

Anti-money-laundering and know-your-customer policy

Ztrading Ltd (registration number HE 465830, Limassol, Cyprus), trading as Ztrade, verifies the identity, ownership and legitimacy of every party it represents or introduces before any introduction is made, and accepts payment only into its own bank account under a written agreement.

1. Purpose, scope and legal basis

This policy sets out how Ztrading Ltd verifies the identity, ownership and legitimacy of the parties it represents or introduces in physical oil, gas and petroleum product transactions, and how it prevents its services and its fees from being used to launder money or finance terrorism. It applies to the company, its owner, its registered officers, anyone who works for it, and any partner company or agent acting with it under a written agreement.

Ztrading Ltd is not a bank, a payment institution or a licensed investment firm, does not hold or move client funds, and is not supervised under the Cyprus Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 (Law 188(I)/2007, as amended). It applies this policy as a commercial standard, because the trading houses, refiners and banks that onboard its clients expect it, and it follows the structure of that law, the EU anti-money-laundering directives and the FATF recommendations.

This policy replaces, for Ztrading Ltd, the group's earlier AML and KYC policy (ver 2025.6), which was written for an online trading platform where clients deposited funds. This policy addresses counterparties in cargo transactions, where the company is paid a fee and never handles the price of the goods.

2. Risk assessment

Each party and each transaction is assessed before any introduction, and the assessment is recorded.

FACTOR	LOWER RISK	HIGHER RISK
Counterparty	Established producer, refiner, trading house or their reseller, with a verifiable track record	New company, complex or opaque ownership, nominee shareholders, a politically exposed person among owners or officers, a track record that cannot be verified
Country	EU, EEA, UK, Switzerland, North America, and other countries with accessible company registries	FATF high-risk or increased-monitoring jurisdictions, countries under comprehensive sanctions, secrecy jurisdictions without accessible registries
Product and supply	Product with a documented origin and a direct purchase or supply agreement with the producer or terminal	Supply that cannot be traced to a producer or terminal, "allocation" or "mandate" claims, documents that cannot be verified with the issuer
Channel and payment	Company email, a named decision-maker, payment after loading against documents through a bank in the party's own country	Private email, intermediaries between us and the decision-maker, prepayment demands, third-party or third-country payments, cash

A party or transaction with any higher-risk factor is treated as high risk. High risk means enhanced due diligence under section 3, written approval by the responsible person before any introduction, and a review before each cargo. A party in a country under comprehensive sanctions, or on a sanctions list, is declined under the sanctions policy.

3. Counterparty due diligence

Before any introduction we collect and verify, for every party we represent and, as far as it will provide it, for every counterparty we approach:

- certificate of incorporation, articles of association and a registry extract not older than three months, verified against the national registry or an equivalent source;
- register of directors and register of shareholders, and an ownership chart up to the natural persons who own or control 25 per cent or more, signed by a director; where no natural person reaches that threshold, the senior managing official;
- passport and proof of address, not older than three months, for each beneficial owner and each signatory, checked against the original or a certified copy;
- proof of the authority of the person who instructs us: a board resolution or a power of attorney;
- proof of the supply or purchase entitlement behind the transaction: the purchase or supply agreement with the producer or terminal, the allocation letter from the producer's commercial arm, or the buyer's purchase authority, together with bills of lading and inspection certificates for recent cargoes;
- a bank reference letter from the party's own bank, and the identity of the bank and account that will receive or pay the price;
- the party's own anti-corruption, sanctions and anti-money-laundering policies, or a written confirmation of its practices.

Enhanced due diligence applies to every high-risk party and transaction: independent verification of ownership and track record through a second source, documented source of funds for a buyer and source of supply for a seller, adverse-media screening, a meeting with the decision-maker in person or by video, and written approval by the responsible person. A party that does not provide what this section requires is not introduced.

4. Monitoring and red flags during a transaction

Due diligence does not end at the introduction. During a transaction, anyone acting for the company watches for, and reports the same day:

- a change of counterparty, vessel, origin, port, bank or payment route after screening;
- documents that conflict with each other or with the declared origin, or that cannot be verified with their issuer;
- a demand for prepayment, a deposit, a “proof of funds” or a “proof of product” outside standard letter-of-credit or open-account practice;
- a request to pay or receive through a third party, a third country, a personal account or in cash;
- pressure to skip verification, to sign quickly, or to keep a person or a company out of the documents;
- an intermediary chain, or offers, “procedures” or document chains such as ICPO, LOI or SBLC sequences that do not correspond to a real contract between a seller and a buyer;
- a counterparty that is unwilling to go through the other side’s onboarding.

A red flag stops the company’s work on the transaction until the responsible person has decided in writing. Every party in an ongoing relationship is reviewed at least every twelve months, and a high-risk party before each cargo.

5. Fees and payments

Ztrading Ltd never handles the price of the goods. It is paid a fee by the party it represents, under a written agreement, against an invoice per completed transaction, into Ztrading Ltd’s own bank account. The company does not accept cash, crypto-assets, payment from a party other than the one it represents, payment from a personal account, or payment through a third country without a documented commercial reason.

The company makes no payment out of a fee to anyone except the partner company under a written fee-sharing agreement, to that partner’s own account, and discloses the arrangement to the counterparty’s compliance function on request. Fees are at market rate and proportionate to the service provided.

6. Reporting, escalation and the responsible person

The responsible person for this policy is Jimmy Karlsson, Founder and owner, reachable at compliance@ztrade.se. He performs the functions that a larger company would give to a compliance officer: approval of high-risk parties, decisions on red flags, record-keeping, reporting and review.

Anyone acting for the company reports a suspicion of money laundering or terrorist financing to the responsible person the same day. The responsible person records the suspicion and the decision and, where the law requires or permits, reports it to MOKAS, the Unit for Combating Money Laundering of the Republic of Cyprus. Nobody tells the party concerned that a suspicion has been recorded or reported. Where a suspicion is confirmed or cannot be resolved, the company withdraws from the transaction.

7. Records, training, review and document control

Due-diligence files, screening results, risk assessments, decisions, agreements, invoices and payment records are kept for at least five years after the end of the relationship or the transaction, in a form that can be produced within two business days, and are available to a counterparty's compliance function on request under confidentiality terms. Personal data in the files is handled under the company's privacy information.

Everyone acting for the company reads this policy before acting and again when it changes, and the responsible person keeps a record of it. The policy is reviewed every twelve months and after any incident or any change in the law or the business.

Responsible person: Jimmy Karlsson, Founder and owner · compliance@ztrade.se

VERSION	DATE	STATUS	APPROVED BY	NEXT REVIEW
2026.1	27 October 2026	Adopted; replaces ver 2025.6 for Ztrading Ltd. External legal review in progress; the next version will incorporate its findings.	Jimmy Karlsson, Founder and owner	27 October 2027