

Anti-Money Laundering & KYC Requirements

Table of Contents

1. Our Commitment to Combating Money Laundering and Terrorist Financing.....	3
2. Our Obligation to perform KYC and Due Diligence Procedures to our clients.....	3
3. Record Keeping.....	5

1. Our Commitment to Combating Money Laundering and Terrorist Financing

At Payward Europe Digital Solutions (CY) Limited (the “Company”, “we” and “our”), we are committed to preventing and detecting Money Laundering and Terrorist Financing, as per all current Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) obligations under:

- The Cyprus Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 (AML Law 188(I)/2007) as amended;
- The 4th AML Directive (EU) 2015/849;
- The 5th AML Directive (EU) 2018/843 amending the 4th AML Directive and Directive (EU) 2018/1673 on combating Money Laundering by criminal law, that complements and reinforces the application of the 4th AML Directive;
- Directive (EU) 2024/1640 amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849;
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- Regulation (EU) 2024/1624 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, from its date of application;
- The restrictive measures (sanctions) adopted by the Council of the European Union and the United Nations Security Council, and the Cypriot legislation implementing them;
- The Cyprus Securities and Exchange Commission “CySEC” Directive regarding the prevention and suppression of money laundering and terrorist financing, as amended from time to time; and
- Any other form of regulatory guidance issued by the Cyprus Securities and Exchange Commission “CySEC” in the form of Directives, Guidelines and Circulars.

The Company fully acknowledges that its products and services may potentially be at risk from individuals or groups seeking to launder criminal proceeds or facilitate funds designated for the financing of terrorism. As such, the Company is committed to fostering a compliance culture across the firm, emphasising the importance of preventing Money Laundering and Terrorist Financing. We are committed to prevent any Money Laundering activities through our services and as such, we comply with regulatory requirements such as:

1. Identifying our clients (KYC/Due Diligence Procedures).
2. Monitoring our business relationships on an ongoing basis, including periodically updating the information and documents we hold about our clients.
3. Screening our clients and their transactions against applicable sanctions lists and identifying politically exposed persons (PEPs).
4. Identifying, monitoring, and reporting any kind of suspicious transactions both internally and to the competent authorities (the Unit for Combating Money Laundering “MOKAS”, the Financial Intelligence Unit of Cyprus, if deemed necessary).
5. Maintaining transaction records and client data for as long as we are obliged under our regulatory obligations.

2. Our Obligation to perform KYC and Due Diligence Procedures to our clients

The purpose of this document is to outline the procedures we are obliged to follow and the Know your Client “KYC” documentation we need to collect under our regulatory obligations and our Anti Money Laundering and Counter Terrorist Financing culture.

We are a regulated Cyprus Investment Firm (CIF) (Licence Number 342/17) and as such, we are required by our regulatory obligations to collect and validate proof of identification from our customers, prior to establishing a business relation. We need to know our customers and who's using our services.

The Company reserves the right to refuse to open an account or process a transfer of funds at any stage for a client, if it suspects it is connected in any way to Money Laundering, Terrorist Financing or any other criminal activity. The Company may also restrict, suspend or terminate an existing business relationship where it is unable to complete its due diligence measures, including where a client does not provide information or documents requested. In certain circumstances, the Company reserves the right not to disclose the reasons for such action.

We need to verify our customers' identity and assess the risk profile of our customers. To complete our due diligence, the customer's ID and a Proof of Address ("POA") may be requested. This could include requesting a copy or image of the customer's government issued ID (or equivalent) and the POA and/or by performing electronic Know Your Customer ("KYC") checks using methods that meet CySEC's requirements for non-face-to-face onboarding. The Company has implemented a risk based approach to mitigate ML/TF risks and will conduct distinct levels of due diligence depending on the outcome of each customer's risk assessment (i.e. low, medium, or high risk), depending on various risk factors. Additional due diligence measures may be applied. These shall involve requesting supplementary identification documents and/or proof of address for verification, along with further inquiries into the client's source of wealth and source of funds.

As part of our due diligence, we will ask whether you, a member of your family or a close associate are or have been a politically exposed person (PEP). We are also required to keep the information we hold about you up to date and may periodically ask you to confirm or update your information and documents. You must inform us promptly of any change to the information you have provided to us. If you do not provide the information or documents we request, we may be required to restrict or terminate our services to you.

Types of documents we accept:

A. A valid Government issued ID document (that should include full name, date of birth and photo ID) that can be one of the below (non-exhaustive list):

- Passport
- National Identity Card
- Driver's license
- Residence permit

Note that in certain cases depending on our regulatory obligations, a passport may be mandatory. Identification documents must be valid and not expired.

B. A valid Proof of Address to confirm the customer's residency

Acceptable documents may include:

- a utility bill (e.g. landline telephone, TV, electricity, water or gas);
- a bank statement or bank reference letter;
- a residence certificate issued by a public authority; or
- a stamped and signed tenancy agreement.

The POA:

- Must be less than six months old
- Must show name and residential address (PO Boxes will not be accepted)
- Must match the name and residential address declared during the application

Where applicable, the Company may verify your address electronically instead of requesting a document.

Note: For clients that are legal entities, other documentation requirements apply that are clearly communicated to the client during onboarding. The Company will collect documentation in order to validate the Good Standing of the legal entity to be onboarded, as well as to identify all of its Directors and Ultimate Beneficial Owners (UBOs).

3. Record Keeping

We are required to prepare and retain records related to Anti Money Laundering and Counter-Terrorist Financing, (including KYC documentation) during the length of the business relationship, as well as for at least 5 years after the end of the business relationship with the client, or for a longer period where required by law or by a competent authority.

Personal data collected for AML/CFT purposes is processed solely for the prevention of money laundering and terrorist financing, on the basis of our legal obligations, and in accordance with our Privacy Notice and applicable data protection legislation, including Regulation (EU) 2016/679 and Law 125(I)/2018.