



17. Anti-Bribery and Corruption

In line with the Anti-Bribery and Corruption Act of 2010 (“the Act), our policy and procedure is outlined in our Anti-Bribery and Corruption Policy. We also have a shortened policy for our website. On an annual basis we will communicate with all suppliers engaged with that we have a zero tolerance to Bribery and we have a Policy and have trained all our staff.

All staff return the bottom of the Anti-Bribery and Corruption letter confirming that they have the same zero tolerance. All our staff complete a declaration that they have trained and understood this Act. We also have anti-bribery reporting procedure this is outlined in the Policy.

Anti-Bribery Policy – Full version

Anti-Bribery and Corruption Policy Guidelines

The objective of this policy is to provide guidance on Anti-Bribery and Corruption in accordance with the Ministry of Justice Principles and Guidance for the Anti- Bribery Act of 2010, which came into effect in the United Kingdom on July 1st 2011.

This policy and guidelines is to all staff, consultants, clients, suppliers of services, joint venture partners and advisors to The Money Cloud Ltd and anyone else associated with the firm are that at all times we act with integrity and our business code of conduct is that we have a zero tolerance to bribery and/or corrupt activities within our firm.

All staff and consultants engaged with the Firm will undergo at least one annual training session regarding our policy and procedures, the outline of the Act and its Principles and be aware of the business and personal risk assessments and know the procedures for whistle blowing both within the firm to The Compliance Officer and to the FCA.

This Act is Principal based; these principles are not prescriptive but intended to be flexible and outcome-focused. We acknowledge that, as a small firm, we face different risks from large multi-national organisations. We have no overseas offices and therefore we are classified as a low risk firm.

The Principles

Principal 1 - Proportionate Procedures

Application of Principle 1

- Organisations need to develop and implement appropriate policies and procedures
- They should be applied retrospectively to existing persons: over time adopting a risk-based approach
- An Anti-Bribery policy should be created and should set out the organisation’s commitment to bribery prevention

Procedures under Principal 1

Suppliers: 3rd party outsourcing agents will all receive a copy of our Anti-Bribery Policy and Guidelines and we will ensure that we have on file an Identity Due Diligence on such firms.



Hospitality and promotional expenditure: A firm is required to conduct its business with integrity, pay due regard to the interests of its customers, treat them fairly and manage conflicts of interest fairly both between itself and its customers and between a customer and another client.

As such, individuals are advised against giving, offering or soliciting gifts or inducements if it is likely to conflict to a material extent with any of the firm's clients.

Individuals should ensure that the provision of a non-monetary benefit does not impair compliance with the firm's duty to act in the best interest of the client.

Guidance on Gifts and Hospitality

The giving or accepting of any cash or cash-convertible gifts is strictly forbidden.

All gifts/hospitality given and received should be within a reasonable limit in terms of estimated cost, frequency and in the normal course of business. Reasonable cost in this policy is set at £250.00. If it is a single expense of £250 or currency equivalent or a combined event adding up to more than £250 e.g £100 per ticket for 3 or more people it should be declared. Cost is determined by the current market value.

All gifts/hospitality received must be logged in the gifts register with full details of (sender)-name and company, gift description and value. A copy of the log should be sent to Compliance as soon as the gift is received or is reasonably practicable.

All gifts/hospitality offered must be logged in the gifts register complete with the (offeror) name and department, gift description and value. The reason for offering the gift must be clearly stated on the form and should be signed off by a person of authority before being sent to Compliance for final sign off.

Business lunches or dinner invitations are acceptable and do not need to be signed off by Compliance. However business lunches/dinners on a regular basis are not in the spirit of this policy and are unacceptable. If in doubt, please refer to the Compliance Department.

Invitations to artistic or sporting events should be attended and or given occasionally by/to any one client of the firm. Occasionally is defined as not more than twice a year. Anything more must be reported to Compliance.

Conferences organised and sponsored by the firm's clients are acceptable if the event demonstrates an educational benefit/content. Travel expenses to these conferences must not be borne by the organiser/sponsor. Conferences such as these that have a social tinge to it and therefore must be sent to Compliance for sign off.

Record Keeping

A record is maintained of all inducements and gifts given and received by all individuals. The records detail the date, name of sender/receiver, nature of gift, reason for gift and value of the gift. This will be reviewed within the compliance monitoring program.



Financial Controls

Our bookkeeping will be cross-checked with entertainment and gift register. Senior Management will be advised during training sessions that this should be monitored by their financial department and this monitoring will be cross-checked by the compliance monitoring team.

Facilitation Payments are prohibited in all business dealings of the Firm.

Political and Charitable Donations: The firm makes no political donations. Charitable donations should be disclosed in their management accounts.

The Firm has a **Conflict of Interest Policy**, which is available on request.

Report a Suspicion: If any individual needs to report a suspicion of Bribery and/or Corruption, they must complete a Suspicious Activity Report, send it to the ABRO and/or report it to the Serious Fraud Office.

Principle 2 - Top Level Commitment

Application of the Principle:

“The top level management of a commercial organisation (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable”

This Policy has been **created and adopted by senior management** at The Money Cloud Ltd, who embrace the zero tolerance toward bribery and are aware that a policy with guidelines and procedures is important as well as staff training and the culture adopted both internally and externally with all associated clients and suppliers. We are committed to carry out our business fairly, honestly and openly. All members and consultants of the firm are competent and act with integrity. This Policy will be published on our website and reviewed annually.

A Breach of the Act within the Firm will be met with disciplinary measures internally and if suppliers are found not to act with integrity in these matters or will not complete our Identity Due Diligence Questionnaire we may seek to end our contract with them.

We will support and encourage external training from all our associations that we are involved with such as The Chartered Institute of Securities, The Institute of Chartered Accountants Corporate Finance Faculty and the Association of Professional Compliance Consultants.

Principle 3 - Risk Assessment

Application of Principle 3:



Purpose is to promote proportionate risk assessment.

Risk assessment procedures will usually include the following (but not exhaustive):

- Oversight of risk assessment by top level management;
- Appropriate resourcing to reflect the scale of the organisation's business and the need to identify and prioritise all relevant risks;
- Identification of the internal and external information sources that will enable risk to be assessed and reviewed;
- Due Diligence enquiries (also Principle 4);
- Accurate and appropriate documentation of the risk assessment and its conclusions.

Risk Assessment is continual within The Money Cloud Ltd. We have a Gifts and Hospitality Policy and Procedures and training for all individuals of the Firm. This is monitored and reported within the Compliance Monitoring Review.

- Our external risks fall into five groups: country, sectoral, transactional, business opportunity and business partnership.
- Internal factors include deficiencies in employee skills and training, bonus culture encouraging excessive risk taking, lack of clarity in organisations policy, procedures and controls and lack of a clear message from management.

We operate principally in the United Kingdom. We do not engage in any facilitation payments and have low offshore dealings; our business is mainly conducted with FCA Authorised Firms and Outsourcing of Suppliers who will all undergo an Identity or Customer Due Diligence. All our consultants undergo compliance training as they come on-board; we have CPD (continual professional development) so we believe our risk is low. We do not have a bonus culture tied to outside client business. We believe we are a Low Risk Firm.

Principle 4 – Due Diligence

Principle: “The commercial organisation applied due diligence procedures: taking a proportionate and risk-based approach in respect of persons who perform or will perform services for or on behalf of the organisation in order to mitigate identified bribery risks.”

We carry out Customer Due Diligence (CDD) on all our clients and joint ventures and we will implement Identity Due Diligence (IDD) outlining backgrounds and reputation on all or external suppliers/joint ventures and associated parties (associated parties can mean: key consultants, key members of a supply chain and any key relationships). We focus on being informed about who we do business with and how. We believe this is in line with our strong corporate governance.

Principle 5 - Communication and Training



Principle: “The commercial organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication - including training - that is proportionate to the risks it faces.”

Application of Principle 5

The belief is that greater awareness will deter bribery. The Money Cloud Ltd embraces Anti-Bribery and Corruption from the top. When on-boarding a new consultant or a new joint venture/introducer, we will ensure that they partake in in-house training on at least an annual basis.

We run a mandatory training and competency programme/log with minimum of 35 hours a year of CPD. This training will form part of annual mandatory training, which includes anti-money laundering training for internal and external as well as self-directed training. This log is held on the firm’s secure drive. We have a confidential whistle blowing suspicion form. If you would prefer not to report a breach internally to the Compliance Officer you can complete the report and send it the Serious Fraud Office.

A breach of this policy and our firm’s zero tolerance adoption will result in disciplinary action.

Our Policy will be published on the Firm’s website and be available on the Firm’s internal secure intranet.

Principle 6 – Monitoring and Review

Principle: The commercial organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

Application of Principle 6

Our training on the Anti-Bribery Act of 2010 will not be static. It will be reviewed at least annually and any potential breaches or suspicions will be logged on our internal CMP (Compliance Monitoring Report), which is conducted quarterly. We will encourage feedback from training both internally and externally. Following training, individuals will be requested to sign a declaration form that they listened, read and understood the training session. Reaching out to our trade bodies and memberships will be encouraged.

Forms mentioned in this Policy that should be requested when needed :

1. Customer Due Diligence Questionnaire – CDD (Form 7)
2. Suspicious Activity Reporting Form (Form 3)
3. The Gifts and Hospitality Register – Permissions Form (Form 11)
4. The Declaration of Anti-Bribery Training Forms



Frequently Asked Questions

- a. How do I determine whether something amounts to a bribe?**
The relevant test is whether a reasonable person in the UK would consider the advantage offered, promised, given or received is for the intention of ensuring, or may reasonably be expected to result in, the improper performance of a function or activity.
- b. Could a firm based outside the UK be caught by the Bribery Act?**
Yes. If some or part of the Firm's business is carried out in the UK, the Firm could be caught under the Act. This includes a subsidiary, a branch, an agent, etc.
- c. Are activities conducted outside the UK within the scope of the Act?**
Yes, if your Firm is caught by the Act.
- d. Is the private sector caught by the Act?**
Yes. The offence of bribery applies to any function of a public nature connected with a business, performed in the course of a person's employment or performed on behalf of a firm or another body or persons. It therefore applies to both the public and private sectors.
- e. Can firms offer corporate hospitality and gifts under the Act?**
The Guidance confirms that hospitality and gifts made in good faith, with the intention of establishing cordial relations, are not caught by the Act. However, where the intention is to gain a financial or other advantage this can amount to a bribe. It will generally depend on the type and level of the advantage offered, the manner and form in which the advantage is provided and the level of influence the individual receiving the benefit has over the business decision.
- As a general rule, hospitality and gifts that are proportionate and reasonable to a firm's industry are very unlikely to be caught under the Act. The Guidance includes examples of reasonable hospitality such as tickets to sporting events (e.g. Wimbledon or a Grand Prix), dinner and reasonable travel expenses.
- f. Has the stance on facilitation payments changed?**
No. Facilitation payments remain illegal under the Act. The guidance acknowledges that facilitation payments are part of normal business in some parts of the world. To that extent the Guidance refers to the guidance issued by the Director of the Serious Fraud Office and the Director of Public Prosecutions ("SFO/DPP Guidance"), which outlines how the offence is likely to be prosecuted.
- The SFO/DPP Guidance states that where there is sufficient evidence of bribery (a facilitation payment) the prosecutors will consider whether a prosecution is required in the public interest. In determining this, the prosecution will have regard to:
- The size of the payments;



- Whether the payments are planned for and part of a standard way of business;
- Whether the firm has adequate policies and procedures in place to deal with requests for facilitation payments; and
- Whether the individual making the payment was in a vulnerable position.

g. Can I rely on a third party to conduct due diligence on my behalf?

Yes, although you will first need to conduct a risk assessment on your third party. You should also obtain copies of any due diligence obtained on your behalf as part of your monitoring.

h. Are businesses required to renege on existing arrangements where they are not satisfied that an existing associated person has adequate Anti-Bribery procedures?

The Guidance makes specific reference to granting “due allowance” to firms that have existing arrangements with associated persons. This applies in the short-term to the requirement that associated persons have adequate Anti-Bribery procedures in place. Firms should ensure that, at the first reasonable chance, all associated persons adopt adequate Anti-Bribery procedures.

i. Is a non-UK parent with a UK subsidiary caught by the Act?

In determining whether a non-UK parent would be caught by the rules, a firm will need to consider the degree of independence the subsidiary has from its parent. Relevant considerations are likely to include:

- The influence the parent entity has over the general activities of the subsidiary and how often this influence is exercised;
- How the subsidiary is supported financially;
- The business activities of the parent and subsidiary; and
- The reporting lines in the subsidiary.

j. What is the extent of a firm’s liability for the actions of associated persons?

Employees

A firm will be liable for the actions of an employee, where it has failed to ensure that it has adequate policies and procedures in place (adequacy of procedures is discussed above).

Contractors

In terms of liability for the actions of contractors, these may be caught by the definition of “associated” persons if they are performing services for or on behalf of the Firm. The Guidance accepts that firms may only have influence over the relationship with their contractual parties and there may be a series of subcontractors. It is likely that these subcontractors would be providing services to their counterparty and not the Firm and hence, would fall outside the scope of the definition of “associated” persons. The Guidance also suggests conducting risk-based due diligence and incorporating Anti-Bribery provisions into contracts with associated persons requiring them to adopt the same provisions with the next party in the chain.



Joint Ventures

Turning to joint ventures, where this is in the form of a separate legal entity, a member to that joint venture may be liable if the joint venture is providing services to the member and a bribe is paid with the intention of benefiting the member. However, an indirect benefit through an investment in the joint venture is unlikely to be caught.

Joint ventures in the form of a contractual relationship are slightly different. Ordinarily, a bribe paid by an employee of a participant to a joint venture will be presumed to be for the benefit of his employer. The fact that the other participant may benefit indirectly is unlikely in itself to amount to an offence, although the degree of control the participant has over the arrangement will also be considered.

k. **What are the key risks for FX Broker/Strategic Partners?**

- **Marketers** - the Firm should ensure that it has policies and procedures to ensure that potential partners are not improperly influenced to enter into a commercial relationship.
- **Hospitality** – any gifts and entertainment should be proportionate and reasonable to the industry. Following a suitable gifts and entertainment policy should mitigate this risk.
- **Agents and Consultants** – the Firm may be liable for the actions of any agents or consultants it appoints to the performance of services for or on behalf of the Firm. This is particularly risky where the Firm is conducting business in a foreign jurisdiction.

It should be noted that the Serious Fraud Office (“SFO”), which is tasked with investigating potential cases of bribery, has stated that technical arguments should not be relied upon as grounds for avoiding investigation under the Act. This gives the SFO remit to investigate cases of potential bribery even if the statutory tests are not met.

The Money Cloud Ltd

Anti-Bribery and Corruption Policy (Web Policy)

Introduction

The Money Cloud values its reputation for ethical behaviour and for financial probity and reliability. It recognises that over and above the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Its aim therefore is to limit its exposure to bribery by:

- Setting out a clear Anti-Bribery policy;
- Training all consultants and clients, so that they can recognise and avoid the use of bribery by themselves and others;
- Encouraging its consultants and clients to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;



- Notifying all third parties that the Board of Directors engage with its policy and zero tolerance of bribery and/or corruption;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

The Policy

The Money Cloud Ltd prohibits the Board of Directors in:

the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement *to or from* any person or company, wherever they are situated and whether they are a public official or body or private person or company *by* any individual consultant, agent or other person or body acting on the Board of Directors' behalf *in order to* gain any commercial, contractual or regulatory advantage for the Board of Directors in a way which is unethical *or in order to* gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

Further Clarification

The Board of Directors recognises that market practice varies across the territories in which it does business and what is normal and acceptable in one place may not be in another. This policy prohibits any inducement which results in a personal gain or advantage to the recipient or any person or body associated with them and which is intended to influence them to take action which may not be solely in the interests of the Partnership or of the person or body employing or contracting with them or whom they represent.

This policy is not meant to prohibit the following practices providing they are customary in a particular market, are proportionate and are properly recorded

- normal and appropriate hospitality;
- the giving of a gift for a corporate reason or at another special time as long as reported in the proper manner within the firm on the gifts register.

Inevitably, decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether a potential act constitutes bribery, the matter should be referred to the local senior manager with responsibility for this policy before proceeding. If necessary, guidance should also be sought from the Compliance Officer.

Consultants and Principles Responsibility within The Money Cloud Ltd

The prevention, detection and reporting of bribery is the responsibility of all consultants throughout the **Company**. Suitable channels of communication by which consultants or others can report confidentially any suspicion of bribery will be maintained via the Anti-Corruption Reporting procedures.

Useful resource: www.transparency.org.uk for the Transparency Index