

Customers` Acceptance Policy

1. Introduction

Red Mars Capital Ltd. (hereinafter referred to as the “Company”) prepared, established and maintains a Customers` Acceptance Policy, taking into consideration the risks the Company is exposed to, originating from its customers, their transactions, their countries of origin or operations, including a description of the types of customer, which are likely to pose a higher than average risk to the Company.

2. Main factors, defining the customers` level of risk (low, medium, high)

A risk-based approach involves the identification, recording and evaluation of the risks, which have to be managed. The Company assesses and evaluates the risk it faces, for usage of the services provided, for the purpose of money laundering or terrorist financing.

Parameters of risk perception should be clearly defined in terms of the source of funds, the nature of business activity, location of customer, method of payments, volume of turnover, in order to be able accurately to categorize customers into different risk range.

Before accepting a potential client, KYC and due diligence procedures are followed, by examining factors such as:

- a) Customer`s background
- b) Location
- c) The nature (e.g. non face to face customer) and economic profile of customers
- d) Occupation or nature of business
- e) Purpose of the establishing of the business relationship
- f) Expected pattern of activity in terms of transaction types, volume and frequency of transactions
- g) Expected origin of funds and method of payment
- h) Identification of beneficial owners of an account and customer
- i) Approximate salary or annual income

All Customers of the Company are classified by default as *high risk* with respect to money laundering and terrorist financing risk, due to the non-face-to-face nature of the investment activities, undertaken by the Company with these Customers. Nevertheless, taking into account the above factors, the risk level of the Customers may further change (or remain as a high risk), after thorough examination of circumstances of the Customer.

3. Vital procedures

The Company at its minimum, will strictly follow and comply with the below vital procedures:

- a) Verifying the identity of any person seeking to open an account with the Company to the extent reasonable and practicable;

- b) Maintaining records of the information used to verify a person's identity, including name, address, and other identifying information for up to 5 years, and where necessary up to 7 years, according to the requirements in [MIFID II, Article 16\(7\)](#) or unless otherwise provided by the Law, which shall determine, under which circumstances, the Company may or shall further retain data, as stipulated in [Regulation \(EU\)2016/679 – GDPR](#); and
- c) Consulting lists of known or suspected terrorists or terrorist organizations, to determine, whether a person seeking to open an account, appears to be with a suspicious origin or the intend of the planned transactions is distrustful.
- d) Determine, adhering the regulations of [The Directive \(EU\) 2018/843 5th AML Directive](#) customer or the beneficial owner is a politically exposed person (PEP) and if so, obtain senior management approval for establishing business relationships with such persons and take adequate measures, to establish the source of wealth and source of funds, which are involved in business relationship or transactions with such person;

There is fundamental information, which need to be collected, when opening a trading account with the Company, establishing a business relationship, conducting or intending to conduct financial transactions. The main data, which the client would be asked for is, full name, address, date of birth, identity documentation, source of funding. The volume of the requested documentation and information vary, according to the country of residence of the client, nationality, level of risk. The obtained client's information should also comply with the requirements laid down in ESMA's - [Annex II – “National client identifiers for natural persons to be used in transaction reports”](#).

Furthermore, this Policy is also designed to limit the money laundering, terrorism funding, corruption and other illegal activities.

Quite extensive due diligence is essential for and would be applied to an individual, with a high net worth, whose source of funds is unclear or suspicious.

For businesses and organizations (corporate clients), additional documentation will be required and collected (Section 5).

4. Standard Procedures for Customer's acceptance

It is imperative, that the verification of the identity of the customer and the beneficial owner, takes place before the establishment of a business relationship or the carrying out of the transaction.

By way of derogation from the above paragraph, the Company may allow verification of the identity of the customer and the beneficial owner to be completed during the establishment of a business relationship, if necessary, so as not to interrupt the normal conduct of business, and where there is insignificant risk of money laundering or terrorist financing. In such situations, those procedures shall be completed as soon as practicable, after initial contact with the customer or beneficial owner.

The following procedures of the Customer Acceptance Policy are indicating the standards for acceptance of customers:

- a) It is prohibited for persons engaged in financial or other business activities, to open or maintain anonymous, numbered or in the name other than the one stated in the official identity document
- b) Parameters of risk perception should be clearly defined in terms of the source of funds, the nature of business activity, location of customer, method of payments, volume of turnover, in order to be able accurately to categorize customers into different risk range (low, medium, high).
- c) Basic Customer Due Diligence (CDD) or Enhanced Due Diligence (EDD) to be applied, based on the identified level of risk, which the customer poses to the Company
- d) Not to open an account, where the Company is unable to apply appropriate customer due diligence measures, i.e. the Company is unable to verify the identity of the Customer and/or obtain documents, required as per the risk categorization due to non-cooperation of the customer or non-reliability of the data/information provided to the Company.
- e) If, during the business relationship, a customer fails or refuses to submit, within a reasonable timeframe, the required verification data and information, the Company will terminate the business relationship and close all the accounts of the Customer, while at the same time examine, whether or not under the circumstances, to submit a report to MOKAS.
- f) Necessary checks before opening a new account to ensure, that the identity of the customer does not match with any person, with known criminal background or with banned entities, such as individual terrorists or terrorist organizations etc.
- g) The status or personal circumstances of a customer may change, so does the transaction pattern, volume of a customer`s account, etc. To address this issue, a frequent monitoring of the customers` activity will be conducted throughout the business relationship. The procedures and intensity of monitoring and examination of the transactions are based on the level of risk of the respective client.

5. Standard Procedure for corporate clients/legal persons (businesses and organizations)

Emanating from the provisions of [Appendix 5\(6\) of CySEC`s Directive for the Prevention and Suppression of Money Laundering and Terrorist Financing of 2019](#) the verification of the identification of a legal person (corporate client) and ownership structure, as well as the verification of the identity of the natural persons, who are the beneficial owners, which requests the establishment of a business relationship or the execution of an occasional transaction, comprises the ascertainment of the following:

- a) Certificate of Incorporation, stipulating the registered number, registered name and trading name used, if any;
- b) Certificate of Good Standing, if any;
- c) Certificate of registered office, stipulating the full address and the head office/s;
- d) The telephone numbers, fax numbers and e-mail address;
- e) Memorandum and Articles of Association;
- f) Certificate of Directors and Secretary, clearly stating the members of the board;
- g) A resolution of the board of directors for the opening of the account, and granting authority to those, who will operate it - the individuals, who are duly authorised to operate the account and to act on behalf of the legal person;

- h) Documents and data for the verification of the identity of the persons, who are authorised by the legal person, to operate the account, as well as the registered shareholders and beneficial owners of the legal person;
- i) the beneficial owners of private companies and public companies, who are not listed in a regulated market of a European Economic Area country or a third country, with equivalent disclosure and transparency requirements;
- j) Certificate of registered shareholders, who act as nominees of the beneficial owners, a copy of the trust deed/agreement concluded between the nominee shareholder and the beneficial owner, by virtue of which the registration of the shares on the nominee shareholder's name on behalf of the beneficial owner has been agreed;
- k) economic profile of the legal person, according to the provisions of paragraph 21 of CySEC's Directive.
- l) Where the Company deems necessary for better understanding of the activities, sources and uses of funds/assets of the legal person, the Company may obtain copies of the latest audited financial statements (if available), and/or copies of the latest management accounts

For legal persons incorporated outside of Cyprus, the Company requests and obtains documents similar to the above.

For the verification of the identity of the legal person, the Company requests and obtains, inter alias, original or certified true copies of the above documents

The volume of the requested documentation and information may vary, according to the circumstances of the legal person

The Company do not accept US residents, US citizens, or individuals with a dual citizenship, one of which is US citizenship.