

Anti-Money Laundering and Know Your Customer policy

1. Introduction

This Anti-Money Laundering ("AML") and Know Your Customer ("KYC") policy outlines the guidelines and procedures implemented by FinikPay Inc., a company incorporated in the province of Ontario, Canada, with the company number BC1275630.

The company's registered address is located at 2805-100 Antibes Drive, Toronto, ON, Canada, M2R 3N1.

FinikPay is fully committed to achieving full compliance with applicable laws of the Province of Ontario, Canada, and international regulations, with the aim of preventing money laundering and terrorist financing.

In addition to adhering to legal requirements, FinikPay has established internal policies and guidelines to create a comprehensive framework for conducting due diligence on clients, monitoring transactions, and reporting any suspicious activities.

2. Implementation of "Know Your Client" Procedures

Customer Due Diligence (CDD) of FinikPay aims to ascertain the client's identity and establish a comprehensive client profile, facilitating the identification of any unusual behavior.

If such behavior raises suspicions of money laundering or terrorist financing, FinikPay thoroughly investigates and promptly reports to the FINTRAC.

The CDD process encompasses the following measures:

3. Customer Identification and Verification

During customer registration, FinikPay gathers and verifies the necessary information and documentation to establish the customer's identity.

To ensure the validity and authenticity of identification documents, FinikPay employs document verification procedures.

Customer identification and verification are conducted based on a risk-based approach, taking into account factors such as the customer's profile, transaction history, and the jurisdiction of the Client.

FinikPay authenticates a person's identity by consulting an official photo identification document issued by the government.

FinikPay initiates and/or continues business relationships only with clients falling within the low to medium risk categories.

4. Ongoing Monitoring and Due Diligence

Ongoing monitoring is a procedural method devised and employed by FinikPay to systematically review all the information gathered about clients with whom the Company has established a business relationship.

In cases where enhanced due diligence is deemed necessary, additional verification procedures and information collection from customers are conducted. Periodic reviews of customer accounts and updated due diligence are performed to ensure ongoing compliance with regulations.

5. Reporting Suspicious Activities

FinikPay provides training to its employees to promptly recognize and report any suspicious activities. In adherence to legal obligations, any identified suspicious activity is promptly reported to appropriate regulatory and law enforcement authorities.

6. Compliance Audit:

Regular internal and external audits are conducted by FinikPay to assess the effectiveness and compliance of its AML and KYC procedures. By implementing these measures, FinikPay strives to establish a comprehensive understanding of its clients, monitor their activities, and fulfil its obligations in combating money laundering and terrorist financing.

7. Excluded Jurisdictions and Business Activities:

To comply with applicable laws and internal guidelines, FinikPay refrains from providing services or engaging in business activities with individuals or entities based in countries that are listed under various sanctions, including United Nations Security Council Sanctions List; FATF list of High-Risk Countries and Non-Cooperative Jurisdictions; Special Economic Measures Act (SEMA); Assets of Corrupt Foreign Officials Act (FACFOA).

Additionally, FinikPay reserves the right to exclude jurisdictions at its discretion, with the possibility of periodic amendments the risk posed by an individual generally involves considering their economic activity and/or source of wealth. A client with a single source of consistent income poses a lower risk of ML/FT compared to a client with multiple income sources or irregular income streams.

8. Transaction Monitoring

FinikPay uses transaction monitoring tools to identify and analyze potentially suspicious activities. These tools continuously monitor transactions, account

behavior, and patterns that may be indicative of money laundering or terrorist financing.

Transaction Reporting In the event that suspicious activity is identified, FinikPay will report it to the FINTRAC in adherence to the laws of Canada and relevant international regulations.

9. Maintenance of Records

FinikPay keeps detailed records containing customer identification information, transaction data, and communications for a minimum of 5 years, unless longer retention is mandated by applicable law, regulation, or directive.

These records are securely stored and easily accessible for the purpose of audits and regulatory requirements.

10. Training of Staff

Training methodologies of FinikPay are provided to the staff and encompass independent learning, informational sessions, in-person meetings, classroom sessions, conferences, and on-the-job training with provided guidance .

This training ensures that the employees are fully aware of their responsibilities and equipped to effectively identify and report any suspicious activities.

11. Appointment of Compliance Officer

A designated Compliance Officer is appointed by the FinikPay to oversee the implementation and adherence to AML and KYC policies. The Compliance Officer ensures that the FinikPay remains updated with regulatory requirements and promptly reports any concerns or suspicions to the FINTRAC.

12. External Audits

FinikPay regularly undergoes independent audits of its AML/CFT program to evaluate its efficacy, identify areas for enhancement, and ensure adherence to regulations. The findings from these audits are thoroughly reviewed by management, and appropriate measures are taken to rectify any identified shortcomings.

13. Relationships with Third Parties

When entering into business relationships with third parties, FinikPay requires these parties to adhere to the same AML and KYC processes as outlined in this Policy and guided by the Compliance officer. Ongoing monitoring and periodic reviews are conducted by the the FinikPay to assess the compliance of these third parties with AML and KYC regulations.

14. Periodic Evaluation

This Policy undergoes periodic evaluations by FinikPay to ensure its effectiveness and compliance with evolving regulations and best practices. Updates and amendments will be implemented as necessary. The effective date signifies the commencement of the latest version of this policy. Any changes to the effective date will be clearly indicated at the beginning of this document.