

BIT GROUP LTD

ANTI - MONEY LAUNDERING POLICY STATEMENT



Introduction

Bit Group Ltd trading as BitTrust & BitBanx (“BitTrust”, “BitBanx” or “We”) is a private limited company based wholly in the United Kingdom (UK) providing crypto-based brokering services to private individuals: nationals and/or residents of EEA and/or EU and/or UK (“individual customers”) and UK corporate bodies: limited companies and/or partnerships registered in the UK (“corporate customers”).

Bit Group Ltd will not engage in business relationships with shell banks, foundations and/or trust based entities.

This document details the Anti-Money Laundering policy (the “Policy”) using sources issued by the Financial Conduct Authority (FCA) in the UK, the Joint Money Laundering Steering Group (JMLSG) in the UK and the Financial Action Task Force (FATF). The requirements detailed within this Policy are considered proportionate to the nature, scale and complexity of Bit Group Ltd and its business.

This Policy applies to all employees, temporary workers and/or contractors that Bit Group Ltd may engage with in carrying out its activities.

Bit Group Ltd have taken into consideration the following legislation, regulation and guidance (and amendments) in relation to Anti-Money Laundering:

- 4th & 5th Money Laundering Directives
- Anti-Terrorism, Crime and Security Act 2001
- Criminal Finances Act 2017
- FATF Guidance
- FCA’s ‘A firm’s guide to preventing financial crime’ guide
- FCA’s ‘Banks’ defences against investment fraud’ report
- FCA Final Notices
- Financial Services & Markets Act 2000
- HM Treasury Sanctions Notices
- Joint Money Laundering Steering Group Guidance
- Money Laundering Regulations 2017
- Proceeds of Crime Act 2002
- Serious Crime Act 2007/2015
- Serious Organised Crime & Police Act 2005
- Terrorism Act 2000

Politically Exposed Persons (PEPs)

The Money Laundering Regulations define PEPs as individuals who are or have, at any time in the preceding year, been entrusted with a prominent public function, whether in a UK or non UK country, the European Community or an international body. It includes immediate family members and close associates of such individuals. It is believed there is an increased risk of these individuals being associated with bribery, corruption or the mis-appropriation of state or government funds. Given its current business model, Bit Group Ltd will not knowingly engage in any business relationships with PEPs.

Customer Due Diligence (CDD)

CDD is the requirement to identify a customer by having sufficient information about the individual to verify the identity and residency. Given its simple business model, Bit Group Ltd applies the same CDD requirements for all its customers. No business relationship will be entered into until Bit Group Ltd is satisfied with the identity of the customer and the nature of the business relationship. This underpins Bit Group Ltd Anti-Money Laundering policy to ensure it is not used to facilitate financial crime.

Bit Group Ltd requirements for CDD are:

- New Customers (Individual customers):
 - Current (valid) UK, EEA, EU passport with photograph OR current (valid) photocard driving licence (provisional or full);
 - Address verification (original gas, electric, landline telephone or water bill issued within the past three month OR UK bank, Building Society, Credit Card Statement issued within the past three months OR Local Authority council tax demand valid for the current year);
 - Bank account details (bank account has to belong to the customer and to be based in EU/EEA/UK);
 - Additional requirement for non face to face business relationship: Selfie photo of the customer with their ID open at the photo page to demonstrate that it is the same individual;
- New Customers (corporate customers):
 - Certificate of Incorporation OR any other official documentation to demonstrate the registration of the company within the EU/EEA or UK;
 - Identification as per New Customers (individual customers) will be required for all persons with significant control over the company;
 - Address verification (original gas, electric, landline telephone or water bill issued within the past three month OR UK bank, Building Society, Credit Card Statement issued within the past three months OR Local Authority council tax demand valid for the current year);
 - Bank account details (bank account has to belong to the customer or the person with significant control and to be based in EU/EEA/UK);
 - Additional requirement for non face to face business relationship: Selfie photo of the individual with their ID open at the photo page to demonstrate that it is the same individual;
- Existing Customers (individual and corporate customers): If verification of the customer's identity was carried out within the previous 12 months, then Bit Group Ltd will check that the existing photo ID on Bit Group Ltd records is still valid. Verification of address will be requested as for new customers if the new instruction is after six months from initial verification. If verification of customer was carried out over 12 month prior to current instructions, then requirements for New Customers apply.

If a customer is a corporate entity, every attempt will be made to establish the beneficial owner of the firm, to include the owner and the control structure of the customer.

Where an individual or corporate identity cannot be established, Bit Group Ltd will not enter into a business relationship with that individual/corporate.

Source of wealth/funds requirements

It is essential to understand and be able to demonstrate the activities that generate the customer's funds and assets. Knowing who provided the funds and the account from which they were derived is a mandatory requirement however it is not enough to merely see the bank statement showing the deposit, there has to be an understanding of how the funds were derived. Bit Group Ltd will only accept bank transfers from financial institutions (banks, building societies) authorised and regulated by a EU, EEA and/or UK regulator.

Requirements for proof of funds will be required for any amount/transaction over £10,000.

Suspicious Activity Reports

Bit Group Ltd will report to the National Crime Agency any potential money laundering activity.

Record Keeping

In line with EU Money Laundering Directive and the UK Money Laundering Regulations customer identification documents and transaction history information will be retained for a period of five years after the end of the business relationship or end of the transaction.