

# AML/CTF compliance policy of SharPay

## **1. Purpose**

SharPay unites a group of financial institutions: GTM Exchange Ltd (Cyprus), Flex Exchange Solution UAB (Lithuania), and SPEKA PAYMENTS CORP (Canada).

At SharPay Group we recognise the important role of anti-money laundering and counter terrorist financing. We are a gatekeeper of the financial system across a number of geographies. Daily, acts of financial crime put customers and the society at risk. Our compliance purpose is to help reduce financial crime and to protect the financial system so that criminals are unable to exploit this for their malicious aims.

## **2. SharPay's Global Policy and Principles**

The Group's global policy is to comply with high standards of anti-money laundering practice in all markets and jurisdictions in which it operates, and to comply with both the specific provisions and the spirit of all relevant laws and regulations.

The policy reflects the Financial Action Task Force on Money Laundering (FATF) 40 Recommendations to combat money laundering and the 9 Special Recommendations to counter terrorist financing.

The Policy standards apply to all staff and businesses of the Group. In any jurisdiction where local money laundering requirements are set at a lower standard than the Group's, then the Group's standards shall apply in addition to those local standards.

## **3. What is SharPay Group doing to fight money laundering and terrorist financing?**

### *3.1 Customer Due Diligence*

Before doing business with any prospective customer, appropriate customer due diligence (CDD) is required to be undertaken and recorded. The CDD process comprises (a) the identification and appropriate verification of identity of the customer (and, where different, beneficial owner) and any other

relevant parties and (b) additional and appropriate Know Your Customer (KYC) information, applying a risk-based approach.

### *3.2 Identification of Suspicious Transactions*

It is a legal requirement that appropriate scrutiny and monitoring of transactions, account activity and customers are undertaken in order to identify unusual and potentially suspicious activity.

Monitoring of transactions and account activity are undertaken applying a risk-based approach and having regard to the size and nature of the Group's member's business.

Transactions and account activity involving customers regarded as high risk are the subject of enhanced monitoring.

### *3.3 Reporting of Suspicious Transactions*

Every regulated company in the Group is required to have procedures in place so that any transactions and/or activities which are believed to be suspicious are reported to a central Money Laundering Reporting

Office function where the suspicions will be validated. If there are local legal or regulatory requirements for reporting suspicious transactions/activities, all validated cases are to be reported as required.

### *3.4 Maintaining Records*

Adequate records are required to be maintained to demonstrate that appropriate and ongoing CDD procedures have been followed, and to reconstruct transactions. These records are required to be maintained for at least 5 years after the relationship has ended or after the date of the transaction, or such longer period as required by local law or regulation.

### *3.5 Payment Screening*

The Group's businesses are required to ensure that payments are subject to real time pre-execution screening against sanctions/lists issued by Competent Authorities. Appropriate action is required to be taken when a positive match has been established.

### *3.6 Specific businesses and customers*

The Group has established a number of minimum standards in relation to AML controls for certain types of businesses and customers, e.g. money remittance, virtual currency exchange, etc. which are applicable to all relevant members of the Group.

### *3.7 Training*

Members of the Group are required to provide all new staff including temporary or contract staff who may be involved in customer business with suitable and timely induction training and refresher training to ensure that they understand the Group's approach to money laundering deterrence.

Staff in high-risk areas are required to receive appropriate training to enable them to understand the money laundering techniques which are likely to be used in their area, and to remind them of their personal responsibilities.

### *3.8 Monitoring and Review of Money Laundering Deterrence*

Regular monitoring is required to be undertaken by line management and/or Compliance to check that all businesses are complying with the Policy and with local legal and regulatory requirements.

Operational and functional review work will be undertaken by Compliance and/or Audit functions, as appropriate.

#### **4. Our responsibility**

Prevention and detection are a key defence against financial crime. At SharPay Group, we understand who we work with, we run compliance processes, technologies, and systems that help us identify our customers, vendors and third parties. Our risk based approach is able to understand sources of wealth, funds and to reduce the risk of illicit proceeds being placed into our financial system and ultimately to reduce the risk of layering and integration of the proceeds into the global financial society. We monitor transactions, stop payments and close accounts and relationships where activity is unusual, suspicious or fraudulent. Our set of written policies, analytical processes and software systems are applied to combat the threat of financial crime. The compliance policies include AML/CTF, training, customer identification and due diligence; Canada, US, UN, UK, EU and individual jurisdictions sanction screening, record keeping, and data protection provisions. The Group of our companies monitors transactions and suspicious activity is then reported to relevant authorities.

Our team of AML/CTF employees are spread across each legal entity of SharPay Group. There is a compliance officer at Speka Payments Corp looking after the Canadian authorised activities; our MLRO at Flex Solutions UAB in Lithuania supports our crypto business and additionally there are compliance coordinators at the Group level supervising all the AML/CTF.

Our compliance program is reviewed annually (every 2 years for Speka Payments Corp in Canada) or can be amended accordingly when our business model changes or is required by law or in other circumstances.

#### **5. Working with regulators and law enforcement**

SharPay recognises that it cannot tackle and reduce financial crime in isolation. We deal with industry bodies, law enforcement, regulators, and governments. These partnerships are crucial to reduce crime across society and to stay compliant. SharPay Group is an active participant in public and private sector conferences and initiatives to fight financial crime.