

Client Acceptance Policy

REVISED ON: 31 JULY 2023

Table of Contents

1. Scope of policy.....	3
2. General principles of the client acceptance policy.....	3
3. Criteria for accepting new clients (based on risk)	3
4. Low risk clients	3
5. High risk clients.....	4
6. Unacceptable clients	5
7. Transactions by politically exposed persons (PEPS)	5
8. Client application due diligence and identification procedures	6
9. Customer identification procedure (CIP)	6
10. Monitoring transactions	6
11. Reporting of suspicious transactions	7

1. Scope of policy

The purpose of this policy is to reiterate on the company's commitment to FICA and to combat Money Laundering and Terrorist Funding. The Client Acceptance Policy outline the criteria for accepting new clients in alignment with the company's Risk Management Compliance Policy (RMCP)

2. General principles of the client acceptance policy

The General Principles of the Client Acceptance Policy are the following:

- The Company shall not conduct transactions in anonymous or fictitious names.
- The Company shall classify Clients into various risk categories and based on the risk perception decide on the acceptance criteria for each category of Client.
- Where the Client is a new Client, an account can be activated only after the relevant due diligence and identification measures and procedures have been conducted, according to the principles and procedures set forth in the AML (Anti Money Laundering) Guideline.
- Client acceptance is subject to annual due diligence.

3. Criteria for accepting new clients (based on risk)

This Section describes the criteria for accepting new Clients based on their risk categorisation.

LOW RISK CLIENTS	HIGH RISK CLIENTS
The Company shall accept Clients who are categorised as low risk Clients if the general principles set forth in this CAP are implemented.	The Company shall accept Clients who are categorised as high-risk Clients if the general principles set forth hereinafter are implemented. Moreover, the Company shall apply the Enhanced Client Identification and Due Diligence measures for high-risk Clients as applicable.

4. Low risk clients

A low-risk Client is any Client who is not mentioned under paragraph 5.

5. High risk clients

A high-risk Client is any Client –

- whose single Transaction or Company Relationship will be financed through a Cash payment of R25 000.00 (twenty-five thousand rand) or more, as opposed to through a bond or similar arrangement from a financial institution that is duly registered as such; or
- who is a natural person, but is not a citizen or permanent resident of South Africa; or
- that is a partnership, trust, company or close corporation, regardless of whether or not it was formed in South Africa –
- that has no operations or Company premises in South Africa; and
- that cannot produce the letter and documents / records referred to in paragraph 9, which letter and documents must be from a Secondary Accountable Institution based in an FATF Member State; or
- who is an FPPO; or
- who is suspect, whether or not they fit into any of the categories listed under paragraphs 5. A Client may, in the Risk Director's discretion, be regarded as suspect for any reason relating to the Client's conduct in the context of a single Transaction or Company Relationship, which conduct includes (without limitation) –
- a reluctance or refusal to provide information; or
- an unusual or inexplicable preference for dealing with the Company via correspondence or via electronic media, as opposed to in person, particularly for the purposes of the CDD;
- a patent lack of concern or disregard for the costs involved; or
- deliberate evasiveness or vagueness when providing information; or
- any other conduct or circumstances that, when viewed objectively, and when considered in light of all of the relevant factors taken as a whole, should be regarded with suspicion; or
- The client admits or makes statements about involvement in criminal activities
- The client is involved with significant amounts of cash in circumstances that are difficult to explain
- The client does not want correspondence sent to his or her home address
- The client repeatedly uses an address but frequently changes the names involved

- The client appears to have accounts with several financial institutions in one for no apparent reason
- The client is accompanied and watched
- The client shows uncommon curiosity about internal systems, controls and policies
- The client over justifies or explains the transaction
- The client's home or business telephone number has been disconnected or there is no such number when an attempt is made to contact the client shortly after the transaction.
- The client insists that a transaction be done quickly
- The client appears to have recently established a series of new relationships with different financial entities
- The transaction involves a country where illicit drug production or exporting may be prevalent, or where there is no effective anti-money laundering system.

6. Unacceptable clients

The following list predetermines the types of Clients who are not acceptable for establishing a Business Relationship with the Company.

Clients who fail or refuse to submit, the requisite data and information for the verification of their identity and the creation of their economic profile, without adequate justification.

The Company shall not conduct transactions in cases where the identity of the client matches with any person with known criminal background or with banned entities such as individual terrorists or terrorist organisation's etc. whose name appear in the lists/s published from time to time.

US citizens and US residents are strictly not accepted as clients due to US Securities and Exchange Commission ("SEC") rules.

iFX Brokers Holdings (Pty) Ltd does not offer its services to residents of certain jurisdictions, including Afghanistan, Canada, Democratic People's Republic of Korea, EU Member States, Ghana, Iceland, Iran, Iraq, Libya, Liechtenstein, Mongolia, Myanmar, Nicaragua, Norway, Panama, Somalia, Syrian Arab Republic, UAE, Uganda, United Kingdom, United States of America, Yemen, Zimbabwe.

Clients listed in FATF and/or global sanction list.

7. Transactions by politically exposed persons (PEPS)

PEPs are individuals who are or have been entrusted with prominent public functions in a foreign country e.g., Heads of States or of Governments,

Senior Politicians/Government/Judicial/Military Officers, Senior Executives of State-owned corporations, important political officials etc.

Before accepting a PEP as a customer, the Company will identify him/her and confirm the sources of funds.

The decision to continue business relations with PEPs would be taken at Board level.

8. Client application due diligence and identification procedures

The Company shall duly apply Client identification procedures and Client due diligence measures in the following instances:

- When establishing a Business Relationship.
- Annual ongoing due-diligence.
- When there is a suspicion of money laundering or terrorist financing, regardless of the amount of the transaction.
- When there are doubts about the veracity or adequacy of previously Client identification data.

9. Customer identification procedure (CIP)

The Company's customers need to be verified in line with the company's Risk Management Compliance Procedure (RMCP). Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data, or information. Sufficient information needs to be obtained to the satisfaction, which is necessary to establish, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of relationship.

While opening the account of the customer or during periodic updating, the Company shall seek 'mandatory' information required for KYC purpose, which the customer is obliged to give.

Existing clients are subject to the submission of Customer identification documents annually

10. Monitoring transactions

Ongoing monitoring is an essential element of effective KYC procedures. Risk can be effectively controlled and reduced only if an understanding of the normal and reasonable activity of the customer is available to identify transactions that fall outside the regular pattern of activity. However, the extent of monitoring shall depend on the risk sensitivity of the account.

Ongoing due diligence with respect to the business relationship with every client shall be exercised and the transactions shall be examined closely to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

11. Reporting of suspicious transactions

The Company undertakes to report any Suspicious Activities in line with the requirements of the Financial Intelligence Centre (FIC).

- **Regulation 22A:** Information to be reported concerning property associated with terrorist and related activities.
- **Regulation 22B:** Cash threshold reporting.