



**COMPLIANCE AND INTERNAL CONTROL MANUAL**

# TRIPLE A - COMPLIANCE AND INTERNAL CONTROL MANUAL

## MANUAL HISTORY

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# TRIPLE A - COMPLIANCE AND INTERNAL CONTROL MANUAL

## 1. DEFINITIONS

For purposes of this Compliance Manual, the words listed below have the following meanings, except if another meaning is expressly assigned to them:

- + “Merchant(s)” shall refer to one or more persons or entity(ies) that may, direct or indirectly, hire the services rendered by the Company.
- + “Company” shall refer to TRIPLE A TECHNOLOGIES PTE LTD
- + “Compliance Manual” shall refer to the Compliance and Internal Controls Manual of the Company.
- + “Compliance Officer” shall refer to the Director of the Company responsible for the Compliance and internal controls Department of the Company.
- + “Compliance Agent” shall refer to The Employee of the Company that reports to a Compliance Officer for affairs regarding the Compliance and internal controls of the Company.
- + “Compliance Department” shall refer to TripleA’s Compliance Officer and Compliance Agent.
- + “Conflict of Interest” shall refer to all situations, circumstances, relationships or other facts related to the Employee’s own financial, operational, property and/or personal interests that impede the Employee, or may somehow prevent the him/her, from providing his/her advice, recommendations or services in a non-interested way.
- + “Directors” shall refer to the directors of the Company.
- + “ACRA” shall refer to Accounting and Corporate Regulatory Authority of Singapore.
- + “Employees” shall refer to all the employees, workers, service providers, agents, managers, Directors and Partners of the Company and/or its subsidiaries and/or controlled companies.
- + “Stakeholder(s)” shall refer to all entities, individuals and business partners that is working with or under TripleA
- + “Internal Controls” shall refer to a business practice, a policy or procedure established to create value or to minimize risk. At the organizational level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. At the specific transaction level, internal control refers to the actions taken to achieve a specific objective
- + “Document(s)” shall refer to documentation, proof or personal information to be collected by the Compliance Department

## 2. PURPOSE OF THE COMPLIANCE MANUAL

This Compliance Manual sets forth the rules and guidelines of TripleA in effort to combat anti-money laundering and align with international policy standards. As a payment institution supervised by ACRA, TripleA is entitled to amend the manual at any time, including but not limited to evolution of the applicable regulations, strengthening to mitigate the risk of incidents, new external provider involved in the provision of the payment services.

All stakeholders shall ensure the full understanding of the laws and regulations applicable to the Company as well as the full content of this Compliance Manual.

**ALLEGATION OF IGNORANCE OF THE RULES WILL NOT BE ACCEPTED AS JUSTIFICATION FOR NON-COMPLIANCE WITH THE RULES DESCRIBED HEREIN.**

This Compliance Manual contains essential information for the Directors and all Employees, and must be updated whenever changes occur.

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## 3. DEFINITION OF COMPLIANCE

The term Compliance has its origin in the verb to comply (from the English Language), and it means to be in accordance with rules, regulations and procedures.

In this sense, the Company has adopted, through its structure, the activities of Internal Control and Compliance in order to identify and control the correct measurement of risk and performance of the Company in accordance with the parameters, methods and standards established internally and by the local and international regulators.

## 4. RESPONSIBILITIES OF THE COMPLIANCE DEPARTMENT

### 4.1 COMPLIANCE OFFICER

The **Compliance Officer** is notably responsible for:

- + Establish rules, procedures and internal controls;
- + Analyze the controls provided in the Compliance Manual, propose the creation of new controls and enhancements to the ones considered inefficient, and to monitor the correction of any deficiencies
- + Develop, jointly with the relevant departments, a means to ensure access to reliable, timely, understandable and relevant information by the Employees, accordingly to the respective level of activity; and
- + Determine the appropriate segregation of duties and separation of responsibilities, guiding the control of activities in order to avoid Conflicts of Interest and to appoint the control points.
- + Ensuring that all employees are acting in accordance with this Compliance Manual and Internal Control Manual established by the Company;

### 4.2 COMPLIANCE AGENT

The **Compliance Agent** is notably responsible for:

- + Collection and review of Merchant's KYC/KYB documents
- + Describe, evaluate and review the procedures of the Company departments
- + Monitor the development of activities for the establishment of new standards, making sure they clearly define the responsibilities of each area as well as establish the control points of the risks;;
- + Intermediate the relationship between the departments resulting from divergences, in order to establish conformity;
- + Ensure that the rules and regulations set forth remains relevant to international policy standards and update accordingly

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## 4.3 MAIN ACTIVITIES

The primary tasks of the Compliance Department are:

- + Establishment of internal rules;
- + Customer due diligence
- + Risk assessment
- + Internal audits and training
- + Monitoring and implementation of internal control mechanisms;
- + Sanction list screening
- + Procedural and routine checks

## 5. ANTI-MONEY LAUNDERING

### 5.1 BACKGROUND

The crime of "money laundering" began to be defined in the 1980's, in relation to the fight against drug dealers.

The FATF-FATF (Financial Action Task Force/ Group Financière d'Action), a leading international reference body in combating money laundering, and the principal agent of integration and coordination of international policies in this sense, was created in 1989 on the initiative of the G-7 countries and the European Union.

In Singapore, AML approaches are led by the Anti-Money Laundering and Countering the Financing of Terrorism Steering Committee ("AML/CFT Committee"), comprising the Permanent Secretary of the Ministry of Home Affairs, Permanent Secretary of the Ministry of Finance and Managing Director of the Monetary Authority of Singapore.

### 5.2 LEGAL BASE

Money laundering activities have been repressed by national and international authorities, through specific laws and inspections, which have been combating such problem and adopting preventive measures in order to avoid its escalation. The Company undertakes to abide with all Singapore Law and take any and all possible measures to avoid the Company or any of its subsidiaries, agents or employees acting in violation of the Singapore law. Singapore AML/CFT policies are in accordance with the anti-corruption international standards (Group d'Action Financière/Financial Action Task Force - "GAFI/FATF") provisions.

### 5.3 PRECAUTION

According to international organizations, there are some recommended practices to prevent involvement in "money laundering" transactions. Thus, the following guidelines are observed throughout the Company:

- + Do not conduct any business or financial transaction for the account of third parties unless it is a transparent, justified and feasible addition, is solid or enforced through banking channels;
- + Decline transactions with individuals or entities that cannot prove the origin of the money involved and which are not well known;
- + Decline transactions for large amounts that do not have a clearly-defined source and a solid economic, commercial and financial sense;

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- + Decline suspicious transactions or that appear "miraculous" and/or appear "too good"; and
- + Avoid complex international financial transactions involving different money transfers in and/or between banks in different countries.

## 6. KNOW YOUR CUSTOMER / BUSINESS

### 6.1 INTENTION

Know Your Customer or Know Your Business Policy (hereinafter - "KYC") is adhere to, to prevent and mitigate possible risks of the Company being involved in any kind of illegal activity.

Both international and local regulations require the Company to implement effective internal procedures and mechanisms to prevent money laundering, terrorist financing, drug and human trafficking, proliferation of weapons of mass destruction, corruption and bribery and to take action in case of any form of suspicious activity from its Merchants. TripleA prohibits any relationship with shell banks.

### 6.2 MERCHANT VERIFICATION

Identity verification procedure requires the Merchant to provide the Company with reliable, independent source documents, data or information ("documents"). For such purposes, the Company collects Merchants' identification information for KYC purposes.

The Company will take steps to confirm the authenticity of documents and information provided by Merchants. All legal methods for double-checking identification information will be used and the Company will conduct investigation on Merchants assessed to be risky or suspicious.

The Company verifies Merchant's identity in an on-going basis, especially when their identification information has been changed or their activity seemed to be suspicious (unusual for the particular Merchant). In addition, the Company will be requesting up-to-date documents from the Merchants, even though they have passed identity verification in the past. Quality assurance is carried out by the Compliance Department.

Merchant's identification information will be collected, stored, shared and protected strictly in accordance with the Personal Data Protection Act (PDPA), General Data Protection Regulation (GDPR) and all related regulations.

### 6.3 VERIFICATION PROCEDURES

One of the international standards for preventing illegal activity is customer due diligence ("CDD"). According to CDD, the Company establishes its own verification procedures within the standards of AML and KYC frameworks. The KYC procedure is carried out by the Compliance Agent to ensure that the document provided by Merchant is accurate and genuine. The following demonstrates the verification procedure:

1. The Compliance Agent collects the documents needed from Merchant via TripleA's API.
2. The Compliance Agent reviews the documents to ensure that they are legitimate and valid.
3. The Compliance Agent shall escalate the matter by alerting the Compliance Officer if documents collected are deemed to be suspicious or invalid.

### 6.4 FREQUENCY OF DUE DILLIGENCE

The Compliance Department performs customer due diligence throughout the Merchant's lifetime. This consists of periodical checks on the conduct of the Merchant as well as re-assessment on the documents provided. The frequency of the due diligence is dictated by the risk assessment level that they are on:

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Low Risk	Medium Risk	High Risk
Every six years	Every 3 years	Every year

This process also supports an event triggered review.

## 6.5 RISK ASSESSMENT

The Company, in line with the international requirements, has adopted a risk-based approach to combating money laundering and terrorist financing. By adopting a risk-based approach, the Company is able to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate to the identified risks. This will allow resources to be allocated in the most efficient ways. The principle is that resources should be directed in accordance with priorities so that the greatest risks receive the highest attention.

### 6.5.1 RISK LEVELS

There are three risk levels:

- + Low risk
- + Medium risk
- + High risk

### 6.5.2 ASSESSMENT MATRIX

Merchants are classified into one of the three risk level based on the following criteria:

1. Nature of business
2. Country of residence
3. Type of business relationship
4. Average transaction volume
5. Distribution channel
6. Customer characteristics



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Risk score	Level	Overall intensity
1-10	Low Risk	Routine monitoring
11-20	Medium Risk	Normal vigilance
19-30	High Risk	Enhanced vigilance

A risk score is assigned to each criteria, on a scale of 1 to 5, with 5 representing the highest risk. TripleA accounts for the high inherent risk from its operations that involves geographical exposure, cross-border payments and non face-to-face distribution channels.

### 6.6 VERIFICATION DOCUMENTS

Document(s)	Low Risk	Medium Risk	High Risk
Valid email and phone number	✓	✓	✓
Proof of Identity		✓	✓
Proof of Address		✓	✓
Business Incorporation Document		✓	✓
TripleA Interview/ Call			✓

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## 6.6.1 DOCUMENT SPECIFICATION

Proof of Identity	Proof of Address	Other supporting documents
Passport	Bank statement	Letters issued by government bodies
State issue driver's license	Utilities Bill	Employment Letter
Birth Certificate	Birth Certificate	Mortgage Loan Agreement (Appended signature on full set of document)
National Registration Identity Card	Tenancy Agreement for residence	Valid work/Employment permit with declaration of residential address

Documents provided should be within the last 6 months from the date of issue.

## 6.7 TRANSACTION LIMIT

TripleA has threshold alerts set up at these transaction levels for each individual Merchant:

Low Risk	Medium Risk	High Risk
≤ 250 USD / Month	≤ 10,000 USD / Month	> 10,000 USD / Month

## 7. TRANSACTION MONITORING AND SCREENING

The Merchants are known not only by verifying their identity (who they are) but, more importantly, by analyzing their transactional patterns (what they do). Therefore, the Company relies on data analysis as a risk-assessment and suspicion detection tool. The Company performs a variety of compliance-related tasks, including capturing data, filtering, record-keeping, investigation management, and reporting. System functionalities include:

- 1) Daily screening of Merchants against recognized "black lists", aggregating transfers by multiple data points, placing Users on watch and service denial lists, opening cases for investigation where needed, sending internal communications and filling out statutory reports, if applicable;
- 2) Case and document management
- 3) Thresholds and alerts when transaction of Merchant reaches a new risk assessment level

With regard to the AML/KYC policy, the Company will monitor all transactions and:

+ ensure that transactions of suspicious nature are reported to the proper law enforcement through the Compliance Officer;

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- + request the Merchant to provide any additional information and documents in case of suspicious transactions;
- + suspend or terminate Merchant's usage of services when the Company, has reasonable suspicion that such Merchant engaged in illegal activity.

The above list is not exhaustive and the Compliance Officer will monitor Merchant's transactions on a day-to-day basis in order to define whether such transactions are to be reported and treated as suspicious or are to be treated as legitimate.

## 8. CONSEQUENCES IN CASE OF INVOLVEMENT

The persons involved in the process of "money laundering" may be suspected of being accomplices of the criminals. These persons are likely to be prosecuted for those crimes and/or other related specifically to "money laundering".

In order to avoid any conviction, the persons involved shall at least demonstrate that they have taken all precautions and possible measures to ascertain the nature of the transactions and the source of the money.

Therefore, carrying out the process of due diligence is mandatory before engaging in new and/or potentially suspicious transactions.

Besides the risks of involvement in criminal activity, there are other more practical risks, such as:

- + (The money of illicit origin can be blocked or restricted creating serious economic and financial problems; and
- + The strong image risk associated with involvement in "money laundering" transactions, even if unintentionally.

The Compliance Department or the Compliance Officer should be consulted to clarify any possible questions or doubts.

## 9. FINAL WARNING

This Compliance Manual was prepared in order to present, in detail, the rules of Compliance to all Company stakeholders, to provide clarification regarding the internal policies and guidance, and to emphasize the relevance of the observation and the compliance with such rules.

The Directors expect the good judgement of all Employees regarding the observation of all rules and in the effectiveness of the report by Employees of any violations of rules to the Department of Compliance.

This Compliance Manual is property of the Company and shall not be copied or used by unauthorized persons for any reason. All Employees, without exception, shall declare to have read and completely understood the contents of this Compliance Manual. Therefore, we emphasize that any doubts or clarification requests regarding this Compliance Manual shall be directed exclusively to the Compliance Officer.

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