



INTEGER WEALTH GLOBAL

POLICY DOCUMENT – 20220924/01

Managing a Compliance Breach in the Establishment of an AIF

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Example of a Compliance Breach

Scenario: An investment manager at Integer Wealth Global or their appointed investment fund manager fails to conduct proper due diligence on a new commercial project in Europe. As a result, the company invests in a project that is later found to be involved in fraudulent activities.

Managing the Compliance Breach

1. Detection:

- The breach is detected during a routine internal audit, where discrepancies in the project's financial statements are identified.

2. Immediate Response:

- **Notification:** The Compliance Officer is immediately notified of the breach.
- **Containment:** The investment in the fraudulent project is frozen to prevent further financial loss.

3. Investigation:

- **Internal Investigation:** A thorough investigation is conducted to understand the extent of the breach and identify any lapses in the due diligence process.
- **External Reporting:** Relevant regulatory authorities are informed about the breach as required by law.

4. Remediation:

- **Corrective Actions:** Steps are taken to rectify the situation, such as seeking legal recourse to recover the invested funds.
- **Process Improvement:** The due diligence process is reviewed and strengthened to prevent similar breaches in the future.

5. Disciplinary Actions:

- **Employee Accountability:** The investment manager responsible for the breach is subject to disciplinary actions, which may include retraining, suspension, or termination, depending on the severity of the breach.



6. Communication:

- **Internal Communication:** Employees are informed about the breach and the steps being taken to address it, reinforcing the importance of compliance.
- **Investor Communication:** Investors are provided with a transparent report on the breach and the measures being taken to protect their investments.

7. Monitoring and Review:

- **Ongoing Monitoring:** Integer Wealth Global implements enhanced monitoring of all investment activities to ensure compliance with the updated due diligence process.
- **Policy Review:** The compliance policy is reviewed and updated regularly to reflect any changes in regulations and to incorporate lessons learned from the breach.

By following these steps, Integer Wealth Global can effectively manage and mitigate the impact of a compliance breach, ensuring that similar issues are less likely to occur in the future. If you have any more questions or need further details, feel free to ask!