

Kaprex Partner Disclosures & Compliance Overview

Last Updated: April 22, 2025

Kaprex is a **payment orchestration platform** that connects users to regulated financial services through licensed third-party partners. We do **not hold custody of funds**, process fiat or crypto transactions, or offer regulated financial services directly. All regulated operations are executed by our **licensed partners**, who are responsible for compliance, custody, settlements, and transaction processing under the applicable laws and regulations of their jurisdictions.

This document outlines the **roles, responsibilities, compliance obligations**, and user expectations regarding Kaprex and its partners, to ensure **transparency and legal clarity**.



Kaprex Regulatory Position

Kaprex acts solely as an **orchestration and interface layer**. We **are not**:

- A bank or licensed financial institution
- A Virtual Asset Service Provider (VASP)
- A money transmitter or remittance provider
- A licensed payment service provider
- A custodian of crypto or fiat
- An investment advisory firm or yield-guaranteeing platform

Kaprex does not custody or process funds, and does not directly engage in **regulated financial activities**.



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Our Licensed Partners

Kaprex partners with regulated financial institutions, forex bureaus, and on-chain infrastructure providers. These partners perform all regulated activities.

Partner	Jurisdiction	Licensing Role	Services Provided	User Compliance Required
Bridge	U.S. & Global	Money Transmitter, Remittance Licensee	Cross-border payments (USD, EUR, SEPA), ACH/SWIFT/SEPA rails, yield (Earn) in USDC/EURC	KYC/KYB, Source of Funds Verification
Local FXB Partners	Ghana	Licensed Forex Bureau or Payment Services Provider	GHS payouts, GHS account funding, GHS → USDC/EURC exchange	Basic KYC (ID, phone), KYB for business, name must match GHS account
Yellow Card	Ghana	Licensed Financial Services Provider	GHS cash-out, GHS account funding, GHS → USDC/EURC exchange	Basic KYC, business KYB, name match required
OTC Traders	Ghana	Regulated OTC Crypto Traders	Peer-based USDC/EURC ↔ GHS conversion, GHS deposits and withdrawals	Basic KYC; Enhanced verification may apply
DeFi Protocols	Global (on-chain)	Protocol-level Yield Platforms (non-custodial)	USDC/EURC staking & yield generation via Circle Wallet (e.g., Aave, Compound, Kamino)	No KYC; user interacts directly via Circle Wallet

Circle	Global	Non-custodial Wallet Infrastructure, Compliance Layer	Wallet creation, PIN encryption, AML, sanctions screening, Travel Rule compliance	Users control keys; Kaprex cannot access or reverse transactions
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✓ Roles & Responsibilities

Functionality	Kaprex	Partners
UI/UX, Dashboards, Account Interfaces	✓ Yes	✗ No
Circle Wallet Integration (non-custodial)	✓ Yes	✗ No
Fiat Processing (USD, EUR, GHS)	✗ No	✓ Yes (Bridge, FXB, Yellow Card, OTC)
Crypto Custody (USDC/EURC) via Circle Wallet	✗ No	✓ User-controlled via Circle Wallet
Cross-border Payments	✗ No	✓ Bridge
GHS ↔ USDC/EURC Exchange	✗ No	✓ FXB, Yellow Card, OTC
KYC/KYB Processing	✓ Facilitated via APIs	✓ Verified by Bridge, FXB, Yellow Card, OTC

AML, Sanctions, Screening, Travel
Rule Compliance

✓ Via Circle
Compliance Engine

✗ No

Yield Generation (Earn)

✗ No

✓ Bridge, DeFi Protocols (via
Circle Wallet)

Regulatory Reporting

✓ AML, Travel
Rule via Circle

✓ Partners handle
fiat/transactional compliance

How It Works: Payment Flow

Receiving Payments:

- USD/EUR/SEPA Transfers:**
Funds are sent via **Bridge**, converted into **USDC or EURC**, and settled into the user's **Circle Wallet**.
- Circle Wallet:**
Non-custodial wallet generated by Kaprex via Circle SDKs. Users fully control the wallet and private keys. Kaprex cannot access or reverse transactions.
- Exchange to GHS:**
Users convert stablecoins to GHS using FXB, Yellow Card, or OTC traders. GHS payouts go only to **KYCed accounts matching the user name**.

Sending Payments:

- GHS Deposits:**
Users deposit GHS with FXB, Yellow Card, or OTC traders. The partner converts GHS to **USDC/EURC**, deposited into the user's Circle Wallet.
- Cross-Border Transfers:**
Bridge processes transfers in USD, EUR, or via SEPA rails from the user's stablecoin balance.
- Earn Program:**
Users may stake USDC/EURC through DeFi protocols via Circle Wallet to generate yield. Kaprex does **not guarantee or manage** these earnings.



User Identity Verification (KYC/KYB)

Kaprex **does not store or process KYC/KYB** data directly. Instead, identity verification is handled via **partner portals or APIs**. Requirements include:

- **Bridge:** KYC/KYB for fiat transfers and Earn participation.
- **FXB / Yellow Card / OTC:** ID verification for GHS transfers and liquidity. Account names must match the KYCed name.
- **DeFi Participation:** No KYC needed; users interact directly with protocols using Circle Wallet.



Compliance: AML, Screening & Travel Rule

Kaprex uses **Circle's compliance engine** to fulfill core regulatory requirements:

- **AML & Sanctions Checks:**
Real-time screening against global watchlists for all stablecoin addresses and transfers.
- **Address Screening:**
USDC/EURC wallet addresses are checked against OFAC, UN, EU, and other sanctioned entities.
- **Transaction Monitoring:**
Continuous behavioral analysis for detecting suspicious or fraudulent patterns.
- **Travel Rule:**
Kaprex shares originator/beneficiary details as required by the **FATF Travel Rule** for qualifying crypto transactions.

Kaprex may **block or suspend access** based on compliance red flags identified through Circle's infrastructure.



Regulatory Reporting

Kaprex ensures reporting for any activities under its compliance remit:



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- **Suspicious Activity Reports (SARs):**
Filed for transactions that breach risk thresholds.
- **Travel Rule Notifications:**
Shared between VASPs when applicable.
- **Audit Trails:**
Maintained via Circle's infrastructure to support legal and regulatory audits.

Fiat-specific reports are handled by the licensed partners responsible for processing the transaction.

User Responsibilities

To use Kaprex effectively and legally, users must:

- **Complete required KYC/KYB** with the relevant partners.
- **Use verified accounts only** (name must match KYC records).
- **Abide by partner terms** and applicable regional financial laws.
- **Protect access credentials** to their Circle Wallets; Kaprex has no recovery access to wallets.

Legal & Risk Disclaimers

Kaprex does not guarantee yield returns. Yield is provided via DeFi protocols and involves smart contract and market risk.

Kaprex does not offer investment advice or financial recommendations.

By using Kaprex, users agree to the Terms of Use, Privacy Policy, and all partner-specific agreements.

Kaprex is closely monitoring regulatory developments in Ghana and globally. Should licensing for digital asset intermediaries or orchestration platforms become available, we are prepared to apply or participate as required to maintain compliance.




Kaprex intends to register with the [Financial Intelligence Centre \(FIC\) of Ghana](#) as part of its commitment to Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) compliance in accordance with applicable laws and the [Bank of Ghana's Draft Guidelines on Digital Assets \(August 2024\)](#).

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