



InteractiveBrokers

INTERACTIVE BROKERS HONG KONG

ANTI-MONEY LAUNDERING

AGREEMENT FOR INTRODUCING

BROKERS WITH CONSOLIDATED

ACCOUNTS

This Agreement ("Agreement") sets forth the anti-money laundering and counter terrorist financing ("AML") obligations of Introducing Broker with respect to accounts that are introduced by Introducing Broker to Interactive pursuant to the Consolidated Clearing Agreement between them ("Accounts").

1. Compliance with AML Rules. Introducing Broker hereby agrees and acknowledges that it is responsible for the detection and prevention of money laundering, terrorist financing and other criminal activity by Introducing Broker's clients. Introducing Broker represents and warrants that it now does and will continue to comply with the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institution) Ordinance (Cap 615, Laws of Hong Kong) ("AML Ordinance"), the SFC Code of Conduct for Persons Licensed by or registered with the Securities and Futures Commission, the SFC Guideline on Anti-Money Laundering and Counter-Terrorist Finance and all other applicable AML laws and regulations and any future obligations that may be imposed on Introducing Broker by applicable laws or regulations (including, but not limited to, its obligations to know its clients, their source and use of funds and to monitor for and identify suspicious activity) ("Relevant AML Regulations"). Introducing Broker further represents and warrants that it has established, maintains and enforces a program of written AML internal policies, procedures and controls in accordance with the Relevant AML Regulations, that include: (a) procedures for obtaining identification information and for verifying the identity of Introducing Brokers clients and (b) written procedures and a means for monitoring account activity and for identifying and reporting money laundering, terrorist financing and other criminal or suspicious activity. Introducing Broker shall provide Interactive with a then-current copy of its AML procedures upon request.

2. Client Identification.

- A. Prior to depositing the funds of any Introducing Broker client into the Consolidated Account (or any sub-account thereof) or submitting the orders of any Introducing Broker client, Introducing Broker shall:
- i. Obtain sufficient information as required by the Relevant AML Regulations from the Introducing Broker client to reasonably identify and verify the identity of the client including, without limitation: (a) the client's name; (b) the client's date of birth; (c) if the client is an individual, the client's residential address; (d) if the client is an organization, the client's principal place of business or local office; (e) if the client is a Hong Kong resident, a certified copy of the client's Hong Kong identification card; (f) if the client is not a Hong Kong resident, the client's passport or other government issued identification number and the country that issued the client's identification number; and (g) where required have a face to face meeting to verify the client's signature and identity.
 - ii. Effectively verify all of the client's Identification Information through documentary and/or non-documentary means including, without limitation, by obtaining copies, and where required certified copies, of documentation that contains the client's name, address, date of birth and identification number and the client's photograph; and
 - iii. Obtaining a written certification that the client is trading solely on his or her or its own behalf and not on behalf of another person whether as a nominee, trustee, fiduciary or otherwise (unless authorized by law and so identified to Introducing Broker).
- B. Introducing Broker shall not submit, and shall not permit the submission of, any funds of any Introducing Broker client or any Introducing Broker client order to Interactive if:
- i. Introducing Broker is not able to verify the identity of the client in accordance to the Relevant AML Regulations;
 - ii. The client resides in, is domiciled in, was formed or organized in, or is a citizen of: Afghanistan, Angola, Belarus, Central African Republic, Cote d'Ivoire (Ivory Coast), Cuba, Dem. People's Rep. of Korea (North Korea), Dem. Rep. of the Congo, Iran, Iraq, Libya, Nauru, Nigeria, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Crimea region of Ukraine, Zimbabwe or a country or region that has been sanctioned by the H.K. government or an agent thereof;
 - iii. The client utilizes a post office box or "in care of" address as the client's residential address or principal place of business;
 - iv. The client is a senior political figure of a non-HK or non-Chinese government (unless Interactive's Compliance Director has approved the account in writing); or
 - v. The Introducing Broker is aware of any activities on the part of the client that lead or should lead the Introducing Broker to suspect that the client is, or has been involved in money laundering, terrorist activity or any other illegal conduct.

- C. Introducing Broker shall make and maintain accurate records of all information and documentation related to the verification of the identities of Introducing Broker's clients in accordance with the Relevant AML Regulations, including but not limited to: (1) all Identification Information and documentation provided by the client, its beneficial owners, or its authorized traders or related to the identification of such persons; (2) the methods and results of any measures undertaken to verify the identity of the client; (3) the resolution of any discrepancy in the Identification Information or documentation; (4) the person who verified the identity of the client; and (5) the date of verification. Introducing Broker, upon request, shall identify to Interactive any of Introducing Broker's clients or any of such client's beneficial owners or authorized traders. Introducing Broker, upon request, shall provide copies if the information and documentation referenced herein or related to a client sub-account or transactions to Interactive, its affiliates, any exchange and any other governmental, regulatory or self-regulatory authority.
 - D. Source and Use of Funds. Introducing Broker shall undertake reasonable efforts to ascertain that its clients are not engaged in unlawful activities, the assets being invested have been legitimately obtained and any disbursements to a client or to a third party are for legitimate purposes.
 - E. Cross-border Correspondent Relationship. Client shall provide sufficient information including, but not limited to, (1) the purpose of any cross border correspondent relationships and the nature and expected volume and value of transactions; (2) how the service is provided and whether it is through a 'nested' correspondent relationship and the purpose, the control framework with respect to the 'nested' correspondent relationship; (3) the types of underlying customers; (4) the quality and effectiveness of the AML/CFT regulation as well as supervision by authorities in the jurisdictions in which it operates and/or is incorporated.
3. Sanctioned Individuals. Introducing Broker shall not submit, and shall not permit the submission of, any funds of any Introducing Broker client or any Introducing Broker client order to Interactive until it has determined that the client's name does not appear on sanction list issued by a FATF country, including but not limited to the SDN List issued by the US Department of Treasury's Office of Foreign Assets Control ("OFAC") and the Consolidated Sanction List issued by the United Nations Securities Council.
4. Surveillance and Suspicious Activity Reporting.
- A. Introducing Broker shall conduct surveillance of the activity in the Accounts including, without limitation, reviewing trading, deposits, withdrawals, transfers of funds and other account activity for the purpose of detecting third party deposits and payments, suspicious transactions and/or other activity that may involve money laundering, terrorist activity or other illegal conduct.

- B. Introducing Broker shall notify Interactive's AML Compliance Officer regarding any account activity Introducing Broker knows or has reason to suspect: involves funds related to money laundering, terrorist activity or any other illegal conduct; is intended or conducted in order to hide or disguise funds or assets derived from illegal activity; is designed to evade laws or regulations; involves the use of Interactive or the Introducing Broker to facilitate criminal activity; is not legitimate, has no business or apparent purpose or is not the sort of transactions in which the particular client would normally be expected to engage (and there is no reasonable explanation therefor); is otherwise suspicious; or could support the filing of a suspicious transaction report ("STR"). Such notice shall be provided by the Introducing Broker as soon as practical after identifying the activity and, in any event, prior to filing an STR. Introducing Broker shall provide Interactive with copies of all STRs and other communications it files with respect to the Accounts, unless prohibited by law. Introducing Broker shall provide Interactive with any other information or documentation regarding the above-referenced account activity, the responsible client or related persons that Interactive, in its sole discretion, believes is necessary or appropriate to fulfill its obligations and shall take any action that Interactive may request in connection with the such activity, whether the activity was detected by Introducing Broker or Interactive.
 - C. Interactive reserves the right to monitor the activity in the Accounts and to make and file such suspicious transaction or other reports as it deems necessary or appropriate. Introducing Broker recognizes that, by conducting such surveillance and filing such reports, Interactive does not thereby assume any responsibility of the Introducing Broker for conducting surveillance of the activity in the accounts of the Introducing Broker's clients nor to report any suspicious activity therein.
5. Knowledge of Interactive's AML Policies and Procedures. Introducing Broker agrees to become familiar with any of Interactive's AML policies and procedures relayed to Introducing Broker and to abide by them
6. Further information request and right to request audit. Interactive reserves the right to request such further information from Client that it reasonably determines is required for the purposes of compliance with Relevant AML Regulations, including but not limited to (1) requiring Client to complete (an) additional AML and Trade Surveillance Program Questionnaire(s) or (2) to the extent permitted by law, providing to Interactive any copy or copies of any audit(s) Client's has conducted on its own AML policies and procedures or that Client or any regulator of Client has commission by a third / independent party to provide on Client's AML policies and procedures.