

ANTI-MONEY LAUNDERING POLICY  
OF

# Rinxo Limited

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Signature of CEO	

## Table of Contents

1.	POLICY STATEMENT.....	3
2.	INTRODUCTION.....	3
3.	PURPOSE .....	3
4.	DEFINITIONS .....	3
5.	MONEY LAUNDERING .....	6
5.1	Process of Money Laundering .....	6
6.	CORE PRINCIPLE .....	6
7.	RESPONSIBILITIES.....	6
7.1	Board of Directors & Senior Management.....	6
7.2	Compliance Officer .....	7
7.3	Employees .....	7
8.	COMPANY PROCEDURAL GUIDELINES: .....	7
8.1	CUSTOMER DUE DILIGENCE .....	7
8.2	KNOW YOUR CUSTOMER AND CDD .....	8
8.2.1	Individual Clients.....	8
8.2.2	CORPORATE CLIENTS.....	8
9.	MONITORING OF CLIENT ACTIVITY .....	9
10.	RECORD KEEPING .....	9
11.	DEPOSIT AND WITHDRAWAL REQUIREMENTS.....	9

# 1. POLICY STATEMENT

Rinxo Ltd (hereinafter referred to as “Rinxo”) is committed to the highest standards of the Anti-Money Laundering (AML) compliance and Counter-Terrorism Financing (CTF). To help the global economy & different governments, fight the funding of terrorism and money laundering activities, the law requires all financial institutions to obtain, verify, and record information that identifies each person opening an account.

## 2. INTRODUCTION

This Anti-Money Laundering (AML) Policy outlines the framework and procedures that Rinxo, a Foreign Exchange Trading Platform company, will adhere to in order to prevent and detect money laundering activities and comply with relevant laws and regulations globally.

## 3. PURPOSE

The purpose of this policy is to:

- i. Establish controls and procedures to prevent the use of Rinxo for money laundering activities.
- ii. Comply with all applicable laws, regulations, and international standards related to anti-money laundering.
- iii. Protect Rinxo's reputation and integrity by ensuring that its services are not used for illicit activities.

## 4. DEFINITIONS

- 1) “Beneficial Owner” shall have the same meaning as under section 2(iv) of the Act.
- 2) “Beneficiary Institution” means the Rinxo that receives the funds on behalf of the wire transfer or fund transfer beneficiary.
- 3) “Beneficiary” means the person to whom or for whose benefit the funds are sent or deposited in a bank or person who has a beneficial interest in financial transactions to be executed.
- 4) “Biometric Verification System” or “BVS” means the technology-enabled system (verifiable from relevant Government authority) that allows Rinxo to obtain biometrics of the customers at the time of opening of account or conducting the transactions.
- 5) “Class of Beneficiaries” for the beneficiary(ies) of trusts that are designated by characteristics or by class, Rinxo shall obtain sufficient information concerning the beneficiary to satisfy Rinxo that it will be able to establish the identity of the beneficiary at the time of the payout or when the beneficiary intends to exercise vested rights.
- 6) “Close associate of a PEP” means—
  - a. an individual known to have joint beneficial ownership of a legal person or a legal arrangement or any other close business relations with a PEP;
  - b. any individual(s) who have beneficial ownership of a legal person or a legal arrangement which is known to have been set up for the benefit of a PEP;
  - c. an individual who is reasonably known to be closely connected with the PEP for any other reason, including socially or professionally.
- 7) “Company” means a Limited Liability Company.
- 8) “Competent Authorities” shall have the same meaning as per Regulatory Laws.

- 9) "Control" in relation to a legal person, means the power to exercise a controlling influence over the management or the policies of the undertaking, and, in relation to shares, means the power to exercise a controlling influence over the voting power attached to such shares.
- 10) "Corporate Group" shall have the same meaning as per Regulatory Laws.
- 11) "Cross-Border Wire Transfer" means a wire transfer where the ordering institution and the beneficiary institution are located in different countries or jurisdictions.
- 12) "Currency Transaction Report (CTR)" shall mean a report of transactions exceeding the amount as per Regulatory requirements and in case no threshold is defined it means the amount exceeding the \$10,000.
- 13) "Customer" means a person (natural & legal) having a relationship with Rinxo and having an account with Rinxo for trading purposes.
- 14) "Designated Person (DP)" individual or entity designated under the UNSC Act.
- 15) "Family member of a PEP" includes—
  - a. spouse of the PEP; and
  - b. lineal descendants and ascendants of the PEP and siblings of the PEP.
- 16) "FATF Recommendations" mean the Recommendations of the Financial Action Task Force as amended from time to time.
- 17) "Financial Institution" shall mean the Financial Institution registered under the relevant jurisdiction as a Financial Institution to carry on such transactions including accepting deposits, liquidity providing facility, investment, lending, etc.
- 18) "Fund Transfer/ Wire Transfer" means any transaction carried out by a Payment Service Provider (PSP) on behalf of the originator person by way of electronic means or otherwise to make an amount of money available to the beneficiary person at another beneficiary institution, irrespective of whether the originator and the beneficiary are the same person.
- 19) "Identity Document" means the documents for the identification of natural persons as applicable under the respective jurisdictions but shall always include a Passport.
- 20) "Intermediary Institution" is an intermediary in the wire transfer payment chain; that receives and transmits a wire transfer on behalf of the ordering institution and the beneficiary institution, or another intermediary institution.
- 21) "Monetary Threshold" expressed includes a reference to the equivalent amount expressed in the currency under the jurisdiction under which Rinxo is being regulated.
- 22) "Non-Face to Face Transactions or business relationship" Non-face-to-face interactions are considered to occur remotely—meaning the parties are not in the same physical location and conduct activities by digital or other non-physically-present means, such as mail or telephone or internet.
- 23) "Numbered Account" means an account where the names of the customer and beneficial owner are known to the bank but are substituted by an account number or code name in subsequent documentation.
- 24) "Occasional Customer" (also called walk-in customer) means the person conducting occasional transactions and is not a permanent customer; not having an account/ permanent customer relationship with Rinxo, which do not maintain permanent customer relationship/ customer accounts, every customer would be treated as an occasional or walk-in customer.
- 25) "Online Transaction" means deposit or withdrawal of cash, fund transfers, payments against goods and services, etc. using electronic means.
- 26) "Ordering Institution" means the Liquidity Providers or the Customers upon whose instructions Rinxo arranges for a wire transfer on the instructions of the wire transfer originator for transferring the funds.
- 27) "Originator" means the person who allows or places the order to initiate a fund transfer/ wire transfer or an online transaction.

- 28) “Outsourcing” means the use of a third party (affiliated or unaffiliated) to perform activities, functions, or processes normally to save money, and time, and/ or use the skills/ technology of another entity on a continuing basis.
- 29) “Payment Services” means the services that enable customers to make payments for goods and services, bill payments, fund transfers, cash deposits, and withdrawals.
- 30) “Politically Exposed Person (PEP)” means an individual who is or has been entrusted with a prominent public function either domestically or by a foreign country, or in an international organization and includes but is not limited to:
- a. for foreign PEPs, Heads of State or government, senior politicians, senior government officials, judicial or military officials, senior executives of state-owned corporations and important political party officials;
  - b. for domestic PEPs, Heads of State or government, senior politicians, senior government officials, judicial or military officials, senior executives of state-owned corporations, and important political party officials;
  - c. for international organization PEPs, members of senior management, or individuals who have been entrusted with equivalent functions; and
  - d. Provided that middle-ranking or more junior individuals in the above-referred categories are not included in the definition of PEPs.
- 31) “Prescribed” means prescribed under applicable rules, circulars, directions, orders or bye-laws.
- 32) “Proscribed Person (PP)” means any person or entity who reasonably is believed to be (i) in breach of the laws of any jurisdiction regarding economic or trade sanctions, or laws prohibiting money laundering or terrorism financing, or (ii) on a list of persons with whom dealings are proscribed by Australian laws or the laws of another recognized jurisdiction. A ‘Proscribed Person’ includes any person or entity who is reasonably believed to act on behalf, or for the benefit of, a person or entity referred to in (i) and/or (ii).
- 33) “PSOs/ PSPs” mean payment service operators and/or payment service providers duly regulated under respective jurisdictions.
- 34) “Regulations” means the AML/CFT/CPF Regulations under the regulated jurisdiction.
- 35) “Respondent Bank” means the bank or Rinxo outside Pakistan to whom correspondent banking services in Pakistan are provided and vice versa.
- 36) “Senior Management” means BOD and chief executive officer, managing director, deputy managing director, chief operating officer, company secretary, chief financial officer, chief compliance officer, chief regulatory officer, and any holder of such positions by whatever name called.
- 37) “Settlors” are natural or legal persons who transfer ownership of their assets to trustees by means of a trust deed or similar arrangement.
- 38) “Shell Bank/Company” means a bank that has no physical presence (mind and management) in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.
- 39) “Transfer” means a sale, lease, purchase, mortgage, pledge, gift, loan, or any other form of transfer of right, title, possession, or lien.
- 40) “Trust” means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner or declared and accepted by him for the benefit of the beneficiary.
- 41) “Trustee” means any person who accepts the confidence of the author of the trust to the benefit of the beneficiary.
- 42) “Ultimate Effective Control” or” Ultimately Owns or Controls” means situations in which ownership/ control is exercised through a chain of ownership or by means of control other than direct control.

## 5. MONEY LAUNDERING

Money laundering is the process of converting funds, received from illegal activities (such as fraud, corruption, terrorism, etc.), into other funds or investments that look legitimate to hide or distort the real source of funds.

### 5.1 Process of Money Laundering

The process of money laundering can be divided into three sequential stages:

**Placement:** At this stage, funds are converted into financial instruments, such as checks, bank accounts, and money transfers, or can be used for purchasing high-value goods that can be resold. They can also be physically deposited into banks and non-bank institutions (e.g., currency exchangers). To avoid suspicion by the company, the launderer may as well make several deposits instead of depositing the whole sum at once, this form of placement is called smurfing.

**Layering:** Funds are transferred or moved to other accounts and other financial instruments. It is performed to disguise the origin and disrupt the indication of the entity that made the multiple financial transactions. Moving funds around and changing in their form makes it complicated to trace the money being laundered.

**Integration:** Funds get back into circulation as legitimate to purchase goods and services.

## 6. CORE PRINCIPLE

Rinxo adheres to the principles of Anti-Money Laundering and actively prevents any actions that aim or facilitate the process of legalizing illegally gained funds. AML policy means preventing the use of the company's services by criminals, with the aim of money laundering, terrorist financing, or other criminal activity.

To prevent money laundering, Rinxo neither accepts nor pays cash under any circumstances. The company reserves the right to suspend any client's operation, which can be regarded as illegal or, may be related to money laundering in the opinion of the staff.

## 7. RESPONSIBILITIES

### 7.1 Board of Directors & Senior Management

- i. They will ensure that adequate resources are allocated to the implementation and maintenance of the AML program.
- ii. They will provide regular training and guidance to employees on AML procedures and requirements.
- iii. The Board of Directors (BOD) & Senior management are responsible for establishing and maintaining an effective AML program including but not limited to the following;
  - a. Approve compliance risk strategy and allied policies of the Rinxo and oversee its implementation across the entity in letter and spirit;
  - b. Ensure the establishment of a robust Compliance Function compatible with Rinxo's overall risk management strategy, risk profile, and complexity of operations, with required authority, independence, financial resources and quality human resources;
  - c. Approve an end-to-end compliance program that promotes and supports compliance risk management across the organization, at every hierarchal level of the Rinxo. The compliance program will also clearly define the roles and responsibilities of different

functions, the coordination mechanism, the processes, methods, and tools adopted to identify, mitigate, and report entity-wide compliance risk.

- d. Maintain and promote a high compliance culture and values of honesty and integrity in Rinxo.
- e. Discuss compliance issues regularly, ensuring that adequate time and priority are provided in the board agenda to deliberate compliance issues and that such issues are resolved effectively and expeditiously.
- f. Evaluate the effectiveness of Rinxo's overall management of compliance risk, at least annually; keeping in view the regulatory observations in onsite examinations, regulatory enforcement actions, internal assessments/feedback from internal audits, compliance reviews, as well as interactions with the Compliance Officer.
- g. On the advice of the Chief Executive Officer (CEO), approve the appointment of a Compliance Officer/ Chief Compliance Officer (CCO) with sufficient experience, expertise, skills, and qualifications to perform CCO's functions in an effective manner.
- h. Ensure that CCO has the appropriate stature, authority, resources (physical, financial, and human), and support to fulfill the duties, is sufficiently independent of line departments, and has the capacity to offer objective opinions and advice to Senior Management and the Board on matters of compliance risk.
- i. Engage with CCO on half yearly basis to provide him the opportunity to discuss issues faced by the CF in the implementation of board approved compliance program.
- j. Review the minutes of Compliance Committee of Management (CCM) meetings to ascertain its effectiveness in managing compliance risk.
- k. Review the progress in implementing remedial actions taken with respect to instances of non-compliance or control weakness as identified by the Compliance Department through its regular 'compliance reviews' and /or various other sources.
- l. Satisfy itself with receiving the accurate as well as comprehensive information required to perform its compliance risk oversight responsibilities, including seeking assurances from Senior Management that the compliance risk controls have been implemented and are working effectively.

## 7.2 Compliance Officer

- i. The Compliance Officer is responsible for overseeing the implementation of the AML program.
- ii. They will ensure that appropriate AML policies, procedures, and controls are in place and regularly reviewed and updated.
- iii. They will monitor transactions for suspicious activity and ensure that any suspicious activity is reported to the relevant authorities.

## 7.3 Employees

- i. All employees are responsible for understanding and complying with the AML policies and procedures.
- ii. They are required to report any suspicious activity to the Compliance Officer.

# 8. COMPANY PROCEDURAL GUIDELINES:

## 8.1 CUSTOMER DUE DILIGENCE

### A. Customer Due Diligence (CDD)

Rinxo will conduct customer due diligence on all customers as part of its AML program. This will include:



- I. Verifying the identity of customers using reliable and independent sources.
- II. Understanding the nature and purpose of customer relationships.
- III. Monitoring customer transactions to identify any unusual or suspicious activity.

#### B. Enhanced Due Diligence (EDD)

Rinxo will apply enhanced due diligence measures to higher-risk customers, including:

- I. Politically exposed persons (PEPs).
- II. Customers from high-risk jurisdictions.
- III. Customers conducting large or unusual transactions.

#### C. GUIDELINES

Rinxo will make sure that it is dealing with a real person or legal entity. Rinxo also performs all the required measures in accordance with applicable laws and regulations, issued by monetary authorities. The AML policy is being fulfilled within RinXo by means of the following:

- I. Know your customer policy and due diligence
- II. Monitoring of client activity
- III. Record keeping

## 8.2 KNOW YOUR CUSTOMER AND CDD

Because of the company's commitment to the AML and KYC policies, each client of the company has to finish a verification procedure. Before Rinxo starts any cooperation with the client, the company ensures that satisfactory evidence is produced or such other measures that will produce satisfactory evidence of the identity of any customer or counterparty are taken. Rinxo also applies heightened scrutiny to clients, who are residents of other countries, identified by credible sources as countries, having inadequate AML standards or that may represent a high risk for crime and corruption and to beneficial owners who reside in and whose funds are sourced from named countries.

### 8.2.1 Individual Clients

During the process of registration, each client provides personal information, specifically: full name; date of birth; country of origin; and complete residential address. The following documents are required in order to verify the personal information: A client sends the following documents (in case the documents are written in non-Latin characters: to avoid any delays in the verification process, it is necessary to provide an acceptable version of the translation of the document in English) because of the requirements of KYC and to confirm the indicated information:

- i. Current valid passport (showing the first page of the local or international passport, where the photo and the signature are clearly visible); or
- ii. Driving license which bears a photograph; or
- iii. National identity card (showing both front and back pages);
- iv. Documents proving current permanent address (such as utility bills, bank statements, etc.) containing the client's full name and place of residence. These documents should not be older than 3 months from the date of filing.

### 8.2.2 CORPORATE CLIENTS

In case the applicant company is listed on a recognized or approved stock/ currency/ free market exchange or when there is independent evidence to show that the applicant is a wholly owned subsidiary or a subsidiary under the control of such a company, no further steps to verify identity



will normally be required. In case the company is unquoted and none of the principal directors or shareholders already has an account with Rinxo, the following documentation must be provided:

- i. Certificate of Incorporation or any national equivalent.
- ii. Memorandum and Articles of Association and statutory statement or any national equivalent.
- iii. Certificate of good standing or other proof of registered address of the company.
- iv. Resolution of the board of directors to open an account and confer authority on those who will operate it.
- v. Copies of powers of attorney or other authorities given by the directors in relation to the company.
- vi. Proof of identity of directors in case he/she will deal with Rinxo on behalf of the Customer (according to the Individual identity verification rules described above);
- vii. Proof of identity of the beneficial owner(s) and/or the person(s) on whose instructions the signatories on the account are empowered to act (according to the Individual identity verification rules described above).

## 9. MONITORING OF CLIENT ACTIVITY

In addition to gathering information from the clients, Rinxo continues to monitor the activity of every client to identify and prevent any suspicious transactions. A suspicious transaction is known as a transaction that is inconsistent with the client's legitimate business or the usual client's transaction history known from client activity monitoring. Rinxo will implement a system of monitoring the named transactions (both automatic and, if needed, manual) to prevent using the company's services by criminals. Rinxo will prepare a detailed compliance manual with the escalation matrix to report such transactions within the regulatory timelines.

## 10. RECORD KEEPING

Records must be kept of all transaction data and data obtained for the purpose of identification, as well as of all documents related to money laundering topics (e.g. files on suspicious activity reports, documentation of AML account monitoring, etc.). Those records are kept for a minimum of 5 years after the account is closed. The Digital record shall be kept for 10 years.

## 11. DEPOSIT AND WITHDRAWAL REQUIREMENTS

All deposits and withdrawals on trading accounts held with Rinxo have the following strict requirements:

- A. Due to AML / CTF laws, Rinxo cannot receive or deposit funds to third parties.
- B. Funds sent to Rinxo must be from a bank account, Credit/Debit card, or Alternative Payment Method, allowed under the regulatory framework, under the same name as the trading account name with Rinxo.
- C. All funds withdrawn from a trading account must go to a bank account, Credit/Debit card, or Alternative Payment Method, allowed under the regulatory framework, under the same name as the trading account name with Rinxo.

- D. All withdrawal requests are processed on a First-in-First-Out (FIFO) basis according to the funding source of origination. All initial withdrawal requests must be verified for safety and security by the provision of a bank statement, which includes account holder information and bank details. Rinxo will not accept deposits or withdrawals made under a different name to the registered Rinxo.
- E. If a trading account was credited in a way that cannot be used for funds withdrawal, the funds may be withdrawn to a bank account under the same name as the trading account name with Rinxo as long as the client provides satisfactory evidence of the ownership of bank account where the funds originated from as well as the destination bank account.
- F. In cases of an attempt to execute a transaction that Rinxo suspects it is related to money laundering or other criminal activity, it will proceed in accordance with the applicable law and report suspicious activity to the regulating authority.
- G. Rinxo reserves the right to suspend any client's operation, which can be regarded as illegal or may be related to money laundering in the opinion of the staff. Rinxo has complete discretion to temporarily block the suspicious client account or terminate an existing client relationship.
- H. More information, regarding the detailed Compliance Manual and producers of Rinxo can be obtained by sending an email to the company's provided email address.

