



# INTERACTIVE BROKERS HONG KONG ANTI-MONEY LAUNDERING AGREEMENT FOR ACCOUNT HOLDERS WITH UNDERLYING CLIENTS OR BENEFICIARIES

This Agreement ("Agreement") sets forth the anti-money laundering and counter terrorist financing ("AML") obligations of Client which maintains an account or accounts with Interactive Brokers in its own name and acts as agent, trustee or custodian (including nominee) for its underlying customers or beneficiaries ("Underlying Customers").

## 1. Compliance with AML Rules.

- A. Client hereby agrees and acknowledges that it is responsible for the detection and prevention of money laundering, terrorist financing and other criminal activity by its Underlying Customers.
- B. Client represents and warrants,
  - i. that it now does and will continue to comply with
    - the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615, Laws of Hong Kong) (**AML Ordinance**), and
    - if applicable, the SFC Code of Conduct for Persons Licensed by or registered with the Securities and Futures Commission and 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 Client by applicable laws or regulations (including, but not limited to, its obligations to know its Underlying Customers, their source and use of funds and to monitor for and identify suspicious activity) (together "**Relevant AML Regulations**").
  - ii. 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 Client's Underlying Customers 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. Client shall provide Interactive with a then current copy of its AML procedures upon request.

## 2. Client Identification.

- A. Client shall before dealing with any Underlying Customers and before undertaking any transaction with Interactive Brokers:
  - i. Obtain sufficient information as required by the Relevant AML Regulations from the Client's Underlying Customers to reasonably identify and verify the identity of the Underlying Customers including, without limitation: (a) the Underlying Customer's name; (b) the Underlying Customer's date of birth; (c) if the Underlying Customer is an individual, the Underlying Customer's residential address; (d) if the Underlying Customer is an organization, the Underlying Customer's principal place of business or local office; (e) if the Underlying Customer is a Hong Kong resident, a certified copy of the Underlying Customer's Hong Kong identification card; (f) if the Underlying Customer is not a Hong Kong resident, the Underlying Customer's passport or other government issued identification number and the country that issued the Underlying Customer's identification number; and (g) where required have a face to face meeting to verify the Underlying Customers signature and identity.
  - ii. Effectively verify all of the Underlying Customer'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 Underlying Customer's name, address, date of birth and identification number and the Underlying Customer's photograph; and
  - iii. Obtaining a written certification that the Underlying Customers is acting 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 Client).
- B. Client shall not submit, and shall not permit the submission of, any assets (whether legally or beneficially owned) of any Client's Underlying Customers or any Client's Underlying Customer's instruction to Interactive if:
  - i. Client is not able to verify the identity of the Underlying Customer in accordance with the Relevant AML Regulations;
  - ii. The Underlying Customer 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 Underlying Customers utilizes a post office box or "in care of" address as the Underlying Customer's residential address or principal place of business;
  - iv. The Underlying Customers 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 Client is aware of any activities on the part of the Underlying Customers that lead or should lead the Client to suspect that the Underlying Customers is, or has been involved in money laundering, terrorist activity or any other illegal conduct.
- C. Client shall make and maintain accurate records of all information and documentation related to the verification of the identities of Client's Underlying Customers in accordance with the Relevant AML Regulations, including but not limited to: (1) all identification information and documentation provided by the Underlying Customers, 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 Underlying Customers; (3) the resolution of any discrepancy in the Identification Information or documentation; (4) the person who verified the identity of the Underlying Customers; and (5) the date of verification. Client, upon request, shall identify to Interactive any of Client's Underlying Customers or any of such Underlying Customer's beneficial owners or authorized traders. Client, upon request, shall provide copies if the information and documentation referenced herein or related to a Underlying Customers 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. Client shall undertake reasonable efforts to ascertain that its Underlying Customers are not engaged in unlawful activities, the assets being invested have been legitimately obtained and any disbursements to Underlying Customers 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. Client shall not submit, and shall not permit the submission of, any funds of any Client Underlying Customers or any Client Underlying Customers order to Interactive until it has determined that the Underlying Customers 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. Client shall conduct surveillance of the activity of its Underlying Customers 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. Client shall notify Interactive's AML Compliance Officer regarding any account activity Client 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 Client to facilitate criminal activity; is not legitimate, has no business or apparent purpose or is not the sort of transactions in which the particular Underlying Customers 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 Client as soon as practical after identifying the activity and, in any event, prior to filing an STR. Client shall provide Interactive with copies of all STRs and other communications it files with respect of the Underlying Customers, unless prohibited by law. Client shall provide Interactive with any other information or documentation regarding the above-referenced account activity, the responsible Underlying Customers 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 Client or Interactive.
  - C. Interactive reserves the right to monitor the activity of the Underlying Customers and to make and file such suspicious transaction or other reports as it deems necessary or appropriate. Client recognizes that, by conducting such surveillance and filing such reports, Interactive does not thereby assume any responsibility of the Client for conducting surveillance of the activity in the accounts of the Client's Underlying Customers nor to report any suspicious activity therein.

5. Knowledge of Interactive's AML Policies and Procedures. Client agrees to become familiar with any of Interactive's AML policies and procedures relayed to Client 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.