

Code of Practice Sovereignty SRL

Preamble

This Code of Practice ("the Code") establishes the guiding principles, standards, and procedural obligations for Sovereignty SRL ("the Company"). It is enacted to uphold the highest standards of corporate governance, legal compliance, integrity, and service delivery in accordance with international best practices and applicable sovereign or delegated regulatory mandates.

PART I: GENERAL PROVISIONS

Article 1: Purpose

The purpose of this Code is to:

- Define ethical, legal, and operational standards.
- Establish rules for internal and external compliance.
- Promote transparency, accountability, and procedural fairness.
- Safeguard consumer and stakeholder interests.

Article 2: Scope of Application

This Code applies to:

- All officers, employees, contractors, and agents of Sovereignty SRL.
- Licensees, affiliates, and third-party service providers subject to regulatory oversight by the Company.

Article 3: Definitions

For the purposes of this Code:

- "Authority" means Sovereignty SRL in its regulatory and supervisory role.
 - "Licensee" means any entity or person licensed, certified, or approved by the Authority.
 - "AML" refers to anti-money laundering measures.
 - "Beneficial Owner" means a natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is conducted.
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PART II: LEGAL & REGULATORY COMPLIANCE

Article 4: Compliance Obligations

All parties bound by this Code shall:

- Adhere to all applicable laws, including AML/CFT regulations, data protection laws, and anti-fraud legislation.
- Cooperate with competent authorities and submit to regulatory examinations.
- Maintain valid registrations, licenses, and approvals.

Article 5: Anti-Money Laundering (AML) Standards

- Mandatory KYC (Know Your Customer) procedures must be applied for all clients.
- Enhanced Due Diligence (EDD) is required for Politically Exposed Persons (PEPs), high-risk jurisdictions, and transactions above prescribed thresholds.
- All suspicious transactions shall be reported to the designated Financial Intelligence Unit.

Article 6: Recordkeeping

- All business, financial, and regulatory records must be kept for a minimum of seven (7) years.
- Electronic records must be secure, encrypted, and auditable.

PART III: GOVERNANCE & ETHICAL STANDARDS

Article 7: Corporate Governance

- The Company shall operate with a Board of Directors, an Audit & Risk Committee, and an Ethics Oversight Unit.
- All decisions shall be made with due process, recorded in board minutes, and subject to independent audit.

Article 8: Conflict of Interest

- All employees and officers must disclose any conflict of interest.
- No individual may participate in a decision in which they have a personal financial interest.

Article 9: Whistleblower Protections

- Confidential channels must be provided for reporting breaches.
- Retaliation against whistleblowers is strictly prohibited.

PART IV: LICENSING & ENFORCEMENT

Article 10: Licensing Requirements

- Licensees must demonstrate fitness and propriety.
- Applications must include beneficial ownership disclosures, financial capacity statements, and regulatory history.

Article 11: Compliance Monitoring

- The Authority reserves the right to inspect, audit, or require third-party audits of Licensees.
- On-site and off-site reviews may be conducted without prior notice.

Article 12: Sanctions & Disciplinary Actions

- Violations of this Code may result in:
 - Suspension or revocation of license
 - Monetary penalties
 - Public censure
 - Referral for prosecution
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PART V: DATA PROTECTION & TECHNOLOGY

Article 13: Data Protection Obligations

- Personal data must be processed lawfully, fairly, and transparently.
- Data must be retained only as long as necessary and securely deleted thereafter.

Article 14: Cybersecurity Standards

- All systems must adhere to CIS Controls or ISO/IEC 27001 standards.
 - Incident response protocols must be documented and tested annually.
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PART VI: CONSUMER PROTECTION

Article 15: Fair Treatment of Customers

- Customers must be informed, fairly treated, and offered redress mechanisms.
- All marketing must be truthful, transparent, and not misleading.

Article 16: Dispute Resolution

- A dedicated Ombudsman function must be maintained.
 - Disputes must be resolved within 30 days, with a written explanation provided.
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PART VII: REPORTING & TRANSPARENCY

Article 17: Periodic Reports

- Annual financial and compliance reports must be submitted by all Licensees.
- The Company shall publish an annual regulatory report detailing oversight activities.

Article 18: Disclosure of Material Events

- All Licensees must report material adverse events within 72 hours.
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PART VIII: MISCELLANEOUS

Article 19: Amendment

- This Code may be amended by a resolution of the Board of Sovereignty SRL, following public consultation where appropriate.

Article 20: Entry Into Force

- This Code enters into force on the date of its publication and supersedes all prior versions.
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Issued under the authority of Sovereignty SRL, this Code shall be deemed binding and enforceable within all regulatory matters falling under its jurisdiction.