

AML/KYC POLICY

1. General

This Anti-Money Laundering and Know Your Customer (hereinafter “AML/KYC”) Policy governs the application of due diligence measures by the Ibinex Financials Estonia OÜ (hereinafter the “Company”). Due diligence measures are applied when the clients use the following services of the Company: exchanging the virtual currency into fiat currency and vice versa; using the virtual currency wallet.

Please read this AML/KYC policy carefully in order to better understand how we apply the due diligence measures in order to prevent and mitigate possible risks of the Company being involved in money laundering or terrorist financing related activity.

2. Concepts

2.1. Beneficial owner is a natural person who, taking advantage of their influence, makes a transaction, act, action, operation or step or otherwise exercises control over a transaction, act, action, operation or step or over another person and in whose interests or favour or on whose account a transaction or act, action, operation or step is made.

2.1.1. In the case of legal persons, a beneficial owner is the natural person who ultimately owns or controls a legal person through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that person.

2.1.2. Direct ownership is a manner of exercising control whereby a natural person holds a shareholding of 25 per cent plus one share or an ownership interest of more than 25 per cent in a company.

2.1.3. Indirect ownership is a manner of exercising control whereby a company which is under the control of a natural person holds or multiple companies which are under the control of the same natural person hold a shareholding of 25 per cent plus one share or an ownership interest of more than 25 per cent in a company.

2.1.4. Where, after all possible means of identification have been exhausted, the beneficial owner cannot be identified and there is no doubt that such person exists or where there are doubts as to whether the identified person is a beneficial owner, the natural person who holds the position of a senior managing official is deemed as a beneficial owner.

2.2. Politically exposed person is a natural person who is or who has been entrusted with prominent public function and includes the following:

2.2.1. head of state, head of government, minister and deputy or assistant minister;

- 2.2.2. a member of parliament or of similar legislative body;
 - 2.2.3. a member of the governing body of a political party;
 - 2.2.4. a member of supreme court;
 - 2.2.5. a member of a court of auditors or of the board of a central bank;
 - 2.2.6. an ambassador, a chargé d'affaires and a high-ranking officer in the armed forces;
 - 2.2.7. a member of an administrative, management or supervisory body of a state-owned enterprise;
 - 2.2.8. a director, deputy director and member of the board or equivalent function of an international organization, except middle-ranking or more junior officials.
- 2.3. family members includes the following:
- 2.3.1. the spouse, or a person considered to be equivalent to a spouse, of a politically exposed person or local politically exposed person;
 - 2.3.2. a child and their spouse, or a person considered to be equivalent to a spouse, of a politically exposed person or local politically exposed person;
 - 2.3.3. a parent of a politically exposed person or local politically exposed person;
- 2.4. persons known to be close associates include the following:
- 2.4.1. a natural person who is known to be the beneficial owner or to have joint beneficial ownership of a legal person or a legal arrangement, or any other close business relations, with a politically exposed person or a local politically exposed person;
 - 2.4.2. a natural person who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the de facto benefit of a politically exposed person or local politically exposed person.

3. Identification and Verification

- 3.1. Upon implementing due diligence measures the following persons shall be identified by the Company:
- 3.1.1. the client;
 - 3.1.2. the representative of the client;
 - 3.1.3. the beneficial owner of the client;

- 3.1.4. politically exposed persons.
- 3.2. The person specified in section 3.1. shall be identified either being present or by using information technology means.
- 3.3. The client will be required to fill in the KYC questionnaire where the client shall be asked at least the following information:
 - 3.3.1. For the natural persons:
 - i. Name;
 - ii. Personal code/date of birth;
 - iii. Address/location;
 - iv. Citizenship;
 - v. Occupation, area of activity;
 - vi. Name and date of issuance of document used for identification;
 - vii. Postal code and city;
 - viii. The country of tax residency;
 - ix. E-mail and telephone;
 - x. Purpose of the business relationship.
 - 3.3.2. For the legal persons:
 - i. Name;
 - ii. Registry code or registering number and the date of registration;
 - iii. Address/location;
 - iv. Name and number of the document used for identification and verification of the identity of a foreign legal person;
 - v. Postal code and city;
 - vi. The country of tax residency;
 - vii. Area of activity;
 - viii. E-mail and telephone;

- ix. Have the securities of the company been accepted for trading on a regulated securities market? If yes, then on which securities market?
 - x. Information about the beneficial owners;
 - xi. Information about the authorized persons (representatives);
 - xii. Information about the members of the management board;
 - xiii. Purpose of the business relationship;
 - xiv. Information whether the person is a politically exposed person.
- 3.4. The Company shall request clients (natural and legal persons) to declare and submit information regarding their beneficial owner.
- 3.5. For the identification and verification purposes the Company shall request to submit:
- 3.5.1. for natural persons any of the following documents:
 - i. personal ID card (whether ID card, e-resident card or residence permit card); or
 - ii. passport or diplomatic passport; or
 - iii. travel document issued in a foreign country; or
 - iv. driving license (if it has name, facial image, signature and personal code or date of birth of holder on it).
 - 3.5.2. if the natural person is a representative of a legal or another natural person, then that natural person is also required to submit a document certifying the right of representation and scope thereof and, where the right of representation does not arise from law, the name of the document serving as the basis for the right of representation, the date of issue, and the name of the issuer.
 - 3.5.3. for legal persons any of the following documents:
 - i. if the legal person or the branches of foreign companies are registered in Estonia then the identification shall be conducted on the basis of an extract of a registry card of commercial register; or
 - ii. foreign legal persons shall be identified on the basis of an extract of the relevant register or a transcript of the registration certificate or an equal document, which has been issued by competent authority or body not earlier than six months before submission thereof.

- 3.6. A copy shall be made of the page of the identity document containing at least personal data and a photo of the client.
- 3.7. The Company may require additional information and documents from the client as the Company deems necessary.
- 3.8. The clients are required to update the Company immediately if there are any changes to the information submitted to the Company.

4. Updating Data and Documents

- 4.1. The Company may request the client to update the information and/or documents as found necessary after the initial identification and verification of the client.
- 4.2. The Company may verify the identity of the client in an on-going basis (e.g. if the information submitted by the client has changed).

5. Risk Assessment

The Company will establish a risk profile for each client and will apply due diligence measures in accordance with the clients' risk profile.

6. Registering and Storing of Data

The Company will register and store the data of the customers in accordance with the Company's Privacy policy and in accordance with the legal requirements to AML/KYC and prevention of terrorist financing.

7. Refusing to Open Client Account, Making Transactions or Terminating the Client Relationship

The client account for using the services of the Company will be activated after the completion of the identification and verification. The Company may refuse to open the account for the client, refuse from the transactions with the client or terminate the client relationship in accordance with the laws if the client has not submitted the information or documents requested by the Company to comply with the AML/KYC requirements or there is a suspicion of money laundering or terrorist financing.

8. Changes to this AML/KYC Policy

This AML/KYC policy was last modified on December 2018. Any new versions of this AML/KYC policy will be published by the Company on the Company website.