

# AML INFORMATION POLICY

## Version 1

Greede.com is operated by Greede LTD (Registration Number: 119773), with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands.

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## POLICY STATEMENT

Greede LTD is firmly committed to the prevention of money laundering, terrorist financing, and the evasion of sanctions. Unwavering compliance with applicable laws and regulations shall serve to safeguard Greede LTD's reputation and uphold public trust in Greede LTD.

Therefore, it is advisable for Greede LTD to establish an anti-money laundering (AML) policy that delineates the prescribed measures to be observed, aiming to ensure the efficient execution of guidelines that support the attainment of overarching organizational goals, while guaranteeing conformity with the regulatory structure governing designated non-financial businesses and professions (DNFBP) in The Republic of the Marshall Islands (RMI). The scope of the AML policy should encompass all entities in which Greede LTD holds ownership interests.

### Policy Objectives

- To establish precise and unambiguous policies for Greede LTD concerning the matters of money laundering, terrorist financing, and the avoidance of sanctions.
- To provide clear and concise explanations of the compliance responsibilities that all employees are obligated to fulfil.
- To offer guidance to employees regarding their daily business activities in alignment with legal requirements.
- To foster a work environment that upholds a culture of adherence to legal regulations in the manner in which employees execute their duties.

### Definition of Money Laundering

In the Republic of the Marshall Islands, money laundering is defined as the act of concealing the origins of illegally obtained money, typically through a complex series of transfers or transactions that make the money appear to be derived from a legitimate source. This is often done in order to disguise the illicit nature of the funds and allow criminals to enjoy the proceeds without detection.

The Republic of the Marshall Islands (RMI) has implemented anti-money laundering (AML) laws and regulations, as part of its obligations under international law, including those set by the **Financial Action Task Force (FATF)**. These laws aim to prevent and detect money laundering and financing of terrorism.

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Key elements typically covered in such laws include:

- 1. Concealment of Illicit Funds:** Money laundering involves actions aimed at hiding the true ownership and origin of money that has been obtained through illegal activities.
- 2. Financial Transactions:** These activities include structuring financial transactions, transfers, or other dealings to obscure the illicit nature of the money.
- 3. Integration:** The final stage of the process, where the laundered funds are integrated into the economy, making them appear as legitimate income.

The legal framework for tackling money laundering in the Republic of the Marshall Islands includes the **Money Laundering and Proceeds of Crime Act** and other relevant regulations. These laws require financial institutions and businesses to implement antimoney laundering measures, such as customer identification (Know Your Customer, KYC) and reporting suspicious activities to the relevant authorities, including the **RMI Financial Intelligence Unit (FIU)**.

The Republic of the Marshall Islands cooperates with international bodies to combat money laundering and the financing of terrorism, and its legislation aligns with international standards for AML practices.

It is essential to note that money laundering is always an intentional act and cannot be committed through mere negligence. However, Greede LTD acknowledges that acts exhibiting gross negligence, particularly those involving the failure to report suspicions of criminality to the Financial Intelligence Unit (FIU), may incur criminal liability.

### Laws and Regulations

The laws which Greede LTD is subjected to and with which Greede LTD comply:

In the Republic of the Marshall Islands (RMI), the legal framework for addressing money laundering and related financial crimes is primarily governed by a set of national laws and regulations, which align with international standards, including those set by the **Financial Action Task Force (FATF)**. Below are the key laws and regulations related to money laundering in the Republic of the Marshall Islands:

#### 1. Money Laundering and Proceeds of Crime Act (MLPCA)

The **Money Laundering and Proceeds of Crime Act** is the central piece of legislation governing money laundering in the Republic of the Marshall Islands. This law defines money laundering and outlines the offenses related to money laundering and the procedures for confiscating illicit funds. **Key features of the MLPCA include:**

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- Offense of Money Laundering:** It criminalizes the act of concealing or disguising the proceeds of criminal activity, such as drug trafficking, corruption, or fraud.
- Prohibition of Financial Transactions Involving Illicit Funds:** Financial institutions and other regulated entities are prohibited from processing or engaging in transactions involving proceeds from crime.
- Confiscation of Assets:** The law provides for the confiscation of property derived from criminal activity, whether it involves proceeds from money laundering or related crimes.

#### 2. Anti-Terrorism Financing Act (ATFA)

This act focuses on the prevention of terrorism financing, but it is closely related to antimoney laundering efforts. It criminalizes the provision of financial resources to terrorist organizations and aims to prevent the misuse of the financial system for funding terrorism.

- The **ATFA** supports RMI's compliance with international anti-terrorism financing standards and works in tandem with the **MLPCA** to prevent illegal financial activities.

#### 3. Financial Institutions (Anti-Money Laundering) Regulations

These regulations impose requirements on financial institutions (including banks, insurance companies, and money service businesses) to ensure they comply with antimoney laundering (AML) standards. Key requirements typically include:

- Know Your Customer (KYC):** Financial institutions are required to identify and verify their customers before establishing business relationships.
- Suspicious Transaction Reporting:** Financial institutions must report suspicious activities or transactions to the relevant authorities, including the **Financial Intelligence Unit (FIU)**.
- Record Keeping:** Financial institutions must maintain records of customer transactions and other relevant documentation to assist in any future investigations related to money laundering or related crimes.

#### 4. Financial Intelligence Unit (FIU)

The **FIU** plays a central role in enforcing money laundering laws. The FIU receives, analyzes, and disseminates information related to suspicious transactions and money laundering activities. It acts as a key agency for the government in investigating

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financial crimes, including money laundering.

- The **FIU** works with local and international authorities, such as law enforcement agencies, customs, and regulatory bodies, to combat money laundering and terrorist financing.

#### 5. International Cooperation and Compliance with FATF Recommendations

The Republic of the Marshall Islands has committed to adhering to international standards for combating money laundering, specifically the **FATF's 40 Recommendations**, which are widely considered the global benchmark for anti-money laundering (AML) and counter-financing of terrorism (CFT) efforts.

- RMI cooperates with international authorities, including the **United Nations** and the **Pacific Islands Forum**, to ensure compliance with FATF recommendations. This includes sharing financial intelligence, engaging in mutual legal assistance treaties (MLATs), and taking part in international AML training programs.

#### 6. Know Your Customer (KYC) Requirements

Under RMI's regulations, all financial institutions must implement robust KYC processes. These measures are aimed at ensuring that entities can effectively identify and verify the identity of their clients. KYC requirements include:

- Verification of identity documents.
- Due diligence on the source of funds.
- Continuous monitoring of customer activities and transactions to detect unusual patterns or suspicious behavior.

#### 7. Banking and Financial Institutions Act (BFIA)

This act provides the regulatory framework for the operation of banks and financial institutions in RMI. It includes provisions on licensing, supervision, and regulatory oversight of the financial sector. The act complements anti-money laundering measures by ensuring financial institutions are properly monitored and adhere to AML and KYC standards.

### Summary of Key Obligations for Financial Institutions and Entities:

- Customer Due Diligence:** Verify the identity of customers and beneficial owners of companies.

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- Suspicious Activity Reporting (SARs):** Institutions must report any suspicious transactions to the Financial Intelligence Unit (FIU).
- Record Retention:** Financial institutions must retain transaction records and customer identification information for a specified period.
- Training:** Financial institutions must provide AML training to employees to help them recognize and report suspicious activity.
- Cooperation with Authorities:** Financial institutions must cooperate with investigations by law enforcement and regulatory agencies.

The RMI's legal and regulatory framework is designed to align with international standards, such as those set by the **FATF**, and to protect the financial system from abuse by criminal elements. These measures are regularly updated to adapt to emerging risks and to ensure effective prevention of money laundering and related crimes.

Pursuant to the Regulations, it is mandated for financial institutions in the Marshall Islands to adopt a risk-based approach in order to fulfil their legal obligations. This requirement applies to various activities such as customer onboarding and conducting periodic anti-money laundering (AML) assessments throughout the course of business operations. Greede LTD is fully committed to implementing a robust and meticulous riskbased compliance program, in strict accordance with both legal mandates and industryleading best practices.

### Investigatory Powers and Criminal Enforcement

In the Republic of the Marshall Islands (RMI), money laundering is taken very seriously, and there are strong investigatory powers and criminal enforcement mechanisms in place to prevent and address illicit financial activities. These powers are primarily derived from the legal framework established by various laws and regulations, including the **Money Laundering and Proceeds of Crime Act (MLPCA)**, the **Anti-Terrorism Financing Act (ATFA)**, and other supporting legislation.

Financial institutions in the Republic of the Marshall Islands are subject to oversight by regulatory bodies such as the **Central Bank of the Marshall Islands (CBMI)**, which ensures compliance with anti-money laundering (AML) regulations. Regulatory agencies have the authority to inspect financial institutions, enforce compliance with AML laws, and take enforcement actions, including fines and sanctions, against those who fail to comply with the regulations.

In the Republic of the Marshall Islands, the investigatory powers and criminal enforcement related to money laundering are robust and designed to deter and punish illicit financial activities. These powers include the ability to investigate suspicious

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financial transactions, seize illicit assets, and prosecute individuals involved in money laundering, with substantial penalties for offenders. International cooperation, particularly through mutual legal assistance and the sharing of financial intelligence, enhances the RMI's ability to combat money laundering on a global scale.

### Defenses

In the Republic of the Marshall Islands, as with other legal systems, individuals accused of money laundering have the right to present defenses in court. These defenses can include lack of knowledge of the illicit nature of the funds, innocent receipt of funds, coercion, lack of criminal intent, or the absence of evidence of concealment or disguising of criminal proceeds. If successfully proven, these defenses may result in an acquittal or reduction of charges. The effectiveness of a defense will depend on the specifics of the case and the strength of the evidence presented by both the prosecution and the defense.

While the Republic of the Marshall Islands follows international norms in its legal framework, including those outlined by the Financial Action Task Force (FATF), the law still allows for potential defenses in cases of money laundering.

### Transaction Monitoring System

Greede LTD has implemented a transaction monitoring system designed to identify any transactions that appear unusual or raise suspicion. On a daily basis, transaction reports in .csv format are downloaded and subjected to manual review. However, with the aim of enhancing efficiency and effectiveness, Greede LTD intends to deploy an automated transaction monitoring system from inception in 2023. Currently, the manual review process is facilitated through the utilization of the 'Veriff' Identity Verification Service.

### Detection of Unusual/Suspicious Transactions

As an entity operating within the retail business-to-consumer (B2C) model, Greede LTD's transactions predominantly involve individual transactions ranging from \$9 to \$999. In adherence to the legal obligations, meticulous manual approval process is diligently undertaken for each transaction, employing the principles of due diligence. This rigorous approach serves the purpose of effectively detecting any transaction that may exhibit characteristics of being abnormal, irregular, or indicative of potential suspicious activity. By diligently scrutinizing and individually approving every transaction, Greede LTD aims to safeguard business operations and maintain compliance with relevant regulations and standards governing the prevention of money laundering, terrorist financing, and other illicit activities.

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### Reporting Suspicious Transactions

Greede LTD fulfils its obligation to report any transactions deemed suspicious to the appropriate authority through the established channel of email communication. Such transactions will be promptly reported to the Concerned and competent authority of **Central Bank of the Marshall Islands (CBMI)**, utilizing the intermediary service of other designated banking institution which facilitate the transmission of the requisite information.

Although Greede LTD is currently in the first year of its operational existence, a robust and diligent approach to document retention has been implemented. Consequently, all relevant records and documents shall be securely preserved for a minimum period of five years, in adherence to legal and regulatory requirements. This practice ensures the availability of necessary information for future reference, compliance audits, potential legal proceedings, or any other legitimate purpose within the prescribed time frame.

### Risk Rating

Within Greede LTD, a distinct and dedicated risk management unit exists, tasked with the meticulous manual examination of individual client profiles. With an emphasis on comprehensive risk assessment, due diligence is conducted thoroughly on the customers subsequent to evaluating their risk rating. This process allows to effectively assess and mitigate potential risks associated with the clientele in compliance with applicable legal and regulatory frameworks.

### Resolutions and Sanctions

In situations where there is non-compliance with the established standards, the Regulations offer administrative sanctions to ensure the appropriate implementation of the regulatory framework. These sanctions may include various measures such as warnings, monetary fines, limitations or suspension of business activities, apprehension of board members and senior management who are held accountable for violating the regulations, as well as curtailment of the authority of the board and senior management through the appointment of a temporary observer.

In the event of a conviction for a money laundering offense, the Anti-Money Laundering (AML) Law prescribes punitive measures which encompass financial penalties ranging from USD 100,000, along with the possibility of imprisonment for a period of up to 10 years or Assets Forfeiture, Professional Disqualification, Additional civil penalties, sanctions, and increased scrutiny by regulatory authorities for convicted entities.

These punitive measures are in place to deter money laundering activities and ensure that those who engage in such activities face significant legal consequences. The framework reflects the Republic of the Marshall Islands' commitment to complying with

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international standards set by the **Financial Action Task Force (FATF)** and other global anti-money laundering (AML) initiatives.

### Greede LTD's Obligations

- Identify potential risks associated with criminal activities within its operations.
- Conduct ongoing assessments of these identified risks.
- Establish internal controls and policies to effectively manage the identified risks.
- Implement appropriate due diligence procedures, as further elaborated below.
- Adhere to and implement any United Nations (UN) directives pertaining to the prevention of financing terrorism and the proliferation of weapons of mass destruction.

### Avoiding shell bank/organization

Greede LTD conducts a meticulous manual review and approval of each transaction, applying the principles of due diligence. This rigorous process serves as a preventive measure against establishing business relationships with shell banks or organizations.

On an annual basis, employees at Greede LTD should be provided training on AML/CFT. The training includes:

- Identification and reporting of transactions that must be reported to government authorities.
- Examples of different forms of money laundering / terrorist financing involving your products / services.
- Information on internal policies to prevent money laundering / terrorist financing and escalate suspicious activity and red flags.

Greede LTD should maintain documentation of its training sessions, which may include records of attendance and pertinent instructional materials. The company should ensure that any newly enacted or amended anti-money laundering/counter-terrorism financing (AML/CFT) laws, as well as updates to existing AML/CFT policies or practices, are communicated to the appropriate staff members.

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### Designated Compliance Team

The Risk Management team should regularly perform compliance testing to ensure adherence to legal requirements. A Designated Compliance Officer should hold responsibility for the comprehensive Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) program, including the coordination and oversight of its day-to-day operations.

Editors  
  
Name  
  
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