

Know Your Customer (KYC) Policy

Effective Date: 01/02/2025

1. Introduction

At TCS Trade Car Sales (Midlands) Ltd, we are committed to maintaining the highest standards of integrity and professionalism in our operations. A critical component of this commitment is our Know Your Customer (KYC) Policy, designed to prevent and detect fraudulent activities, money laundering, and financing of terrorism. This policy outlines the procedures we follow to verify the identity of our customers, assess potential risks, and ensure compliance with all applicable legal and regulatory requirements.

2. Objectives

The primary objectives of this KYC Policy are to:

Establish a clear framework for customer identification and verification.

Prevent the use of our services for illicit activities, including money laundering and terrorist financing.

Ensure compliance with relevant laws, regulations, and guidelines issued by regulatory authorities.

Protect the reputation and integrity of TCS Trade Car Sales (Midlands) Ltd.

3. Scope

This policy applies to all employees, agents, and representatives of TCS Trade Car Sales (Midlands) Ltd involved in customer interactions, including but not limited to sales, finance, and customer service departments. It encompasses all customers, both individuals and entities, engaging in transactions with our dealership.

4. Customer Acceptance Policy (CAP)

We have established a comprehensive Customer Acceptance Policy to ensure that we engage only with customers whose identities have been verified and whose activities are legitimate. The key principles of our CAP include:

No Anonymous Accounts: We do not conduct business with anonymous or fictitious customers.

Risk-Based Approach: Customers are categorized based on their risk profiles, and appropriate due diligence measures are applied accordingly.

Documentation Requirements: Specific documentation is required from customers to verify their

identity and address, as detailed in Section 5.

Enhanced Due Diligence: For higher-risk customers, such as politically exposed persons (PEPs) or those from high-risk jurisdictions, enhanced due diligence procedures are implemented.

5. Customer Identification Procedures (CIP)

Accurate and thorough customer identification is fundamental to our KYC process. The procedures include:

Individual Customers:

Proof of Identity: Valid government-issued identification documents, such as a passport or driver's license, including a clear photograph.

Proof of Address: Recent utility bills, bank statements, or official correspondence displaying the customer's current residential address.

Corporate Customers:

Certificate of Incorporation: Official document evidencing the company's legal status.

Memorandum and Articles of Association: Governing documents outlining the company's structure and operations.

Board Resolution: Authorization for the company to engage in transactions with TCS Trade Car Sales (Midlands) Ltd.

Identification of Directors and Beneficial Owners: Verification of the identities of individuals with significant control over the company.

6. Risk Assessment and Categorization

We assess the risk profile of each customer based on factors such as the nature of the transaction, geographic location, and customer background. Customers are categorized into the following risk levels:

Low Risk: Customers with a transparent background and legitimate sources of funds.

Medium Risk: Customers whose activities require closer scrutiny due to certain risk factors.

High Risk: Customers with higher exposure to risk, necessitating enhanced due diligence and ongoing monitoring.

7. Monitoring of Transactions

Continuous monitoring of customer transactions is essential to detect and prevent suspicious activities. Our monitoring procedures include:

Transaction Analysis: Regular review of transactions to identify patterns or anomalies that may indicate illicit activities.

Threshold Limits: Establishment of transaction limits that trigger further investigation when exceeded.

Reporting Suspicious Activities: Immediate reporting of any suspicious transactions to the appropriate regulatory authorities, in accordance with legal requirements.

8. Record-Keeping

We maintain comprehensive records of all customer interactions and transactions to ensure transparency and compliance. Our record-keeping practices include:

Retention Period: All records are retained for a minimum of five years following the conclusion of the customer relationship or transaction.

Accessibility: Records are stored securely and are accessible only to authorized personnel.

Data Protection: Customer information is handled in accordance with data protection laws to ensure confidentiality and security.

9. Employee Training and Awareness

We recognize the importance of employee awareness in effectively implementing our KYC Policy. To this end, we have established a comprehensive training program that includes:

Regular Training Sessions: Mandatory training for all relevant employees on KYC procedures, legal obligations, and the identification of suspicious activities.

Updates on Regulatory Changes: Continuous updates to training materials to reflect changes in laws and regulations.

Assessment and Certification: Periodic assessments to ensure employee understanding and compliance with KYC procedures.

10. Compliance and Internal Controls

We have implemented robust internal controls to ensure adherence to this KYC Policy, including:

Compliance Officer: Designation of a Compliance Officer responsible for overseeing KYC

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compliance and reporting to senior management.

Internal Audits: Regular audits to assess the effectiveness of KYC procedures and identify areas for improvement.

Policy Review: Annual review of the KYC Policy to ensure its continued relevance and effectiveness.

11. Customer Education

We believe in fostering transparency and trust with our customers. To this end, we provide