

Spotcoin AML/KYC Policy

1. AML/KYC POLICY STATUS AND ACCEPTANCE

- 1.1. This AML/KYC Policy (hereinafter referred to as the “Policy”) sets forth the general rules and procedures governing the implementation and conduction of Know-Your-Customer (“KYC”) procedures in accordance with the relevant Anti-Money Laundering rules (“AML”).
- 1.2. Each User must carefully read and comply with this Policy.
It is understood and presumed per se that by the fact of the Website use and SPOT Tokens purchase during the Spotcoin Token Sale or otherwise, the respective User fully read, understood and accepted this Policy. If any User does not agree with this Policy in general or any part of it, such User must not access and use the Website and/or purchase SPOT Tokens.
- 1.3. The Company reserves the right to modify or amend this Policy at its sole discretion. Any revisions to this AML/KYC Policy will be posted on the homepage of our Website. If we make changes, we will notify you by revising the date at the top of this Policy. We strongly recommend You to periodically visit the Website to review any changes that may be made to this AML/KYC Policy to stay updated on our AML/KYC practices. Your continued usage of the Website and/or services shall mean Your acceptance of those amendments.
- 1.4. In terms of the Spotcoin Token Sale this Policy shall be considered as inalienable part of the Spotcoin Token Sale Agreement, Spotcoin Privacy Policy and Terms of Use. In terms not regulated by this Policy, the Spotcoin Token Sale Agreement shall apply to the relationships that arise hereunder.
- 1.5. This Policy is administered by Chief Compliance Officer (“CCO”) and the Compliance Department.
- 1.6. It is the personal obligation and responsibility of each Employee to act in a manner consistent with this Policy.
- 1.7. All Employees must report any breaches, violations, risks, incidents and complaints, as appropriate.

2. DEFINITIONS

- 2.1. **Applicable Law** – laws of Georgia applicable under this Policy to any and all relations between a User and Company.
- 2.2. **Employee** – a Spotcoin employee.
- 2.3. **Personal Information** - information or totality of information that can be associated with a specific person (the User) and can be used to identify that person. The rules governing the Personal Information collection, processing and use by Spotcoin are documented in a separate Privacy Policy, which can be accessed via this [link](#) .
- 2.4. **AML/KYC Policy** (also referred to as “Policy”) – this AML/KYC Policy posted on the homepage of our Website which may be revised or updated from time to time as stated in subsection 1.3 of this AML/KYC Policy.
- 2.5. **SPOTCOIN LLC** (also referred to as “Company”, “We”, “Us”) – a company incorporated under the legislation of Georgia for the purpose of Spotcoin project development and implementation, not being a financial entity, stock, exchange, investment entity or a partner, employer, agent or adviser for any User OR a third party, which we hire to perform services on our behalf such as Identity Verification Company.
- 2.6. **Spotcoin** (also referred to as “Platform”) is a blockchain-based economic platform bridging the gap between legacy, financial markets and emerging digital currency ecosystems, which is organized into 4 main sections: The Spotcoin Exchange (a platform that allows efficient movement, trade and liquidity of digital currency); The Over the Counter (OTC) Marketplace (platform, whereby users can observe and engage the trading requests of other clients as well as publish trades of their own); Spotcoin Mining Operations (platform that will Mine GPU minable coins and sell it in OTC market inside the Spotcoin Platform to make GPU minable coins more accessible and cheap for customers); Black Sea Blockchain Institute (institute that incorporates policymakers, policy analysts, and public educators about strategic issues within the country).
- 2.7. **Spotcoin Token Sale (“Token Sale”, “Crowdsale”)** – an offering of SPOT Tokens to eligible Users to purchase SPOT Tokens during the Sale Period, according to the respective phases (launches) and SPOT Tokens Price described on the Website and in Whitepaper.

- 2.8. **SPOT Tokens** (“SPOT”, “Tokens”) – cryptographic tokens, which are software digital products (not being cryptocurrency), which are created by the Company and is a digital representation for participation in Spotcoin project, including the participation in distribution of Platform rewards. The SPOT token is designed as a decentralized token on the NEO Blockchain platform.
- 2.9. **User** (also referred to as “You”) – any person, who uses the Website, with or without prior registration and authorization using the Account and purchases SPOT Tokens. The Company reserves its right to set forth at any time upon its own discretion special eligibility or other requirements to certain Users to participate in a certain phase of Spotcoin Token Sale as shall be mentioned on the Website and Whitepaper.
- 2.10. **Website** – the website maintained and owned by the Company at www.spotcoin.com.
- 2.11. **Whitepaper** – one of the official Accompanying Documents published by the Company on the Website, describing technical and marketing details of the Spotcoin Token Sale, the idea and purpose of the Spotcoin Platform, as well as SPOT Tokens Price and Tokens Sale Period.

3. AML/KYC POLICY

- 3.1. Spotcoin is strongly committed to preventing the use of its operations for money laundering or any activity which facilitates money laundering, or the funding of terrorist or criminal activities.
- 3.2. On a global level, in order to prevent and combat money laundering and terrorism financing, there has been an introduction of the number of laws concerning the customer identification and verification procedures including but not limited to the EU AMLD5 Directive, which brings the virtual currencies under the scope of the Anti-Money Laundering Directive.
- 3.3. In the United States regulation of the AML is carried out by a special government body under the US Treasury – FinCEN. In particular, FinCEN regulates, so-called, "money services business" (MSB). In 2013 FinCEN published the clarification on the regulation of persons administering, exchanging or using virtual currencies bringing the businesses dealing with virtual currencies under the scope of AML/KYC in terms of spotting suspicious financial behavior.
- 3.4. In order to ensure that our operations are compliant with the AML/KYC rules and procedures, we are implementing the AML/KYC policies detailed below.
- 3.5. As part of our AML (Anti-Money Laundering) Policy in order to combat money laundering and illegal financing activities the Company follows the customer risk assessment principles that include but are not limited to the following:
 - raise awareness on money laundering issues;
 - appoint a designated CCO. The CCO is to report any suspicious transactions to the appropriate Financial Authority;
 - assist law agencies and authorities to trace, seize, and confiscate the proceed of criminal activities;
 - freeze any funds deemed suspicious and investigate the source of finance;
 - introduce a Know-Your-Customer Policy (KYC);
 - exercise reasonable measures to obtain information about the true identity of the persons on whose behalf a transaction is made;
 - record keeping procedures – maintain, for a specific time period, all necessary records on transactions, both domestic and international;
 - pay special attention to all complex, unusually large transactions;
 - adopt economic, administrative, self-regulatory and other measures which can be taken to create an effective shield against money laundering;
 - train staff accordingly;
 - employ proper care in the hiring of new staff.
- 3.6. As part of the customer risk assessment, the following will act as Money Laundering Warning Signs based on guidance provided by Financial Action Task Force (FATF) – international body set up to combat money laundering:
 - customer tells that the funds are coming from one source but then at the last minute the source changes;
 - evasiveness or reluctance to provide information;
 - incomplete or inconsistent information;

- unusual money transfer or transactions (e.g. when customer deposits unusual amounts (e.g. 9,990 euros) so as not to come under the threshold when KYC applies);
 - complex group structures without obvious explanation that may be designed to disguise the true source and ownership of money;
 - when money is coming from the list of ‘high-risk and non-co-operative jurisdictions’ according to FATF;
 - negative public information available about the client or company.
- 3.7. The above principles and warning signs are aimed at determining the customer’s risk in terms of propensity to commit money laundering, terrorist financing or identity theft.
- 3.8. Every Employee is required to act in furtherance of this policy statement to protect the Company from exploitation by money launderers or terrorists.
- 3.9. Company adopts the KYC (Know-Your-Customer) Policy and reserves the right to undertake KYC in order to verify the identity of its customers at any point.
- 3.10. As part of the exercise of this right, Company may require the following information to be sent:
- copy of passport or national ID;
 - recent utility bill;
 - recent bank account statement
- ‘Recent’ means no longer than 3 months from date of issue.
- 3.11. **Please note** that the list above is not exhaustive and we reserve the right to require additional information at any time to verify the client’s identification and to fully satisfy the latest Anti-Money Laundering rules.
- 3.12. The Personal Information requested as part of the KYC procedure will be collected, processed, used and stored in accordance with the General Data Protection Regulation (GDPR), rules and principles of which have been reflected in the Spotcoin Privacy Policy and implemented on the legal, technical and organizational level.
- 3.13. If any of the above documents are requested, prior to sending them to us we may require them to be certified as a true copy of the original by a Solicitor or a Lawyer who must use their company stamp. We require the documents to be sent to us in high quality color format. We reserve the right to reject any documents, which do not comply with the above or if we have doubts as to their veracity.
- 3.14. If any doubt arises we reserve the right to check the information provided, as part of the KYC Policy, using non-documentary methods including but not limited to contacting the customer directly.
- 3.15. CCO has a right to freeze any funds already transferred should the suspicion as to the sources of those funds arises after they have been deposited and investigate the customer’s transaction in retrospect.

4. CONTACT DETAILS

- 4.1. If you have any questions regarding this AML/KYC Policy, please contact us at info@spotcoincom.