



Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Policy

This Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Policy is made by **UT Exchange OÜ**, a company incorporated in Estonia under registry code 14435345, with its registered address at: Harju Maakond, Tallinn, Lasnamae Linnaosa, Petereburi tee 47, 11415, License No: FRK000067 dated 29.03.2018 and License No: FVR000086 dated 29.03.2018 (hereinafter separately – the “Company” or “UTEX” “we”, “us”, “our”, etc.) and entered into its force **March 1, 2020**.

1. GENERAL PROVISIONS

Company’s Anti-Money Laundering and Counter-Terrorism Financing Policy (AML&CTF Policy) sets the principles of conducting customer due diligence as well as reporting customers’ suspicious and unusual transactions in order to prevent money laundering and terrorism financing.

AML&CTF Policy also sets out the procedures, systems, and controls that all Company staff must observe and adhere to in order to ensure compliance with the requirements and principles of the relevant AML&CTF laws, rules, and regulations applicable to the activities of Company.

Company’s AML&CTF Policy is based on the Anti-Money Laundering and Combating Financing of Terrorism Act (the “Act”) and other applicable European Anti-Money Laundering and Combating Terrorism Directives. The purposes of this AML&CTF Policy is to enhance the credibility and transparency of Company business environment, to prevent the use of Company and the financial system in whole for money laundering and terrorism financing.

The Board of Directors of Company is responsible for ensuring that Company staff are familiarized with the Act, strictly adhere to the provisions of the Act and fulfil their AML&CTF obligations arising from the Act.

2. IDENTIFICATION, ASSESSMENT AND MANAGEMENT OF RISKS

In order to analyze AML&CTF risks Company might be exposed to, Company will apply a risk-based approach to assess each customer with regard to ML&TF risks and risks associated with international sanctions.

Based on customers’ risk assessment, Company should take decisions either to avoid entering into business relations with a specific customer or to apply enhanced customer due diligence measures.

3. CUSTOMER DUE DILIGENCE MEASURES

Company has appropriate due diligence measures in place to identify and verify a customer; to understand business relationship with a customer; to identify whether a customer is a politically exposed person (PEP) or a relative/associate of a PEP; and to create a risk profile for each customer.

Company will not open an account or establish a business relationship with a customer if the customer fails to provide all required due diligence documents, or Company suspects customer’s involvement in money laundering or terrorism financing.

Company will not open or maintain anonymous accounts or accounts in fictitious names for any new or existing customers.

Company will not establish any relationship with shell banks or other institutions that knowingly allow shell banks use their accounts.

In accordance with regulatory requirements, Company has also developed and implemented appropriate risk-based procedures for conducting ongoing customer due diligence, including obtaining and analyzing sufficient customer information to understand the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and conducting ongoing monitoring to identify and report suspicious transactions.

4. MONITORING BUSINESS RELATIONSHIP

Company has established principles for monitoring its business relationship with customers, including monitoring of transactions, reassessment of each customer's risk profile, and identifying the source and origin of funds.

Company will also monitor business relationship with customers and customers' transactions in order to identify any possible AML&CTF risks and apply relevant measures to mitigate these risks.

Company uses automated solutions to track customers' transactions. Those solutions can be used both for fiat and virtual currencies.

5. RECORD KEEPING

Company will register all data as required in the Act and will retain the originals or copies of all relevant documents as stipulated by the Act for no less than 5 (five) years after termination of the business relationship.

All data and documents, collected and retained in accordance with the provisions of the Act, will be kept in compliance with all requirements for the protection of each customer's personal data.

In order to comply with AML&CTF laws, Company could perform ongoing AML&CTF monitoring, which means that if any information about verified Customer appears in lists shown in Article 3 of this Policy, Company will be notified about such Customer.

6. COMPLIANCE OFFICER

Company has appointed a Compliance Officer, who will perform AML&CTF duties and obligations. The Compliance Officer will ensure that Company will fully comply with the Act and any other applicable AML&CTF Directives and regulations.

The main Compliance Officer's duties are to promote ethical conduct and compliance with AML&CTF laws, regulations and guidelines that govern how Company should conduct its business activities; to oversee activities related to the prevention and detection of ML&TF; and provide support and guidance to the senior management to ensure that ML&TF risks are adequately identified and mitigated.

7. REPORTING OBLIGATIONS

According to Money Laundering and Terrorist Financing Prevention Act of Estonia, Company must immediately report to the FIU in the event of knowledge or suspicion of the customer's involvement in money laundering or terrorism financing and submit relevant reports to the FIU. Customer could be not informed about such report.

8. IMPLEMENTATION OF INTERNATIONAL SANCTIONS

Company has implemented the international financial sanctions and therefore shall immediately notify the FIU if any of its customers is or becomes a subject of the international financial sanctions imposed.

Company will not open or maintain accounts in the names of customers who are subject to the International Sanctions.

9. SUPERVISION, REGULAR MONITORING AND UPDATE

Company will perform regular tests and assessments on the adequacy of its AML&CTF systems and controls and its overall ability on a continuing basis to identify, assess, monitor and manage ML&TF risks and to confirm that its systems and controls continue to be adequate and proportionate relative to the nature, scale, and complexity of its activities.

The Board of Directors is obliged to supervise the staff of Company and their compliance with the requirements of the Act and other applicable AML&CTF laws and regulations.

In order to fulfil the obligations arising from the Act, Company will track developments in AML&CTF laws and regulations and educate and train the staff accordingly.