AML POLICY

Black Crown Holdings (Pty) Ltd

(t/a Black Crown Markets)

CONTENTS

• DEFINITIONS AND INTERPRETATION

.1. Definitions

For the purposes of this AML Policy ("Policy"), the following terms shall have the meanings set out below. Unless the context indicates otherwise, words importing any gender include all genders, words importing the singular include the plural and vice versa, and references to "including" or "includes" are deemed to be without limitation.

.1.1. **"Account"** means any trading, transactional or client account opened or maintained with Black Crown Holdings (Pty) Ltd through which a Client is able to access and use the trading platform and related services**.**

.1.2. **"Administrative Sanctions"** means any sanctions, penalties, administrative fines, remedial directions or restrictive measures imposed by a Supervisory Authority or other competent authority for non-compliance with Applicable AML Laws.

.1.3. **"AML" or "Anti-Money Laundering"** means all measures, policies, procedures, controls and activities designed to prevent, detect, mitigate, report and remediate Money Laundering and related financial crimes, including Terrorist Financing and Proliferation Financing.

.1.4. **"Applicable AML Laws"** means all applicable laws, regulations, rules, directives, guidance notes and regulatory instruments relating to anti-money laundering, counter-terrorist financing and counter-proliferation financing in force in the Republic of South Africa from time to time, including without limitation**:**

.1.4.1. The Financial Intelligence Centre Act, 38 of 2001 ("FICA") and regulations made under it;

.1.4.2. The Prevention of Organised Crime Act, 121 of 1998 ("POCA");

.1.4.3. The Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 33 of 2004 ("POCDATARA");

.1.4.4. The Financial Sector Regulation Act, 9 of 2017 ("FSR Act"); and

.1.4.5. any directives, guidance notes, public compliance communications and rulings issued by the **Financial Intelligence Centre ("FIC"),** the **Financial Sector Conduct Authority ("FSCA"),** and any other competent authority, as amended or re-enacted from time to time.

.1.5. **"Beneficial Owner"** means the natural person(s) who ultimately owns or effectively controls a Client or on whose behalf a transaction is being conducted, including, without limitation:

.1.5.1. in relation to a legal person other than a listed company, the natural person(s) who directly or indirectly owns or controls 25% or more of the shares, voting rights or ownership interest in that legal person, or who otherwise exercises effective control over the management or policies of that legal person;

.1.5.2. in relation to a partnership, the natural person(s) who ultimately are entitled to or control 25% or more of the partnership's capital or profits, or who otherwise exercise effective control over the partnership; and

.1.5.3. in relation to a trust, the founder, the trustees and the beneficiaries, as well as any other natural person who exercises ultimate effective control over the trust.

.1.5.4. **"Black Crown Holdings (Pty) Ltd"** means Black Crown Holdings (Pty) Ltd (registration number 2023/956545/07), an authorised financial services provider with FSP No. 54549, as reflected in the Disclaimer section of this Policy.

.1.6. **"Business Day"** means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa on which banks are generally open for business.

.1.7. **"Client" or "Customer"** means any natural or legal person who applies for, is on-boarded for, or makes use of the trading platform, products or services made available through Black Crown Holdings (Pty) Ltd, including any prospective client during the on-boarding process.

.1.8. **"Client Agreement"** means the legally binding client agreement (including terms and conditions, policies and schedules) concluded between the Client and JP Markets SA (Pty) Ltd, which governs the use of the trading platform and the provision of derivative products and services.

.1.9. **“Compliance Function”** means the person(s) and function(s) responsible for overseeing and coordinating compliance with Applicable AML Laws and this Policy, including the appointed Money Laundering Reporting Officer (MLRO) and his/her delegates.

.1.10. **“Counterparty”** means JP Markets SA (Pty) Ltd**,** in its capacity as principal and contractual counterparty to Clients in relation to the derivative contracts traded via the platform.

.1.11. **“Customer Due Diligence”** or **“CDD”** means the identification and verification measures, information-gathering and risk assessment processes undertaken in respect of a Client, including but not limited to:

.1.11.1. identifying and verifying the Client’s identity;

.1.11.2. identifying and verifying the Beneficial Owner(s), where applicable;

.1.11.3. understanding the nature and intended purpose of the business relationship; and

.1.11.4. conducting ongoing monitoring of the business relationship and transactions, as required by Applicable AML Laws and this Policy.

.1.12. **“Enhanced Due Diligence”** or **“EDD”** means additional or more intensive due diligence measures applied to higher-risk Clients, products, services, jurisdictions or transactions, beyond standard CDD measures, including (without limitation) obtaining additional information on the Client or Beneficial Owner, the source of funds, source of wealth, and enhanced ongoing monitoring.

.1.13. **“FIC”** or **“Financial Intelligence Centre**” means the Financial Intelligence Centre established in terms of section 2 of FICA, or any successor body.

.1.14. **“FSCA”** means the Financial Sector Conduct Authority established in terms of the FSR Act, or any successor body.

.1.15. **“High-Risk Country”** or **“High-Risk Jurisdiction”** means any country or jurisdiction that is:

.1.15.1. identified by the FIC, FSCA or any other South African regulatory authority as presenting a high risk of Money Laundering, Terrorist Financing or Proliferation Financing;

.1.15.2. identified by the Financial Action Task Force (FATF) as a high-risk jurisdiction subject to a call for action or increased monitoring; or

.1.15.3. otherwise assessed by Black Crown Holdings (Pty) Ltd, in its risk assessment, as presenting an elevated AML risk.

.1.16. **"High-Risk Client"** means a Client that Black Crown Holdings (Pty) Ltd has assessed as posing a higher than normal risk of Money Laundering, Terrorist Financing or Proliferation Financing, having regard to the risk factors set out in this Policy, the risk assessment methodology and Applicable AML Laws.

.1.17. **"JP Markets SA (Pty) Ltd"** means JP Markets SA (Pty) Ltd (registration number 2016/123297/07), a licensed Financial Services Provider and Over the Counter Derivatives Provider, which issues the derivatives traded by Clients through the platform and acts as principal and counterparty to those transactions.

.1.18. **"Jurisdiction"** means any country, territory or region in which Black Crown Holdings (Pty) Ltd or JP Markets SA (Pty) Ltd offers or makes available its products or services, or in which Clients are located or resident.

.1.19. **"KYC"** or **"Know Your Customer"** means the processes of identifying and verifying the identity of Clients, understanding the nature of their activities and assessing their AML risk, as required for CDD and EDD under this Policy and Applicable AML Laws.

.1.20. **"Material AML Breach"** means any material failure to comply with this Policy or Applicable AML Laws which may reasonably be expected to expose Black Crown Holdings (Pty) Ltd or JP Markets SA (Pty) Ltd to regulatory sanction, criminal liability, reputational damage or material financial loss.

.1.21. **"MLRO"** or **"Money Laundering Reporting Officer"** means the individual appointed by Black Crown Holdings (Pty) Ltd in terms of FICA as the person responsible for receiving internal reports of suspicious or unusual transactions, considering such reports and, where appropriate, filing reports with the FIC and other competent authorities.

.1.22. **"Money Laundering"** means any act or attempted act to conceal or disguise the nature, source, location, disposition or movement of the proceeds of unlawful activities, or any interest in such proceeds, as contemplated in POCA and any similar or related offences in Applicable AML Laws, and includes, without limitation:

.1.22.1. the conversion or transfer of property, knowing that such property is the proceeds of unlawful activities, for the purpose of concealing or disguising the illicit origin of the property;

.1.22.2. the concealment or disguise of the true nature, source, location, disposition, movement or ownership of, or rights with respect to, property, knowing that such property is the proceeds of unlawful activities; or

.1.22.3. the acquisition, possession, use or dealing with property, knowing or having reasonable grounds to suspect that such property is the proceeds of unlawful activities.

.1.23. **"Ongoing Monitoring"** means the continuous or periodic review of the business relationship and transactions undertaken by or on behalf of a Client to ensure that they are consistent with the institution's knowledge of the Client, its business and risk profile, including, where necessary, the source of funds, and to identify any suspicious or unusual activity.

.1.24. **"PEP"** or "**Politically Exposed Person"** means a natural person who is, or has been, entrusted with prominent public functions, whether domestically or in a foreign jurisdiction, and includes, without limitation, heads of state or government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials, as well as their immediate family members and close associates, as further described in FICA and applicable guidance.

.1.25. **"Proliferation Financing"** means the provision or collection of funds or the making available of economic resources, directly or indirectly, and by any means, with the intention that they should be used or in the knowledge that they are to be used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery, and related materials.

.1.26. **"Risk Assessment"** means the process described in this Policy whereby Black Crown Holdings (Pty) Ltd identifies, assesses and understands its Money Laundering, Terrorist Financing and Proliferation Financing risks at enterprise, product, service, jurisdiction, delivery channel and Client levels, and implements risk mitigation measures and controls.

.1.27. **"RMCP or Risk Management and Compliance Programme"** means the Company's internal anti-money laundering, counter-terrorist financing and counter-proliferation financing programme maintained in accordance with section 42 of the Financial Intelligence Centre Act, 38 of 2001, which establishes the Company's risk-based compliance framework.

.1.28. **"Sanctions"** means any economic, financial or trade sanctions, embargoes, restrictive measures or similar actions imposed by the Republic of South Africa, the United Nations Security Council, or any other sanctions authority recognised by Black Crown Holdings (Pty) Ltd, and which are applicable to the business or its Clients.

.1.29. **"SAR"** or **"Suspicious Activity Report"** means any report made to the FIC or other competent authority, in accordance with Applicable AML Laws, regarding a transaction or activity that is known or suspected to involve proceeds of unlawful activities, Money Laundering, Terrorist Financing, Proliferation Financing or other reportable conduct.

.1.30. **"Terrorist Financing"** means the provision, collection or making available of funds or other assets, by any means, directly or indirectly, with the intention that they be used, or in the knowledge that they are to be used, in full or in part, to carry out any act of terrorism or terrorist-related activity as contemplated in POCDATARA or other Applicable AML Laws.

.1.31. **"Trading Platform"** means the online trading system, portal, website, mobile application or other electronic facility provided to Clients by Black Crown Holdings (Pty) Ltd and/or by JP Markets SA (Pty) Ltd, through which Clients may access the derivative products and services.

.1.32. **"Transaction"** means any payment, deposit, withdrawal, transfer, trade, order, contract for difference, derivative transaction, or other movement of funds or assets executed or attempted by, on behalf of, or for the benefit of a Client via the Trading Platform or any linked payment or settlement channels.

.1.33. **"Unusual Transaction"** means any transaction which is inconsistent with the known legitimate business or personal activities, risk profile, source of funds or transactional history of the Client, or which otherwise lacks an apparent lawful or economic purpose, having regard to the applicable context and guidance issued by the FIC.

.1.34. **"Whistle-blower"** means any employee, contractor or other person who, in good faith, reports a suspected breach of this Policy, a suspected AML/CTF concern, or any suspicious or unusual transaction through the reporting channels described in this Policy.

.2. Interpretation

.2.1. References to **"Black Crown Holdings (Pty) Ltd"** or **"Black Crown"** in this Policy include its directors, officers, employees and authorised representatives, acting within the course and scope of their duties, unless the context indicates otherwise.

.2.2. References to **"we"**, **"us"** or **"our"** in this Policy are references to Black Crown Holdings (Pty) Ltd and, where appropriate, JP Markets SA (Pty) Ltd in relation to their respective AML roles and responsibilities.

.2.3. Headings and sub-headings are for convenience only and shall not affect the interpretation of this Policy.

.2.4. Any reference to a statute, regulation or other law is a reference to that law as amended, re-enacted or replaced from time to time, and includes all subordinate legislation, regulations, rules and directives made in terms thereof.

.2.5. In the event of any conflict between this Policy and Applicable AML Laws, the provisions of Applicable AML Laws shall prevail to the extent of the inconsistency.

.2.6. This Policy must be read together with the Client Agreement and any other internal policies and procedures forming part of the AML, compliance and risk management framework of Black Crown Holdings (Pty) Ltd and JP Markets SA (Pty) Ltd.

- **DISCLAIMER:**

.1. Black Crown Holdings (Pty) Ltd with company registration number: 2023/956545/07 is an authorised financial services provider, licensed and regulated by the Financial Sector Conduct Authority (FSCA) of South Africa, with FSP No. 54549.

.2. Black Crown Holdings (Pty) Ltd is the platform that Clients use to trade derivatives that are issued by JP Markets SA (Pty) Ltd, registration number 2016/123297/07, a company registered under the laws of South Africa. JP Markets SA (Pty) Ltd a licensed and regulated Financial Services Provider (FSP) and Over the Counter Derivatives Provider (ODP) with FSP Number: 46855 whose registered office is at 4 Canal Close, 2 Century Falls Road, Century City, Cape Town, 7441 is the counterparty and principal to the contract for difference purchased by you (the Client).

.3. By using our services, you agree to be bound by the Client Agreement, which is entered into and binding between you (the Client) and JP Markets SA (Pty) Ltd.

- **POLICY STATEMENT:**

.1. This Policy Statement serves as a comprehensive introduction, demonstrating our organisation's unwavering commitment to combating money laundering and adhering to the highest standards of Anti-Money Laundering (AML) laws and regulations.

.2. We recognise the grave implications of money laundering and its detrimental effects on the integrity of financial systems, the economy, and society at large. Our organisation firmly believes in upholding transparency, accountability, and ethical conduct in all financial transactions.

.3. We are dedicated to implementing robust AML measures that not only protect our organisation but also contribute to the global effort in thwarting money laundering activities. By maintaining a strong and effective AML policy, we strive to safeguard our reputation, build trust with our customers, and uphold the integrity of the financial industry.

.4. Our policy is built upon a foundation of continuous improvement, stringent risk assessment, diligent customer due diligence, comprehensive employee training, and robust reporting and compliance mechanisms.

.5. Through these efforts, we aim to stay ahead of evolving AML risks, mitigate potential threats, and foster a culture of compliance that sets a standard of excellence in the fight against money laundering.

4. Legislative Framework

4.1 Black Crown conducts its business in accordance with applicable South African legislation and regulatory requirements relating to the prevention of financial crime, including, where applicable:the Financial Intelligence Centre Act, 38 of 2001 ("FICA");

- the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS");

- the Financial Markets Act, 19 of 2012;
- the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 33 of 2004;
- the Prevention of Organised Crime Act, 121 of 1998;
- applicable directives, guidance notes and communications issued by the Financial Intelligence Centre ("FIC") and the Financial Sector Conduct Authority ("FSCA"); and
- any other legislation or regulatory requirements applicable to the Company's business.

3. Our Commitment

Black Crown maintains a zero-tolerance approach towards money laundering, terrorist financing, proliferation financing, fraud, corruption and other forms of financial crime.

We are committed to:

- conducting business ethically and responsibly;
- applying a risk-based approach to financial crime prevention;
- identifying and verifying the identity of our clients;
- monitoring business relationships on an ongoing basis;
- complying with all applicable reporting obligations;
- maintaining appropriate governance and compliance arrangements; and
- cooperating with competent regulatory and law enforcement authorities where required by law.

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4. Risk-Based Approach

Black Crown applies a risk-based approach when establishing and maintaining client relationships.

The level of due diligence performed depends upon the nature of the client, the products or services utilised, geographic exposure, transaction characteristics and any other relevant risk factors.

Where appropriate, additional information or documentation may be requested before or during the course of the business relationship.

- **CUSTOMER DUE DILIGENCE (CDD):**

.1. Customer Due Diligence (CDD) lies at the core of our Anti-Money Laundering (AML) efforts.

.2. We have established robust procedures to diligently identify and verify the identity of our customers, whether they are individuals or legal entities, as well as to determine the beneficial owners.

.3. Our CDD process involves comprehensive measures designed to minimise the risk of money laundering activities. This includes collecting and verifying relevant identification documents, conducting thorough risk-based assessments to understand the nature of the customer's activities, and implementing ongoing monitoring measures to detect any suspicious or unusual transactions.

.4. By implementing rigorous CDD procedures, we ensure that we have a clear understanding of our customers' identities, business relationships, and the purpose of their transactions, enabling us to mitigate potential AML risks and maintain the integrity of our operations.

- **ENHANCED DUE DILIGENCE (EDD):**

.1. Enhanced Due Diligence (EDD) forms an integral part of our comprehensive Anti-Money Laundering (AML) program, enabling us to effectively manage higher-risk customers or transactions.

.2. When dealing with individuals or entities classified as higher risk, such as politically exposed persons (PEPs) or customers from high-risk jurisdictions, we apply additional scrutiny through our EDD procedures.

.3. These measures go beyond standard due diligence practices and involve gathering supplementary information to gain a more comprehensive understanding of the customer's profile and potential AML risks associated with their activities.

.4. Our EDD process includes conducting enhanced background checks, performing more detailed risk assessments, and seeking additional documentation or independent verification.

.5. By applying EDD measures, we strengthen our ability to identify and mitigate any potential money laundering risks, ensuring compliance with regulatory requirements, and maintaining the highest standards of integrity in our business relationships.

- **Reporting Obligations**

Where required by applicable legislation, Black Crown may report suspicious or unusual transactions or activities to the relevant regulatory authorities.

The Company is prohibited from disclosing to any person where such reporting has been made where disclosure is prohibited by law.

- **RECORD KEEPING:**

.1. At our organisation, we place great importance on maintaining accurate and up-to-date records as part of our Anti-Money Laundering (AML) program. We have

implemented comprehensive policies to ensure the proper retention and management of customer information, transaction data, and AML-related documentation. These policies outline clear guidelines for the collection, storage, and protection of records in compliance with relevant laws and regulations.

.2. We maintain a diligent record-keeping system that captures essential details such as customer identification documents, transactional information, risk assessment records, and any AML-related correspondence. These records are regularly updated to reflect any changes or updates to customer information or transactional data.

.3. Our record-keeping policies also define appropriate retention periods for different types of records, ensuring compliance with legal and regulatory requirements. We retain records for the duration specified by applicable laws and regulations, and in some cases, we may retain records for an extended period to meet our risk management or legal obligations.

.4. We give utmost importance to data protection and confidentiality. Our record-keeping policies encompass measures to safeguard customer information and ensure secure access to records. We employ industry best practices and robust security protocols to protect against unauthorised access, loss, or misuse of records.

.5. By maintaining accurate and well-organised records, we enhance our ability to conduct effective AML monitoring, risk assessments, and internal audits. These records serve as a reliable source of information for regulatory compliance purposes and assist in the investigation of any suspected financial crimes. Our commitment to sound record-keeping practices reinforces our dedication to upholding the highest standards of transparency, accountability, and compliance in our AML efforts.

- **COMPLIANCE MONITORING:**

Black Crown maintains internal policies, procedures and governance arrangements designed to support compliance with applicable anti-money laundering legislation.

These include a Risk Management and Compliance Programme ("RMCP"), which sets out the Company's internal operational controls and procedures for preventing financial crime. The RMCP is an internal governance document and is not published.

Client Responsibilities

Clients are responsible for ensuring that information provided to the Company is complete, accurate and kept up to date.

Clients must notify the Company promptly of any material changes to information previously provided and cooperate with any reasonable requests for updated documentation required to comply with applicable legislation.

13. Policy Review

This Policy may be amended from time to time to reflect changes in legislation, regulatory requirements or the Company's business operations.

The most recent version will be made available on the Company's website.

Contact Us

Should you have any questions regarding this Policy or our approach to financial crime compliance, please contact:

Compliance Department

Black Crown Holdings (Pty) Ltd

Email: **compliance@blackcrownmarkets.com**