

PROCEDURES FOR CLIENT WITH COURT CASE

This is the guideline of Healy Consultants procedure for those clients involved in a court case.

Within one week after we discover Client's involvement in a court case

1. Cai Xin to immediately communicate with the Client to:
 - a. collect a retainer fee of US\$ 5,000 to cover time and resources spent to mitigate legal and litigation risk. Aidan and Simon to advise other amounts when applicable;
 - b. for this Client, immediately increase our annual Singapore resident director fees to US\$ 5000. Ask the Client for the additional US\$ amount;
 - c. classify the Client as a High-Risk Client and ask for updated due diligence;
2. The Management Team appoints one staff member to project manage the legal engagement, including *i)* being aware of court deadlines and *ii)* weekly communicating with our Client and *iii)* communicating with lawyers and accountants and Government;
3. Cai Xin to fully understand court case and the Clients' business;
4. Cai Xin to conduct an updated google search to support our Client file;
5. We take this opportunity to secure from the Client as soon as practical:
 - a. Accurate and complete High-Risk Client detailed due diligence;
 - b. Updated business plan, e-signed by Client;
 - c. Renewal engagement letter;
 - d. signed indemnity agreement and nominee agreement;
6. We take this opportunity to re-evaluate:
 - a. Does Client need a Singapore regulatory license?
 - b. Did Client accurately and completely disclose global subsidiaries and income and corporate bank accounts;
 - c. At the time of originally engaging the Client, did the Client accurately and completely disclose their business activities to Healy Consultants Group PLC;
 - d. To what Government Department should we submit a report to;
7. Each week, Cai Xin will email our client for a weekly update re developments of the court case and keep all documents relative in Dropbox: *i)* Correspondences between client and lawyer and *ii)* The official documentations and lawyer letters with plaintiff/ their;

8. To ensure we minimize litigation, reputation and financial risk, Healy Consultants Group PLC communicates with **i)** the plaintiff and **ii)** lawyers from both sides;

No later than two weeks after we discover our client is involved in court case

9. Prepare a renewal risk assessment report for client including the information: **i)** Did we identify the risk factors when we boarded the client? **ii)** If yes, do we secure documents we to mitigate our risk at the time? **iii)** How is our on-going monitor going during company renewal?
10. Aidan, Simon and Cai Xin to agree if a risk mitigation strategy is required. Usually, three following options:
 - a. Aidan continues to act as resident director, with appointment of a second foreign director;
 - b. Aidan serves notice of resignation and Healy Consultants either **i)** assist our Client to recruit an active director or **ii)** (if probability of EP approval is high) assist Client to apply for an EP;
 - c. If the Client is unreachable or uncooperative, Aidan closes down the company or puts it under [judicial management](#) (click link);
11. Cai Xin or one CRO investigates if the company is properly licensed and other regulatory obligations;
12. Simon, Aidan and Cai Xin approve and sign off the client file again after the tasks above completed.

Within one month after we discover our client is involved in court case

13. Compliance team liaise with accounting team to make sure all the company tax and accounting liability is timely and accurately completed and the company maintain at its accurate bookkeeping records during the term of Aidan's directorship;
14. Proposal our client to undergo voluntary audit of financial statements to mitigate our legal risks to prepare the financial statements for such client.
15. Simon and Cai Xin discusses what loophole (if any) the case reveals in our KYC procedures and, if necessary, make recommendations to Aidan;

Failure to cooperate with Healy Consultants Group PLC

16. If our Client fails to timely and completely cooperate with Healy Consultants Group PLC and supply us all of the information we request, we action the following:
 - a. Prepare a suspicious transaction report and send to [Commercial Affairs Department](#) after approved by Simon and Aidan;
 - b. Prepare a company complaint and send to [ACRA](#), [IRAS](#), [MAS](#) or the relevant Government department, after approval by Simon and Aidan;
 - c. Resign as resident director.