

Velvetloom Financial Company S.R.O

AML and Account Verification Policy

Version I – January 2025

1. The Company

XBO is the trade name used by Velvetloom Financial Company S.R.O. a company incorporated in Czech Republic, registered to provide services related to virtual assets (hereinafter the “Company” or “XBO”).

2. Introduction

AML and Account Verification Policy (the “**AML Policy**”) is to determine and to describe the procedures, policies, regulations and mechanisms which are established, implemented and maintained by Velvetloom Financial Company S.R.O. in compliance with the applicable legislation, as further mentioned below. The procedures are designed to establish, implement and maintain policies, controls and procedures to detect, manage and effectively counter and mitigate the money laundering and terrorist financing (hereinafter the “ML/TF”)

The present AML policy is based on the Czech Republic system of counteracting money laundering and the financing of terrorism (hereinafter referred to as the AML/CFT system), which is shaped primarily by both national and European Union (EU) legal framework.

Our Aim

- 1.1. XBO is actively working to prevent all financial crime related activities such as money laundering (ML) and terrorist financing (TF).
- 1.2. To prevent such activities, the Company constantly works to verify the identity of all its clients and where necessary, to assist governmental agencies and financial intelligent units with their effort to combat ML and TF.
- 1.3. XBO does everything required to ensure compliance with the applicable AML/TF laws and regulations.
- 1.4. At the request of the Financial Analytical Office of the Czech Republic (“FAU”), the Company is obliged to provide its risk assessment and other information that may influence on the national risk assessment.

3. How to verify your XBO account

Verification is a mandatory part of the process of registering on the XBO platform. Regulatory requirements dictate that we must verify each new XBO account without any exceptions. This keeps our platform secure and prevents untoward activity.

Upon the completion of your account verification, you will be able to access the XBO platform. To verify your account, you are required to follow all the KYC and KYB procedures, depending on the account you have chosen to get onboarded with. You will be requested to upload both a proof of identity (POI) and proof of address (POA), as well as any other document needed as part of the registration process or thereafter. Only after you provide the necessary documents, will your verification process begin.

To identify our clients, XBO may ask for personal data and take steps to confirm the accuracy

of this information using various verification tools. It may take from 24 hours up to a couple of workdays to complete this process.

4. Personal Data

The personal data we receive is handled in accordance with the provisions of the Privacy Policy and other applicable regulations. Please note that the reason for the identification procedure is to comply with laws against ML and TF, as these have emanated from the various regulatory requirements. Accordingly, your cooperation and understanding of these steps is necessary to effectively combat money laundering and financing terrorism.

5. Risk Assessment

The Company identifies and assesses the ML/TF risks related to its activities, considering risk factors relating to clients, countries or geographical areas, products, services, transactions or their delivery channels in accordance with this AML and Account Verification Policy, taking into consideration in particular:

- a.* Information on ML/TF made available to the Company by the applicable regulatory and governmental authorities (where relevant); and
- b.* Each client's risk factor including probability, the consequences of its realization and the probability of an increase in that risk.

The Company identifies and assesses the ML/TF risks relating to its clients. The Company takes into consideration in particular the following factors when assessing the ML/TF clients' risk:

- a.* type of client,
- b.* the geographical area,
- c.* purpose of the account,
- d.* the type of products, services and distribution methods,
- e.* amount of property values deposited by the client or the value of transactions carried out,
- f.* purpose, regularity or duration of the business relationship.

The Company assesses all the above and categorizes the clients in accordance with the Company's Internal AML Manual (as high, medium or low Risk Clients), taking into consideration the circumstances which may represent a higher or lower ML/TF risk.

6. What is needed from your end

To be compliant with the regulatory requirements and at the same time, be able verify your account, we have the following practices in place:

- a.* All the clients must submit valid identification documents (*i.e. all info should be visible, valid and not expired, clear, without cropping*);
- b.* The records of clients' identification documents will then be assessed and maintained by XBO

for the duration instructed by the relevant legislation that is in place.

The type of documents needed will depend on the type of your account

Individual Clients	Corporate Clients
<p>Proof of Identity (POI):</p> <p>Your POI document should contain your name, date of birth, a clear photograph, issue date, and if it has an expiry date, that should be visible as well. A passport is the preferred proof of identity.</p> <p>Alternatively, you can use a driving license or any other government-issued ID. If the document is double-sided, and there's relevant information on the backside, make sure to upload that as well.</p> <p>Proof of Address (POA):</p> <p>Your POA document should contain your full name, residential address and an issue date, which should be no older than 6 months.</p> <p>The name or logo of the issuer should also be clearly visible. Please make sure to scan your document against a different-colored background, so that all four corners are visible.</p> <p>Acceptable POA includes bank statement, credit card statement, electricity, water or gas bill, internet bill.</p> <p>Verification:</p> <p>During the account opening process, the Company verifies the client's identity by requiring them to upload a live selfie, which is then cross-referenced with the provided Proof of Identity.</p>	<ul style="list-style-type: none">• Certificate of Incorporation• Certificate of Director(s) and Secretary• Certificate of Registered Office• Certificate of Shareholders• Certificate of Incumbency• Memorandum & Articles of Association of the Company• The Company's latest signed audited financial statements or the Company's latest management accounts or any other document to substantiate the SOF/SOW of the legal entity• POI and POR for every ultimate beneficial owner that owns 25% or more.• POI and POR for all the directors of the company.• Group Structure signed by the UBO/ a Director.• A resolution by the Board of Directors (BOD) of the Company for the opening of a trading account with XBO and to whom they grant authority to operate the trading account and Power of Attorney (where applicable)• Full KYC documentation of the person who will operate the trading account• Complete and Sign the Onboarding Application Form <p>*Important* The Company's documentation must be recent (not older than 6 months).</p>

Note: the above documents prescribe our minimum requirements. The company reserves the right to request any further documents and information deemed necessary.

7. Screening Technology and Alerts

The Company has implemented protocols at the time of onboarding new clients, as well as during transactions processing, and are intended to work in conjunction with the Company's efforts towards the prevention of money laundering and the financing of terrorism.

Funding your Credit/Debit Card

If funding with a credit or debit card, a client should send us a copy of both sides of their card. The copy needs to have the name, date of expiry, last four digits on the front and signature on the back clearly visible. We need this to be certain that all transfers are made only to and from your card.

For your security, we advise you to cover the card number except for the last four digits and the CVV code on the back.

Bank Wire Confirmation

Where the client deposits with bank wire, confirmation of the same should be served to XBO.

Travel Rule

For transactions subject to the Travel Rule, the clients must provide any additional information or documentation required to comply with applicable regulations, ensuring transparency and compliance in the transfer of funds.

8. Additional queries

If you have any questions with regards to the documents stated above, please contact our support team at support@xbo.eu. Documents should be provided as soon as possible so that we can avoid any delays to your transactions. KYC documents should be scanned or photographed with all edges visible and sent to support@xbo.eu.