

## **Bank Secrecy Act (BSA) Policy for FinTech Offering Depository Products in the USA**

1. **Introduction:** This Bank Secrecy Act (BSA) Policy outlines the procedures and responsibilities for compliance with the BSA regulations by ARMAI ("the Company") in the provision of depository products in the United States.
2. **Purpose:** The purpose of this policy is to:
  - Ensure compliance with the BSA, including Anti-Money Laundering (AML) and Customer Identification Program (CIP) requirements.
  - Detect and prevent money laundering, terrorist financing, fraud, and other illicit activities.
  - Mitigate the risk of reputational harm and regulatory penalties associated with non-compliance.
3. **Designation of Compliance Officer:**
  - The Company shall designate a qualified individual as the BSA Compliance Officer, responsible for overseeing and implementing the BSA compliance program.
  - The Compliance Officer shall have adequate authority, resources, and independence to fulfill their duties effectively.
4. **Customer Due Diligence (CDD) and Know Your Customer (KYC) Procedures:**
  - The Company shall establish risk-based procedures for identifying and verifying the identity of customers opening depository accounts.
  - Enhanced due diligence measures shall be applied to high-risk customers, including politically exposed persons (PEPs) and customers with complex ownership structures.
  - Ongoing monitoring of customer transactions and activities shall be conducted to detect suspicious behavior.
5. **Transaction Monitoring and Reporting:**
  - The Company shall implement robust systems for monitoring transactions and identifying potentially suspicious activity.
  - Transactions exceeding predefined thresholds or exhibiting unusual patterns shall be subject to further investigation.
  - Suspicious transactions shall be reported to the Financial Crimes Enforcement Network (FinCEN) in accordance with regulatory requirements.
6. **Recordkeeping Requirements:**
  - The Company shall maintain accurate and complete records of customer identification, account transactions, and suspicious activity reports (SARs) in accordance with BSA recordkeeping requirements.
  - Records shall be retained for the prescribed period as specified by applicable regulations.
7. **Employee Training:**
  - All employees involved in the provision of depository products shall receive regular training on their obligations under the BSA.
  - Training programs shall cover topics such as customer due diligence, suspicious activity detection, recordkeeping, and reporting requirements.

**8. Independent Testing and Audit:**

- The Company shall conduct regular independent reviews and audits of its BSA compliance program to assess its effectiveness and identify areas for improvement.
- Audit findings and recommendations shall be documented and addressed promptly by management.

**9. Confidential Reporting and Non-Retaliation:**

- The Company shall establish procedures for employees to report concerns or suspected violations of the BSA compliance program confidentially.
- Non-retaliation policies shall be enforced to protect whistleblowers from adverse consequences for reporting in good faith.

**10. Regulatory Updates and Compliance Monitoring:**

- The Company shall monitor changes in BSA regulations and guidance issued by regulatory authorities and update its compliance program accordingly.
- Compliance with BSA requirements shall be monitored regularly through internal reviews and external assessments.

**11. Enforcement of Policies and Procedures:**

- Non-compliance with this BSA policy or related procedures may result in disciplinary action, up to and including termination of employment.

**12. Review and Update:**

- This BSA Policy shall be reviewed periodically to ensure its effectiveness and relevance in addressing evolving risks and regulatory requirements.
- Updates shall be made as necessary based on changes in the regulatory landscape and lessons learned from compliance activities.

By adhering to this BSA Policy, ARMAI demonstrates its commitment to maintaining the highest standards of regulatory compliance and integrity in the provision of depository products in the United States.