

KYC AND RISK ASSESSMENT

In the user due diligence process, Kryptonx OU shall perform a KYC for every:

1. User – a natural or legal person;
2. Representative of the User – an individual who is authorized to act on behalf of the User;
3. Beneficial Owner of the User;
4. Politically exposed person (“PEP”) or a person connected with the PEP.
5. During the registration procedure, every user must provide to Kryptonx OU with several personal information and documents, which Kryptonx OU need to establish a portfolio of the user and access the risk, connected to it.

NATURAL PERSON NEEDS TO PROVIDE AT LEAST:

1. First name, last name;
2. Date of birth, place of birth;
3. Home address;
4. Phone number and email;
5. Government issued ID document (both sides);
6. Selfie with ID document;
7. Proof of residence (utility bill or similar);
8. Bank account details;
9. Video conference;
10. Other information and documents on the request of Kryptonx OU.

LEGAL PERSON NEEDS TO PROVIDE AT LEAST:

1. Business name of the legal person;
2. Registry code or registration number and the date of registration;
3. ID of the shareholders (same as for the natural person identification),
4. ID of the director(s) and/or members of the management board (same as for the natural person identification),
5. ID’s of the representatives (same as for the natural person identification);
6. Proof of the registered office/seat;
7. ID’s of the beneficial owners (same as for the natural person identification);
8. Bank statement;
9. Proof of representation;

10. Articles of association;
11. Other information and documents on the request of Kryptonx OU.

RISK LEVELS

The risk is divided to **3 LEVELS**:

NORMAL/ LOW

The risk level is normal, there are no high risk characteristics present.

HIGH 1

1. User is from high risk country.
2. User is local PEP or a person. Associated with a PEP.
3. The legal person's area of activity is associated with enhanced money-laundering risk.
4. The legal person is situated in a country, which is listed in the list of risk countries.
5. The legal person's activities and liability are insufficiently regulated by law, and the legality of financing of which is not easy to screen.
6. The representative or the Beneficial Owner / Shareholder of a legal person is a local PEP or his / her family member.

HIGH 2

1. User is suspected to be or to have been linked with a financial offence or other suspicious activities.
2. User is a non-resident individual, whose place of residence or activities is in a country, which is listed in the list of risk countries.
3. The representative or the Beneficial Owner / Shareholders of a legal person is a PEP or his or her family member
4. There is information that legal person is suspected to be or to have been linked with a financial offence or other suspicious activities
6. A legal person registered outside the European Economic Area, whose field of business is associated with a high risk of Money Laundering, or registered in a low tax rate country.

RISK CATEGORIES

RISK BY USERS:

Suspicious facts such as but not limited to the:

1. Discrepancies in provided id documents.
2. Fictitious person, stolen identity, counterfeited id document.
3. Post box home address.
4. Pervious financial crime record, terrorist record, wanted person.
5. No contact phone number, not valid documents, discrepancies in provided documents for the legal person, etc.

Politically exposed persons such as but not limited to the:

1. Prominent public functions: head of state, head of government, minister and deputy or assistant minister.
2. Member of parliament or of a similar legislative body, a member of a governing body of a political party.
3. Member of a supreme court, a member of a court of auditors or of the board of a central bank; an ambassador and a high-ranking officer in the armed forces; a member of an administrative, management or supervisory body of a state-owned enterprise;
4. Director, deputy director and member of the board or equivalent function of an international organisation, except middle-ranking or more junior officials.

RISK BY COUNTRIES:

Country of residence / nationality is a country with prohibition/restriction on cryptocurrencies such as but not limited to: Afghanistan, Algeria, American Samoa, Bangladesh, Bolivia, China, Democratic Republic Of Congo, Democratic People's Republic Of Korea (Dprk), Ecuador, Egypt, Ethiopia, Fyr Macedonia, India, Iran, Iraq, Kyrgyzstan, Pakistan, Palestine, Qatar, Saudi Arabia, Syria, Morocco, Nepal, United States Of America, Vanuatu, Vietnam, Zambia.

Resident / Citizen Of The High Risk Countries such as but not limited to: Bahrain, Yemen, Jordan, Kuwait, Lebanon, Libya, Malaysia, Mali, Mauritania, Nigeria, Oman, Somalia, Serbia, Sri Lanka, Sudan, Tunisia, Turkey, Ethnic Groups Of Caucasus Belonging To Russian Federation (Chechens, Etc.), Trinidad & Tobago.

Low Tax Or Tax-free Countries such as but not limited to: United Arab Emirates, Oman, Bahrain, Qatar, Saudi Arabia, Kuwait, Bermuda, Cayman Islands, The Bahamas, Brunei, Vanuatu, Anguilla, Belize, Costa Rica, Guatemala, Panamá, Nicaragua.

RISK BY TRANSACTIONS

Kryptonx OU shall inspect any outstanding transaction, which include but is not limited to:

1. Large transactions that do not correspond to user's source of funds and/or source of wealth.
2. Transactions to offshore or shell bank (financial institution that does not have a physical presence in any country).
3. Executing payment via non-licensed payment institution, large daily movements of fiat or virtual money, etc.