



OEXN Limited

Anti-Money Laundering Policy



Contents

| | |
|--|---|
| 1. Introduction | 3 |
| 2. Scope | 3 |
| 3. Legal and Regulatory Framework | 3 |
| 4. Compliance with the AML/CFT Legislation | 4 |
| 4.1. Clients' Acceptance Policy | 4 |
| 4.2. Risk-Based Approach | 5 |
| 4.3. Ongoing Monitoring of Clients | 5 |
| 4.4. Reporting | 6 |
| 4.5. Record-keeping | 6 |
| 4.6. Training | 6 |
| 4.7. Independent Audit Assessment | 7 |



1. Introduction

OEXN Ltd (“OEXN”, the “Company”) is a Cyprus Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 423/22 obtained on 08/12/2022. The Company is located at 1 Kalymnou office 602, 6037, Larnaca. The registered address of the company is 106 Gladstonos, 3031, Limassol, Cyprus.

2. Scope

The Anti-Money Laundering (“AML”) Policy is created and is occasionally overhauled by the Compliance/AML Officer of the Company based on the common standards set up by the Board of Directors of the Company in connection to Money Laundering and Terrorist Financing and affirmed by the Board of Directors of the Company.

The Company has established and implemented appropriate policies and procedures, in order to achieve the timely and continued compliance of the Company with the current AML and Combating the Financing of Terrorism (“CFT”) regulatory framework.

The principal objective of this Policy is to lay down the Company’s internal policies, practices, measures, procedures and controls relevant to the prevention of Money Laundering and Terrorist Financing.

The policies and procedures adopted, are designed to identify and/or assess the potential money laundering and terrorist financing risks to which the Company may be exposed from the provision of a designated service as well as to manage and/or mitigate those risks within the applicable legislative framework.

3. Legal and Regulatory Framework

For the purposes of this Policy the term “applicable legislative framework” shall include The Prevention and Suppression of Money Laundering and Terrorism Financing Law of 2007-2019 (hereinafter referred to as “The AML/CFT Law”), as amended from time to time, CySEC’s Directive for the Prevention and Suppression of Money Laundering and Terrorist Financing (hereinafter referred to as “The CySEC Directive”), the Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on simplified and enhanced customer due diligence and the factors credit and obliged entities should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional



transactions (hereinafter referred to as “The Risk Factors Guidelines”), the Financial Action Task Force (FATF) Risk-Based Approach Guidance of the Securities Sector (hereinafter referred to as “The Risk Based Approach Guidance”), the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (hereinafter referred to as “The 4th EU Directive), the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (hereinafter referred to as “The 5th EU Directive”), the National Assessment of Money Laundering and Terrorist Financing Risks of Cyprus (hereinafter referred to as “The Cyprus National Risk Assessment or NRA”), the Law regulating companies providing administrative services and related matters of 2012 (hereinafter referred to as the “ASP Law”), the Implementation of United Nations Security Council Resolutions or Decisions (Sanctions) and Council of Europe Decisions and Regulations (Restrictive Measures) Law of 2016 (58(I)/2016) (hereinafter referred to as “The Sanctions and Restrictive Measures Law”) and any other legislative act of the European Parliament and the Commission currently in force substituting or amending the above mentioned.

4. Compliance with the AML/CFT Legislation

The Company has developed and implemented a compliance program consisting of policies, procedures, transaction monitoring systems, internal controls and personnel training in line with applicable laws and regulations, as well as with international best practices. The AML/CFT program, which employs a risk-based approach to managing the Company’s AML risk, includes, but is not limited to:

4.1. Clients’ Acceptance Policy

The Company has developed a Clients’ Acceptance Policy followed during on-boarding of new clients in order to understand the client’s profile and their purpose of investment activity which may lead to Company’s number of risks and mitigate those risks accordingly.

The Clients’ Acceptance Policy incorporates the following:

- i. Client’s categories who are not allowable for establishing a business relationship with the Company;
- ii. New clients accepting criteria;



- iii. Client's categorisation criteria on risk-based approach that includes three categories (i.e. low risk, medium risk or high risk).

4.2. Risk-Based Approach

The Company applies appropriate measures and procedures, on a risk-based approach, so as to focus its effort in those areas where the risk of money laundering and terrorist financing appears to be higher. This approach will enable the Company to assign to its clients the following risk categories:

- i. High risk
- ii. Medium risk
- iii. Low risk

The risk-based approach adopted by the Company, includes specific procedures and measures in assessing the most proportionate and effective way to identify and manage the money laundering and terrorist financing risks faced by the Company. Such procedures and measures include:

- i. Assessing and identifying the money laundering and terrorist financing risks that are coming from specific clients, services, financial instruments, and geographical areas;
- ii. Documenting the adherence to the policies, procedures and controls put in place by the Compliance/AML Officer;
- iii. Continuous monitoring and improvements in the effective operation of the policies, procedures and controls;
- iv. Application of effective and appropriate measures, controls and procedures in order to mitigate and manage the assessed risk;
- v. Any cases that are suspicious of money laundering should be reported to the Compliance officer;
- vi. Have in mind the Joint Guidelines and the Guidelines issued by FATF.

4.3. Ongoing Monitoring of Clients

Once a business relationship is established, the Company must conduct ongoing due diligence on the business relationship and scrutinize the transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the



Company's knowledge of the client, their business and risk profile, including, where necessary, the source of funds.

The procedures and intensity of monitoring accounts and examining transactions depend on the level of risk.

4.4. Reporting

The Company ensures that it has the knowledge and ensures that it maintains the information of the client and knows his/her client's adequate information, economic profile, activities so that they will be able to detect any suspicious activity occurred by the client. In the event that any person within the Company detects, knows or suspects any suspicious activity or transaction that is related to money laundering or terrorist financing, reports to the compliance officer and the compliance officer reports to MOKAS through the online portal goAML.

4.5. Record-keeping

The Company conducting relevant business must maintain records of:

- i. Client identification documents obtained; and
- ii. Details of all relevant business transactions carried out for clients.

The documents and/or records are kept for a period of at least 5 (five) years which is calculated after the termination of a business relationship or the execution of an occasional transaction.

This information may be used as evidence in any subsequent investigation by the authorities. The records kept provide audit trail evidence during any subsequent investigation. In practice, the business units of the Company will be routinely making records of work carried out for clients in the course of normal business and these records should be archived.

4.6. Training

The Company will organize adequate and frequent training for its employees, relevant to the position and role they undertake for the purpose of prevention of money laundering and terrorist financing.



4.7. Independent Audit Assessment

At least on an annual basis an internal audit will take place to ensure the internal controls, policies and procedures put in place by the Company to combat Money Laundering and Terrorist Financing are adequate and effective. The Company may use external auditors, specialist consultants or other qualified parties to undertake such a function.

The results and surveillance of the internal auditor after the finalisation of the internal Audit of the Company are submitted, in a written report form, to the Board of Directors, which decides the appropriate measures which need to be taken to make certain the rectification of any weaknesses and/or insufficiencies, which have been resolved. The minutes of the abovementioned decision of the Board of Directors and the internal auditor's report are submitted to the Cyprus Securities and Exchange Commission (CySEC).