



ciX

KYC & AML

Policy



KYC and AML Policy

It is the policy of Open Investment Exchange (OiX) to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements under the Bank Secrecy Act 1970 (BSA) and its implementing regulations.

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and

personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

Our AML policies, procedures and internal controls are designed to ensure compliance with all applicable BSA regulations and FINRA rules and will be reviewed and updated on a regular basis to ensure appropriate policies, procedures and internal controls are in place to account for both changes in regulations and changes in our business.

Simplified Due Diligence

Simplified due diligence will be performed on those customers who choose to deposit less than \$US 2,000.

Simplified due diligence will include electronic name check.

TCO will conduct a number of electronic checks, including Peps and Sanctions. We may use one of these services or equivalent for the purpose of KYC.

- Identity Mind Global
- World check
- Trulioo
- GBG

Applicant's names that are drawn on an electronic check may be requested to provide additional data and documentation.

Simplified DD will be also performed on all customers upon deposits..

Standard Due Diligence

Standard due diligence will be performed on those customers who choose to deposit more than \$US 2,000. Standard DD will be performed only after Token Sale is complete. The standard due diligence requirement is to provide ID & address verification documentation that

matches the name and details on the applicant, is in date government issued (for ID) and can be independently verified. Address verification should be issues within 6 months.

Enhanced Due diligence

On some occasions, certain applicant segments or applicants may be required to undergo an EDD procedure, to meet this requirement they will be required to provide additional documents e.g. if a Passport has already been provided then a Driving License or national ID card.