



HOUSE of BÖRSE
— *World in One Platform* —

PEP Policy

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Politically Exposed Person (PEP)

House of Borse's (The Firm's) definition of a PEP is in line with the requirement of "The EU Fourth Money Laundering Directive 2017". A PEP is defined as a person who is an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function by:

1. The United Kingdom or any other state in the world;
2. A Community institution; or
3. An international body, including a person who falls in any of the categories in the list of 'Politically Exposed Persons' below;
4. An immediate family member of a person referred to in points (1) to (3), including a person who falls in any of the categories listed in the list of 'Politically Exposed Persons' below; or
5. A known close associate of a person referred to in points (1) to (3), including a person who falls in either of the categories listed in the list of 'Politically Exposed Persons' below. For the purpose of deciding whether a person is a known close associate of a person, a firm need only have regard to information which is in his possession or is publicly known.

(a) Individuals who are or have been entrusted with prominent public functions include the following, but not limited to:

- (i) heads of state, heads of government, ministers and deputy or assistant ministers;
- (ii) members of parliaments;
- (iii) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not generally subject to further appeal, other than in exceptional circumstances;
- (iv) members of courts of auditors or of the boards of central banks;
- (v) ambassadors, chargés d'affaires and high-ranking officers in the armed forces; and
- (vi) members of the administrative, management or supervisory bodies of state-owned enterprises;
- (vii) Directors, deputy directors and members of the board or equivalent function of an international organisation

(b) the categories set out above do not include middle ranking or more junior officials;

(c) immediate family members include the following:

- (i) a spouse;
- (ii) a partner;
- (iii) children and their spouses or partners; and
- (iv) parents
- (v) a person who is considered by his national law as equivalent to a spouse
- (vi) Any person who is considered to be the equivalent to a spouse of a child of the PEP
- (vii) Any cohabitant of a child of the PEP

(d) persons known to be close associates include the following:

- (i) any individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with a person referred to in points (1) to (3) above; and
- (ii) any individual who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of a person referred to in points (1) to (3) above.

Where the Firm proposes to have a business relationship or carry out an occasional transaction with a PEP it must:

- Have written approval from two members of senior management for establishing the business relationship with that person;
- Take adequate measures to establish the source of wealth and source of funds which are involved in the proposed business relationship or occasional transaction; and
- Where the business relationship is entered into, conduct enhanced ongoing monitoring of the relationship.

PEPs On-Boarding

If a PEP is to be on-boarded we look into which region & country of Nationality he is from and current residency. We tend to request for all supplied IDs and documents to be certified and to conduct a further enhance due-diligence on the individual, family and professional background, in order to make sure that such individual is not involved in any crime and corruptions, and to establish a risk profile for the PEP, and to ensure the risk is within HoB's risk tolerance..

PEP & EDD

Money Laundering Regulations ask that a firm apply Enhanced Due Diligence (EDD) and ongoing monitoring for Politically Exposed Persons. For PEPs, the firm performs

- Where required runs a EDD report through "Thomson Reuters – World Check"
- A complete and through search is performed on internet Search Engines and Social Media in search of any Negative Media Report or publications.
- Where a PEP applicant is based in High Risk jurisdictions or clients who are deemed to have an unusually high number of ML and/or TF risk attributes, a greater level of information about the client will be required before an account should be opened. This will include getting on necessary information on applicants sources of income with all necessary evidence will be acquired. Discussions will take place directly with the applicant where there is doubt

On Going EDD

Where a PEP is on boarded, regular checks are performed to ensure that risks associated to any such client are continuously monitored. Changes to client's circumstances financial, political, social or any changes to risk profile is discussed with the senior management to ensure client's appropriateness. In situation where Senior Management feels that Client circumstance have changed dramatically a re-run of complete due diligence is performed and situation is discussed with the client. In extreme situation where deviation to risk profile is beyond Hob level of acceptance, Client account will be closed.