

# GINSGLOBAL ANTI-MONEY LAUNDERING POLICY

## 1. INTRODUCTION

To assist government and law enforcement agencies in detecting, preventing and eradicating money laundering and terrorist financing activity, GinsGlobal Index Funds(Mauritius) Ltd and its affiliates (collectively referred to as "**GinsGlobal**") are required to comply with the Code of the Prevention of Anti-Money Laundering and Combating of Financing of Terrorism issued by the Financial Services Commission in Mauritius ("**FSC**") and the Financial Intelligence Centre Act 38 of 2001 of South Africa and the regulations thereto. GinsGlobal has a duty to evaluate all financial transactions and take all necessary steps to comply with such legislation and may be required to comply with other anti-money laundering ("**AML**") obligations imposed by international AML legislation, before making any investments on behalf of clients.

## 2. PURPOSE

The purpose of this policy is to enhance GinsGlobal's compliance with AML laws and regulations, to assist law enforcement agencies in combating money laundering, terrorist financing and other illicit activities and to minimise the risk of GinsGlobal investments being used for improper or illegal purposes.

## 3. SCOPE

To establish effective controls within GinsGlobal to ensure that each company restrains itself from being used as a vehicle for money laundering. This is done by implementing a risk based approach by conducting adequate due diligence on new and existing clients with sound KYC (**KNOW YOUR CLIENT**) checks, continuous training of all relevant staff members and good prevention, detection, monitoring and reporting procedures to safeguard the company from the dangers of money laundering.

## 4. IMPLEMENTATION

4.1 The following controls are to be implemented to achieve the objectives of this policy:

4.1.1 strict adherence to KYC norms and checks and verification procedures and regulations;

4.1.2 reporting of suspicious transactions, both internally to the Money Laundering Reporting Officer ("**MLRO**")/or Deputy Money Laundering Reporting Officer ("**DMLRO**"), and if necessary to the relevant authorities for investigation;

4.1.3 adequate procedures, systems and other arrangements for effective prevention, detection, monitoring and reporting of suspicious transactions to enable staff to identify

and deal appropriately, and on a timely basis, with applicable requirements on AML;

- 4.1.4 scanning of the regulatory environment for updates of changes in national and international AML legislation;
- 4.1.5 ensuring staff awareness of updates on compliance issues, processes and methodology through regular training; and
- 4.1.6 development of AML compliance tools to assist management to mitigate/minimize the AML compliance risk.

## **5. APPOINTMENT AND FUNCTION OF MLRO/DMLRO**

- 5.1 The Board shall appoint an MLRO and DMLRO with sufficient senior status and the relevant qualifications, skill, experience, competence and knowledge to carry out the duties expected of them and whom have adequate authority and independence to be able to discharge the reporting obligations effectively as required under applicable AML laws.
- 5.2 The MLRO (and in his/her absence the DMLRO) shall perform the following functions:
  - 5.2.1 receive reports to be considered in light of all relevant information, for the purpose of determining whether or not the information or other matter contained in the report does give rise to a "suspicious transaction", as required by applicable law;
  - 5.2.2 report in such form as may be prescribed by law, any transaction that he or she believes to be a suspicious transaction to the relevant authority/ies in the jurisdiction;
  - 5.2.3 devising and implementing programmes for assessing risk relating to money laundering and financing of terrorism;
  - 5.2.4 setting up a monitoring programme in relation to complex, unusual or large transactions of GinsGlobal;
  - 5.2.5 creating enhanced due diligence procedures with respect to persons and business relations and transactions carrying high risk and with persons established in jurisdictions that do not have adequate systems in place against money laundering and financing of terrorism;
  - 5.2.6 providing training, from time to time, in the recognition and handling of suspicious transactions; and
  - 5.2.7 making employees of GinsGloabl aware of the procedures to be followed under all applicable laws and those contained in this policy;

- 5.2.8 establishing and maintaining a manual of compliance procedures in relation to anti-money laundering; and
- 5.2.9 carrying out any other such duties and responsibilities which are or may be prescribed by law in relation to the MLRO's function in respect of GinsGlobal.

**6. KYC CHECKS**

6.1 GinsGlobal are required to identify and verify the identity and understand the nature of the business of all of its clients. Therefore as per this policy no new investment is to be approved and made unless the client furnishes all documents in accordance with the document check list tabled in part 7 below. Investors must attach all the required documentation to their completed application form.

6.2 The following persons/entities are exempted from providing this documentation:

6.2.1 if listed on a recognized securities exchange (e.g. JSE) as KYC information can be obtained from the latest annual report/financial statements of the Company and does not need to be verified. A screen print from the Official Recognised Stock Exchange website for the listed company should be kept on file; or

6.2.2 if an approved Pension, Provident or Retirement Annuity Fund.

6.3 GinsGlobal, however, reserves the right to request the supporting documentation for the above-mentioned exempted persons where it deems necessary.

6.4 GinsGlobal will only place investments once all the supporting documentation listed below has been supplied.

6.5 All KYC documents should either be sighted in original (where possible) or be a clear and legible photocopy of the original document duly certified as a true copy by a professional person (e.g. lawyer or accountant) who clearly adds to the copy (by means of stamp or otherwise) his name, address and profession to aid tracing the certifier if necessary.

**7. CLIENT TYPES**

7.1 <b>Individuals</b>		
7.1.1 <b>SA or Mauritian Citizen/Resident</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>

<b>Full Name, Date and Place of Birth, Nationality, Occupation</b>	<ul style="list-style-type: none"> <li>• National identity document</li> <li>• A passport or driver's license will only be accepted with a written reason for the unavailability of the ID document</li> </ul>	Containing a recent photo, full names, date of birth and identity number
<b>Permanent Residential Address</b>	<ul style="list-style-type: none"> <li>• Utility bill</li> <li>• Fixed telephone line account</li> <li>• Bank statement or bank reference</li> <li>• Municipal rates and tax invoice</li> </ul>	Less than 3 month's old (at date of this application) containing residential address in the name of the applicant or proof of relationship with the named individual must be provided (e.g. marriage certificate, birth certificate, lease agreement).
<b>7.1.2 Foreign Nationals</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Full Name</b>	<ul style="list-style-type: none"> <li>• Passport</li> </ul>	Containing a recent photo, full names, date of birth and identity number
<b>Permanent Residential Address</b>	<ul style="list-style-type: none"> <li>• Utility bill</li> <li>• Fixed telephone line account</li> <li>• Bank statement or bank reference</li> <li>• Municipal rates and tax invoice</li> </ul>	Less than 3 month's old (at date of this application) containing full residential address and in the name of the applicant or proof of relationship with the named individual must be established (e.g. supported by marriage certificate, birth certificate, lease agreement).
<b>7.2 Legal Incapacity/Third party representing another individual</b>		
7.2.1 Document(s) set out above in respect of both parties		

7.2.2	Proof of authority to act on behalf of the individual (e.g. power of attorney, mandate, resolution, court order).	
7.3	<b>Entities (please complete Annexure B)</b>	
7.3.1	<b>SA or Mauritian Companies</b>	
	<b>Identification Information</b>	<b>Acceptable Evidence</b>
	<b>Registered and Trading Name of the Company/incorporation/registration number, date and country of incorporation or registration</b>	<ul style="list-style-type: none"> <li>• Certificate of Incorporation and any Change of Name;</li> <li>• Notice of Registered Office and Postal Address (CM22 in SA)</li> <li>• Business Registration Card (in Mauritius)</li> </ul>
	<b>Recorded Verification</b>	<p>Official documents should contain the Registrar's stamp and signed by the Company Secretary (where required).</p> <p>Checking with the relevant companies registry that the company continues to exist.</p>
	<b>Founding documents</b>	Constitution or Memorandum of Articles of Association (if any)
	<b>Registered Address</b>	<ul style="list-style-type: none"> <li>• Utility bill</li> <li>• Fixed line telephone account</li> <li>• Bank statement</li> <li>• Municipality rates and tax invoice</li> </ul>
	<b>Identity and verify underlying principals of the Company</b>	<ul style="list-style-type: none"> <li>• Register of Directors</li> <li>• Register of Shareholders</li> <li>• Copy of documents set out above for individuals</li> </ul>
	<b>Proof of authority to act for company</b>	E.g. Board Resolution
7.3.2	<b>Close Corporations</b>	

<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Entity</b>	<ul style="list-style-type: none"> <li>• Founding Statement and</li> <li>• Certificate of Incorporation (CK1) and</li> <li>• Amended Founding Statement (CK2)</li> </ul>	If applicable, containing Registrar's stamp and signed by an authorised signatories/ employee.
<b>Registered Address</b>	<ul style="list-style-type: none"> <li>• Utility bill</li> <li>• Fixed line telephone account</li> <li>• Bank statement</li> <li>• Municipality rates and tax invoice</li> </ul>	Less than 3 months old (at date of this application) containing trade name and business address
<b>Identity of each Member/authorised signatory</b>	<ul style="list-style-type: none"> <li>• Documents set for individuals above</li> </ul>	
<b>Proof of authority to act for close corporation</b>	<ul style="list-style-type: none"> <li>• E.g. Members Resolution</li> </ul>	
<b>7.3.3 Foreign Companies</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Entity</b>	<ul style="list-style-type: none"> <li>• Official document from foreign regulator witnessing incorporation</li> </ul>	Must bear the name, registration number and registered address of the company.
<b>Registered Address</b>	<ul style="list-style-type: none"> <li>• Utility bill</li> <li>• Fixed line telephone account</li> <li>• Bank statement</li> <li>• Municipality rates and tax invoice</li> </ul>	Less than 3 months old (at date of this application) containing local and foreign trade names and business addresses

<b>Identity and verify the underlying principals of the Company</b>	<ul style="list-style-type: none"> <li>• Register of Directors</li> <li>• Register of Shareholders</li> <li>• Copy of documents set out above for individuals or companies (as appropriate)</li> </ul>	Includes Promoters/Directors/ Authorised Signatories/Shareholders/Beneficial Owners holding more than 25% of the voting rights at a general meeting
<b>Proof of authority to act for company</b>	<ul style="list-style-type: none"> <li>• E.g. Board Resolution</li> </ul>	
<b>7.3.4 Other Legal Persons (i.e. club, association, body corporate, retirement fund)</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Entity</b>	<ul style="list-style-type: none"> <li>• The constitution or other founding document in terms of which legal person is created.</li> </ul>	
<b>Identity of all authorised signatories</b>	<ul style="list-style-type: none"> <li>• Documents as required for individuals above</li> </ul>	
<b>Proof of authority to act for legal person.</b>	<ul style="list-style-type: none"> <li>• As appropriate</li> </ul>	
<b>7.3.5 Mauritian Sociétés</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Entity</b>	<ul style="list-style-type: none"> <li>• 'Acte de Société'</li> <li>• Registration Certificate (where applicable)</li> <li>• For 'Société de fait' a copy of the legal document proving the existence of the société.</li> <li>• For 'Société créée de fait', the managing committee of the</li> </ul>	Verify with the Registrar of Companies that the société is registered and continues to exist

	<p>société will swear an affidavit providing the following details :</p> <ul style="list-style-type: none"> <li>- Name of the société</li> <li>- Name of the members of the managing committee by means of a signed letter by the members of the committee</li> <li>- Purpose of the société</li> <li>- A declaration certifying that to the best of the committee's knowledge there is no other entity bearing the same name</li> </ul>	
<p><b>Identify and verify the underling principals, controlling members, authorised signatories, administrators or gérants</b></p>	<ul style="list-style-type: none"> <li>• Documents listed for individuals above.</li> </ul>	
<p>7.3.6 <b>Foreign Sociétés</b></p>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<p><b>Entity</b></p>	<ul style="list-style-type: none"> <li>• Acte de Société</li> <li>• A certificate of good standing or equivalent document from the foreign competent</li> </ul>	



	authority	
<b>Controlling Members and Authorised Signatories</b>	<ul style="list-style-type: none"> <li>Documents listed for individuals above.</li> </ul>	
<b>7.3.7 Partnerships</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Creation of the Partnership</b>	<ul style="list-style-type: none"> <li>Partnership Agreement/Deed</li> <li>Copy of the latest report and accounts</li> </ul>	Verification of the nature of the business of the partnership to ensure that it is legitimate
<b>Identity of all partners / all authorised signatories / persons exercising executive control</b>	<ul style="list-style-type: none"> <li>Documents as required for individuals above; and/or</li> <li>Any applicable documents for companies listed above in respect of any institutional partners or an institution exercising executive control.</li> </ul>	
<b>Proof of authority to act for partnership.</b>	<ul style="list-style-type: none"> <li>As appropriate</li> </ul>	
<b>7.3.8 Trusts</b>		
<b>Identification Information</b>	<b>Acceptable Evidence</b>	<b>Recorded Verification</b>
<b>Entity</b>	<ul style="list-style-type: none"> <li>Trust Deed or other founding document e.g. Will</li> <li>Letters of authority from Master (SA trust) or foreign regulator (foreign trusts) to evidence the appointment of the current trustees.</li> <li>Written confirmation from the Trustees that they themselves are aware of the true identity of the underlying principles i.e. the settlor/names beneficiaries and that there are no anonymous principals.</li> <li>In a discretionary trust, an undertaking from the trustees to identify and verify any beneficiaries at the time of distribution.</li> <li>Where the trust is registered – check with the relevant registry to ensure that the trust does exist.</li> </ul>	

<b>Registered office and place of business of the trustee</b>	<ul style="list-style-type: none"> <li>Any proof of address document listed above</li> </ul>	
<b>Identity of Founder/Trustee/Protectors/Enforcers/Beneficiaries/Authorised Signatories</b>	<ul style="list-style-type: none"> <li>Documents required for individuals above; and/or</li> <li>Applicable documents above for entities in respect of any institutional beneficiaries, any institutional trustees or institutional founder of the trust</li> <li>A death certificate or certificate of deregistration where founder died or ceased to exist.</li> </ul>	Obtain details of how the beneficiaries are determined if not mentioned by name.

## 8. RISK ASSESSMENT AND CONTROLS

8.1 GinsGlobal is required to develop clear customer acceptance policies and procedures, including a description of the types of customer that are likely to pose a higher than average risk to the company.

8.2 The default level at which KYC must be undertaken on an individual/entity therefore differs according to whether the account is classified as standard or high risk.

8.3 To assist in this risk assessment, employees must -

8.3.1 obtain information on the purpose and intended nature of the business relationship with GinsGlobal;

8.3.2 take reasonable measures to understand the ownership and control structure of the applicant for business where an applicant is a legal person;

8.3.3 understand the customer's source of funds/property and the customer's source of wealth;

- 8.3.4 screen customers against any relevant official sanction lists, black lists etc.
- 8.3.5 classify the different types of clients into standard or high risk depending on the following factors, *albeit* not limited thereto:
  - 8.3.5.1 geographic location of the applicant for business e.g. if a country is perceived to represent a high risk, or is an unregulated entity in any jurisdiction;
  - 8.3.5.2 if the customer a Politically Exposed Person (“**PEP**”) or associated with one;
  - 8.3.5.3 the business activity undertaken by the customer especially details relating to situations where they operate in an industry where activity is politically, socially or culturally sensitive e.g. armaments, gambling, pornography;
  - 8.3.5.4 the complexity of the business, including its processes and operations, as well as volume and size of transactions;
  - 8.3.5.5 the way the entity is structured/controlled;
  - 8.3.5.6 principle trading counterparties;
  - 8.3.5.7 principle trading locations – including any that are subject to some form of sanctions and/or are considered to be high risk; and
  - 8.3.5.8 delivery channels, particularly non-face-to-face.
- 8.3.6 review, at least annually, all high risk relationships to ensure that the risk continues to remain acceptable;
- 8.3.7 ensure that all documents, data or information collected under the KYC checks process are kept relevant and up-to-date by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships;
- 8.3.8 conduct on-going due diligence on the business relationship and scrutiny of transactions throughout the course of the business relationship to ensure that the transactions in which the customer is engaged are consistent with GinsGlobal knowledge of the customer and his business and risk profile (including the source of funds). The following triggers may indicate the need to conduct KYC checks on existing customers:
  - 8.3.8.1 a transaction of significance amount takes place,
  - 8.3.8.2 customer documentation standards change substantially,
  - 8.3.8.3 there is a material change in the way the account is operated,

8.3.8.4 GinsGlobal becomes aware that it lacks sufficient KYC information about an existing customer.

8.4 GinsGlobal is responsible for ensuring that risk-based controls are in place, including procedures and controls that are:

8.4.1 reasonably designed to deter, detect and report known or suspected money laundering and terrorist financing; and

8.4.2 consistent with the Policy.

The controls must be comprehensive and proportionate to the nature and scale of the business activities.

## **9. ENHANCED DUE DILIGENCE**

9.1 GinsGlobal is required to apply enhanced due diligence procedures with respect to persons and business relations and transactions carrying high risk and with persons established in jurisdictions that do not have adequate systems in place against money laundering and the financing of terrorism.

9.2 Political exposure in its own right does not equate to bribery and corruption but may heighten the risk of it. GinsGlobal should attempt to check the PEP status of its clients against publicly available information.

9.3 In some cases, the enhanced due diligence may lead to the conclusion that the customer does not ultimately pose a high risk to the business, i.e. enhanced due diligence may not lead directly to the ultimate high risk categorization of a customer.

## **10. RESTRICTED RELATIONSHIPS**

10.1 Some factors in conducting the risk assessment (referred to in part 8.3.5 above) will result in GinsGlobal needing to decline the business altogether as the risk is deemed unacceptable.

10.2 GinsGlobal is prohibited from opening anonymous or fictitious accounts. In this context, GinsGlobal should not set up and maintain anonymous accounts or accounts which the Licensee knows or has reasonable cause to suspect, are in fictitious names.

## **11. INDEPENDENT TESTING**

GinsGlobal shall arrange for independent internal checks to verify compliance (including sample testing) with the policy and all procedures and controls implemented in relation

thereto. The results of which shall be reported to senior management and/or the Board.

## **12. TRAINING AND AWARENESS**

- 12.1 GinsGlobal is required to implement an on-going training programme for all employees in order to discharge part of its statutory duty to take reasonable measures to combat money laundering and ensure that employees are kept abreast of relevant technological developments and identified methodologies in money laundering and terrorist financing schemes.
- 12.2 The MLRO will be responsible for preparing and delivering training, at a minimum on an annual basis, to all relevant employees, and conduct awareness activities to ensure that staff are aware of the legal requirements and any new developments, including information on current money laundering and financing of terrorism techniques, methods and trends as well as GinsGlobal policies and procedures in place to prevent money laundering and the financing of terrorism.
- 12.3 **“Relevant employees”** include:
  - 12.3.1 Employees dealing with customers
  - 12.3.2 Transaction-processing employees; and
  - 12.3.3 Senior Management

## **13. REPORTING OF SUSPICIOUS TRANSACTIONS**

- 13.1 Employees must report to the MLRO/DMLOR any activity or transaction where there is knowledge or suspicion, or where there are reasonable grounds for knowing or suspecting that a client or other person is engaged in money laundering or terrorist financing when this information comes to them within the course of business.
- 13.2 All reports must be handled in strict confidence. Employees must not make any unauthorised disclosure of such reports.
- 13.3 Employees should take into account the risk of tipping off when performing the KYC checks process.

## **14. COMPLIANCE WITH THIS POLICY**

- 14.1 This policy applies to all GinsGlobal affiliates and subsidiaries and all of their employees,

agency workers, consultants and contractors, irrespective of their location, function or position who shall be responsible for complying with all provisions contained herein.

- 14.2 Unless specifically required, this policy does not apply to employees of third parties.
- 14.3 Where an employee relies on a third party for compliance with this Policy or additional applicable AML compliance requirements, the MLRO of GinsGlobal must ensure that such reliance is:
  - 14.3.1 permissible under applicable law;
  - 14.3.2 consistent with this policy; and
  - 14.3.3 reasonable under the circumstances

GinsGlobal will remain ultimately responsible for compliance with applicable law and this policy.

- 14.4 In the event that the requirements of this policy cannot be met, the employee shall either make a dispensation request, a waiver request or a breach notification to the MLRO or to the DMLRO in the absence of the MLRO. Such request shall be accompanied by a remedial action plan to ensure conformance with this policy. The MLRO shall make recommendations to management as to what action should be taken and shall monitor compliance until the risk has been mitigated or dealt with effectively.

## **15. CONSEQUENCES OF NON-COMPLIANCE**

### **15.1 For GinsGlobal:**

Failure to comply with AML requirements (as set out in this policy and in applicable legislation) can expose GinsGlobal to regulatory sanctions including civil and criminal liability, fines, public censure, limitation on business, loss of reputation and other serious consequences such as revoking our licence.

### **15.2 For Employees:**

Failure to comply with AML requirements can result in personal liability such as fines and imprisonment. Employees who fail to comply with this policy may be subject to disciplinary action up to and including dismissal.

- 15.3 Where an employee has difficulty in complying with any aspect of this policy or any AML requirements, they should seek guidance from the MLRO, who may deem it necessary to consult the FSC or other regulator as appropriate.

## **16. RECORD RETENTION**

GinsGlobal is required to retain records required by this Policy for a period of 7(seven) years or longer if required by local law or regulations from the date that the customer relationship ends.

## **17. POLICY REVIEW AND APPROVAL**

This Policy is subject to periodic review (at least annually) and revision. The MLRO in consultation with management and/or upon recommendations of the Board and subject to the approval of the Board may make changes to this policy.