**Regulatory Compliance Guide: Synergy Network**

**1. Introduction**

This guide provides an overview of Synergy Network’s approach to regulatory compliance, ensuring adherence to SEC, GDPR, and AML regulations. It outlines the procedures for KYC/AML verification, token classification, and compliance enforcement across jurisdictions.

**2. Token Classification Guide**

**2.1 SYN Token Status**

* The SYN token is classified as a **utility token**, designed for governance, staking, and transactional use within the Synergy Network ecosystem.
* It does not confer equity, dividends, or profit-sharing rights, distinguishing it from securities.
* Legal opinions affirm SYN’s compliance with regulatory frameworks where applicable.

**2.2 SEC Compliance**

* Synergy Network follows the **Howey Test** criteria to ensure SYN is not categorized as a security.
* Regular legal reviews assess evolving regulations and mitigate non-compliance risks.

**3. KYC/AML Verification Flow**

**3.1 Identity Verification Process**

1. **User Registration**: Users must provide personal details, including name, email, and country of residence.
2. **Document Submission**: Users submit government-issued identification and proof of address.
3. **Biometric Verification**: Facial recognition or video verification for high-risk transactions.
4. **Approval or Rejection**: Compliance officers review documents before granting access to regulated services.

**3.2 AML Compliance Measures**

* **Transaction Monitoring**: Automated tools analyze transactions to detect suspicious activity.
* **Suspicious Activity Reporting (SAR)**: Unusual transactions are flagged and reported to regulatory authorities.
* **Sanctions Screening**: Users are screened against global watchlists to prevent illicit financial activities.

**4. Data Protection & GDPR Compliance**

**4.1 User Data Handling**

* **Data Encryption**: Personal data is encrypted to ensure privacy and security.
* **User Consent**: Explicit consent is required before collecting and processing personal data.
* **Right to Erasure**: Users can request the deletion of their personal information in compliance with GDPR regulations.

**4.2 Cross-Border Compliance**

* Data is stored in GDPR-compliant jurisdictions with strict access control policies.
* Third-party service providers must comply with Synergy Network’s privacy standards.

**5. Compliance Enforcement & Audits**

* **Periodic Reviews**: Regular compliance audits ensure adherence to evolving regulations.
* **Legal Advisory Board**: Works with regulators to maintain proactive compliance.
* **User Reporting Mechanisms**: Participants can report compliance violations through official channels.

**6. Conclusion**

Synergy Network remains committed to full regulatory compliance by implementing robust KYC/AML measures, ensuring GDPR-compliant data protection, and maintaining an evolving legal framework. By adhering to international standards, Synergy Network enhances user trust and long-term viability in the blockchain ecosystem.