

## ACCEPTANCE POLICY

### 1. Introduction

This Acceptance Policy applies to all directors, officers, employees, partners, customers, contractors and any other third-party providers or individuals that may be directly or indirectly linked to the operations of RS Markets.

It governs RS Markets' internal procedures implemented to categorize, identify, verify and accept customers, partners and third-party providers prior any onboarding and to monitor for money laundering, terrorism financing, financial fraud, market abuse, or any other related illegal activity.

It is implemented in conjunction with RS Markets Anti-Money Laundering (AML) Policy and Know-Your-Customer (KYC) Policy and all applicable laws and regulations in the locations where we operate our business.

### 2. Risk-Based Approach

RS Markets adopts a Risk-Based Approach when assessing customer, partner and third partner truthfulness and screening for any money laundering, terrorism financing, financial fraud, market abuse, or any other related illegal activity. For more details about the risk-based approach, please refer to the KYC and AML policy.

### 3. Customer Acceptance

RS Markets carries a thorough diligence in identifying and verifying customers. It further classifies customers into the following categories and diligence is carried for all irrespective of their risk exposure:

- **Low Risk Customers**
  - Low Risk Customers are customers who are linked to low-risk counties with respect to AML and other similar corruptive or illegal activities.
- **Normal Risk Customers**
  - Normal Risk Customers are customers who fall neither in the low risk, nor in the high-risk category.
- **High Risk Customers**
  - High Risk Customers are customers who:
  - Provide insufficient or suspicious identification documents as per RS Markets KYC procedures;
  - Fail to pass verification as per RS Markets KYC procedures;
  - Are Politically Exposed Persons (PEPs), including their families thereof;
  - Are on prescribed sanctions lists, such as United Nations, European Union, UK Treasury, US Office of Foreign Assets Control (OFAC);
  - Are residents of countries having poor AML standards or countries that incur a high risk for crime and corruption.

RS Markets has designed a customer matrix based on risk to which you can refer in Appendix I to this policy.

## Remarks:

- RS Markets applies heightened scrutiny to customers residents of countries having poor AML standards or countries that incur a high risk for crime and corruption;
- RS Markets applies heightened scrutiny to customers, partners and third-parties who are Politically Exposed Persons (PEPs), or their family members, where RS Markets screens against global PEP lists thereto.
- Should any doubt on any money laundering, terrorism financing, financial fraud, market abuse, or any other related illegal activity be suspected or detected RS Markets retains absolute discretion to reject customers and/ or partners and/or third-parties and report any illegal activity to the respective local authorities.

RS Markets also maintains an unacceptable customers' list as follows:

- RS Markets does not accept customers that are on prescribed sanctions lists, such as United Nations, European Union, UK Treasury, US Office of Foreign Assets Control (OFAC), and other sanctions lists in all jurisdictions in which we operate;
- RS Markets does not accept customers who fail to provide all required identification data at KYC step;
- RS Markets does not accept customers whose identification is not verified against RS Markets KYC procedures;
- RS Markets does not accept customers from embargo countries – Iran, Iraq, Syria, North Korea, Cuba, Sudan, Libya, Yemen;
- RS Markets does not accept customers who are residents of USA, Canada, Australia, Japan;
- RS Markets remains discretion to not accept any customers should it be suspected that identification documentation is poor or falsified.

### 3.1 Customer Authentication

Some of the authentication pre-requisites for customers include name, date of birth, address, identification number (taxpayer identification number, passport number, country of issuance, or any other identity number issued by any government evidencing nationality or residence), proof of identity, proof of address, proof of funds, selfie of customer with their government issued documents.

Identification documentation shall be an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard.

Should any of these details be missing prior any customer account opening, RS Markets will halt the process of customer onboarding until all documentation and verification is in place.

### 3.2 Customer Verification

Customer identity shall be verified in one or more of the following ways:

- Through checking at a reporting agency, public database or other;
- Through checking references with other financial institutions;
- Through obtaining a financial statement;
- Through the provision of an unexpired government-issued identification document with a photograph or other similar safeguard;
- Through the provision of documentation that is not older than 6 months, or if older, to be notarized in the last 6 months;

- Through the comparison of selfie and photograph on the identification documentation;
- Through a verification phone call with the customer to verify their personal details;
- Any other measures and means RS Markets deems appropriate to verify customers.

It is the customers' absolute responsibility to notify us of any change in any identification documentation (validity, document number, etc.).

#### **4. Partner and Third-Party Acceptance**

RS Markets carries a thorough diligence in identifying and verifying parents, affiliates and other third-party providers in its endeavor to provide quality services/products to its customers. Prior to any cooperation RS Markets and the respective partners, affiliates, third-partners go through an identification and verification step, as well as sign respective affiliate or service agreements.

It shall be explicitly noted that the rights, obligations or responsibilities granted to any partner or third party shall not be assignable and shall not be assigned to any other party.

Pursuant to RS Markets partner and third-partner diligence and the provisions in the affiliate/service agreement RS Markets will not partner and/or onboard any partner or third-party should it be evident or even suspected that:

- The partner/affiliate/third-party is connected in any way to any money laundering, terrorism financing, financial fraud, market abuse, or any other related illegal activity;
- The partner/affiliate/third-party has practice to solicit customers or conduct marketing activities in territories that are in breach of RS Markets' status thereof;
- The ownership and structure of the partner/affiliate/third-partner are unclear, the beneficial owners are dubious of illegal connectivity;
- RS Markets shall not engage with any partner, affiliate or third partner should it be suspected that they fall low on the verification stage and are in any way connected to any illegal activity.

##### **4.1 Partner and Third-Party Authentication**

Some of the authentication pre-requisites for partners and third-parties include name and legal establishment of the entity, business address, certificate of incorporation, memorandum and articles of association, statutory statements, certificate of good standing, proof of registered address, resolution of the board of directors to open an account, proof of entity existence, government issued business license, partnership agreement, copies of powers of attorney, proof of identity of directors, proof of identity of the beneficial owner(s).

RS Markets applies heightened scrutiny to customers, partners and third-parties' residents of countries having poor AML standards or countries that incur a high risk for crime and corruption.

##### **4.2 Partner and Third-Party Verification**

Partner and Third-Party identity shall be verified in one or more of the following ways:

- Through checking physical business location;
- Through checking regulatory registers;
- Through checking the AML watch lists;
- Through beneficial owner's identity checking;
- Through checking in local incorporation agencies;
- Any other measures and means RS Markets deems appropriate to verify customers.

It shall be explicitly noted that the rights, obligations or responsibilities granted to any partner or third party shall not be assignable and shall not be assigned to any other party.

## 5. Activity Monitoring

RS Markets constantly monitors customers, partners and third-party activity on an ongoing basis irrespective of the initial verification process to identify and prevent any suspicion transaction.

Monitoring generally will include:

- **Review of customers identification documents** to detect insufficient, unusual, suspicious identify information and background, suspicious source of funds, others;
- **Review of customers deposits, withdrawals and transfers** to detect unusual small deposits and withdrawals with high frequency, transactions to/from high-risk geographic locations, unexplained, repetitive, unusually large or illogical wire activity that has no apparent business purpose, payment by third-party check or money transfer without an apparent connection to the customer;
- **Review of customer trading activity** to detect unusual size, volume, pattern or type of transactions, prearranged or other non-competitive trading, including wash or cross trades of illiquid securities, simultaneous trading of illiquid stock at more than one account, multiple accounts with same beneficial owners or controlling parties with no apparent business purpose, trading patterns resulting of insider information, suspicious high level of account activity with very low levels of securities, funds transferred or wired by other third-parties unassociated with the account, prohibited trading;
- **Review of partner and third-party accounts and dealings** to detect any suspicious activity, market abuse, money laundering, terrorism financing or any other illegal activity.

## 6. Transaction Monitoring

RS Markets further monitors customers transactions on a regular basis to make sure they comply with the policy hereto, as well as with all applicable AML laws. All suspicious activities and transactions are duly reported to the appropriate national authority.

## 7. Deposit and Withdrawal Due Diligence

RS Markets at all times performs diligence on all deposit and withdrawal activities on customer accounts where some of the measures include:

- No funds shall be received or deposited from/to third parties;
- All funds must be deposited or withdrawn via the same payment method, i.e. if funds are deposited via a credit card, same funds shall be withdrawn via the same payment method, or as otherwise agreed between the customer and RS Markets;
- All funds must be deposited or withdrawn via any payment method under the same name as the trading account name;
- All initial withdrawal requests are carried out only after the provision of a bank statement.

## 8. Record Keeping

RS Markets keeps a diligent record of all data connected to its operation. Some of the record we keep may include, but is not limited to: all transaction data, data obtained for the purpose of identification, all documents related to money laundering, files on suspicious activity, documentation

of AML account monitoring, high risk customer data, all identity information provided by a customer, verification methods, resolution of discrepancies and others.

Those records are kept for a minimum of 7 years after the account is closed.

## **9. Auditing**

RS Markets conducts regular audits and checks on internal control. These include the following:

- A full review of the company's AML compliance program;
- Testing of the company's AML measures;
- Customer, Partner and Third-Partner Identification Procedure review;
- Transactional testing and evaluation;
- Evaluation of AML training;
- Evaluation of automated monitoring systems and management information systems;
- Review of past audit reports to assess the efficacy of recommended implemented controls.

## **10. Training**

RS Markets has developed numerous training activities around the topic of AML and KYC in order to raise awareness and keep staff up-to-date on all associated AML provisions regularly.

## **11. AML Compliance Committee**

RS Markets has appointed an AML Committee who oversees the following activities:

- Development, implementation and maintenance of an anti-money laundering program within RS Markets;
- Compliance with current AML regulations and other relevant legislation;
- Development and maintenance of a risk assessment framework for services, customers, partners, third-partners and other matters relating to money laundering;
- Keeping and maintenance of records of high-risk customers and reporting suspicious activities to the authorities;
- Briefing and report to senior management on matters relating to internal AML compliance policies and procedures;
- Overseeing and implementing an ongoing AML training program for all employees.

The AML Committee includes the following employees:

- RS Markets Director;
- Head of Risk (Service Employee as per an Outsourcing Service Agreement with RokSure Corp.);
- Head of Reporting, Controlling & BI (Service Employee as per an Outsourcing Service Agreement with RokSure Corp.).

Employees shall promptly report any potential violations of AML policy to the AML Committee members, unless the violations implicate members of the AML Committee, in which case the employees shall report such violations to the appropriate local authorities. Such reports will be confidential, and the employees will suffer no retaliation thereof.

## **12. Compliance**

RS Markets employees adhere to all applicable Anti-Money Laundering and Counterterrorism Financing laws. We only work with legitimate business partners and service providers and only accept

funds from legitimate sources. We conduct thorough diligence on all potential new customers, partners and third-parties on AML and KYC procedures to verify their legitimacy and clearance of any involvement in any financial crimes.

Should RS Markets suspect or have a reason to suspect any activities or transactions that are related to money laundering, terrorism financing or any other criminal activity or abuse it will act pursuant to the applicable laws and regulations and will report all such activity to the respective regulating body.

RS Markets reserves the right to suspend or terminate any customer, partner or third-party activity that may be regarded as illegal and/or in relation to money laundering, terrorism financing or any other criminal activity or abuse.

RS Markets reserves the right to enforce any other applicable sections relating to money laundering, terrorism financing or any other criminal activity or abuse as per the provision of all applicable laws and regulations.

The Company reserves the right to amend this policy pursuant to any applicable laws and regulations thereof.

---

### Revision History

Policy	Policy Owner	Revision	Summary of Changes	Date
Acceptance Policy	AML Compliance Committee	1.	Original Issue	December 2019

## APPENDIX I

### LOW RISK COUNTRIES

Member states of the EU:

Austria Estonia Italy Portugal Belgium Finland Latvia Romania Bulgaria France Lithuania Slovakia  
Cyprus Germany Luxembourg Slovenia Croatia Greece Malta Spain Czech Republic Hungary  
Netherlands Sweden Denmark Ireland Poland United Kingdom.

The European Economic Area (EEA) EEA-countries:

Iceland, Liechtenstein and Norway

Protocol territories:

Akrotiri and Dhekelia Channel Island Faroe Islands Isle of Man Jersey Åland Islands

Third Country Equivalence under the Anti-Money Laundering Directive (Directive 2005/60/EC):

Australia India Singapore Brazil Japan Switzerland Canada South Korea South Africa Hong Kong  
Mexico The United States of America

Countries outside the EU/EEA:

Armenia New Zealand Chile Jamaica Peru Macedonia Azerbaijan Israel Qatar Australia Montenegro

### MEDIUM RISK COUNTRIES

Saudi Arabia Albania Bahrein Bosnia and Hercegovina Uruguay Peru Oman Dominican Republic  
Uruguay Moldova Serbia Japan Senegal Malaysia St. Vincent and the Grenadines St. Lucia Mexico  
Grenada Korea, South Serbia Barbados Taiwan China Moldova Seychelles Bahamas Philippines  
Thailand Columbia Canada Jordan Jamaica Peru El Salvador Georgia Uzbekistan Cambodia United  
Arab Emirates (UAE) Turkey Kazakhstan China Kyrgyzstan Kuwait Vietnam Ukraine Macedonia  
Russian Federation British Anguilla Bermuda British Antarctic Territory British Indian Ocean Territory  
British Virgin Islands Cayman Islands Falkland Islands Gibraltar Montserrat Pitcairn Islands Saint  
Helena, Ascension and Tristan da Cunha South Georgia and the South Sandwich Islands Turks and  
Caicos Islands French The Islands of Guadeloupe Martinique Saint-Martin Saint-Barthélemy Saint  
Pierre and Miquelon (Atlantic Ocean) Reunion island Mayotte the French Southern and Antarctic  
Lands (Indian Ocean) French Polynesia New Caledonia Wallis and Futuna (Pacific Ocean) Dutch  
Aruba Bonaire Curaçao Saba Saint Eustatius Saint Maarten

### HIGH RISK COUNTRIES

Iran Democratic People's Republic of Korea Afghanistan Bosnia and Herzegovina Guyana Iraq Lao  
PDR Myanmar Papua New Guinea Syria Uganda Vanuatu Yemen Algeria Angola Panama