

AML Policy

CERTA PAYMENTS LTD, a limited company, whose registered office is at 423 Richards Street, Unit 170, Vancouver, British Columbia, V6B 1L4 Canada, (hereinafter referred to as the "Website"), incorporated under the laws of Canada, with registration number BC1368872, being a Money Services Business authorized and regulated by Financial Transactions and Reports Analysis Centre of Canada (hereinafter referred to as the FINTRAC) with license number M2264958 is committed to maintaining effective prevention and detection measures to assist the law enforcement authorities in combating financial crime. Website adopted a rigorous set of policies and procedures to meet Website's legal obligations under the Canadian, EEA, United Kingdom's anti-money laundering and counter terrorist legislation.

Background information

Money laundering is a process, i.e. any action or attempt to commit an action in which money and property (assets) obtained as a result of criminal activity are disguised as coming from a legitimate source. In fact, money laundering is a process in which "dirty money" obtained as a result of criminal activity turns into "clean money", the criminal origin of which is difficult to trace. There are three recognized stages in the process of money laundering.

There are three stages in the process of money laundering:

- Placement involves the placement of proceeds from crime in the financial system.
- Distribution involves the transformation of proceeds of crime into another form and the creation of complex layers of financial transactions to complicate the control trail and hide the source and ownership of the proceeds. tools.
- Integration involves the return of laundered income to the economy. create an idea of legitimacy.

Money laundering begins with the proceeds obtained criminally from the main crime. The main offense includes, but is not limited to, tax evasion, drug trafficking, bribery, fraud, forgery, murder, robbery, counterfeiting, securities manipulation and copyright infringement. A money laundering offence may include property or income derived from illegal activities that took place outside of Canada.

What is terrorist financing? Under Canadian law, terrorist activity financing is when you knowingly collect or provide property, such as funds, either directly or indirectly, to terrorists. The main objective of terrorist activity is to intimidate a population or compel a government to do something. Terrorists need financial support to carry out terrorist activities and achieve their goals. Many of the techniques used to perform money laundering are also used within terrorist financing, including, but not limited to obscuring the direction of funds and the use of third parties. They need to disguise their money as coming from another source and put it into a form that cannot be easily traced so that it is useable.

1. Main Objectives

a) Clients' identities are satisfactorily verified in accordance with the firm's risk based approach before Website does business with them

Website knows its clients and understands their reasons for doing business with us both at the client acceptance stage and throughout the business relationship

c) Our staff are trained and made aware of both their personal legal obligations and the legal obligations of Website

d) Our staff is trained to be vigilant for activities where there are reasonable grounds for suspicion that money laundering could be taking place and to make the reports to the Compliance Officer

e) Sufficient records are kept for the required period

f) We establish, maintain and implement appropriate procedures to achieve these objectives

2. General Principles

a) Anti-Money Laundering Policies

Website has implemented policies, procedures and controls aimed at deterring criminals from using Website for the laundering of proceeds of crime. These policies and procedures are tailored to the risk posed by individual clients, in accordance with the JMLSG.

b) Customer Due Diligence ('CDD')

Website has established Customer Due Diligence procedures to identify the users of its services and, in relation to higher-risk clients, the principal beneficial owners and origins of funds. These procedures include knowing the nature of our clients' businesses and being alert to abnormal transactions.

In summary, Website has adopted its CDD policies in order to successfully carry out the following:

- identification and verification of the applicant for business;
- identification and verification of the beneficial owner, where applicable;
- identification and verification when the applicant for business does not act as principal;
- obtaining information on the purpose and intended nature of the business relationship;
- conducting ongoing monitoring of the business relationship;
- establishing the source of wealth and source of funds;
- setting up of a customer acceptance policy and ensuring that the applicant for business meets the requirements set out in such policy;
- Website is strictly prohibited from keeping anonymous accounts or accounts in fictitious names.

c) Suspicious Transactions

Unexplained or abnormal transactions or activities that are suspected of being linked to criminal activity will be reported to the Compliance Officer in writing without delay, who will determine whether to report the suspicions to FINTRAC.

d) Training

All personnel must be informed of their individual and collective responsibilities and Website's anti- money laundering policies. Personnel are provided with training to enable them to understand the vulnerabilities of Website's business and to recognize and report suspicious activities.

e) Record-Keeping

Website keeps records of who has been trained and the timing and form of training sessions. We retain all records verifying the identity of our clients for at least 5 years following the end of the business relationship. We also retain the records of any internal reports of suspicion submitted to the Compliance Officer and any disclosures made to FINTRAC.

3. Our Responsibilities

All Money Services Businesses (MSBs) in Canada are reporting entities in accordance with the Law and are required to:

- Develop a compliance program to ensure compliance with reporting, record keeping and customer identification requirements;
- Follow customer identification rules and keep specific records regarding specific transactions;
- Report suspicious transactions, large cash transactions and information related to terrorist property to FINTRAC

4. Risk based approach

What is risk? - Risk can be defined as the likelihood of an event and its consequences. In simple terms, risk can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result from such an occurrence. In the context of money laundering/terrorist financing (ML/TF), risk means:

- At the national level: threats and vulnerabilities presented by ML/TF that put at risk the integrity of Canada's financial system and the safety and security of Canadians.
- At the Company level: threats and vulnerabilities that put the Company at risk of being used to facilitate ML/TF

All clients default to low risk, UNLESS risk factors are present such as; Automatic high-risk characteristics – if any of the flags below are present the client is high risk.

- Politically exposed person
- A client where a suspicious transaction, terrorist financing report has been filed
- A client who is an identified terrorist
- A client for whom we are unable to obtain beneficial ownership information
- A client from high-risk country

Client characteristics, product, service, delivery channel:

- Politically exposed person, head of international organization and close associates;
- Unknown source of funds;
- Large transaction (ETF) orders from/to high-risk foreign jurisdictions;
- Third party involvement without reasonable justification;
- Occupation – High-risk occupations (e.g., cash intensive businesses, offshore business, business in high-risk countries, online gambling);
- Client’s business structure or transactions seems unusually complex;
- Non face-to-face client identification without justifiable reason.

Geography:

- Client resides outside local or normal client area;
- Client resides in known crime area;
- Client has offshore business activities, client connections to high-risk countries.

Other suspicious transaction indicators:

- Volume/timing/complexity of transactions inconsistent with the client’s personal/business activity and/or purpose of the services/account;
- Value of deposits/transfers inconsistent with occupation or source of funds;
- Presence of any suspicious transaction indicators outlined in Part A “Background information” section

5. Indicators of suspicious transactions or potential high-risk clients

The following are some samples of some general and industry-specific indicators that might lead you to have reasonable grounds to suspect that a transaction is related to a money laundering or terrorist activity financing offence. The presence of one or more of these factors does not indicate the transaction is suspicious and reportable to FINTRAC, but that a deeper look should be taken.

General indicators. The following are a few examples of general indicators that might lead us to suspect that a transaction is related to a money laundering or terrorist activity financing offence. It will not be just one of these factors alone, but a combination of several factors in conjunction with what is normal and reasonable in the circumstances of the transaction or attempted transaction.

- Client admits to or makes statements about involvement in criminal activities;
- Client refuses or tries to avoid providing information required, or provides information that is misleading, vague, or difficult to verify;
- Client produces seemingly false documentation that appears to be counterfeited, altered or inaccurate;
- Client appears to have accounts with several financial institutions in one area for no apparent reason; • Client repeatedly uses an address but frequently changes the name involved;
- Client shows uncommon curiosity about internal controls and systems;
- Client presents confusing details about the transaction;
- Client makes inquiries that would indicate a desire to avoid reporting;
- Client is involved in unusual activity for that individual or business;
- Client presents confusing details about the transaction or knows few details about its purpose;
- Client seems very familiar with money laundering or terrorist activity financing issues;

- Client refuses to produce personal identification documents;
- Client frequently travels to a high-risk country.

Industry specific examples

- Client requests a transaction at a foreign exchange rate that exceeds the posted rate.
- Client wants to pay transaction fees that exceed the posted fees.
- Client exchanges currency and requests the largest possible denomination bills in a foreign currency.
- Client knows little about address and contact details for payee, is reluctant to disclose this information, or requests a bearer instrument.
- Client wants a cheque issued in the same currency to replace the one being cashed.
- Client wants cash converted to a cheque and you are not normally involved in issuing cheques.
- Client wants to exchange cash for numerous postal money orders in small amounts for numerous other parties.
- Client enters into transactions with counter parties in locations that are unusual for the client.
- Client instructs that funds are to be picked up by a third party on behalf of the payee.
- Client makes large purchases of traveler's cheques not consistent with known travel plans.
- Client makes purchases of money orders in large volumes.

6. Restricted Activities and Clients

To mitigate and control ML risk related to client, Website does not provide services and refuse account opening for the following clients with unacceptable risk level:

- 1) Private individuals with the following personal and/or business activity
 - a) information of the negative nature is available about the client, which indicates their possible relation to the proceeds of crime or laundering or terrorism if the information is received from trusted sources, such as World Check and public authorities websites;
 - b) client funds have previously been frozen or arrested in connection with suspected criminal activity;
 - c) reinsurance services, when the service provider is not properly licensed and there is a lack of supervision of the service provider;
 - d) the client is trying to avoid the provision of information or is trying to hide their economic activity;
 - e) trafficking in arms and ammunition;
 - f) economic activity, that has to be registered in the legal entity form;
 - g) unlicensed foreign currency exchange intermediary services (such as forex dealers, Binary options), as well as other unlicensed investment services; h. client's transactions or payments are complex, unusually large for the customer's economic or personal activity or are unclear in terms of their legal and economic objective;
 - h) Escort services organisation / activities and / or distribution of erotic / pornographic videos and pictures and other related services;
 - i) Cash collection services;
 - j) Debt recovery services provider;
 - k) Drugs, vitamins and nutritional supplements distribution; m. Detective services provider;

- l) Direct marketing services provider;
- m) Pyramid schemes;
- n) Telemarketing;
- o) Pawnshop services provider;
- p) Auctions and related services provider;
- q) Tobacco and alcohol products distribution.

2) Legal persons with the following personal and/or business activity:

- a. the client is trying to avoid the provision of information or is trying to hide their economic activity;
- b. information of the negative nature is available about the client, which indicates their possible relation to the proceeds of crime or laundering or terrorism if the information is received from trusted sources, such as World Check and public authorities websites;
- c. client funds have previously been frozen or arrested in connection with suspected criminal activity;
- d. reinsurance services, when the service provider is not properly licensed and there is a lack of supervision of the service provider;
- e. trafficking in arms and ammunition;
- f. investment services and investment ancillary services, when the service provider is not properly licensed in the European Economic Area or in another country, where the legislative requirements of anti-money laundering and terrorism financing are equivalent to the European Union legislation;
- g. legal entities, which are recognized as shell companies;
- h. unlicensed gambling services organization;
- i. the reason for the client's legal entity's establishment is unclear and the client's economic objectives are vague and ambiguous;
- j. unlicensed foreign currency exchange intermediary services (such as forex dealers, Binary options);
- k. client's transactions or payments are complex, unusually large for the customer's economic or personal activity or are unclear in terms of their legal and economic objective;
- l. Escort services organisation / activities and / or distribution of erotic / pornographic videos and pictures and other related services;
- m. Cash collection services;
- n. Debt recovery services provider;
- o. Drugs, vitamins and nutritional supplements distribution;
- p. Detective services provider;
- q. Direct marketing services provider;
- r. Pyramid schemes;
- s. Telemarketing;
- t. Pawnshop services provider;
- u. Auctions and related services provider;
- v. Tobacco and alcohol products distribution

In accordance with internal AML Procedure has clients of two risk categories, i.e., low risk clients and high risk clients. For high risk client EDD must be performed

A high-risk client is someone:

- a) who is politically exposed person, his/her family member or a close associate;
- b) with whom financial claims and either arising out of or related obligations exceed 10 000 \$ CAD;
- c) who has a prior criminal record known to Website.

7. Sanctions

Website is prohibited from transacting with individuals, companies and countries that are on prescribed Sanctions lists. Website will therefore screen against the relevant sanctions lists in the jurisdictions in which we operate.

Website has no AML Risk Appetite for establishing or maintaining a customer or a counterparty relationship with a natural person or legal entity designated on any of the below lists or where otherwise prohibited by applicable law or regulation:

- sanction lists administered by the United States Office of Foreign Assets Control (OFAC),
- the Canadian Government Sanctions List/s;
- the United Nations Security Council Sanctions List (UN);
- the Consolidated List of European Union Financial Sanctions (EU);
- including the List of Specially Designated Nationals and Blocked Persons;
- any other sanctions list.

In addition, Website pays particular attention to entities from countries which are on the list of noncooperative countries and territories drawn up by the Financial Action Task Force (FATF) and to monetary operations or transactions performed by or on behalf of them.

8. List of Non-serviced Countries

Website does not open accounts and does not provide services to clients from the following countries:

Islamic Republic of Afghanistan AF
Republic of Angola AO
Bosnia and Herzegovina BA
Republic of Botswana BG
Commonwealth of The Bahamas BS
Kingdom of Cambodia CM
Republic of Burundi BI
Democratic Republic of the Congo CD
Central African Republic CF
Republic of the Congo CG
People's Democratic Republic of Algeria DZ
Republic of Ecuador EC
State of Eritrea ER
Federal Democratic Republic of Ethiopia ET
Republic of Ghana GH
Republic of Guinea GN
Republic of Guinea-Bissau GW
Co-operative Republic of Guyana GY
Republic of Haiti HT

Republic of Iraq IQ
Islamic Republic of Iran IR
Japan JP Republic of Kenya KE
Democratic People's Republic of Korea KP
Lebanese Republic LB
Republic of Liberia LR
Libya LY
Republic of the Union of Myanmar MM
Federal Republic of Nigeria NG
Islamic Republic of Pakistan PK
Republic of Serbia RS
Russian Federation RU
Republic of the Sudan SD
Democratic Socialist Republic of Sri Lanka SL
Federal Republic of Somalia SO
Republic of South Sudan SS
Syrian Arab Republic SY
Republic of Tunisia TN
Republic of Trinidad and Tobago TT
Republic of Uganda UG
United States of America US
Republic of Vanuatu VU
Bolivarian Republic of Venezuela VE
Republic of Yemen YE
Republic of Zimbabwe ZW

9. Monitoring for suspicious activity

Website AML policy includes customer's and beneficial owner's due diligence and ongoing AML monitoring and AML reporting policies. At various points in time, Website may request information regarding the transactions carried out through the customer's account opened at Website and the parties of the respective payment. If the customer may not respond sufficiently or within a timely manner Website also reserves the right to reject any respective payments subject to the requirements of the applicable AML laws and regulations.