

SUSPICIOUS TRANSACTION REPORTING POLICY AND PROCEDURES

POLICY OBJECTIVE

Based on the guidelines issued by the Labuan Financial Services Authority (“Labuan FSA”) on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) for Banking Sector, GLOBAL CAPITAL MARKET LIMITED (“the Company”) has implemented the following internal Suspicious Transaction Report (“STR”) policy and procedures to monitor suspicious transaction and to address its reporting obligation.

The following policy and procedures are developed for identifying, evaluating and investigating, reporting as well as record keeping of potential suspicious situation/transactions (including attempted or proposed).

IDENTIFYING

The Company’s employees need to ensure that all potential/existing customers do not engage in criminal activity, money laundering or terrorist financing. They must monitor carefully at all unusual transactions to see if there is anything suspicious about the customer.

There are many reasons why an employee might become suspicious about a transaction/activity. Often it is just because of something unusual for a business, maybe a customer behaved strangely, or perhaps customer made unusual requests that did not seem to make sense.

The Company’s employees may be guided by the examples provided in the Company’s internal measures for “Mechanism or Red Flag to indicate occurrence of suspicious transaction”, to assist them in identifying any attempted or proposed suspicious transaction.

EVALUATING AND INVESTIGATING

Whenever a Company’s employee detects any “red flag” that fits the list indicated above or senses any unusual activity/transaction, he/she must directly inform the AML Designated Compliance Officer (“DCO”) without delay.

Upon receiving any internal STR from the Company’s employees, the DCO will first evaluate the grounds for suspicion and he will make an initial decision of whether a customer/transaction is potentially suspicious.

The employee may be required to investigate the Customer/transaction further under the direction of the DCO. This may include gathering additional information from the customer or from third party sources to assist in determining whether the customer/transaction is indeed suspicious and to eliminate “false positive”.

These procedures should reflect the principle of confidentiality, where employees are to ensure that investigation is conducted swiftly and that reports contain relevant information and are produced and submitted to the DCO in a secured and confidential manner, within five (5) working days from the commencement of investigation.

REPORTING

Internal Suspicious Transaction Report (“STR”) prepared by the Company’s employee must be reviewed by the DCO within three (3) working days from receiving such report.

The DCO is to complete his/her review within five (5) working days. Under the circumstances where a report requires further investigation, the timeframe can be exceeded up to a month.

Once the DCO has finished review of the details, he/she should determine if that particular event rendered an attempted or proposed suspicious transaction.

The DCO will consult with the Company's Board of Directors to make the decision as to whether the customer/transaction is suspicious and whether a filing to the Authority(ies) is necessary.

DCO shall submit the STR using the specified reporting template, to both of the following authorities:

Director

Financial Intelligence and Enforcement Department

Bank Negara Malaysia

Jalan Dato' Onn

50480 Kuala Lumpur, Malaysia

(To be opened by addressee only) Fax: +603-2691 6108

E-mail: str@bnm.gov.my; AND

Head, AML Policy Unit

Policy and Digital Technology Department Labuan Financial Services Authority

Level 17, Main Office Tower

Financial Park Complex, Jalan Merdeka

87000 Federal Territory of Labuan, Malaysia

(To be opened by addressee only)

Fax: +603-8873 2209

E-mail: aml@labuanfsa.gov.my

The DCO will inform the Company's Board of Directors of any report submitted. The fact that a report has been made is confidential. The DCO, as well as the Company's employees shall ensure that in the course of submitting the STR, such reports are treated with the highest level of confidentiality. No one, other than those involved in the investigation and reporting should be told about a STR, except for the law enforcement or other competent authorities.

Where applicable and upon the advice of the Financial Intelligence and Enforcement Department, Bank Negara Malaysia and/or Anti-Money Laundering Compliance Unit, Labuan FSA, the DCO will submit his/her STR online at:

Website: <https://bnmapp.bnm.gov.my/fins2/faces/pages/authc/Login.jsp>

However, under the circumstances where the DCO decides that there are no reasonable grounds for suspicion and no STR is necessary to be submitted to the relevant authorities, the DCO must document and file the decision, supported by the relevant supporting documentary evidence, which will be made available to the relevant supervisory authorities upon request.

REPORTING

The DCO shall maintain a complete file on all internally generated reports and any supporting documentary evidence, regardless of whether such report has been submitted. In the case of a filed report, a backup documentation is necessary.

The following are some of the information maintained for record keeping, which includes but is not limited to:

- i. Maintain a record of identifying information provided by the Customer.
- ii. Where the Company relies upon a document to verify identity, the Company must maintain a copy of the document with clear evidence that the Company relied on and any identifying information it may contain.
- iii. Record the methods and result of any additional measures undertaken to verify the identity of the Customer.
- iv. Record the resolution of any discrepancy in the identifying information obtained.
- v. The nature or circumstances surrounding the transaction; and
- vi. Business background of the person conducting the transaction that is connected to the unlawful activity.

All transaction and identification records are to be retained for a minimum period of 6 years, following the completion of transaction.



REVIEW OF SUSPICIOUS TRANSACTION REPORTING POLICY AND PROCEDURES

GLOBAL CAPITAL MARKET LIMITED is committed to continuously improve this policy and it will be reviewed regularly (at least every six months) for effectiveness and updated.

This Suspicious Transaction Reporting Policy and Procedures is supported by management. GLOBAL CAPITAL MARKET LIMITED commits to providing this policy to all employee and displaying it in its business with clients.

Signed by :

Date :