

KYC & AML

BLOCK LOAN'S APPROACH TO KNOW-YOUR-CUSTOMER ("KYC") & ANTI-MONEY LAUNDERING ("AML")

Money laundering is defined as the process where the identity of the proceeds of crime is so disguised that it gives an impression of legitimate income. Criminals often target financial services entities through which they attempt to launder criminal proceeds without the entities' knowledge or suspicion.

In order to combat money laundering and counter terrorist financing ("CTF"), South Africa has implemented the Financial Intelligence Centre Act ("FICA") which imposes obligations on financial service providers.

Block Loan is regulated by the National Credit Regulator ("NCR") and the Financial Intelligence Center ("FIC"). Senior management have implemented systems and procedures that comply with the National Credit Act ("NCA") and FICA in Block Loan's Risk Management and Compliance Programme ("RMCP"). This decision reflects the senior management's desire to prevent money laundering and not be used by criminals to launder proceeds of crime.

ANTI-MONEY LAUNDERING POLICY

The key components of our AML policy and CTF framework include:

- Appointing a Money Laundering Reporting Officer ("MLRO") who has a sufficient level of seniority and independence, and who has responsibility for oversight of compliance with the relevant legislation, regulations, rules and industry guidance;
- Establishing and maintaining a Risk-Based Approach ("RBA") to the assessment and management of money laundering and terrorist financing risks faced by the entity;
- Establishing and maintaining risk-based Customer Due Diligence ("CDD"), identification, verification and procedures, including enhanced due diligence for customers presenting a higher risk, such as Politically Exposed Persons (PEPs);

- Establishing and maintaining risk-based systems and procedures for the monitoring of on-going customer activity;
- Establishing procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;
- Maintaining appropriate records for the minimum prescribed periods;
- Providing training for and raising awareness among all relevant employees.

SANCTIONS POLICY

Block Loan is prohibited from transacting with individuals and countries that are on prescribed sanctions lists. Block Loan will therefore screen against over 1000 sanctions lists including OFAC, FBI Most Wanted, FATF, FinCEN & Interpol. Clients are also screened against Domestic Prominent Influenceable Person (DPIP) & Foreign Prominent Public Official (FPPO) sources.