

**RULES ON DUE DILIGENCE MEASURES FOR PREVENTING
MONEY LAUNDERING AND TERRORIST FINANCING
DURING BERYL TOKEN SALE EVENT**

2018

1. These rules contain:

- 1.1. Code of conduct for the application of due diligence measures on, inter alia, risk assessment and management of money laundering and terrorist financing;
- 1.2. Code of conduct for the collection and storage of data;

2. Due diligence measures

- 2.1. In its economic activity, I&D Ventures Ltd (“The Company”) pays enhanced attention on client activity and circumstances that refer to money laundering or terrorist financing or the connection of which with money laundering or terrorist financing is likely, including to complex, high-value and unusual transactions that do not have a reasonable economic purpose.
- 2.2. Due diligence measures will be applied to at least:
 - 2.2.1. Establishment of business relations;
 - 2.2.2. Execution or mediation of sporadic transactions, if a **transaction exceeds the value of BGN 30,000** or the equivalent amount in another currency, regardless of whether the financial obligation is fulfilled as a single payment or as several linked payments.
 - 2.2.3. **In case of suspicion of money laundering or terrorist financing**, regardless of any derogation, exception or the maximum amount;
 - 2.2.4. In case of insufficient documents or data or in case of suspicion of incorrectness of data previously collected during the identification and review or updating of relevant data.

3. Implementation of due diligence measures

- 3.1. The Company applies the following due diligence measures in order to fulfil the obligation to implement due diligence measures:
 - 3.1.1. Identification of the client or a person participating in the transaction based on submitted documents and data, and based on data obtained from a reliable and independent source;
 - 3.1.2. Identification of a natural person or the representative of a legal person and review of the right of representation thereof;
 - 3.1.3. Acquisition of information, as required, on the purpose and nature of business relations and the transaction;
 - 3.1.4. Monitoring of business relations, as required, including the monitoring of transactions executed during the business relationship; review of data used for identification; updating of relevant documents, data and information; and identification of the source and origin of resources used in the transaction, if necessary.

- 3.2. The Company applies the due diligence measures specified in clauses 3.1.1 —3.1.2 every time when establishing business relations or executing a transaction.
- 3.3. If a financial obligation in the transaction is fulfilled as linked payments and the total amount of these payments is unknown, the person participating in the transaction must be identified and the submitted information reviewed immediately, when exceeding of BGN 30,000 becomes known.
- 3.4. In economic activity, the Company pays enhanced attention on business relations or transactions, if the residence or seat of a client or person participating in the transaction or if the seat of the beneficiary's payment service provider is located in a third country or a territory, where sufficient measures for the prevention of money laundering and terrorist financing have not been enforced, or if the country or territory is not participating in international cooperation for the prevention of money laundering and terrorist financing or if it is a low tax rate territory.

4. Fulfilment of due diligence obligations upon establishing a client relationship with a resident

4.1. In case of a resident

In case of a resident that is a natural person, their following details will be recorded:

- 4.1.1. full names;
- 4.1.2. personal identification code;
- 4.1.3. name, number, date of issue and name of the issuer of an identity document;
- 4.1.4. address of residence;
- 4.1.5. profession or area of activity;
- 4.1.6. contact phone number;
- 4.1.7. copy of the identity document;

In case of a resident that is a legal person, their following details will be recorded:

- 4.1.8. name and registry code of the legal person;
 - 4.1.9. postal address;
 - 4.1.10. area of activity;
 - 4.1.11. contact phone number;
 - 4.1.12. details of the ultimate beneficial owner and representative according to the provisions in clause 4.1 of the rules;
 - 4.1.13. excerpt from the respective commercial register providing information about the current legal status and the owners and representatives;
 - 4.1.14. basis for the right of representation; notarized authorization in case of an authorized person.
- 4.2. Depending on the nature of the client relationship and the presumed risk level of future transactions, details of the purpose and nature of transactions, bank and crypto account details and other documents will be requested as well, if necessary.
 - 4.3. The correctness of details submitted by the representative of a legal person shall be

verified based on the commercial register and the validity of the identity document of a natural person shall be verified via the website of the Citizenship and Migration Board. Personal information may be sought on the Internet.

4.4. If correspondence with the person was carried out via a computer network, IP address of the computer used by the person will be recorded on every contact.

5. Fulfilment of due diligence obligations upon establishing a client relationship with a non-resident

5.1. In case of a non-resident that is a natural person, their following details will be recorded:

- 5.1.1. first and last name;
- 5.1.2. personal identification code, date and place of birth;
- 5.1.3. name, number, date of issue and name of the issuer of a travel document;
- 5.1.4. address of residence;
- 5.1.5. profession or area of activity;
- 5.1.6. contact phone number;
- 5.1.7. e-mail;
- 5.1.8. copy of the identity document;

5.2. In case of a non-resident that is a legal person, their following details will be recorded:

- 5.2.1. name and registry code of the legal person;
- 5.2.2. postal address;
- 5.2.3. address of the place of business;
- 5.2.4. area of activity;
- 5.2.5. bank and crypto account details;
- 5.2.6. contact phone number;
- 5.2.7. details of the ultimate beneficial owner and representative according to the provisions in clause 4.1 of the rules;
- 5.2.8. excerpt from the respective commercial register or certificate of incumbency providing information about the current legal status and the owners and representatives;
- 5.2.9. basis for the right of representation; a document, certifying the right of representation in case of an authorized person, which is notarized or certified under an equivalent procedure and legalized or certified under a certificate replacing legalization (an apostille), unless provided otherwise by an international agreement.

5.3. In order to verify the collected information, available registers and information stored on the Internet shall be used. In case of a business relationship with a higher risk level, details of references or additional documents may be requested.

5.4. In addition, detailed information on the activity of the company, as well as on the

purpose and nature of the business relationship to be established shall be requested, if necessary. In case of slightest suspicion, the client or the representative shall be questioned based on collected data over the phone. If correspondence with the person was carried out via a computer network, IP address of the computer used by the person will be recorded on every contact.

6. Fulfilment of the due diligence obligation in case of transactions

- 6.1. Before executing every transaction from the Company to the person/representative, the person/representative shall be identified beforehand and their right of representation shall be verified. In order to identify and verify the person/representative, a bank link, agreed means of communication, IP address and/or unique user names and passwords shall be used.
- 6.2. If the transaction is unusual or suspicious, the client shall be asked for explanation on the transaction and, if necessary, documents certifying the origin of assets as well. Based on that information, the practicability of continuing the business relationship and sending a notice to the Financial Supervision Commission shall be decided.
- 6.3. Transaction details shall be stored in accordance to these rules. In case of transactions executed via computer network, the IP-addresses used by the client shall be stored as well.

7. Identification

- 7.1. The Company does not provide services that can be used without identifying the person participating in a transaction and without verifying the submitted information.
- 7.2. For identification purposes, The Company is obligated to verify the validity of the identity document, correspondence of the person with personal details entered on the document, and the age of the person. If suspicion arises regarding the identity of the person, The Company is obligated to request additional details about the person.
- 7.3. Upon the submission of a document that does not correspond to the person or is invalid, The Company shall notify the police thereof.

8. Collection and storage of data

- 8.1. The Company shall identify the natural person and verify the identity based on an identity card, a valid travel document issued in a foreign country, or a driving license.
- 8.2. The Company shall make a copy of the pages of the identity document, submitted

for identification, containing personal details and a photo. In addition, the following personal details shall be recorded upon identification and verification of the submitted information:

8.2.1. name of the physical person and name of representative if entity;

8.2.2. personal identification code or, if absent, date and place of birth;

8.2.3. name and number of the document used for identification, date of issue and name of the issuing authority;

8.2.4. name of the document used for identification and verification of the right of representation, date of issue and the name of issuer.

8.3. The Company shall record the data received upon identification.

9. Notification of suspicion of money laundering or terrorist financing

9.1. If The Company identifies activity or circumstances during the provision of economic activity, the characteristics of which point to money laundering, terrorist financing or an attempt of such an activity; or if it has suspicions or knowledge that the activity constitutes money laundering or terrorist financing, it is obligated to notify the Financial Supervision Commission thereof immediately.