

**ANTI-MONEY LAUNDERING («AML») AND KNOW YOUR CUSTOMER («KYC»)**  
**POLICY OF the Serenity Financial OÜ («The Company»)**

**Application of Act**

Serenity Financial OÜ have adopted an Anti-Money Laundering and Know Your Customer compliance policy ("Policy") is intended to prevent and reduce possible risks of Serenity Financial OÜ within the framework of the exchange service *Serenitypay.io*, be involved in any illegal activity.

In accordance with international and local regulations, Serenity Financial OÜ implements effective internal procedures and mechanisms to prevent money laundering, terrorist financing, drug and human trafficking, proliferation of weapons of mass destruction, corruption and bribery, and respond to any form of suspicious activity on the part of its its Clients.

**AML is based on the following regulations:**

- Regulation (EU) 2015/847
- 5th anti-money laundering Directive ((EU) 2018/843)
- Money Laundering and Terrorist Financing Prevention Act
- FATF standards

**The policy includes the following:**

- Management and assessment of risks;
- Due diligence measures;
- Verification Procedure;
- Transaction Monitoring;
- Compliance officer or responsible for compliance with the AML Policy.

**Disclaimer**

This policy applies to all relations with all customers regardless of the volume and amount of transactions. Residents of below mentioned jurisdictions shall not be accepted as customers:  
USA,CAN,AUS,JPN,IMN,JEY,CHE,MLT,GIB,LUX,MYS,PHL,THA,MEX,IND,CHN,KHM,MKD,BOL,COL,ECU,DZA,EGY,MAR,NPL,ARE,VNM,QAT,SAU,KWT,JOR,BGD,MAC,KGZ,AFG,CAF,COD,CUB,IRN,IRQ,LBN,LBY,MLI,MMR,PAK,PRK,PSE,SDN,SOM,SSD,SYR,VEN,YEM,ZWE, TTO, BHS, MNG, GHA.

**Management and assessment of risks relating to money laundering and terrorist financing**

(1) For the purpose of identification, assessment and analysis of risks of money laundering and terrorist financing the Serenity Financial OÜ entities prepare a risk assessment, taking account of at least the following risk categories:

- 1) risks relating to customers;
- 2) risks relating to countries, geographic areas or jurisdictions;
- 3) risks relating to products, services or transactions;
- 4) risk relating to communication, mediation or products, services, transactions or delivery channels between the obliged entity and customers.

## **Risk assessment**

In accordance with international requirements, Serenity Financial OÜ applies a risk-based approach to combat money laundering and terrorist financing. Thus, measures to prevent money laundering and terrorist financing are commensurate with the identified risks. This allows you to allocate resources efficiently: they are used in accordance with priorities, with the greatest attention paid to the greatest risks.

## **Due diligence measures**

### **Obligation to apply due diligence measures**

(1) Serenity Financial OÜ applies due diligence measures:

- 1) upon establishment of a business relationship;
- 2) upon making or mediating occasional transactions outside a business relationship where a cash payment of over 15 000 euros or an equal amount in another currency is made, regardless of whether the financial obligation is performed in the transaction in a lump sum or in several related payments over a period of up to one year, unless otherwise provided by law;
- 3) upon verification of information gathered while applying due diligence measures or in the case of doubts as to the sufficiency or truthfulness of the documents or data gathered earlier while updating the relevant data;
- 4) upon suspicion of money laundering or terrorist financing, regardless of any derogations, exceptions or limits.

### **Due diligence measures**

(1) Serenity Financial OÜ applies the following due diligence measures:

- 1) identification of the User participating in the transaction, verification of the information provided based on information obtained from a reliable and independent source, including using electronic identification tools and services for electronic transactions;
- 2) identification of the beneficial owner and, in order to verify his identity, taking measures to the extent that the obligated person must make sure that he knows who the beneficial owner is and understand the ownership and control structure of the client or person involved in a random transaction;
- 3) if there is open information that a person is a politically significant person, a member of their family, or a person who is known to be a close person;
- 4) monitoring of business relations.

### **Conditions of application of simplified due diligence measures**

Application of simplified due diligence measures is possible provided the total value of incoming and outgoing payments in transactions made in the framework of the business relationship does not exceed 15 000 euros a year.

The company independently determines the amount and sufficiency of information and data when carrying out simplified due diligence measures for customers with low risk.

## **Verifying information**

Before any client can access and use Serenity Financial OÜ services, it is necessary to register in the Serenitypay.io exchange service and carry out the identification procedure

for such a client.

### **Identification of person**

- When registering and identifying an individual, the Company requests the following data:
- E-mail address;
- telephone number;
- identification. Passport, national ID, driver's license (the validity of these documents must be more than one month);
- confirmation of address. To confirm the address, the following documents can be submitted: bank statement, utility bill, invoice from the company supplying gas / electricity (the submitted documents must be no older than three months on the date of verification and must contain the name and current address of the client);

(2) In order to use the Serenitypay.io service for the exchange of cryptocurrencies a payment card is verified (verified), which includes the identification of the payment card holder with the proof ID (card validity period, name and surname of the card holder).

(3) Identification and verification of a bank card occurs using information technology.

Serenity Financial OÜ customer verification is carried out by an independent SumSub service (<https://sumsub.com>).

Sum & Substance, an automatic identifier verification solution used by financial institutions and many other service providers that require trust. Sum & Substance allows us to digitize the registration process of our customers, combating fraud and abiding by the rules and obligations of KYC / AML.

### **Identification of legal entity**

(1) Identifiable legal entity is registered in Estonia, a branch of a foreign company is registered in Estonia and is a foreign legal entity. The list of requested documents may vary depending on the jurisdiction in which the legal entity is registered.

- the name or business name of the legal entity;
- the registry code or registration number and the date of registration;
- the names of the director, members of the management board or other body replacing the management board, and their authorisation in representing the legal entity;
- the details of the telecommunications of the legal entity.

(2) A document confirming the authority of a person acting on behalf of a legal entity. In this case, an extract from the register may play a role from which the names of directors are visible, the charter of the company, from which the powers of directors are visible, a power of attorney. The document must contain credential information and the expiration date of the credential. List of beneficiaries - a document from which it can be concluded about the structure of the company and its beneficiaries. For beneficiaries with 25% or more, KYC is distributed to individuals. In relation to others, enough source data from the registry of extracts.

(3) If the total amount of payments on operations exceeds 15,000 euros, or, in the case of a client who is a legal entity, 25,000 euros, then the Company has the right to ask the User to participate in the video identification procedure, which includes a record of appearance and voice.

(4)The Company has the right to request from the Client additional information and / or documents related to the Client or the operations performed by him. The Company has the right to require that the submitted copies of documents be approved by a notary and / or translated into at least one of the languages acceptable to the Company. All documents and information are compiled and provided at the expense of the Client.

The client receives notifications to the email address provided during registration.

(5)The legal grounds for collecting and processing this personal data are the fulfillment of our contract with you and our legal obligation to comply with Regulation (EU) 2015/847 and the Estonian Anti-Money Laundering and Terrorist Financing Act.

(6)If the client either refuses to provide the above information upon request, or, apparently, intentionally provided misleading information, Serenity Financial OÜ will reject the application and notify the compliance Officer for further actions.

## **Monitoring**

### **Monitoring of business relationship**

(1) Serenity Financial OÜ establishes principles for monitoring a business relationship established in economic or professional activities (hereinafter monitoring of business relationship).

(2) The monitoring of a business relationship must include at least the following:

1) checking of transactions made in a business relationship;

2) if necessary, the responsible officer updates relevant documents, data or information collected during the application of due diligence measures;

3) in economic or professional activities, paying more attention to transactions made in the business relationship, the activities of the customer and circumstances that refer to a criminal activity, money laundering or terrorist financing or that a likely to be linked with money laundering or terrorist financing, including to complex, high-value and unusual transactions and transaction patterns that do not have a reasonable or visible economic or lawful purpose or that are not characteristic of the given business specifics;

5) in economic or professional activities, paying more attention to the business relationship or transaction whereby the customer is from a high-risk third country or a country or territory.

The above list is not exhaustive. The AML compliance Officer monitors Users' transactions on a daily basis to determine if they should be reported and considered suspicious.

### **Compliance officer**

(1)Serenity Financial OÜ has a compliance officer whose responsibility is to ensure effective implementation and enforcement of the Policy. It is the responsibility of this specialist to monitor all aspects of Serenity Financial OÜ activities to counteract the legalization of criminally obtained income and the financing of terrorism, including, but not limited to, the actions listed above. The compliance officer has the right to interact with law enforcement agencies that are involved in preventing money laundering, terrorist financing, and other illegal activities.

In addition, the compliance officer is responsible for updating the Policy as necessary;

(2)Where the obliged entity identifies in economic or professional activities, a

professional act or provision of a professional service an activity or facts whose characteristics refer to the use of criminal proceeds or terrorist financing or to the commission of related offences or an attempt thereof or with regard to which the obliged entity suspects or knows that it constitutes money laundering or terrorist financing or the commission of related offences, the obliged entity must report it to the Financial Intelligence Unit immediately, but not later than within two working days after identifying the activity or facts or after getting the suspicion.

### **Denial of Service**

#### **The Company does not provide Services if:**

- in countries subject to financial sanctions imposed by Estonia and in accordance with the recommendations of the FATF.
- The client should not be a resident of any country where Serenity Financial OÜ does not provide the Company Services.
- Serenity Financial OÜ may change its list of non-serviced countries from time to time without prior notice.
- have not previously been suspended or removed from the use of the services of Serenity Financial OÜ.
- have all the authority and authority to enter into this agreement, and this will not violate any other agreements to which you are a party.
- will not use the Company Services if any applicable laws in the client country prohibit doing so in accordance with this Agreement.