

Sanctions Screening & Compliance Policy

Company: SO Digital Trade FZCO

Registered Address: Unit No: UT-12-CO-362, DMCC Business Centre, Level 12, Uptown Tower, Dubai, UAE

Version: 1.0

Last Updated: 2025

1. Purpose of the Policy

The purpose of this Sanctions Screening & Compliance Policy is to ensure that **SO Digital Trade FZCO** complies with all applicable international and local sanctions regulations and prevents the Company from engaging in any activities involving sanctioned individuals, entities, or jurisdictions.

This Policy is part of the Company's broader AML/CTF framework and works in coordination with the KYC & Onboarding Policy.

2. Regulatory Framework

SO Digital Trade FZCO adheres to sanctions laws and regulations issued by: - **United Nations Security Council (UNSC)** - **Office of Foreign Assets Control (OFAC – USA)** - **European Union (EU)** - **HM Treasury (UK)** - **UAE National Sanctions Lists** - Any other sanctions regimes relevant to the Company's activities

The Company will not engage with any client appearing on the above sanctions lists.

3. Scope of Application

This Policy applies to: - All clients (individuals and entities) - All transactions and P2P trades - All employees - Any third-party service providers processing KYC/AML data (including KYCAID)

4. Sanctions Screening Procedures

4.1. Initial Screening (at Onboarding)

Before a client is allowed to trade, the Company performs: - full sanctions screening through **KYCAID**, - PEP screening, - adverse media screening.

The screening is mandatory for every client.

4.2. Ongoing Screening

The Company performs: - automated rescreening when sanctions lists are updated; - manual review of high-risk clients; - ongoing monitoring of transactions.

4.3. Triggered Screening

Additional screening is conducted if: - client changes personal information; - client increases trading volume significantly; - suspicious behavior is detected.

5. Prohibited Activities

The Company strictly prohibits: - onboarding sanctioned individuals or entities; - processing transactions involving sanctioned jurisdictions; - facilitating actions that might circumvent sanctions controls.

Clients originating from or associated with **high-risk or embargoed jurisdictions** will be automatically rejected.

6. Jurisdiction Restrictions

SO Digital Trade FZCO does **not** engage with clients from: - OFAC-sanctioned countries - FATF Black-listed jurisdictions - UAE prohibited jurisdictions

This includes but is not limited to: - Iran - North Korea - Syria - Cuba - Sudan - Crimea, Donetsk, Luhansk regions - Any territory restricted by the UAE or global sanctions regimes

7. Detection of Potential Matches

If KYCAID or internal tools return a match: - the case is escalated to Compliance for manual review; - additional evidence may be requested from the client; - trading is paused until resolution.

A **true positive** results in: - immediate offboarding; - termination of relationship; - potential reporting to UAE authorities.

A **false positive** results in: - clearance by Compliance; - continuation of onboarding/trading.

8. Escalation Procedure

When a sanctions hit is detected: 1. Automated system sends alert to Compliance.

2. Compliance performs manual investigation.

3. Decision documented in internal system.

4. High-risk or confirmed sanctions cases are escalated to Senior Compliance Officer.

5. If confirmed, the account is blocked and reported if required.

9. Record Keeping

The Company maintains: - sanctions screening results, - KYCAID reports, - internal risk assessments, - escalation logs.

Retention period: **minimum 5 years**.

10. Employee Responsibilities

All employees must: - understand sanctions restrictions, - comply with this Policy, - immediately escalate suspicious cases, - never assist clients in bypassing sanctions controls.

Employees receive periodic training on sanctions regimes and updates.

11. Policy Updates

This Policy is reviewed annually or sooner if: - UAE or international regulations change, - new sanctions lists are introduced, - internal risk assessments require modification.

All updates must be approved by Company management.

Approved by: Management of SO Digital Trade FZCO