



Defi X **Finance**
DIGITAL FINANCE REVOLUTION

ANTI-MONEY LAUNDERING

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www.defixfinance.com

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Money Laundering is the process of converting funds received from illegal activities (such as fraud, corruption, terrorism, etc.) into other funds or investments which look legitimate to hide or distort the real source of the funds.

The process of money laundering can be divided into 3 sequential stages:

(1) Placement

At this stage, funds are converted into financial instruments like checks, bank accounts, money transfers or can be used for purchasing high-value goods that can be resold. They can also be physically deposited into banks and non-bank institutions (e.g., currency exchangers). To avoid suspicion, the launderer may also make a number of deposits instead of depositing the whole sum at once. This form of placement is called smurfing.

(2) Layering

Funds are transferred or moved to other accounts and other financial instruments. It is performed to disguise the origin and disrupt the indication of the entity that made the multiple financial transactions. Moving funds around and changing their form makes it complicated to trace money laundering.

(3) Integration

Funds get back into circulation as legitimate to purchase goods and services.

ANTI-MONEY LAUNDERING POLICY

DefiXFinance, like the majority of companies providing services in financial markets, adheres to principles of Anti-Money Laundering and actively prevents any actions that aim or facilitate the process of legalization of illegally gained funds. AML policy means preventing the use of the company's services by criminals, with the aim of money laundering, terrorism financing, or other criminal activity.

For this purpose, the Company introduced a strict policy on detection, prevention, and warning of the corresponding bodies of any suspicious activities. Moreover, DefiXFinance has no right to notify Clients that the law enforcement bodies are informed about their activity. A complex electronic system for identifying every Company's Client and conducting a detailed history of all operations was also introduced.

To prevent money laundering, DefiXFinance neither accepts nor pays cash under any circumstances. The Company reserves the right to suspend any Client's operation, which can be regarded as illegal or related to money laundering in the opinion of the Company's staff.

COMPANY'S PROCEDURES

DefiXFinance makes sure that it is dealing with a real person or a legal entity. DefiXFinance also performs all the required measures in accordance with applicable laws and regulations issued by the relevant authorities. AML policy is being fulfilled within DefiXFinance by means of the following:

- Adhering to The Know Your Customer Policy and Due Diligence;
- Monitoring of Client activity;
- Record Keeping.

KNOW YOUR CUSTOMER AND DUE DILIGENCE

Due to the Company's commitment to the AML and KYC policies, each Client of the Company has to finish the verification procedure. Before the Company starts any cooperation with the Client, the Company ensures that satisfactory evidence is produced or such other measures are taken as will produce satisfactory evidence of the identity of any customer or counterparty. The Company as well applies heightened scrutiny to Clients, who are residents of the countries identified by credible sources as countries having inadequate AML standards or may represent a high risk for crime and corruption, and to beneficial owners who reside in and whose funds are sourced from named countries.

INDIVIDUAL CLIENTS

During the process of registration, each Client provides personal information, specifically: full name, date of birth, country of residence, phone number, full address, including city code. In order to meet the Company's requirements for KYC and identity verification and to confirm the indicated information, Clients who are natural persons should provide the following information upon the Company's request:

- A high-resolution copy of the government-issued identification document, which should contain: full name, date of birth, photo, and citizenship, and also, where applicable: confirmation of the document validity (issue and/or expiry date), holder's signature. Such an identification document might be a passport, national ID, driver's license, or similar document. The indicated documents must be valid for at least 6 months from the filing date. The company reserves the right to request certified copies of the indicated documents, and such certification must not be older than 6 months from the filing date. The company reserves the right to request a second form of the identification document.
- A high-resolution copy of a receipt of utility services payment (gas, water, electricity, or other) or bank statement, containing a full client's name and the actual place of residence. These documents should not be older than 3 months from the date of filing.

Both sides of the submitted document are required where applicable (for example, ID or Driver's License). The image of the document must be a colour high-resolution photo or scan copy with no blurs, light reflections, or shadows. Four edges of the document should be visible. All information should be clearly readable, free of any watermarks, etc.

When accepting new Clients during the verification process and documents review, the Company reserves the right to apply other requirements and procedures for the Client's identification. Such procedures are to be determined at the Company's sole discretion and subject to variations depending on the country of residence of the Client, including but not limited to:

- The requirement to verify the bank card used to deposit/withdraw funds;
- The requirement to provide a source of funds, source of wealth, and proof of funds being deposited in a form and manner the Company finds appropriate.

CORPORATE CLIENTS

In case the applicant company is listed on a recognized or approved stock exchange or where there is independent evidence to show that the applicant is a wholly owned subsidiary or subsidiary under the control of such a company, no further steps to verify identity will normally be required. In case the company is unquoted, and none of the principal directors or shareholders already has an account with DefiXFinance, the official provides the following documents because of the requirements of KYC:

- A high-resolution copy of the certificate of incorporation/certificate of registration.
- Extract from Commercial Register, or equivalent document, proving the registration of corporate acts and amendments.
- KYC documents of all officers, directors, and beneficial owners of the corporate entity.
- A high-resolution copy of Memorandum and Articles of Association or equivalent documents duly recorded in the competent registry.
- Evidence of the company's registered address; and the list of shareholders and directors.
- Description and nature of business (including date of commencement of business, products or services provided, principal place of business).

This procedure is performed to establish the Client's identity and help the Company know/understand Clients and their financial dealings to be able to provide the best services of online trading.

DEPOSIT AND WITHDRAWAL REQUIREMENTS

All the Clients' operations to deposit and withdraw funds have the following requirements:

- In the case of a bank transfer or transfer from a bank card, the name indicated during the registration must match the name of the owner of the account/bank card. It is possible to withdraw funds from the account via bank transfer only in the same bank and the same account that was used for depositing;
- In the case of using electronic payment systems, withdrawal of funds from the trading account is possible only in the system and the account used for depositing;
- If the account was credited in a way that cannot be used for funds withdrawal, the funds may be withdrawn to a bank account of the client or any other way may be used, as agreed with the Company, so the Company can prove the identity of the account owner;
- If the account has been credited with funds through various payment systems, funds withdrawal shall be made on a pro rata basis commensurate to the size of each deposit. Any profit gained can be transferred to any account from which the deposit arrived as long as such transfer is possible;
- No deposits and withdrawals to the bank accounts, bank cards, electronic money, or any other kind of payment accounts of third parties are allowed.