

Joys Platform OÜ

PROCEDURAL RULES FOR THE MONITORING OF PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING AND THE IMPLEMENTATION OF THE INTERNATIONAL FINANCIAL SANCTIONS AND THE INTERNAL CONTROL OF THEIR IMPLEMENTATION

1. General provisions

- 1.1. These rules of procedure for the prevention of money laundering and terrorist financing and for the application of international financial crime and the internal control rules for the execution of these obligations (hereinafter **internal rules**) shall be followed and applied by all employees and managers of **Joys Platform OÜ** (hereinafter referred to as **Joys Platform**). The internal rules apply to all business relationships and transactions with customers in the business of Joys Platform in order to prevent the establishment of business relationships and transactions with anonymous or unidentified persons and to ensure compliance with other statutory requirements to prevent money laundering and terrorist financing. The information technology solutions used in Joys Platform are used under the conditions and in accordance with the procedures prescribed for the fulfilment of the obligations arising from the internal rules.
- 1.2. The ultimate goal of these internal rules is to establish rules so that Joys Platform will prevent the use of Republic of Estonia's financial system and economic space for money laundering and terrorist financing.
- 1.3. The internal rules is a document that defines behavioural guidelines for Joys Platform to prevent money laundering and terrorist financing, including, inter alia, the fundamentals and procedures for communication between Joys Platform and the customer, and general terms and conditions for transactions between Joys Platform and the customer.
- 1.4. The internal rules ensure the correct identification and verification of the identity of the customer or the person involved in the transaction, the identification and verification of the beneficial owner of the customer, the identification of the purpose of the business relationship, and the continuous monitoring of the business relationship, including the monitoring of business transactions, updating of relevant documents, data or information and, if necessary the source and origin of the funds used in the transaction.
- 1.5. The internal rules apply in conjunction with the relevant legislation and the instructions of the competent authorities.
- 1.6. Before starting to provide the service, Joys Platform prepares a risk assessment to understand what risks it may face in terms of money laundering and terrorist financing and defines the risk appetite. Joys Platform prepares the risk assessment and defines risk in compliance with the requirements set out in the law.
- 1.7. In no case shall Joys Platform provide the customer or the non-entitled Joys Platform employee with information about the notification to the FIU or the identification of the subject of the financial sanction.

- 1.8. Joys Platform always plans to provide its services in the same way (internet solution) and provide the same service, so this internal policy does not analyse or specify how to assess the risks associated with new products and services or the risks associated with new sales channels.

2. Terms and definitions

- 2.1. **Money** laundering means: (a) the conversion or transfer of property derived from criminal activity or property obtained instead of such property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's actions; (b) the acquisition, possession or use of property derived from criminal activity or property obtained instead of such property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation therein or (c) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property derived from criminal activity or property obtained instead of such property, knowing that such property is derived from criminal activity or from an act of participation in such an activity. Money laundering is also participation in, association with, attempts to commit, aiding, abetting, facilitating or advising on the aforementioned activities.
- 2.2. **Economic activity** is a virtual currency exchange and money exchange service provided by Joys Platform.
- 2.3. **Terrorist financing** is the financing and support of a terrorist offence and activities aimed at its commission, as well as the making available or gathering of resources, knowing that they may be used, wholly or in part, to commit a terrorist offence. Terrorist offence refers to activities described in §§ 237, 237¹ and 237² of the Penal Code.
- 2.4. **Actual beneficiary** is a natural person exercising control over a transaction, acts or another person using its influence and for whose benefit, benefit or account a transaction or act is performed. However, the ultimate beneficiary shall be the person who ultimately owns the shares, units, voting rights of the company or exercises ultimate control of the management of the company, including holding more than 25% of the shares, holding or controlling such directly or indirectly, including in the form of bearer shares or units; part of the assets of a legal person, partnership or property of such a legal entity engaged in the management or distribution of assets: a predetermined minimum of 25%, an unspecified amount in advance and for the benefit of which a primarily legal person, partnership or other such legal entity has been established or operates; to a substantial extent, controls at least 25% of the property of a legal person, partnership or other such legal arrangement.
- 2.5. **A politically exposed person** is a natural person who performs or has performed important functions of public authority, including the Head of State, Head of Government, Minister and Deputy or Assistant Minister, Member of Parliament or a legislative body similar to Parliament, member of the Party's governing body, member of a supreme court, member of the council of a state audit office and central bank, ambassador, deputy and senior officer of the Defence Forces, member of the board of directors and administrative or supervisory body of a state-owned company, head of an international organisation,

deputy head and member of the governing body, or a person performing equivalent functions who is not a middle or low-level official. Family members of a politically exposed person – spouse or a person considered to be equivalent to a spouse, a child of a politically exposed person or a locally politically exposed, and spouse or a person deemed to be equivalent to the spouse, and a parent of a politically exposed person or a locally politically exposed person, as well as close associates of a politically exposed person.

- 2.6. **The contact person** is the employee appointed by the decision of the management board, who is the contact person of the FIU and regulates and controls the implementation of measures to prevent money laundering and terrorist financing. The contact person can only be a person who has the education, professional aptitude, necessary abilities, personal qualities and experience necessary to perform the tasks of the contact person and an impeccable reputation. Joys Platform ensures that the contact person has the necessary expertise, resources and access to relevant information to perform the tasks provided for in the Money Laundering and Terrorist Financing Prevention Act.
- 2.7. **The Financial Intelligence Unit (FIU)** is an independent structural unit of the Police and Border Guard Board that supervises and applies national coercion on the basis of and pursuant to the procedure prescribed by law. Mail address Tööstuse 52, 10416 Tallinn, e-mail rahapesu@politsei.ee.
- 2.8. For the purposes not defined in this section, Joys Platform shall proceed from the definitions and meanings set out in § 3 of the Money Laundering and Terrorist Financing Prevention Act (hereinafter referred to as "PTS").

3. General procedure for the implementation of due diligence measures

- 3.1. The purpose of persons involved in money laundering and terrorist financing is to hide their identity, the origin of their funds and the real purpose of the transactions. In order to prevent money laundering or terrorist financing through Joys Platform, Joys Platform (for the purposes of these internal rules, Joys Platform always refers to all Joys Platform managers and employees whose business is to establish business relationships or conduct transactions) to apply the due diligence measures set out in these Internal Policies; inform, where appropriate, money laundering or terrorist financing or similar activities to the FIU. These measures are aimed at making it clear to the managers and employees of Joys Platform at all times with whom the legal relationships is being entered into and with whom transactions are being made and the origin of funds.
- 3.2. Joys Platform has established clear methodology for the application of due diligence measures to the structure of the company and the volume of operations. The methodology is introduced to all employees, both on taking up employment and on a regular basis during their employment, where such contact is the responsibility of the FIU contact person. Joys Platform is also required to organise the training of the responsible employees of all partners in accordance with these rules of procedure and, where appropriate, when the activity is transferred. Training is organised as needed, especially when making important changes to these rules. The training must, inter alia, provide information on the modern methods of money laundering and terrorist financing and the risks involved.
- 3.3. The managers and employees of Joys Platform must pay close attention to the activities of the client and the circumstances that indicate criminal activity, money laundering or

terrorist financing, or that are likely to be involved in money laundering or terrorist financing, including complex, high value and unusual transactions and transaction patterns that do not have a reasonable or a visible economic or legitimate purpose or which is not characteristic to specific business. There is also an increased focus on the business relationship if the customer comes from a high-risk third country or country or territory referred to in § 37 (4) of the MTPL, or has the nationality of that country or has its domicile or seat or the payee's payment service provider in that country or territory.¹

- 3.4. The customer must confirm and agree that he will use the services provided by Joys Platform solely for relevant and intended purposes. The customer must always be prepared to explain the purpose of the transaction to be performed and source of and origin of the funds used for it. During a business relationship, Joys Platform checks the customer's stored logs to determine whether the transactions performed by the customer have a reasonable economic purpose and compares the customer's behaviour with its previous behaviour and information previously known about it. Joys Platform detects whether the business relationship and the customer's transactions are in accordance with the customer's normal participation in the civilian business, and whether the business relationship and the transaction have clear economic justification, as well as whether the other conditions set forth in Section 3.3 of this Guide are met.
- 3.5. Since the nature of the service provided by Joys Platform and the high level of security of the information systems used by Joys Platform and the customer-specific controls are such that the risk of money laundering and terrorist financing can be hedged, the business relationship between Joys Platform and the customer is established without the customer being present. Joys Platform applies due diligence measures to the extent appropriate to the business relationship, the nature of the transaction, or the degree of risk associated with the transaction. However, in view of the risk associated with the service provided by international typologies, the Joys Platform does not set a lower risk level for its customers, so it does not apply simplified customer due diligence measures to any of its customers and has not defined such corresponding arrangements in this internal policy.
- 3.6. Joys Platform does not provide services to a person with whom it has not established a business relationship. Services are not provided, i.e., no business relationship is created with anonymous persons, persons whose shares or units are bearer shares or bearer units. Once a business relationship has been established, services are not provided to individuals or in situations where
 - a) a transaction is requested, one of the purposes of which is to conceal the actual counterparties or the beneficial owner of the transaction;

¹ Pursuant to the provisions of § 37 (4) of the MTPL, these are countries or territories:

- 1) where effective sources of money laundering and terrorist financing prevention (available on the FATF, Moneyval etc. pages) have not been established according to reliable sources such as peer reviews, detailed evaluation reports or published follow-up reports;
- 2) where, according to reliable sources, the level of corruption or other criminal activity is significant (available from websites of Transparency International, Basel AML Index, etc.);
- 3) which are subject to sanctions, embargoes or similar measures, such as by the European Union or the United Nations (available on the FIU website, EU Sanctions Map, applicable UN Resolutions, from the respective pages of the U.S. Treasury);
- 4) which finances or supports terrorism or in whose territory the European Union or the United Nations designated terrorist organisations operate (inter alia, on the pages listed under the above items).

- b) a transaction is requested that does not have a reasonable commercial, economic, tax or legal purpose;
 - c) for any reason, there is suspicion that the customer or the transaction performed by the customer may have a link with money laundering or terrorist financing.
- 3.7. In any event, Joys Platform undertakes to apply due diligence in the following situations:
- a) in the establishment of the customer relationship;
 - b) in the case of insufficiency or incorrectness of the documents or data collected during identification and verification of the submitted data or updating of the corresponding data;
 - c) in the case of the suspicion of money laundering or terrorist financing.
- 3.8. Due diligence measures must be applied prior to the establishment of a business relationship or transaction if the law provides for an exception or right.
- 3.9. Due diligence measures should always be applied to at least the minimum extent (i.e., normal diligence measures) within the meaning of section 5 of the internal rules and, in the event of a higher risk than usual (i.e., high risk), in accordance with section 7 of the internal rules. In determining the scope of the application of due diligence measures, Joys Platform considers the prudent person approach provided in the Law of Obligations Act.
- 3.10. Joys Platform shall immediately inform the contact person of the FIU of the suspicion of money laundering or terrorist financing, who shall in turn inform the management board.
- 3.11. In order to enter into a client contract, the client completes a questionnaire asking for the mandatory data required for the application of due diligence measures and required by legislation. The customer confirms the correctness of the submitted data with their signature and confirms that the submission of false information is accompanied by both civil and criminal liability. Joys Platform stores the completed and signed form in the customer-specific folder, the data being stored in accordance with the procedure set out in section 9 of this guide.

4. Assessing the risk of money laundering and terrorist financing and determining the scope of due diligence measures

- 4.1. Joys Platform must assess the risk of money laundering and terrorist financing, and its level, and select and apply appropriate due diligence measures to this end.
- 4.2. Joys Platform has applied due diligence measures if Joys Platform has to its best understanding which is not biased by its own interests, the interests of its customers or other third parties, fulfilled its obligation to apply due diligence measures (see also the second sentence of section 3.9 of these internal rules).
- 4.3. When assessing the level of money laundering and terrorist financing risk, three categories of risk are taken into account: geographic, customer and transaction risk.
- 4.4. A geographic risk is considered high and thus a high risk for the customer if the client or transaction is known to have a link with the countries or territories referred to in section

3.3 of these internal rules that are considered a low-tax territory or listed by non-cooperative or high-risk countries established by the FATF.

- 4.5. Customer risk is considered high in addition to occurrences with geographical risk, even if the customer is a politically exposed person, the individual customer has another person as the actual beneficiary, the ownership structure of the legal entity is unusual or too complicated, there is a suspicion that the customer may be included in the list of financial sanctions, the customer is or is suspected of being involved in money laundering or terrorist financing.
- 4.6. The risk associated with the transaction is considered high and thus the client's risk is high if the customer's activity may refer to servicing other customers, the activity required for the activity licence, the client deals with personal property management, the client's activities are largely related to cash, the client is engaged in the business of precious stones or metals, the client is dealing with a lotto or casino business.
- 4.7. As a result of the assessment, Joys Platform will determine the risk profile of the person involved in the business relationship or transaction: normal or high. In accordance with section 3.5 of these internal rules, no customer-related risk is considered to be low and, therefore, due diligence is in no case subject to a simplified procedure.
- 4.8. If at least one of the risk factors mentioned in sections 4.4 - 4.6 (inclusive) applies to a customer or transaction, the customer must be subject to enhanced due diligence and a high degree of risk is assigned to the customer.
- 4.9. Joys Platform refuses to provide the customer with a service and interrupts the completion process if the customer does not disclose all or any incomplete information required by Joys Platform. In this case, Joys Platform may ask for complete information about the customer. If, despite such a request, the customer does not provide the required information, Joys Platform shall refuse to execute the transaction and shall inform the contact person of FIU who shall inform the FIU.

5. Minimum due diligence measures applicable when establishing a business relationship (i.e., due diligence measures applicable under normal and medium risk)

- 5.1. Joys Platform applies the following due diligence measures when setting up a business relationship:
 - a) identifying the customer on the basis of the documents and data provided by it and verifying the information provided from information obtained from a reliable and independent source. A reliable and independent source is the documents prepared by the person or its representative; identification documents; documents submitted by the person itself; national registers and other public records; reliable and independent private databases; Information available to the European Union and other recognised international organisations and their websites; Information from Estonian state agencies; data available from search engines (evaluating the source and its compiler); information published by the state and supervisory authorities; other data that the Joys Platform deems to be reliable;

- b) identification and verification of the right of representation of a natural person or representative of a legal person;
- c) identification of the beneficiary of the natural person or legal person, including the collection of information on the ownership and control structure of the legal person, trust fund, civil law partnership or another contractual legal unit on the basis of the data acquired in the course of precontractual negotiations or from another reliable and independent source;
- d) understanding of the business relationship and conduct and, where appropriate, collecting additional information about it.

5.2. In the case that the customer is a natural person, for identification purposes, Joys Platform collects the customer's:

- a) name;
- b) personal identification code or date and place of birth;
- c) profession or the area of activity;
- d) residence or location and

For verification purposes, Joys Platform uses two sources, which may be personal identification documents within the meaning of the Identity Documents Act (see in this respect the specification of section 5.6 of these internal rules), a device allowing strong authentication (e.g. ID card, mobile ID, etc.), a payment made from a person's open account with a credit or payment institution (which holds authorisation in an equivalent country, as described in section 5.9), a document from the population register, utilities or other invoice attesting the residence or location of the person in the place referred to; information obtained from activities, other reliable and independent sources.

5.3. For identification purposes Joys Platform collects the following about the customer who is a legal person:

- a) business name or name;
- b) registry code or registration number and time;
- c) the name of the chairman of the board or names of the members of the management board or members of any other body replacing it, and their authorisation to represent the legal person;
- d) the details of the telecommunications of the legal person;
- e) registry card of the relevant register;
- f) registration certificate of the relevant register; or
- g) a document equivalent to a registry card or registration certificate, and
- h) for checking data, the Joys Platform uses two sources, whereas these sources may be the registry card of the relevant registry, a document equivalent to the registration certificate of the relevant registry or to the previously mentioned document (see in this respect the specific requirements of section 5.6 of these internal rules), the payment made from account opened by the person in the credit or payment institution (which holds an

operating permit in an equivalent country, as described in section 5.9), public utility or other invoice proving that the person is operating in the place referred to, information received from another reliable and independent source.

- 5.4. In case of a representative of a customer who is a legal entity, the requirements set out in section 5.2 of these internal rules apply and the basis and extent of the right of representation is established by collecting relevant documents or by performing a corresponding check from the registers. If Joys Platform has access to data from a commercial register, a non-profit association, or a register of foreign affiliates or foreign registers via a computer network, the customer does not need to require the submission of the information specified in section 5.3 e-g.
- 5.5. The actual beneficiary is usually identified on the basis of the corresponding registry documents, with Joys Platform also identifying the ownership and control structure. Joys Platform also determines whether a natural person is acting on his or her behalf. In a situation where a person is acting on behalf of another person, Joys Platform must personally identify the person on whose behalf the transactions are made and identify such a natural person as the actual customer. Joys Platform also determines the reason why the natural person is the beneficial owner and informs the FIU if necessary.
- 5.6. Joys Platform collects the following information about the transaction: the date or time of the transaction; description of the transaction content; the amount of the transaction; the currency of the transaction; bank account numbers.
- 5.7. The purpose of a business relationship is normally the result of the business of Joys Platform, which is the exchange of virtual currency for the exchange of money and money against a virtual currency. Where appropriate, the Joys Platform will collect additional information about the customer's experience (from which the customer has received business information, skills, contacts with partners, etc.), as well as the customer's payment habits, in order to be able to recognise the client's maximum and future transactions to be able to monitor the business relationship later.
- 5.8. For the purposes of due diligence, the circumstances to be identified are generally determined on the basis of the original documents submitted by the customer or copies thereof (scanned version of the original). If the original document cannot be obtained, documents authenticated by a notary or notarised or officially approved documents may be used. If this is not practical in view of the degree of risk, a copy of the original document must be authenticated by the corresponding stamp or signature and may be transmitted electronically (in a form reproducible in writing). The copy may not be relied upon if there is any doubt as to its originality.
- 5.9. Upon the application of due diligence measures, information obtained in a format which can be reproduced in writing from a credit institution registered in Estonia or from a credit institution or credit institution of a foreign credit institution registered or established in a Contracting State of the European Economic Area or in a third country with requirements equivalent to the provisions of the MTPL may also be invoked. The application of due diligence measures may also be transferred by Joys Platform by entering into an appropriate agreement.

6. Minimum due diligence measures applicable in the business relationship (i.e., due diligence measures applicable in normal and medium risk situations)

- 6.1. Joys Platform will apply the following minimum diligence measures in the business relationship:
- a) continuous screening and monitoring of the customer's business relationship, including tracking of transactions conducted in the business relationship;
 - b) updating relevant documents, data and information; and
 - c) identifying the source and origin of the funds used for the transaction, if necessary.
- 6.2. Joys Platform evaluates the customer's performance based on the data it has collected about him/her and determines whether the information previously known to the customer is in line with the customer's actual activity. All transactions, operations, and information about the transactions performed by the customer in the Joys Platform electronic environment are stored in the information system of Joys Platform.
- 6.3. Joys Platform compares the information received from the client with publicly available data to determine whether the data of the client coincide with the data published in the list of persons subject to international sanctions or whose residence is in the list of higher risk countries. Joys Platform also continuously compares data with its own list, where Joys Platform keeps track of customers on whom there have previously been any suspicions, as well as of more frequent fraudulent schemes and money laundering and terrorist financing situations (including the FIU guidelines on money laundering or terrorist financing). about features)
- 6.4. The due diligence measures apply during the business relationship, inter alia, in the following cases:
- a) Joys Platform has doubts about the correctness or inadequacy of the data collected when establishing a business relationship, as well as when the counterparty's business is not customary (both in terms of its own past behaviour patterns or a reasonable person's understanding) or transparent, and if Joys Platform becomes suspicious of money laundering or terrorist financing;
 - b) it is an unusually large transaction or unusual transaction scheme, the economic purpose of which remains questionable;
 - c) otherwise, if it is clear to Joys Platform that the information known to the customer does not coincide with the actual activity of the customer.
- 6.5. Joys Platform must continuously screen (follow in real time) and monitor (ex-post) the customer's activities and evaluate the changes in the customer's activities. Screening is performed using Joys Platform's IT equipment and monitoring is carried out at the end of the month on the basis of the parameters provided by Joys Platform, which sums up the biggest turnovers and largest single transactions. Joys Platform also continuously monitors to ensure that funds transferred to the account for the exchange of virtual currencies do not originate from or funds credited from the account are not transferred to the countries referred to in section 3.3 of these internal rules and, if necessary, take appropriate measures both to suspend payments and to notify the FIU.

- 6.6. If Joys Platform, including the contact person of the FIU, suspects that the customer's activity may be money laundering or terrorist financing or other illegal activity, it will suspend the relevant transaction and will notify the FIU or continue to execute the transaction if the FIU has received a corresponding order.
- 6.7. In the event that a client makes an unusual transaction or a transaction based on unusual circumstances that is not known as the source and origin of the funds used in the transaction, the Joys Platform requires information from the customer about the source and origin of the funds used in the transaction. The source and origin used in the transaction must also be identified if the value of the transaction executed by the client does not match the customer's prior information (customer capability) or if it is a transaction with high value for Joys Platform.
- 6.8. Joys Platform updates the data collected during the application of the due diligence measures once a year, and in any case every three years, for a high risk client. In the event that the customer does not actively carry out transactions during this period, the data will be updated once the customer resumes transactions. At the end of this period, Joys Platform will request confirmation of the above information or the provision of updated information. In the event that the data used to verify the identity, or in particular the identity document, has become invalid at the time of the update, Joys Platform will also request a copy of the new identity document (see section 5.7 of these internal rules).
- 6.9. When establishing a business relationship with a customer and providing services during a business relationship, Joys Platform stores and preserves the customer's IP addresses. Based on these, it is possible to monitor the customer's location and to verify the correctness of the information provided by the client. If the information published by the customer does not match the identified IP addresses or the customer uses a variable IP address, Joys Platform shall apply additional due diligence measures to the customer to identify the cause of the differences or action and, if necessary, notify the FIU.
- 6.10. To analyse customer transactions, Joys Platform uses an information system that allows it to highlight transactions based on predefined parameters. Parameters are determined by the Management Board's decision (for example, transactions that correspond to fraudulent activities and other key ways of typing virtual currencies, such as the customer buys and sells the virtual currency immediately, the customer does not care about the losses the customer is constantly making on transactions, etc.).

7. Enhanced procedure for the implementation of due diligence measures

- 7.1. Joys Platform implements due diligence in situations and circumstances that involve a higher than usual risk of money laundering and terrorist financing (i.e., in particular the cases mentioned in sections 4.4 to 4.6 (inclusive) of these internal rules).
- 7.2. In order to apply enhanced due diligence measures, Joys Platform shall apply, in addition to the minimum due diligence measures set out in section 5 or 6 of these internal rules, at least one of the following enhanced due diligence measures (depending on whether a higher risk arises when establishing a business relationship or monitoring a business relationship, i.e. a transaction):

- a) identifying the customer and verifying the information provided on the basis of additional documents, data or information from a reliable and independent source;
- b) collecting additional information on the purpose and nature of the business relationship, transaction or act, and verifying the information provided on the basis of additional documents, data or information from a reliable and independent source;
- c) collecting additional information and documents relating to the actual execution of transactions in a business relationship, in order to prevent the appearance of transactions;
- d) collecting additional information and documents to identify the source and origin of funds used in a business relationship transaction, to exclude the appearance of transactions;
- e) taking additional measures to verify the authenticity of the documents submitted and the accuracy of the information contained therein (for example, requiring their notarial or official confirmation or verifying the accuracy of the data by the credit institution which issued the document in the Estonian commercial register or a branch or credit institution of a foreign credit institution registered or having its place of business in an EEA Contracting State or in a country with equivalent requirements to Estonia, and if the credit institution has identified the person at the same place;
- f) making a first transaction-related payment through an account opened in the name of a person participating in the transaction with a credit institution registered or established in a contracting state of the European Economic Area or in a country subject to requirements equivalent to those of the European Parliament and Council Directive (EU) 2015/849.

7.3. In the event of reinforced due diligence measures, Joys Platform shall apply business relationship monitoring more frequently than usual, including for at least six months after the establishment of the business relationship to reassess the client's risk profile.

7.4. In the selection of enhanced due diligence measures, Joys Platform will proceed to mitigate the risk involved in the circumstance or factor causing a higher risk.

7.5. If Joys Platform establishes a business relationship with a politically exposed person (and Joys Platform identifies such a circumstance by asking the customer a relevant question, as well as by comparing the customer's profession and area of activity with the official positions of politically exposed persons), Joys Platform shall apply minimum and enhanced due diligence measures in regard to the politically exposed person and the transactions made by such a person. As an enhanced due diligence measure, Joys Platform applies the following due diligence measures to a politically exposed person and to the transactions that he or she performs:

- a) obtains approval from senior management to establish or continue a business relationship with that person;
- b) implements measures to determine the origin of the wealth of the person and the sources of funds that are used in the business relationship or occasional transactions;

- c) monitors the business relationship (conducts monitoring of the business relationship) in an enhanced manner.

8. Impossibility of establishing a business relationship, refusing to enter into a transaction, and extraordinary cancellation of a business relationship

- 8.1. Joys Platform does not establish a business relationship if it is unable to apply the due diligence measures set out in section 5 of these internal rules or if it has any suspicion of money laundering or terrorist financing.
- 8.2. Joys Platform makes an extraordinary business relationship if it is unable to apply due diligence during a business relationship, or if a client refuses to provide the information or documents necessary to exercise due diligence.
- 8.3. If there are any circumstances mentioned in section 8.2 of these internal rules, Joys Platform shall not make any transactions with the customer.
- 8.4. If there is a suspicion of money laundering or terrorist financing, in addition to notifying the FIU, Joys Platform shall try to obtain additional information from the customer (without referring to the suspicion of money laundering or terrorist financing or the notification of the FIU) and in a situation where Joys Platform is unable to overcome the suspicion, it shall terminate the business relationship on an extraordinary basis due to the impossibility of applying due diligence measures.
- 8.5. The prohibition on establishing a business relationship in this section does not apply if Joys Platform receives a corresponding instruction from the FIU.
- 8.6. In the event of extraordinary cancellation of a business relationship, Joys Platform shall only transfer the assets of the customer to an account opened with a credit institution or a branch or credit institution of a foreign credit institution registered in Estonia or registered in a Contracting State of the European Economic Area or in a country in which requirements equivalent to the requirements of European Parliament and of Council Directive (EU) 2015/849 are in force. In an exceptional case, the property may be transferred to a non-client account, informing the FIU at least seven working days in advance, and as long as the FIU does not provide otherwise.

9. Preservation of data

- 9.1. Joys Platform stores transaction-related data for up to five years after the transaction, and data collected during business relationship and business relationship monitoring for up to five years after the end of the business relationship.
- 9.2. Joys Platform will retain, for up to five years after the termination of the business relationship, all correspondence with the customer, as well as information on suspicious or unusual transactions or circumstances that were not reported to the FIU, and the circumstances and information underlying the refusal of the business relationship under

section 8 of these internal rules and the extraordinary cancellation of the business relationship.

- 9.3. Joys Platform retains notifications to the FIU for up to five years after the notification.
- 9.4. Joys Platform stores the data in a manner that allows for a complete and immediate response to the FIU or, in accordance with legislation, requests from other supervisory authorities, investigative bodies or courts, including whether Joys Platform is or has in the previous five years been in a business relationship with the person named in the request, and what is or was the nature of this relationship.
- 9.5. If Joys Platform makes a request for identification in a database belonging to the State Information System, the retention obligation shall be deemed to have been fulfilled if the information on the electronic query in that register is reproducible within five years of the termination of the business relationship or transaction.
- 9.6. Joys Platform shall delete the retained data after the expiry of the deadlines, unless otherwise provided by the relevant regulatory enactments. On the basis of a precept issued by the competent supervisory authority, data relevant to the prevention, detection or investigation of money laundering or terrorist financing may be retained at the request of the relevant authority for a period longer than five years after the expiry of the initial term.

10. Contact person

- 10.1. The contact person for Joys Platform is the supervisory official Elo Kukk, who is responsible for informing and enforcing the FIU and enforcing international financial sanctions.
- 10.2. The tasks of the contact person include:
 - a) Arranging and analysing the collection of information indicating abnormal or money-laundering transactions or terrorist financing that occur in the activities of Joys Platform;
 - b) communicating with the FIU, i.e. providing information to the FIU in the case of a suspicion of money laundering or terrorist financing, and responding to requests from the FIU and complying with precepts;
 - c) submission of written reviews once a year to other members of the management board, including informing about deficiencies in compliance with the present procedure, instructions and legislation of supervisory and investigative bodies;
 - d) checking compliance with money laundering requirements (performance of internal control tasks within the meaning of paragraph 13 of these internal rules);
 - e) to ensure the maintenance of the technical means and documentation necessary to prevent money laundering and terrorist financing;
 - f) to make Joys Platform employees aware of any problems associated with the fulfilment of this procedure as soon as possible.

- 10.3. The contact person is also responsible for ensuring the implementation of the international financial sanction provided for in paragraph 13 of these internal rules and for taking on other obligations under this section.
- 10.4. In fulfilling his or her duties, the contact person is entitled to:
- a) make proposals to amend and supplement this procedure and to organise regular training on compliance with legal requirements for employees of Joys Platform, whose duties include establishing business relationships or conducting transactions;
 - b) require that the structural unit of Joys Platform remedies any identified deficiencies by a reasonable term, complying with the requirements for money laundering and terrorist financing;
 - c) monitor the performance of the employees of Joys Platform in complying with this procedure and related legislation, including the exchange of emails on the employees' computer, occasionally participating in the work of the employee of Joys Platform, reviewing employee documents;
 - d) demand compliance with the requirements specified in this Procedure and immediate termination of the violation if the circumstances of non-compliance have been clarified;
 - e) interview the employees of Joys Platform regarding the analysis of the data obtained from their activities;
 - f) conduct tests from time to time to verify the knowledge of the employee in relation to what is provided in these rules;
 - g) make suggestions for organising the process of presenting suspicious and unusual reporting;
 - h) receive sectoral training.
- 10.5. The contact person must respect the privacy of the employees in the performance of their duties.
- 10.6. The contact person may only forward information or data with a suspicion of money laundering that has become known to him or her to the management board, the FIU, the criminal investigation authority; to the court on the basis of a court ruling or a court order.

11. Notification of the FIU

- 11.1. Joys Platform notifies the FIU when it identifies activities or circumstances that are indicative of the use of proceeds of criminal activity, terrorist financing or related crimes or attempts to commit such activity, or for which it suspects or is aware that it is money laundering or terrorist financing, or related crimes.
- 11.2. Joys Platform shall also notify the FIU of any refusal to establish a business relationship as referred to in section 8 of the internal rules, or in the event of emergency cancellation of a business relationship. Joys Platform also notifies the FIU when the customer, upon a request for due diligence, renounces the creation of a business relationship at its own

initiative, as well as the transaction for which Joys Platform has suspected money laundering or terrorist financing or refuses to provide the required additional information.

- 11.3. As the transactions of Joys Platform in cash will not be executed, Joys Platform is not required to inform the FIU of cash transactions.
- 11.4. All notifications referred to in this section must be made immediately, but no later than two working days from the date of the doubt.

12. Identifying international financial sanctions and taking action

- 12.1. When establishing a business relationship, Joys Platform uses a search engine on the FIU website to check whether the person who wants to establish a business relationship is a subject of sanctions. Joys Platform continuously monitors the FIU website and subscribes to the respective newsletters to keep up to date with new people on the list of international financial sanctions and to determine whether a listed person has a business relationship with Joys Platform.
- 12.2. Joys Platform pays particular attention to the activities of the person in the business relationship, as well as to the person who plans to establish a business relationship, and circumstances that indicate that the person is a subject of international financial sanctions.
- 12.3. If Joys Platform doubts whether a person who wishes to establish a business relationship or a business person, as well as a person intending to establish a business relationship, is the subject of an international financial sanction, Joys Platform shall ask the person for additional information (without disclosing that Joys Platform has such suspicion).
- 12.4. If a person in business relationship, as well as a person who plans to establish a business relationship, refuses to provide additional information or is unable to determine whether a person is a subject of an international financial sanction, Joys Platform shall refuse to carry out a transaction or act, adopts the measures provided for in the legislation imposing or implementing international financial sanctions, and notifies the FIU immediately of its suspicion and adopted measures.
- 12.5. If Joys Platform suspects or knows that a business person, as well as a person planning to establish a business relationship, is the subject of an international financial sanction, Joys Platform will immediately inform FIU of the identification, suspicion and action taken regarding the entity with international financial sanctions.
- 12.6. Upon the entry into force of a legal instrument establishing or implementing an international financial sanction, the FIU contact person shall take measures to fulfil the obligations arising therefrom and shall show due diligence to ensure the achievement of the purpose of the international financial sanction and to avoid a violation of the sanction.
- 12.7. Joys Platform collects and stores the following data for the purposes of fulfilling the obligations set out in this Section for a period of five years:
 - a) time of inspection;
 - b) name of the inspector;
 - c) inspection results;

- d) measures applied.

13. Internal control

- 13.1. Internal control is performed by a contact person of the FIU and draws up an appropriate control report if Joys Platform does not make a separate agreement with the internal auditor.
- 13.2. The audit report drawn up on the follow-up of the implementation of measures to prevent money laundering and terrorist financing sets out the following information:
 - a) purpose of inspection;
 - b) time of inspection;
 - c) the name and title of the controller;
 - d) description of the performed inspection; and
 - e) analysis of the results of the inspection or conclusions drawn from the examination performed.
- 13.3. If the inspection revealed shortcomings in the internal rules or their implementation, the control report shall be accompanied by descriptions of the deficiencies, together with an analysis of the potential risks associated with it. It also defines the measures to be taken to remedy the deficiencies, the time required to remedy the deficiencies and the time taken to carry out the follow-up.
- 13.4. The internal control referred to in this section may be conducted at any time and shall be exercised by the FIU's contact person (or internal auditor).

Adopted and established by the resolution of the Management Board of Joys Platform OÜ dated 02 July 2019.