

ANTI-MONEY LAUNDERING (AML) AND ANTI-TERRORIST FINANCING (ATF) POLICIES & PROCEDURES

Sharp Route Financial Services Ltd.

This policy outlines the framework, procedures, and responsibilities of Sharp Route Financial Services Ltd. to comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and related FINTRAC requirements.

1. PURPOSE AND COMMITMENT

Sharp Route Financial Services Ltd. is committed to preventing its services from being used for money laundering or terrorist financing activities. We adhere to Canadian AML/ATF laws and maintain robust compliance procedures.

2. SCOPE AND APPLICABILITY

This policy applies to all directors, officers, employees, contractors, and advisors of Sharp Route Financial Services Ltd.

3. DEFINITIONS

- Money Laundering: The process of concealing the origins of illegally obtained money.
- Terrorist Financing: Providing or collecting funds with the intention to support terrorist activities.
- Politically Exposed Person (PEP): An individual with prominent public functions, as well as their family and associates.
- Beneficial Ownership: Natural persons who ultimately own or control a client, directly or indirectly.

4. RISK-BASED APPROACH

We assess risks related to clients, products, services, delivery channels, and geographic locations. Enhanced due diligence is required for high-risk clients, such as PEPs or those from high-risk jurisdictions.

5. CUSTOMER DUE DILIGENCE (CDD) AND KNOW YOUR CLIENT (KYC)

Before establishing a business relationship, we must:

- Verify client identity using government-issued ID.
- Collect information on occupation, source of funds, and purpose of relationship.
- Identify and verify beneficial ownership for corporations, partnerships, and trusts.
- Conduct enhanced due diligence for high-risk clients.

6. RECORD KEEPING

We maintain records of:

- Client identification.
- Transactions.
- Reports submitted to FINTRAC.

Records must be retained for a minimum of five years.

7. REPORTING OBLIGATIONS

The following reports must be filed with FINTRAC:

- Suspicious Transaction Reports (STRs).
- Large Cash Transaction Reports (LCTRs) for transactions \$10,000 or more.

- Large Virtual Currency Transaction Reports (LVCTRs).
- Terrorist Property Reports (TPRs).

8. MONITORING

We conduct ongoing monitoring of all client relationships and transactions to detect unusual or inconsistent activities.

9. EMPLOYEE TRAINING

All staff and advisors must complete AML/ATF training upon hiring and annually thereafter. Training covers recognizing suspicious activity, reporting requirements, and consequences of non-compliance.

10. INDEPENDENT REVIEW

The AML/ATF compliance program must be reviewed by an independent party at least once every two years to ensure effectiveness.

11. PENALTIES FOR NON-COMPLIANCE

Non-compliance with this policy may result in disciplinary action, including termination, and may expose individuals and the company to criminal, civil, or regulatory penalties.

12. POLICY UPDATES

This policy will be reviewed annually and updated as required to comply with legislative changes or regulatory guidance.

13. SAMPLE FORMS AND TEMPLATES

13.1 CLIENT IDENTIFICATION FORM

Client Name: _____
Date of Birth: _____
Address: _____
ID Type: _____ ID Number: _____
Issued By: _____
Occupation: _____
Source of Funds: _____

13.2 BENEFICIAL OWNERSHIP FORM

Entity Name: _____
Beneficial Owner(s): _____
Ownership %: _____
Verification Documents: _____

13.3 SUSPICIOUS TRANSACTION REPORT (INTERNAL)

Date: _____
Client Name: _____
Transaction Details: _____
Reason for Suspicion: _____
Reported By: _____

13.4 LARGE CASH TRANSACTION LOG

Date: _____
Client Name: _____
Amount: _____
Transaction Type: _____
Reported By: _____

14. CONTACT INFORMATION

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