

APEX GLOBAL BANK: KYC & CUSTOMER DUE DILIGENCE (CDD) POLICY

Document Classification: Regulatory Compliance / Legal Framework

Effective Date: February 4, 2026

Policy Owner: Global Compliance & AML Office

1. Introduction to KYC

1.1 What is KYC?

Know Your Customer (KYC) is a mandatory process of identifying and verifying the identity of clients at the time of account opening and periodically over time. It is the cornerstone of our Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) framework.

1.2 Why is it Required?

KYC is not merely a bank requirement but a legal obligation under global financial regulations. It ensures that:

- The bank is not used for money laundering or illegal activities.
- Financial identities are protected from theft and fraud.
- The bank understands the customer's financial profile and source of funds.

2. Levels of Customer Due Diligence (CDD)

Apex Global Bank follows a risk-based approach to KYC, categorizing customers into three levels:

2.1 Simplified Due Diligence (SDD)

Applied to low-risk customers, such as public authorities or publicly listed companies. Documentation requirements are minimal.

2.2 Standard Due Diligence (CDD)

The baseline for all individual retail customers. Requires full verification of identity and permanent address.

2.3 Enhanced Due Diligence (EDD)

Applied to high-risk categories, including:

- Politically Exposed Persons (PEPs) and their associates.

- Customers from high-risk jurisdictions.
- High-Net-Worth Individuals (HNIs) with complex wealth structures.
- Non-resident customers.

3. Types of KYC Processes

3.1 Digital KYC (V-KYC)

A contactless, paperless process using the ApexOne App. It involves:

- OTP-based authentication of National IDs.
- Live video interaction with a bank official.
- Real-time facial matching and geo-tagging.

3.2 Physical KYC

Traditional verification where the customer visits a branch with original documents. Staff perform a "Seen and Verified" (OSV) check.

3.3 Partial vs. Full KYC

- **Partial KYC:** Often used for "Small Accounts" or instant wallets. These have restricted balances (up to \$1,000) and a limited validity of 12 months.
- **Full KYC:** Comprehensive verification allowing unrestricted account operations and access to all bank products.

4. Accepted Identity & Address Proofs (OVD)

The bank accepts **Officially Valid Documents (OVD)**. One document from each category is required.

Category	Accepted Documents
Identity Proof	Passport, National Identity Card, Driver's License, Voter ID.
Address Proof	Utility Bills (not > 3 months old), Property Tax Receipt, Bank Statement, Registered Lease Agreement.
Financial/Tax Proof	Tax Identification Number (TIN/SSN/PAN), Salary Slips, ITR Acknowledgement.

Note: If the Identity Proof contains the current address, it can serve as both ID and Address proof.

5. KYC Update & Periodic Updation

KYC is not a one-time event. Information must be refreshed periodically:

- **High-Risk Customers:** Every 2 years.
- **Medium-Risk Customers:** Every 8 years.
- **Low-Risk Customers:** Every 10 years.

5.1 Re-KYC Process

Customers can update their records via:

- **ApexOne App:** If there is no change in address or name.
- **Email:** By sending self-attested scanned copies of new documents.
- **Branch Visit:** For changes in signature or major profile updates.

6. Consequences of Non-Compliance

Failure to complete KYC or respond to Re-KYC requests will result in:

1. **Partial Freeze:** Outbound transactions (transfers, ATM withdrawals) are blocked.
2. **Full Freeze:** Both inbound and outbound transactions are blocked.
3. **Account Termination:** If KYC remains pending for 6 months after a full freeze, the bank reserves the right to close the account and issue a manager's check for the remaining balance.

7. Frequently Asked Questions (FAQ)

What documents are needed for KYC?

You need a government-issued photo ID (like a Passport or National ID) and a document verifying your current address (like a utility bill or bank statement). You also need a tax identification number for interest-bearing accounts.

Can I complete my KYC online?

Yes, using the ApexOne App's Video-KYC (V-KYC) feature. It takes approximately 5 minutes and requires you to have your original ID cards ready for the camera.

How do I know if my KYC has expired?

The bank will send notifications via SMS, Email, and Push notifications 3 months before your KYC expiry date. You can also check your KYC status in the "Profile" section of the mobile app.

What happens if I don't update my KYC?

Your account will eventually be frozen. You won't be able to withdraw money, use your debit

card, or pay bills online until the KYC records are updated and verified by the bank.

I have changed my address; what should I do?

You must update your records within 30 days. Log in to Net Banking or visit a branch with a valid proof of your new address to ensure your account remains active and communication reaches you correctly.

Institutional Notice: *KYC is a regulatory mandate. Apex Global Bank is committed to keeping your data secure and will never share your KYC documents with unauthorized third parties.*

End of Policy Document