

FinWhaleX

Rules of Internal Control Regarding Prevention of Money Laundering and Financing of Terrorism

1. General Provisions

1. The current AML policy has been developed in accordance with the applicable legislation of the Singapore.
2. The AML policy is a set of internal rules and regulations that is used by the Company in order to check and reveal documentation and information regarding its operation that is under obligatory control, and other operations with money or property that may be in any way connected to money legalisation (money laundering) or finance of terrorism, and the provision of such information to the state authorities.
3. The AML policy is a document that regulates the organisation of activity regarding the prevention of legalisation of illegally obtained funds (money laundering) and the financing of terrorism; sets the obligations and obligatory procedures for the employees regarding internal control;
4. The company is providing the cryptoassets services and operates as a financial institution in accordance with the applicable laws of Singapore.

2. Organizational Basis for the Control Methods

1. In order to adequately implement the current policy, considering the volume of Clients and associated risk levels, the company has formed a separate group, including a member of the board, the head accountant and the head of the legal department.
2. All subsidiaries and structural parts are accountable before the authorized group in the field of suspicious transactions. All matters regarding initial Client identification are handled by the corresponding structural parts of the company.

3. Implementation of Control Methods

1. Control methods are used in order to identify the Clients and assess the risks during the initiation of commercial relationships with the client and during such relationships.
2. Control methods are used for the purpose of money laundering prevention.
3. The company shall gather and process data only for the purposes stated in this policy and shall not use the gathered data for any other purpose or disclose it to third parties unless obligated to do that by law.

4. Client and Their Associated Persons Identification Program

1. The initial identification of the Client is made on the basis of the provided Client identification documents.
2. Regarding the physical persons we confirm the required identification information and if the said person is a state official. We also make reasonable effort to control the accuracy of provided data.
3. Regarding the legal persons we confirm the required company information including the identity of the beneficiaries.

We use only official sources to check the provided information, such as state registries or foreign representatives. Other sources may be used if there is no doubt regarding their accuracy and competence.

The review of information is made by the use of public registries and databases or by sending inquiries to the state authorities.

All the provided information is gathered and carefully studied to reveal whether the company has any subsidiaries, representatives or is in any way connected to countries that do not cooperate in the field of international opposition to money laundering and finance of terrorism, or if those states are considered to be low tax jurisdictions.

Only an authorised legal representative may register a legal entity on our platform. The authorised representative must provide sufficient documentation proving his authority to represent the legal person.

5. Risk Evaluation

1. Any Client and his planned transaction are evaluated regarding the risk factor of money laundering and finance of terrorism.
2. During the risk evaluation the Client is given the risk status, from lowest to highest, by the means of evaluating the risk factors.
3. If the risk is considered high, we retain the right to deny cooperation and provision of services.

6. Commercial Relationship with the Client

1. Any commercial relationship with the Client is initiated only after the Client agreed to act in accordance with the present AML policy.
2. Should there be a representative between a physical or legal person, the company is to ensure that there is actual contact between the Client and the representative.

7. Actions in Case of Suspicions Regarding Money Laundering and Obligation to Provide Information

1. Should there be any suspicion before the initiation of commercial relationship or during the use of control methods, that the transactions

may be connected to money laundering or finance of terrorism, further cooperation is impossible.

2. Should the denial to perform the transaction result in damages to the Client or the arrest of a person suspected in money laundering or terrorism, the transaction may be delayed or performed on the condition that the Financial Inspection is informed\ without delay.

8. Correspondence Exchange

1. Should it be deemed by the management to be necessary to implement the control method, a correspondence exchange with third parties may be initiated, including banks and other financial institutions, should that allow to gather more accurate information.
2. The correspondence exchange must be drawn up in the form of a two-way agreement, including the control methods used.

9. Information Recording Program

1. Information recording program sets the obligation for the company employee who performed the transaction to draw up an internal document containing all the specifics of the transaction.

10. Transaction Denial Program

1. If the Client, despite his obligation, did not present the required documentation in accordance with the control methods, the applicable legislation, and this policy, the Client will be denied in the performance of the transaction.
2. The decision regarding the denial to perform the transaction may be reversed if the Client provides the required information and documents.

11. Company Employees Training Program

1. The program regarding the training of employees in the field of Anti Money Laundering Legislation and Prevention of the finance of terrorism is made in accordance to the applicable legislation and includes proper instructions for the employee regarding the control methods and information analysis. Any employee must be properly instructed by the authorised workers during the period of a month from the start of employment.

12. Internal Control Review Program

1. The internal control review program ensures that the employees and members of the company abide by the provisions of the applicable legislation in the field of income legalisation obtained by illegal means and the finance of terrorism. The program ensures that the employees

abide by internal company rules and regulations in the field of internal control.

13. Document Maintenance Program

1. All documents connected to the Client identification procedure as well as all the information regarding the start of commercial cooperation must be maintained in the company archive for no less than 5 years.
2. All documents that became the reason for notifying the state authorities must be maintained for no less than 5 years.