

## **KYC, AML and CTF Policy**

### **AML and CTF basics**

Money laundering is the process of taking money obtained from criminal activity and disguising its origin to make it appear legitimate. Terrorist financing is the movement of funds with the intent to support terrorist activity. The source of funds in terrorist financing may be lawful or unlawful, but the intended use is unlawful.

Pure Digital Exchange LLC complies with applicable anti-money laundering and counter-terrorist financing laws and regulations in the jurisdictions where it operates. We maintain a compliance program designed to help prevent our services from being used for money laundering, terrorist financing, sanctions violations, and other illicit activity.

Pure Digital Exchange LLC reports to and follows the guidelines of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Pure Digital Exchange LLC is committed to preventing, detecting and deterring money laundering and terrorist financing, and has a zero-tolerance policy in regard to money laundering and terrorist financing. To that end, Pure Digital Exchange LLC has developed and instituted policy and procedures to ensure compliance with this commitment, which includes reporting standards and obligations, record keeping, information collection, staff responsibilities, and staff training.

It is the responsibility of every employee (including contract and part-time employees) to comply with this program and all related legislation.

FINTRAC is the agency that regulates our industry to ensure that we are meeting our obligations. They have the power to review our documentation and to levy significant penalties if we are not compliant. Individuals that deliberately attempt to circumvent the law may also be charged criminally in addition to monetary penalties.

### **Our commitment**

Pure Digital Exchange LLC is committed to preventing, detecting, and deterring money laundering and terrorist financing. Our program includes, at a high level:

- customer identification and verification (KYC and KYB)
- sanctions screening and other risk checks where required
- monitoring of activity to identify unusual or suspicious patterns
- escalation and reporting procedures where required by law
- record keeping and staff training

All customers must provide true, current, accurate, and complete information. We may request additional information or documentation at onboarding or at any time during the business relationship.

### **Customer identification and verification (KYC and KYB)**

#### **KYC for individuals**

We verify the identity of individuals where required. This may include verifying a government-issued identity document and confirming that it is valid and current.

## **KYB for businesses**

For business customers, we verify the legal entity and collect information about ownership and control where required. This may include identifying Ultimate Beneficial Owners (UBOs) and relevant directors or authorized signatories.

### **Information we may collect**

To comply with applicable requirements, we may collect and record information such as:

- full legal name
- date of birth (for individuals)
- address and contact details
- occupation or business activity
- purpose and intended nature of the relationship
- identity document type, issuing country/region, identification number, and expiry date (where applicable)
- business registration details and corporate documents (for businesses)
- ownership and control information (for businesses)

### **Restrictions and prohibited activity**

We may refuse onboarding, restrict access, suspend transactions, or terminate a relationship if we determine that risk is unacceptable or if required by law. This includes, without limitation:

- confirmed sanctions exposure
- suspected money laundering, terrorist financing, or fraud
- false, misleading, or incomplete information
- attempts to bypass verification or monitoring controls

### **Record keeping**

We retain customer and transaction records in accordance with applicable legal and regulatory requirements.

### **Reporting**

Where required by law, we may report suspicious activity to competent authorities. We do not disclose whether a report has been made, except where permitted or required by law.