



Currency Services

## Customer Due Diligence (CDD) Policy

December 1, 2009

QSI shall undertake customer due diligence measures, including identifying and verifying the identity of their customers, when:

- Establishing business relations;
- Carrying out occasional transactions;
- There is a suspicion of money laundering or terrorist financing; or
- The Staff has doubts about the veracity or adequacy of previously obtained customer identification data.

Customer Due Diligence (CDD) measures shall be taken as follows:

- a) Identifying the customer and verifying that customer's identity using reliable, independent source documents, data or information.
- b) Identifying the beneficial owner, and taking reasonable measures to verify the identity of the beneficial owner such that the Management is satisfied that it knows who the beneficial owner is. For legal persons and arrangements this includes taking reasonable measures to understand the ownership and control structure of the customer.
- c) Obtaining information on the purpose and intended nature of the business relationship.
- d) Conducting ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.

QSI shall apply each of the CDD measures under (a) to (d) above, but may determine the extent of such measures on a risk sensitive basis depending on the type of customer, business relationship or transaction.

The measures that are taken shall be consistent with any guidelines issued by competent authorities. For higher risk categories, QSI shall perform enhanced due diligence. In certain circumstances, where there are low risks, reduced or simplified measures may be applied.

QSI shall verify the identity of the customer and beneficial owner before or during the course of establishing a business relationship or conducting transactions for occasional customers. QSI shall make every effort to complete the verification as soon as reasonably practicable following the establishment of the relationship, where the money laundering risks are effectively managed and where this is essential not to interrupt the normal conduct of business.

Where QSI is unable to comply with paragraphs (a) to (c) above, it should not open the account, commence business relations or perform the transaction; or should terminate the business relationship; and should consider making a suspicious transactions report in relation to the customer.

In support of this CDD Policy, QSI has empanelled a Compliance Board which shall implement appropriate measures and procedures along with designated QSI staff, and shall seek the support of external resources as necessary for carrying out due diligence activities. Appropriate records of compliance with the QSI CCD policy shall be maintained.

These requirements shall apply to all new and existing customers on the basis of materiality and risk, and measures shall be periodically undertaken as necessary and appropriate to verify compliance.

Celso Alvarado  
President