

Anti-Money Laundering (AML) and Know Your Customer (KYC) Policy

EmergX Finance Corporation

Date: July 2025

1. Purpose

This policy outlines EmergX Finance Corporation's (EFC) framework for preventing money laundering, terrorist financing, and financial crime. It sets standards for customer identification, due diligence, reporting, and training in compliance with UK AML legislation and FCA rules.

2. Regulatory Framework

This policy is aligned with:

- The UK Money Laundering Regulations 2017 (as amended)
- Proceeds of Crime Act 2002 (POCA)
- FCA SYSC 6.1.1R and MLR guidance
- Joint Money Laundering Steering Group (JMLSG) Guidance

3. Roles and Responsibilities

- Board of Directors: Overall AML oversight
- MLRO (SMF17): Reports to the FCA, receives SARs, oversees AML systems
- All Staff: Must complete AML training and escalate suspicious activity

The MLRO is Nicholas J. Connell, with oversight of all AML/CFT compliance activities.

4. Customer Due Diligence

CDD must be performed:

- At client onboarding
- When transaction thresholds are met
- If a suspicion of money laundering arises

CDD includes verifying identity, beneficial ownership, and business purpose. Enhanced Due Diligence (EDD) applies for PEPs, high-risk jurisdictions, and complex structures.

5. Ongoing Monitoring

EFC conducts ongoing client monitoring, including:

- Periodic file reviews
- Transaction pattern analysis
- Updates to documentation and ownership
- Screening against sanctions and watchlists (e.g., OFAC, UN, HMT)

6. Suspicious Activity Reporting (SAR)

All employees are required to report any knowledge or suspicion of money laundering to the MLRO, who will determine whether to submit a Suspicious Activity Report (SAR) to the National Crime Agency (NCA).

7. Recordkeeping

AML records, including CDD documentation and internal reports, must be retained for a minimum of 5 years from the end of the client relationship.

8. Training and Review

All staff receive AML training on induction and annually thereafter. The AML policy is reviewed annually by the Board and updated to reflect changes in legislation and best practice.