CryptoPoints/KYC POLICY

Last updated: 03.08.2018

1. CryptoPoints that is a company incorporated in England and Wales at Anti-Money Laundering and Know Your Customer Policy (hereinafter - the "AML/KYC Policy") is designated to prevent and mitigate possible risks of CryptoPoints being involved in any kind of illegal activity.
2. Both international and local regulations require CryptoPoints to implement effective internal procedures and mechanisms to prevent money laundering, terrorist financing, drug and human trafficking, proliferation of weapons of mass destruction, corruption and bribery and to take action in case of any form of suspicious activity from its Users.

VERIFICATION PROCEDURES

3. One of the international standards for preventing illegal activity is customer due diligence ("CDD"). According to CDD, CryptoPoints establishes its own verification procedures within the standards of anti-money laundering and "Know Your Customer" frameworks.
4. CryptoPoints identity verification procedure requires the User to provide CryptoPoints with reliable, independent source documents, data or information (e.g., national ID, international passport, bank statement, utility bill). For such purposes CryptoPoints reserves the right to collect User's identification information for the AML/KYC Policy purposes.
5. CryptoPoints will take steps to confirm the authenticity of documents and information provided by the Users. All legal methods for double-checking identification information will be used and CryptoPoints reserves the right to investigate certain Users who have been determined to be risky or suspicious.
6. CryptoPoints reserves the right to verify User's identity in an on-going basis, especially when their identification information has been changed or their activity seemed to be suspicious (unusual for the particular User). In addition, CryptoPoints reserves the right to request up-to-date documents from the Users, even though they have passed identity verification in the past.
7. User's identification information will be collected, stored, shared and protected strictly in accordance with the CryptoPoints Privacy Policy and related regulations.
8. Once the User's identity has been verified, CryptoPoints is able to remove itself from potential legal liability in a situation where its Services are used to conduct illegal activity.

COMPLIANCE OFFICERS

9. The Compliance Officers is the persons, duly authorized by CryptoPoints, whose duty is to ensure the effective implementation and enforcement of the AML/KYC Policy. It is the Compliance Officer's responsibility to supervise all aspects of CryptoPoints anti-money laundering and counter-terrorist financing, including but not limited to:
   1) Collecting Users' identification information.
   2) Establishing and updating internal policies and procedures for the completion, review, submission and retention of all reports and records required under the applicable laws and regulations.
   3) Monitoring transactions and investigating any significant deviations from normal activity.
   4) Implementing a records management system for appropriate storage and retrieval of documents, files, forms and logs.
   5) Updating risk assessment regularly.
   6) Providing law enforcement with information as required under the applicable laws and regulations.
10. The Compliance Officer is entitled to interact with law enforcement, which are involved in prevention of money laundering, terrorist financing and other illegal activity.

ANTI-MONEY LAUNDERING POLICY

11. CryptoPoints enforces a strict anti-money laundering policy with zero tolerance for money laundering activities. We define money laundering as any activity that is carried out in an attempt to misrepresent the source of funds actually acquired through illegal processes as funds that were acquired through lawful sources/activities.

12. All CryptoPoints affiliates are obligated to comply with CryptoPoints's anti-money laundering policy and with all applicable anti-money laundering laws. Failure to comply can result in severe consequences such as criminal penalties and heavy fines.

13. CryptoPoints ensures complete compliance with laws pertaining to anti money laundering through its related policy.

14. CryptoPoints implements a range of filtration operations for swift and accurate identification of any financial activities that may constitute or are related to money laundering. This helps ensure a money laundering-free financial operations throughout the CryptoPoints.

15. All Purchasers acknowledge, undertake and agree to the following terms regarding their use of, opening and maintenance of accounts at CryptoPoints and for all financial transactions as a CryptoPoints client:

    a) The Purchaser will comply (throughout the time as a CryptoPoints client) with all relevant statutes pertaining to money laundering and proceeds from criminal activities.

    b) CryptoPoints operates under certain obligations known as "know-your-client" obligations which grant CryptoPoints the right to implement anti-money laundering procedures to help detect and prevent money laundering activities where money laundering may mean to handle any funds associated with any illegal activity regardless of the location of such activity.

    c) The Purchaser agrees to lend full cooperation to CryptoPoints with respect to anti-money laundering efforts. This involves providing information that CryptoPoints requests regarding the client's business details, account usage, financial transactions etc. to help CryptoPoints perform its duties as dictated by Applicable laws regardless of jurisdiction.

    d) CryptoPoints reserves the right to delay or stop any funds transfer if there is reason to believe that completing such a transaction may result in the violation of any applicable law or is contrary to acceptable practices.

    e) CryptoPoints reserves the right to suspend or terminate any account or freeze the funds in an account if there is reason to believe that the account is being used for activities that are deemed unlawful or fraudulent.

    f) CryptoPoints has the right to use client information for the investigation and/or prevention of fraudulent or otherwise illegal activities.

    g) CryptoPoints has the right to share client information with:

        • Investigative agencies or any authorized officers who are helping CryptoPoints comply with applicable law, including anti-money laundering laws and know-your-client obligations;

        • Organizations that help CryptoPoints provide the services it offer its clients;

        • Government, law enforcement agencies and courts;

        • Regulatory bodies and financial institutions.

16. Activities that CryptoPoints considers possible indications of money laundering include:

    a) The client showing unusual apprehension or reservations about CryptoPoints's anti-money laundering policies

b) The client's interest in conducting financial transactions which are contrary to good business sense or are inconsistent with the client's business policy.

c) The client failing to provide legitimate sources for their funds.

d) The client providing false information regarding the source of their funds.

e) The client having a history of being the subject of news that is indicative of civil or criminal violations.

f) The client seems to be acting as a 'front man' for an unrevealed personality or business, and does not satisfactorily respond to requests for identifying this personality or business.

g) The client not being able to easily describe the nature of his/her industry.

h) The client frequently makes large deposits and demands dealing in cash equivalents only.

i) The client maintains multiple accounts and conducts an unusually high number of inter-account or 3rd party transactions.

j) The client's previously usually inactive account starts receiving a surge of wire activity. The above list is by no means an exhaustive list. CryptoPoints monitors its client and account activity in light of several other red flags and takes appropriate measures to prevent money laundering.

KNOW YOUR CUSTOMER (KYC)

17. The Purchaser acknowledges that he/she/it has to complete a KYC check for the Purchase of the which must be in form and substance satisfactory to the Issuer. KYC check can carried out after completing the Purchase by providing necessary information with regard to identification of the Purchaser, beneficial owner and origin of the funds, the scope and type of information depending on the type of Purchaser and the Purchase amount.

18. During the Purchaser's account registration process an individual purchaser provide the following identification information to the Company:
    1) Purchaser's full name
    2) Purchaser's date and place of birth
    3) Country of residence/location of customer
    4) Purchaser's address
    5) Mobile telephone number and e-mail

19. After receiving the identification information the Company's staff can verify this information requesting the appropriate documents. Appropriate documents for verifying the identity of Purchaser include, but are not limited to, the following: For an individual Purchaser: a high resolution scanned copy or photo of pages of a passport or any other national ID, indicating family name and name(s), date and place of birth, passport number, issue and expiry dates, country of issue and Purchaser's signature, selfie with Purchaser's passport or any other national ID.

20. To verify proof of address of the Purchaser the Company requires one of the following to be provided, in the same correct name of the customer: a high-resolution copy of a utility bill (fixed-line phone, water, electricity) issued within the last 3 months; A copy of a tax or rates bill from a local authority; A copy of a bank statement (for a current account, deposit account or credit card account); A copy of a bank reference.

21. The Purchaser is obliged to collaborate with regard to the KYC/AML check and to provide any information and document deemed necessary by the Company.

22. The Company may reject any Purchaser in its sole discretion after the without being obliged to disclose any reason for the rejection.

23. In case the automatic procedures fail, the Company shall contact the Purchaser by email or other means to obtain the information and documents needed. In case the Purchaser does not provide the documents in the requested form and any other information requested to satisfy the KYC/AML check

within 10 (ten) days which are not public holidays in Panama of the Company's request, CryptoPoints may reject the Purchaser and the costs for the KYC/AML check will be at the cost of the Purchaser. Additionally, the Issuer has the right to partially or fully withhold the received amounts for any costs or damages incurred by the Issuer. All kind of remittance fees either for FIAT Currency or for crypto currencies shall be borne by the Subscriber.