

Anti-Money Laundering Policy

COLMEX does not tolerate money laundering and supports the fight against money launderers.

COLMEX has policies in place to deter people from laundering money.

What is Money Laundering?

Money laundering is not just the attempt to disguise money derived from drug sales. It includes any transaction or series of transactions that seek to conceal or disguise the nature or source of proceeds derived from illegal activities, including drug trafficking, terrorism, organized crime, fraud, and other crimes. Money laundering occurs when funds from illegal activities are moved through the financial system in a way that makes them appear to have come from legitimate sources.

There is no specific method of money laundering, but it typically follows three stages:

- **Placement** – The physical introduction of illicit funds into the financial system, such as depositing cash derived from illegal activities.
- **Layering** – The process of separating illicit funds from their origin by executing complex financial transactions to obscure the audit trail and provide anonymity.
- **Integration** – The final stage where laundered funds are reintroduced into the economy, making them appear legitimate.

Trading accounts can be used to launder illicit funds or obscure their true owner. To mitigate this risk, COLMEX ensures that all fund withdrawals are directed back to their original source.

International anti-money laundering regulations require financial institutions to implement robust compliance programs to detect and report suspicious activities.

Defining Suspicious Activity

There is no universal definition of “suspicious activity,” as it depends on the context of the customer’s transactions. However, red flags that may indicate money laundering include:

- Transactions that lack a reasonable economic basis.
- Transactions inconsistent with a customer’s known business activity.
- Customers with questionable backgrounds or known criminal associations.
- Customers reluctant to provide standard business information.
- Transactions that involve unusual payment methods or untraceable funds.

Knowing Your Clients (“KYC”)

COLMEX follows strict account opening procedures to verify the identity of clients. The Compliance Officer reviews all new accounts and conducts annual reviews based on the following factors:

- Type of client (individual, intermediary, corporation, financial institution, etc.).
- Length of the client relationship.
- Source of client referral (e.g., personal acquaintance, trusted referral).
- Client’s home country and its compliance with Financial Action Task Force (FATF) regulations.

Red Flags – Indicators at the Account Opening Stage

Potential indicators of suspicious activity include:

- Customers showing unusual concern about government reporting requirements.
- Clients engaging in transactions that lack an apparent business purpose.

- Customers associated with known criminal activities.
- Reluctance to provide standard information about business operations.
- Discrepancies in identifying the source of funds.

Screening of Clients and Anti-Money Laundering Measures

COLMEX has detailed procedures to prevent and detect money laundering. These include:

- Screening all new clients before account approval.
- Comparing client information with global watchlists (OFAC, FATF, etc.).
- Ensuring compliance with anti-money laundering laws through a dedicated Compliance Officer.

Documentary Verification

For Natural Persons:

- A government-issued ID (passport, driver's license, etc.) with a photo.
- A bank card (only showing the first 6 and last 4 digits, expiration date, and name).
- A recent (within 3 months) utility bill or bank statement with the client's name and address.

For Corporate or Institutional Clients:

1. Memorandum and Articles of Association (certified original).
2. Certificate of Registered Address (certified original).
3. Directors and Shareholders Certificate (certified original).
4. Certificate of Incorporation (certified original).
5. Completed and signed Account Opening Form.
6. Audited Financial Statements for the last two years.
7. Identity verification for authorized persons (passport, bank card, proof of address).
8. Identity verification for all shareholders of the company.

Account Closure Conditions

COLMEX will close an account if:

- The client's identity cannot be verified.
- The legitimacy of the client's funds is in doubt.
- The client refuses to provide mandatory information.
- The provided information is false or inconsistent.

Deposits and Withdrawals

- **Withdrawal Orders** – Clients must provide verification documents before withdrawals.
- **Credit Card Withdrawals** – Deposits made via credit card may be returned to the same credit card. Bank withdrawals may take longer due to security checks.
- **Currency Variance in Credit Card Deposits** – Due to exchange rate fluctuations and card issuer fees, the final debited amount may vary slightly from the deposited amount.
- **Wire Transfers** – Clients must use a single bank account in their country of residence. A SWIFT confirmation may be required for compliance.
- **Alternative Payment Methods** – Transactions via e-wallets, money transfer services, or online payment vendors must comply with applicable regulations.
- **Cash Deposits** – COLMEX does not accept cash deposits.

These guidelines are implemented to protect both COLMEX and its clients.