NaviTrade Energy Ltd

KYC & Due Diligence Policy

Effective Date: November 2025
Approved by: Board of Directors, NaviTrade Energy Ltd
Responsible Officer: Compliance Director / CEO

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1. Purpose

The purpose of this policy is to establish a structured and compliant framework for conducting *Know Your Customer (KYC)* and *Due Diligence (DD)* procedures in accordance with UK, EU, and international regulations.

This policy ensures that **NaviTrade Energy Ltd** conducts business only with verified, legitimate entities and individuals, thereby mitigating risks related to money laundering, terrorist financing, fraud, and reputational damage.

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2. Scope

This policy applies to:

- All departments, officers, and employees of NaviTrade Energy Ltd.
- All customers, suppliers, intermediaries, refineries, mandates, and buyers engaged in commercial activities with the company.
- All joint ventures, brokerage operations, and contractual relationships, regardless of geography.

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3. Regulatory Framework

This policy aligns with the following regulations and international standards:

- The UK *Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017*.
- *Financial Conduct Authority (FCA)* AML guidelines.
- *FATF (Financial Action Task Force)* Recommendations.
- *United Nations Convention against Corruption (UNCAC)*.
- *EU 5th Anti-Money Laundering Directive (AMLD5)*.

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4. Principles of KYC & Due Diligence

4.1 Identification and Verification

Before any transaction or contractual engagement, NaviTrade Energy Ltd must obtain sufficient information to:

- Verify the **legal existence** of the counterparty (company registration, VAT, and incorporation documents).
- Identify and verify the **Ultimate Beneficial Owner (UBO)** and authorized signatories.
- Confirm **contact details, business address, and banking information**.

4.2 Risk-Based Approach

Each client and supplier shall be categorized as *Low*, *Medium*, or *High Risk* based on:

- Jurisdiction of operation (sanctioned or non-sanctioned countries).
- Nature and volume of transaction.
- Payment terms and delivery structure (TT, MT103, SBLC/BG, etc.).
- Transparency and completeness of documentation.

Enhanced Due Diligence (EDD) will be applied for high-risk transactions, especially those involving politically exposed persons (PEPs) or offshore jurisdictions.

4.3 Continuous Monitoring

All transactions and relationships shall be periodically reviewed to ensure:

- Ongoing compliance with this policy.
- Detection of unusual or suspicious activity.
- Update of outdated KYC data (every 12 months minimum).

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5. Documentation Requirements

NaviTrade Energy Ltd shall require the following core KYC documents (minimum set):

A. Company Verification

- Certificate of Incorporation / Business Registration Extract
- VAT or Tax Identification Number
- Registered address and contact information
- Company profile

B. Identity Verification

- Passport / ID of authorized signatories
- Proof of residential address (utility bill or lease)

C. Banking Verification

- Bank Comfort Letter or Account Confirmation
- Full bank details on company letterhead
- Proof of previous successful transactions (optional)

D. Trading Authorization

- Authorization to Sell and Collect (ATSC) or Allocation Letter from refinery
- Product Passport or SGS report (if applicable)

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6. Sanctions and Compliance Screening

All counterparties must undergo sanctions screening through recognized databases such as:

- OFAC (U.S. Office of Foreign Assets Control)
- HM Treasury Sanctions List
- EU Consolidated Sanctions List
- UN Sanctions List

Any positive match or ambiguity shall immediately suspend the transaction pending further review by the Compliance Department.

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7. Record Keeping

All KYC and DD records must be securely stored in NaviTrade Energy Ltd's digital compliance archive for a minimum of **five (5) years** after the conclusion of a transaction or relationship. Access is restricted to authorized personnel only.

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8. Confidentiality

All information collected during KYC and DD processes shall be treated as strictly confidential and used solely for compliance verification and regulatory reporting purposes. Unauthorized disclosure or misuse of client information is strictly prohibited and may result in disciplinary action.

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9. Responsibilities

Role	Responsibilities
CEO / Compliance Officer	Oversight and enforcement of this policy.
Operations Department	Collection and verification of KYC documentation.
Legal Department	Ensuring all contracts reflect verified entities.
All Employees	Immediate reporting of any suspicious or inconsistent documentation.

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10. Policy Review

This policy shall be reviewed annually or upon any significant change in legislation, regulation, or business activity.
Updates must be approved by the CEO and Compliance Department.

Approved and Signed

Dimitrios I. Flokas

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Dimitrios I. Flokas
Founder & CEO
NaviTrade Energy Ltd
London, United Kingdom
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