <li>▪ Bank Statement with address</li> </ul> |
| <b>3. Constitutive documents</b>  | Either one of the followings: <ul style="list-style-type: none"> <li>▪ Memorandum &amp; Articles of Association</li> <li>▪ Constitution</li> <li>▪ Bye-Laws</li> </ul> |
| <b>4. Confirmation of the principals</b>  | Updated –  |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>▪ Register of Ultimate Beneficial Owners;</li> <li>▪ Register of Shareholders/Members;</li> <li>▪ Register of Directors;</li> <li>▪ Certificate of Incumbency (if applicable).</li> </ul>                                   |
| <b>5. Company's structure chart (if available);</b> | <ul style="list-style-type: none"> <li>- Shareholding structure, clearly mentioning the percentage shareholding interest held.</li> <li>- The structure should go back to the UBOs.</li> </ul>   |
| <b>6. Financial status</b>                          | <p>Either one of the followings:</p> <ul style="list-style-type: none"> <li>▪ Latest Audited Financial Statement or</li> <li>▪ Management Accounts or</li> <li>▪ Annual Report or</li> <li>▪ 6 months' bank statements to evidence the Source of Funds.</li> </ul> |
| <b>7. KYC on <u>ALL</u> Principals</b>              | <ul style="list-style-type: none"> <li>▪ Ultimate beneficial owner(s)</li> <li>▪ Director(s)</li> <li>▪ Shareholder(s)</li> </ul> <p><b>(refer to individual clients' list of documents above)</b></p>   |
| <b>8. Proof of Good Standing</b>                    | Certificate of good standing, if the entity has been incorporated for more than a year.  |

**Stage 2: Identification and Verification of documents**



- a. After receiving the CDD documents and Application Form of the client, the Onboarding / Backoffice Team will carry out identification and verification procedures as per the policy of the Company.
- b. All relevant checks including Refinitiv / Infinitix (on behalf of the Company) and Independent checks (Google Searches, Sanction Lists), amongst others are conducted on the clients.
  - Any potential match returned is investigated by MLRO to understand if it is a match or false. If the potential match does return as a positive match, Enhanced Due Diligence may be conducted in order to obtain additional information or Documents from the client when necessary.

Based on this procedure, every Client should be marked as “Approved” only after the Client Due Diligence process has been completed, including the provision of KYC Documentation, fulfilling the mandatory KYC Questionnaire and cross-checking with an independent source/database.

#### BOARD’S APPROVAL FOR PEP CLIENT ACCEPTANCE

**The approval of the Board must be obtained before engaging into any such relationship with a PEP or when a client subsequently becomes a PEP.**

**Where the go-ahead has been given to enter in or to continue a high-risk business relationship, enhanced CDD measures must be applied to that client on an ongoing basis.**

EC Markets Limited should gather sufficient information from the existing customer, check publicly available information or access commercial electronic databases, in order to establish whether or not the customer or the beneficial owner is a PEP. EC Markets Limited should also take reasonable measures to establish the source of wealth and the source of funds of the customer and beneficial owners identified as PEPs.

Where a politically exposed person is no longer entrusted with a prominent public function either domestically or abroad, or with a prominent public function by an international organisation, financial institutions should, for at least 12 months, take into account the continuing risk posed by that person and apply appropriate and risk sensitive measures until such time as that person is deemed to pose no further risk specific to politically exposed persons.

**If the risk is lower, EC Markets Limited may consider declassifying the PEP relationship, but only after careful consideration of continuing anti-money laundering risks and approval by the Board.**

EC Markets Limited should document the reasons justifying the decision to declassify the customer as a PEP and make these reasons available.

### **Stage 3: Approval and Opening of client trading account**

#### **1. Approval and opening of client trading account**

Upon successful approval of client by the Onboarding / Backoffice Team, the client is referred to the dealing team for opening of client trading account in MetaQuotes trading Software.

#### **2. Client trading account credentials**

The Onboarding / Backoffice Team shares the client trading account credentials with the respective clients. Each client has its own ID and password whereby he can access his account for trading. All trades are executed by the client and the client's account is updated automatically.

### **Stage 3: Client Funding**

#### **1. Funding of trading account**

All clients fund their trading account through bank transfers. SBM Bank (Mauritius) Ltd is the primary bank account and client funds are accepted in the client segregated accounts. All withdrawals are also processed through the client segregated accounts.

#### **2. Trading and Monitoring of trades**

The dealing team manages the entire trading operations and monitors the trade all clients in case of any margin requirements or any specific request, the Onboarding / Backoffice Team manages the communications with the clients.

## **TARGET MARKET**

EC Markets Limited (the "Company") is authorized to onboard clients from the below target markets which has been already notified to the FSC in July 2023.

The Company target market will be global with exception of jurisdictions where the product and the marketing of the product is prohibited by law or regulation. Initially Southeast Asia and Chinese communities globally (outside of China) will be the main targets however, the firm plans to acquire clients in Africa, South America and the Middle East where the marketing to individuals in those regions is allowed.

The target markets will exclude those countries listed under the following sanctioned list:

- **FATF List**
- **EU & UN Sanction List**

If the Company is transacting or doing business with countries which are of non-cooperative jurisdictions or have been subject of FATF Public Statements or have deficiencies in their AML/CFT systems, the Company will perform enhanced due diligence and additional monitoring procedures in accordance with its AML/CFT Compliance Manual.



The Company will not market in any jurisdiction that they are not authorized to market unless in unless we seek such approval or authorization as we may be required in those jurisdictions.

**To note:** *In case the company wish to extend its target markets, kindly contact the Credentia Team so that the needful shall be done and the FSC shall be notified accordingly.*

## PROHIBITED COUNTRIES

On 21 October 2022, FATF issued the following statement: "High-Risk Jurisdictions subject to call for action". In the light of the jurisdictions identified by FATF in the statement, the Minister has on the recommendation of the National Committee, identified the following countries as high-risk countries:

- **Democratic People's Republic of Korea (North Korea);**
- **Iran and;**
- **Myanmar.**

(Source: General Notice No. 360 of 2023 of the Mauritius Government Gazette.)

**The Company shall NOT onboard customers from a high-risk country as identified by the Minister.**

As far as practicable, the Company is encouraged to adhere to its Target Market as per the Business Plan when onboarding clients.

## JURISDICTIONS UNDER INCREASED MONITORING (FATF'S GREY LIST)

On 25<sup>th</sup> October 2024, the FATF's grey list was updated with the following counties: **Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, Democratic Republic of the Congo, Haiti, Kenya, Lebanon, Mali, Monaco, Mozambique, Namibia, Nigeria, Philippines, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam, Yemen.**

The countries are sanctioned territories and subject to additional enhanced due diligence measures.

EC Markets Limited may onboard clients from the above-mentioned countries provided that the countries are already part of the target market and based on the overall risk rating of the client, due diligence measures should be applied accordingly (Please refer to the 5.3.3 \*\*).

**To note:** *In case that the above countries are not included in the Target Market and if the Company wish to extend its target markets, kindly contact the Credentia Team so that the needful shall be done to amend the target market, and the FSC shall be notified accordingly.*

## ENHANCED DUE DILIGENCE

Enhanced due diligence (EDD) will be carried out in respect of clients' profile, including clients from increased monitoring countries based on their risk rating and PEPs, which due to their nature entail a high risk of money laundering or terrorist financing as follows:

**In view of adopting the risk-based approach, there are instances wherein we may request customers to also provide relevant documentary evidence along with the Declaration of the Source of Fund/Wealth.**

| Individuals  | Corporate   |
|--|---|
| <p><b>6 months' bank statements</b></p> <ul style="list-style-type: none"> <li>- Whereby it shows sufficient incoming and outgoing funds (Salary, investments...)</li> </ul> <p><b>(Duly translated in English or French where applicable)</b></p>   | <p><b>Either one of the followings:</b></p> <ul style="list-style-type: none"> <li>- Latest financial statements (audited where applicable)</li> <li>- Management Accounts</li> <li>- 6 months' bank statements</li> <li>- Annual Report</li> </ul> |
| <p>Duly filled and Signed Declaration of Source of Funds &amp; Source of Wealth Form</p>   | <p>Duly filled and Signed Declaration of Source of Funds &amp; Source of Wealth Form</p>  |
| <p><b>Either one of the followings:</b></p> <ul style="list-style-type: none"> <li>- Updated &amp; Signed CV -Showing qualifications (education) and detailed work experience.</li> <li>- Letter of Employment from Employer.</li> </ul> <p><b>(In cases where the client did not provide his employment details on the Application Form).</b></p> |   |

*\*\*For further information on EDD measures, please refer to the AML / CFT Compliance Manual, Section 5.3.3 - ENHANCED CDD MEASURES, page 46.*

## CLASSIFICATION OF CLIENTS

Clients are classified in 3 buckets:

### 1. Active Clients

“Active Clients” means any natural or legal person who have been registered with the Company and have transacted or traded within the last 12 (twelve) months.

Standard Due Diligence is conducted on all clients as stipulated in *Step 2 – Identification and Verification*, and Updated CDD documents are requested as per Appendix 11 of the AML/CFT Compliance Manual.

### 2. Inactive Clients

The Inactive / Dormant Account status is defined by multiple criteria: (i) absence of open positions for 12 months, (ii) no trade activity in the last 12 months, (iii) no deposit, withdrawal, or internal transfer activity in the last 12 months. An internal transfer between the Accounts is not regarded as a deposit or a withdrawal.

Standard Due Diligence is conducted on all clients as stipulated in *Step 2 – Identification and Verification*. Whereby the client is classified as Inactive / Dormant due to inactivity as defined above, updated documents will **NOT** be requested.

#### Procedures for reactivation of Inactive accounts:

If a client wants to deposit or trade from/to his account, and his/her account was inactive due to dormancy, then the following procedure will be followed before allowing the client to deposit or trade:

- i. Updated Proof of Address (not later than 3 months) and Updated Proof of Identity (where applicable) will be required.
- ii. Any prior additional information requested (for e.g, information on application form, source of funds/wealth amongst others) should be provided.
- iii. Screenings (Worldcheck, Sanction Screenings & Internet Search) will be re-conducted.
- iv. Risk Assessment will be revisited and shall be updated as applicable.

### 3. Closed Accounts

“Closed Accounts” means any account which have been registered with the Company but are deemed closed due the following circumstances but not limited to:

- i. Internal Policy\* (outdated CDD documents, lack of Information, patterns of transactions amongst others)

Prior to the closure of the account, the client will be notified and given a delay of 2 weeks to provide updated CDD or any further documentation. If the documents requested are not provided within the timeframe, the account will be closed.

The Company may at its discretion proceed to freeze the account of the client if it considers that documents received are not adequate and the client fails to provide the documents within the deadlines advised by the Company.

- ii. Inactive over a period of 24 months\*

Upon the Account reaching 24 months of inactivity, an automated message will be triggered and dispatched to the Client, notifying them about the forthcoming account deduction in accordance with the Terms. Simultaneously, the sales team will be notified of these actions.

Once the Account balance reaches zero, it will be disabled. Three months after the deactivation, the Account will be closed from MT trading system and Client portal. The master Account, however, will remain untouched. If all trading Accounts are closed, the master Account status will be closed.

- iii. Upon Client's Request

Further to the closure of account upon the request of the client, the account cannot be reactivated. The client will have to open a new account with the company.

The Company shall keep its own office records and those its Clients for a period of 7 years as required under the companies Act 2001 and the Financial Service Act 2007.

#### **In the Event of Death**

1. In the event of the Client's death, any person(s) purporting to be the Client's legal personal representative(s) must provide the Company with formal notice of the Client's death in a form acceptable to the Company, including but not limited to the provision of an original death certificate in physical form.
2. Upon the receipt and acceptance of the Client's death certificate, the Company will treat the Client's death as an Event of Default allowing the Company to exercise any of its rights including but not limited to closing any and all Open Positions within the Client's Account. The Agreement will continue to bind the Client's estate until terminated by the Client's legal personal representative or by the Company in accordance with these Terms.
3. A person shall not be proven to be the Client's legal personal representative until the Company receives a grant of representation for the Client's estate. Once the Company receives the grant of representation for the Client's estate, the Company will carry out the

written instructions from the Client's legal personal representative(s). The Company will only accept instructions that aim to wind-down and/or close the Account. No registered asset may be sold until any re- registration process is completed and all fees, charges and expenses which may be owed by the Client to the Company are accounted for. Where the Company has not received any instructions after six (6) months following receipt of the Client's death certificate, the Company may (but shall not be obliged) re-register the Client's holdings into the name of its legal personal representative, re-materialize any electronic holdings and send such holdings in certificated form to the registered correspondence address for the Client's estate, subject to appropriate charges detailed from time to time in the Financial Terms.

4. If the Client's estate is too small to warrant a grant of representation, the Company may in its sole and absolute discretion, require any person(s) purporting to be the Client's legal personal representative(s) to obtain a grant of representation or request an appropriate indemnity.
5. Any applicable charges as detailed in the Financial Terms will continue to be charged until the Account is closed.
6. Notwithstanding anything in the Agreement, if the Agreement is not terminated within two (2) years after the date of the Client's death, the Company may take such action as it considers appropriate to close the Client's Account. The Client's estate or its legal personal representative(s) will be liable for all costs associated with the Company taking this action, or considering taking action, except to the extent that costs arise because of the Company's gross negligence, willful default or fraud.