



Anti-Money Laundering Policy

ToraFX is incorporated in the Union of Comoros with Business Identification Number 15942 on the 21/1/2025

1. Introduction

1.1

The purpose of this document is to describe **ToraFX's** policies and commitment to the detection and prevention of any Money Laundering or Terrorist Financing activity within the products and services it offers.

2. Terms

2.1 Definition of Money Laundering

“Money Laundering” is the participation in any transaction that seeks to conceal or disguise the nature or origin of funds derived from illegal activities such as, but not limited to, fraud, corruption, organized crime or terrorism. Predicate offences for Money Laundering are defined by national law.



2.2 Stages of Money Laundering

Stage 1: Placement

This stage refers to infusing cash delivered from any unlawful activity to the financial system. This can be done by:

- Physically depositing cash into banks and non-bank financial institutions such as currency exchanges;
- Converting cash into other financial instruments such as by purchasing monetary instruments (travellers' checks, payment orders); or
- Using cash to purchase high-value goods that can be resold.

Launderers often seek to deposit cash into banks in countries with fewer financial market regulation demands and then transfer these funds to banks in regulated environments, converting them “clean”.

A frequent example of Placement is **Smurfing**, where the launderer makes many small cash deposits instead of a large one to evade local regulatory reporting requirements.

Stage 2: Layering



This stage refers to separating the proceeds of criminal activity from their source through layers of financial transactions such as multiple transfers of funds among financial institutions, early surrender of an annuity without regard to penalties, cash collateralized loans, etc. The layering aims to disguise the origin of the funds, disrupt any audit trail, and provide anonymity.

Stage 3: Integration

This stage refers to placing the laundered proceeds back into the economy in such a way that they re-enter and appear in the financial system as legitimate funds.

2.3 Policy Support Areas

This Policy is supported by a set of programs covering the implementation of:

- The adoption of a risk-based approach;
 - Know Your Customer (KYC) Policy and Customer Due Diligence;
 - Customer activity monitoring;
 - Record Keeping.
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3. Measures

3.1



ToraFX shall abide by the principles of Anti-Money Laundering and enforce any measures to prevent actions that aim or facilitate the process of legalizing illegally gained funds.

3.2

The Customer acknowledges that to prevent Money Laundering, **ToraFX** neither accepts nor performs any payments in cash under any circumstances.

3.3

In cases of an attempt to execute transactions which **ToraFX** suspects are related to Money Laundering or other criminal activity, it will proceed in accordance with applicable law and report suspicious activity to the regulating authority.

3.4

ToraFX reserves the right to suspend any Customer's operation regarded as illegal or related to Money Laundering in the opinion of its employees. **ToraFX** has the right, at its discretion, to temporarily block the suspicious Customer account or terminate an existing business relationship with a Customer.



4. Risk-Based Approach

The identification of Money Laundering risks involving Customers and transactions allows **ToraFX** to determine and implement proportionate measures to control and mitigate these risks. **ToraFX** separates risk based on three categories:

4.1 Country Risk

Factors that may result in a determination that a country poses a heightened risk include:

- Countries subject to sanctions, embargoes, or similar measures;
- Countries identified by the Financial Action Task Force (“FATF”) as non-cooperative in the fight against money laundering or identified by credible sources as lacking appropriate money laundering laws and regulations;
- Countries identified by credible sources as providing funding or support for terrorist activities.

4.2 Customer Risk

Characteristics of Customers with potentially heightened money laundering risks include:

- Armament manufacturers;
- Cash intensive businesses;
- Unregulated charities and other unregulated “non-profit” organizations.



4.3 Service Risk

Determining the money laundering risks of services includes consideration of services identified by regulators, governmental authorities, or other credible sources as potentially high risk for money laundering.

5. Know Your Customer and Customer Due Diligence

5.1

ToraFX is an online operating brokerage company. Business relationships between **ToraFX** and its Customers are not established on a face-to-face basis. For Customer identification purposes, **ToraFX** uses electronic data brokers (linked with other in-house checks such as identifying duplicate accounts and confirming ownership of bank accounts) to verify Customer identity and determine and document the true identity of Customers and the intended nature of their business with **ToraFX**.

5.2

Upon commencement of a business relationship, **ToraFX** shall request valid identification documentation from the Customer such as:

- Passport details;



- Driving license details;
- Proof of residence such as recent utility bills (not older than six months).

During the business relationship, **ToraFX** can request additional documentation or information from the Customer for further verification or updating existing verification.

5.3

ToraFX shall obtain and document any additional Customer information, commensurate with the assessment of money laundering risk using a Risk Based Approach.

5.4

ToraFX shall identify whether the Customer is acting on behalf of another natural person or legal entity as trustee, nominee, or professional intermediary. In such cases, the Customer must provide satisfactory evidence of the identity of any intermediaries and of the persons upon whose behalf they are acting, as well as the nature of the trust arrangements in place.

5.5

In all cases **ToraFX** shall apply due diligence measures to comply with applicable laws and regulations.



6. Customer Activity Monitoring

6.1

In addition to conducting initial Customer due diligence, **ToraFX** continues to monitor Customer activity to identify and prevent suspicious or fraudulent behaviour. The monitoring system relies on both automated monitoring and, where appropriate, manual monitoring of transactions by **ToraFX's** employees and outsourced service providers. Status fields are applied to Customer accounts indicating their profile within the system to assist automated monitoring.

6.2

ToraFX has implemented a regulatory and legally compliant suspicious activity reporting process that enables all employees to report to the Money Laundering Reporting Officer (MLRO) where they have reasonable grounds to suspect that a person is engaged in money laundering or terrorist financing. This process includes:

- All employees being diligent in monitoring for any unusual or suspicious transactions/activity;
- The reporting of suspicious transactions/activity in compliance with the laws/regulations of the respective jurisdiction;
- The MLRO being informed about all suspicious transactions/activity on at least a monthly basis.



7. Record Keeping

7.1

The Customer acknowledges that **ToraFX** shall keep records of:

- All documents obtained for Customer identification (KYC policy requirements);
- All transaction data and information;
- Other information related to money laundering matters in accordance with applicable anti-money laundering laws/regulations, including files on suspicious activity reports and documentation of AML account monitoring.

7.2

ToraFX shall keep all Customer records and/or trading and non-trading activity, current, past, and archived for a minimum of five years after termination of the business relationship with the Customer, or as per applicable legislative requirements.