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AML/KYC Policy

At Bitex UAE, we have implemented the best AML-CFT practices across our business. Our state-of-the-art compliance regime and AML-compliant software are meticulously tailored to complement the requirements of the Know Your Customer (KYC) principles within the digital assets ecosystem.

Anti-Money Laundering Compliance Policy Declarations

Bitex UAE is fully committed to adapt and improvise upon the internationally accepted principles of compliance and adhere to the prospective local as well as international laws and regulations which may govern the industry, while reflecting the relevant recommendations issued by bodies such as Financial Action Task Force (FATF), Wolfsberg Group, etc. on preventing the utilization of the digital assets for criminal purposes.

Accordingly, we have taken the necessary procedures and control measures to provide the optimum support against the fight of money laundering and financial terrorism.

Bitex UAE is also committed to continually fulfilling its Anti-Money Laundering (AML) obligations to its local and foreign associates, and correspondent banks that may sometimes require due diligence information on accounts and transactions covered under the guidelines and recommendations of the FATF.

Bitex UAE also, pledges to examine and maintain its AML procedures and control on an on-going basis.

To ensure the continuity of high standards of AML Compliance, our internal audit regime monitors, and tests the Compliance Program through random examination of the relevant processes; on a quarterly basis; accordingly, the findings are documented and reported to the board of directors.

Ascertainment of Customer Identity

Bitex UAE currently only operates in the United Arab Emirates region. The customer's identity is verified and screened against international blacklists and sanctions lists before accepting a transaction of AED 2,000 and above or equivalent in foreign currency. All customers need to go through identity verification in order to deposit or withdraw fiat currency. Bitex UAE requires customer Emirates ID card and Passport documents along with Bank details. Customer identity

is also verified for unusual/suspicious transactions regardless of the amount. 'Know Your Customer/Customer Due Diligence procedures and guidelines' are scrupulously adhered to. The transactions amounting less than the aforementioned threshold are allowed only for customers holding a local bank account and a locally registered phone number. For clients reaching a certain level of account balance, currently identified as AED 100,000, they are subject to enhanced due diligence also known as level 2 verification at Bitex UAE. Clients would need to provide additional residence proof issued within 3 months when needed.

PEPs, broadly defined as individuals entrusted with prominent public functions like heads of state, members of parliament etc. By virtue of relationships with government agencies, decision-making bodies and other influential persons, PEPs may have increased influence on public policy, permits, and other material decisions. Being a politically exposed person does not suggest a big risk or wrongdoing according to Bitex UAE but may need to submit additional documents like Residence proof, source of funds, salary statement and liquid assets before being able to make a transaction. PEPs go through an enhanced due diligence at Bitex UAE

Bitex UAE currently does not support corporate clients and will be made available in the future. The platform only caters individual clients at the moment with valid residency in the United Arab Emirates.

Establishment of Beneficial Ownership of Funds

In the case of transactions amounting to AED 20,000 or above per week, the customer is mandated to furnish a valid proof of source of funds and also the supporting document(s) to substantiate the purpose of a transaction which may vary on a case to case basis. Bitex UAE does not provide a channel or a platform to conduct any on behalf transaction whatsoever. However, the Compliance regime can solicit such indenture even for certain cases below the stated threshold if deemed necessary.

Transaction Monitoring

On an ongoing basis, our platform enables us to analyze the transaction behavior of the users while monitoring the volumes and frequency of their transactions.

In addition to the above, our tools enable us to identify the red flags based on different parameters we use for risk profiling of our customer base such as:

- Occupation/profession
- Expected transaction volumes and frequency
- Age
- Nationality

Internal Reporting of Unusual/Potentially Suspicious Transactions

All client relationship staff liaising with the client(s) for increased limits requests and overseeing subsequent remittances in the client's account is required to report any potentially suspicious or unusual transactions to the Compliance Officer using our internal reporting system.

Along with that, Bitex UAE takes a risk-based approach and leverages appropriate data-sets to independently screen potential risks outside the verification process. This ensures mitigation of risks such as sanctions, watch-lists and organised crimes.

Reporting of Unusual/Suspicious Transactions

All Staff is required to detect and report unusual/potentially suspicious transactions to Compliance Officer who will, in turn, conduct an in-depth investigation, and take an appropriate action before documenting such transactions or activities in the form of STRs and SARs respectively and file them for the perusal of auditors and prospective regulator(s).

Record Keeping

All records including customers' identification documents, transaction data, and any other related documents are retained as long as they hold an account with Bitex UAE and subsequently for a minimum period of five years after the closure/redundancy of the account.

Staff Training

Within a month of joining Bitex UAE, the employee is trained on AML-CFT procedures with follow-up training scheduled yearly and in the case of significant amendments to the policies; whichever occurs first. This training covers employees with customer contact and those authorized to execute/facilitate cash and non-cash transactions.

The training is also provided to staff that are:

- At the back office
- Not engaged in customer service

Confidentiality of Records and Suspicious Transactions

All customer records and transactional information is kept confidential at all times, and the customers are not intimated if their transactions are considered suspicious and being reported to Compliance Officer internally, or are being filed as STRs or SARs. Non-Compliance of the

aforementioned invites criminal charges against Bitex UAE, its Directors, Management, and its employees at fault.

Internal Audit's Role

Internal Audit tests the effectiveness of the Compliance Regime and performs random checks on its key responsibilities. All findings and observations are discussed with the Compliance Officer and are reported to the board of directors.

For more information, please contact support@bitexuae.com.