

ANTI-MONEY LAUNDERING POLICY

"Money Laundering" refers to the process by which individuals attempt to conceal the origin and ownership of proceeds derived from illegal activities. Generally, money laundering involves any financial transaction that:

- Uses funds derived from criminal activity
- Is conducted to facilitate or conceal criminal activity

Money laundering activities are highly regulated by global and international legislation. Therefore, FAZOFX Liquidity Corp ("the Company") is strongly advised to implement the AML Code of Practice to avoid illegal procedures and transactions in the future.

The main risk of money laundering by criminal elements through the Company is the exploitation of the deposit/withdrawal procedures made available by the Company to clients, and the opportunity to present to law enforcement and tax entities that the source of the funds coming from the Company is profit made in the Forex Markets.

For example, if the Company allowed a deposit from one entity or client to be credited to another entity's or client's trading account, the other entity or client could withdraw these funds to its own bank account and report them as profits. This would "disconnect" the flow of funds from the depositing entity or client to the withdrawing entity or client. Criminal elements may use that option to transfer funds undetected by law enforcement agencies and conceal the true origin of the funds. The same applies to the transfer of credit between trading accounts belonging to different entities or clients.

To avoid such abuse of the Company's services by unlawful clients, the rule of thumb is to not allow the transfer of funds between different entities or clients. For example:

- One cannot deposit from a company they own to their personal trading account, and vice versa.
- One cannot get deposits from a relative's bank account unless that relative has the trading account.
- Cash deposits to the Company's bank account by clients should be forbidden. If such a deposit does occur, then in the case of a withdrawal request, the client will need to supply bank account details of the person who made the cash deposit with written proof of their account details.
- A client cannot transfer funds between trading accounts that are not under their ownership.

The Company follows UK legislation for money laundering and terrorist funding. The requirements of the UK anti-money laundering legislation are set out in:

- The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006, and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007)

- The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015)
- The Money Laundering Regulations 2007