

AML/KYC POLICY

Effective date 10/01/2024

INTRODUCTION:

Verser Pay Ltd is required to comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (S.C. 2000, c. 17), and its associated regulations, laws, and principles, which set out the requirements for identifying and verifying customers, keeping records, and reporting suspicious transactions.

DEFINITIONS:

By “we”, “us” or “our” we refer to Verser Pay Ltd and the term “Services” means any services, subject to the Terms and Conditions, offered by Verser Pay.

By “Customer”, “you”, “your”, “yours” we refer to persons who have business relationships with Verser Pay as defined in the Terms and Conditions;

AML (anti-money laundering) - a set of activities, procedures, and regulations designed to protect the integrity of the financial system and to prevent the misuse of financial institutions for illicit purposes;

CFT (combating the financing of terrorism) - measures that financial institutions and other regulated entities must take to prevent, detect, and report activities that may be related to terrorism financing;

CDD (customer due diligence) - a process that financial institutions and other regulated entities use to identify and verify the identity of their Customers and to assess the risk of money laundering or terrorist financing associated with those Customers;

EDD (enhanced due diligence) - a higher level of scrutiny that financial institutions and other regulated entities may be required to apply in certain circumstances in order to identify and prevent money laundering and other financial crimes; it is required when dealing with high-risk Customers or transactions, or when dealing with Customers from countries or territories that are considered high risk for money laundering or terrorist financing;

KYC (know your customer) – a process that financial institutions and other regulated entities use to verify the identity of their customers and to understand their financial activities in order to determine the level of risk associated with the customer.

Politically Exposed Person (hereinafter PEP) - an individual who holds, or has held, a prominent public position or office, such as a head of state, senior government official, or high-ranking military officer. PEPs may also include their immediate family members and close associates;

Employee - a person performing duties for Verser Pay Ltd on the basis of employment contract, contract of mandate, cooperation agreement, and others;

Money laundering - is the process of disguising the proceeds of illegal activities as legitimate funds, typically by transferring the funds through a series of transactions designed to conceal their true origin;

Transaction - an act, initiated by the Customer of placing, transferring, or withdrawing funds as defined in the Terms and Conditions.

PURPOSE:

The purpose of this AML/KYC Policy is to prevent our Company, namely Verser Pay Ltd, from being used for money laundering or terrorist financing activities. To that end, we have established policies and procedures to comply with all applicable AML and KYC regulations.

SCOPE:

This Policy applies to all Customers and transactions conducted through our Website and platform <https://verserpay.com/> and to all employees of Verser Pay Ltd.

By creating an account on our Website and using our Services, the Customer acknowledges and agrees to abide by the Company's AML/KYC Policy.

RISK ASSESSMENT:

We will assess the risk of money laundering or terrorist financing associated with each Customer and transaction. This will involve reviewing the Customer's background, the nature of the transaction, and any relevant geographic or industry risk factors.

SANCTIONS AND PEP.

A status of a Politically Exposed Person is considered one of the factors associated with customer risk analysis. The Company screens Customers against Sanctions and PEPs lists by using 3rd party screening tools.

CUSTOMER TRANSACTIONS AND CARD VERIFICATION.

We monitor and analyze the transaction patterns of the Customer. Unusual or suspicious activity constitutes additional risk. We may request information or documents such as proof of the source of funds, the purpose, and the intended nature of the transaction.

We need to verify the Customer's card to confirm the identity of a cardholder and to ensure that a card is being used legitimately. This process involves such verification methods: cardholder information, card verification value (CVV) or card verification code (CVC), address verification system (AVS), and two-factor authentication.

CUSTOMER DUE DILIGENCE:

We will require all Customers to provide the following information as part of our CDD process:

- Full name
- Date of birth
- Home address
- Phone number
- Email address
- Government-issued identification (e.g. ID card, passport)
- Proof of address (e.g. utility bill, bank statement)

- Information about the Customer's business or financial activities

We may also request additional information or documentation as needed to fulfill our CDD obligations.

ENHANCED DUE DILIGENCE:

In certain cases, we may be required to conduct EDD on a Customer or transaction. This may include obtaining additional information or documentation about the Customer, the transaction, or the intended use of the funds.

SUSPICIOUS ACTIVITY REPORTING:

We have established internal controls to identify and report suspicious activity to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). All employees are required to report any suspicious activity that they become aware of to the Compliance Officer and to the relevant authorities.

RECORD-KEEPING:

We will maintain records of all Customer information, transactions, and suspicious activity reports in accordance with all applicable laws and regulations. These records will be retained for a minimum of 5 years. All Customer's data are collected and stored in accordance with our Privacy Policy

TRAINING OF OUR EMPLOYEES:

All employees of Verser Pay Ltd will receive training on AML/KYC regulations and our internal policies and procedures. This training will be provided at hire and on an ongoing basis as needed.

COMPLIANCE:

We will regularly review and assess the effectiveness of this policy and our compliance with AML/KYC regulations. We may update this AML/KYC Policy from time to time. All changes are effective immediately when we post them on our Website.

CONSEQUENCES OF NON-COMPLIANCE:

There are several factors that may lead to the termination of the business relationship with the Customer due to non-compliance with AML regulations, including:

- Failure to comply with customer due diligence requirements: if a Customer fails to provide the necessary information (or provides false information) or refuses to cooperate with the customer due diligence process, we may terminate our business relationship.
- Suspicious activity: if we detect suspicious activity in a Customer's account, we may terminate our business relationship.

CONTACT US:

For any further information on this AML/KYC Policy, you may contact us by email at support@verserpay.com.

