

AML & KYC Policy Summary

Anti-Money Laundering & Know Your Customer

Escrowfy GmbH
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1. Our Commitment to Financial Crime Prevention

1.1. Escrowfy GmbH, operating under the Oxen Finance brand (“Oxen”, “we”, “our”), is committed to the highest standards of anti-money laundering (AML), counter-terrorism financing (CTF), and counter-proliferation financing (CPF) compliance. We have zero tolerance for money laundering, terrorism financing, sanctions evasion, and any form of financial crime.

1.2. This document is a public summary of our AML/KYC framework. It is intended to help our clients and prospective clients understand why we collect certain information, how we use it, and what obligations arise for both parties. Our full internal AML/CTF/CPF Policy and related procedures are confidential and are not published.

1.3. This summary should be read in conjunction with our Privacy Policy (OXN-POL-PRIV-001), Prohibited and Restricted Countries Policy (OXN-POL-JRP-001), Prohibited and Restricted Industries Policy (OXN-POL-IND-001), and General Terms and Conditions.

2. Regulatory Framework

2.1. Escrowfy GmbH is a member of the VQF Self-Regulatory Organisation (SRO) under membership number 101009, operating as a financial intermediary within the meaning of the Swiss Anti-Money Laundering Act (AMLA/GwG). We are subject to the supervisory oversight of the VQF and, indirectly, the Swiss Financial Market Supervisory Authority (FINMA).

2.2. Our AML/KYC framework is designed to comply with the following laws, regulations, and international standards:

Framework	Scope
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Swiss AMLA (GwG) and AMLO (GwV)	Core AML legislation: client identification, beneficial ownership, due diligence, record keeping, suspicious activity reporting to MROS
VQF Regulations (VQF-RL)	SRO-specific rules on risk classification, due diligence, monitoring, and compliance organisation
FINMA Anti-Money Laundering Ordinance (AMLO-FINMA)	Supervisory guidance applicable to financial intermediaries
EU Anti-Money Laundering Directives (AMLD 4/5/6)	Applicable where we serve EU-based clients or process EU-related transactions
UK Money Laundering Regulations 2017 (MLR 2017)	Applicable where we serve UK-based clients or operate through UK-authorised partners
ADGM AML and Sanctions Rules and Guidance	Applicable in connection with our ADGM licensing strategy
FATF Recommendations (40 Recommendations)	International standards for AML/CTF/CPF; benchmark for our policies and procedures
FATF Travel Rule (Recommendation 16)	Requirements for originator and beneficiary information in wire transfers and virtual asset transfers

3. Know Your Customer (KYC) – What We Collect and Why

We are legally required to verify the identity of every client before establishing a business relationship or processing transactions. This is not optional – it is a legal obligation imposed on all regulated financial intermediaries.

3.1 Individual Clients (Natural Persons)

Information	Documents Required	Why We Need It
Full legal name, date of birth, nationality, place of birth	Government-issued ID (passport, national ID card, or driver's licence)	Client identification and verification (AMLA Art. 3)
Residential address	Proof of address dated within 3 months (utility bill, bank statement, tax document, government correspondence)	Verify place of residence; jurisdictional risk assessment
Facial verification	Live selfie or liveness detection video (biometric, with your explicit consent)	Prevent identity fraud; match physical identity to documents
Source of funds	Bank statements, payslips, investment statements, sale agreements, or other evidence showing where your funds originate	Legal obligation under AMLA; assess money laundering risk
Source of wealth (where applicable)	Tax returns, inheritance documentation, business ownership records, property sale records	Required for higher-risk profiles; understand overall financial position

Purpose of the business relationship	Self-declaration during onboarding	Risk assessment; understand the expected nature and pattern of activity
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3.2 Corporate Clients (Legal Entities) – Know Your Business (KYB)

Information	Documents Required	Why We Need It
Legal entity name, registration number, registered address	Certificate of incorporation, commercial register extract (dated within 3 months)	Entity identification and verification
Articles of association / formation documents	Certified or notarised copies	Understand governance structure, authorised activities, and capital structure
Directors, authorised signatories, and key personnel	ID and proof of address for each (same as individual KYC)	Verify persons acting on behalf of the entity
Ultimate Beneficial Owners (UBOs) holding ≥25% of shares or voting rights	ID, proof of address, and evidence of ownership (share register, shareholder agreements)	Legal obligation under AMLA Art. 4; AMLD Art. 30; identify the natural persons who ultimately control the entity
Corporate structure chart	Organisational chart showing ownership chain up to the UBO level	Transparency of ownership; identify complex or layered structures
Proof of business activity	Business licence, client contracts, invoices, website, financial statements	Confirm the entity is operational and the business activity is consistent with the stated purpose
Source of corporate funds and source of wealth	Audited financial statements, bank statements, investment records, contracts	AML risk assessment; verify legitimacy of funds entering the platform
Purpose of the business relationship	Self-declaration; description of expected transaction types, volumes, and jurisdictions	Risk assessment; calibrate monitoring accordingly

Important: We may request additional documentation beyond what is listed above, depending on your risk profile, jurisdiction, business activity, or the nature of your transactions. This is a normal part of the compliance process and does not imply suspicion.

4. Risk-Based Approach

4.1. We apply a risk-based approach to client due diligence, as required by the FATF Recommendations and all applicable AML legislation. This means that the level of due diligence applied to each client is proportionate to the assessed risk of the client relationship.

4.2. Risk is assessed based on multiple factors, including but not limited to:

- Client type (individual, corporate, trust, foundation, complex structure);

- Country of residence, incorporation, and operational jurisdictions (see our Prohibited and Restricted Countries Policy);
- Industry and business activity (see our Prohibited and Restricted Industries Policy);
- PEP status (Politically Exposed Persons, including family members and close associates);
- Expected transaction volume, frequency, and patterns;
- Source of funds and source of wealth transparency;
- Adverse media and public record findings.

4.3. Clients assessed as presenting elevated risk are subject to Enhanced Due Diligence (EDD), which may include additional documentation requirements, senior management approval, more frequent periodic reviews, and enhanced transaction monitoring.

5. Sanctions and PEP Screening

5.1. All clients, beneficial owners, directors, authorised signatories, and counterparties are screened against international sanctions lists and Politically Exposed Persons (PEP) databases at the point of onboarding, and on an ongoing basis throughout the business relationship.

5.2. The sanctions lists we screen against include, but are not limited to:

- Swiss SECO sanctions (Ordinances on measures against specific countries);
- European Union Consolidated Sanctions List;
- United Kingdom HM Treasury / OFSI Consolidated List;
- United States OFAC SDN (Specially Designated Nationals) and Consolidated Sanctions Lists;
- United Nations Security Council (UNSC) Consolidated List;
- FATF High-Risk Jurisdictions and Jurisdictions under Increased Monitoring.

5.3. If you, a beneficial owner, director, or counterparty of yours appears on a sanctions list, we are legally required to freeze funds, block transactions, and report to the relevant authorities. We may not be able to inform you before taking such action. 5.4. PEP status does not automatically disqualify you from using our services. However, PEPs and their close associates are subject to Enhanced Due Diligence, including verification of source of wealth and senior management approval.

6. Ongoing Monitoring

6.1. Our obligations do not end at onboarding. We conduct ongoing monitoring of all client relationships and transactions throughout the duration of the business relationship. This includes:

- Transaction monitoring: automated and manual review of transactions for unusual or suspicious patterns, including structuring, rapid movement of funds, transactions inconsistent with the client's stated profile, and transactions involving high-risk jurisdictions;
- Sanctions rescreening: continuous screening of clients and counterparties against updated sanctions lists;
- Adverse media monitoring: periodic screening of clients against public sources for negative news related to financial crime, fraud, corruption, or regulatory enforcement;
- Periodic reviews: scheduled reviews of client files to ensure that identification documents, risk assessments, and due diligence information remain current and accurate. Review frequency is determined by risk level;
- Blockchain analytics (for crypto-asset transactions): monitoring of wallet addresses for exposure to sanctioned entities, darknet marketplaces, mixing services, and other high-risk typologies.

6.2. If our monitoring identifies activity that is inconsistent with your profile, we may contact you to request clarification or additional documentation. We may also temporarily suspend transaction processing pending the outcome of our review.

7. Suspicious Activity Reporting

7.1. Where we have reasonable grounds to suspect that a transaction or business relationship involves the proceeds of crime, terrorism financing, or sanctions evasion, we are legally obligated to file a Suspicious Activity Report (SAR) with the Swiss Money Laundering Reporting Office (MROS), or the relevant financial intelligence unit in the applicable jurisdiction.

7.2. Tipping off: We are prohibited by law from informing you that a SAR has been filed or that your activity is under investigation. If we are unable to explain the reason for a delay, account restriction, or request for information, it may be because we are legally prevented from doing so.

7.3. Filing a SAR is a legal obligation, not an accusation. It does not mean that you are suspected of criminal activity. It means that we have identified activity that, by law, we are required to report to the authorities for further assessment.

8. Your Obligations as a Client

By using the Oxen Finance platform, you agree to:

- Provide accurate, complete, and truthful information during onboarding and throughout the business relationship;
- Promptly notify us of any changes to your personal information, residential address, corporate structure, beneficial ownership, or business activity;

- Respond to requests for additional information or documentation in a timely manner;
- Not use the platform for money laundering, terrorism financing, sanctions evasion, tax evasion, fraud, or any other illegal purpose;
- Not structure transactions or activity in a way designed to avoid reporting thresholds or circumvent our monitoring controls;
- Not provide false, misleading, or forged documentation;
- Cooperate with our compliance team in connection with any review, investigation, or request for information.

Failure to comply with these obligations may result in: delay or refusal of onboarding; suspension of services; freezing of funds; termination of the business relationship; and/or reporting to the relevant authorities.

9. Account Restrictions, Freezing, and Closure

9.1. We reserve the right to take the following actions where required by law, regulation, or our internal compliance obligations:

Action	When and Why
Temporary suspension of services	When we require additional information or documentation to complete or update due diligence; when a transaction triggers a compliance alert requiring review; when a periodic review is overdue
Freezing of funds	When required by a sanctions designation; when instructed by a regulatory authority, court order, or law enforcement agency; when a SAR has been filed and we are awaiting direction from MROS or the relevant authority
Decline or delay of a transaction	When a transaction involves a prohibited jurisdiction or counterparty; when a transaction is inconsistent with the client's profile and has not been satisfactorily explained; when compliance review has not been completed
Account closure and termination	When the client fails to provide requested information within a reasonable timeframe; when the client's risk profile exceeds our risk appetite; when we identify evidence of illegal activity or material misrepresentation; when required by law or regulation

9.2. Where we take any of the above actions, we will inform you of the action and the reason, unless we are legally prohibited from doing so (e.g., because a SAR has been filed or because disclosure would constitute tipping off under applicable law).

9.3. In the event of account closure, any remaining funds (to the extent not frozen by legal requirement) will be returned to the client's verified bank account, subject to any applicable deductions for outstanding fees or

charges. Crypto-assets will be transferred to the client's verified external wallet, subject to the same conditions.

10. Data Retention and Record Keeping

10.1. We are legally required to retain all KYC/KYB documentation, transaction records, risk assessments, screening results, and SAR-related records for a minimum of 10 years from the date of termination of the business relationship, in accordance with Swiss AMLA Art. 7.

10.2. This retention obligation applies regardless of your data protection rights (e.g., right to erasure under GDPR or nFADP). Where a data subject request conflicts with a legal retention obligation, the legal obligation prevails. For more information, please refer to our Privacy Policy (Section 7).

11. Compliance Organisation

11.1. Escrowfy GmbH maintains a dedicated compliance function responsible for the implementation, oversight, and continuous improvement of our AML/CTF/CPF framework. The compliance function is headed by the Chief Compliance Officer (CCO) and operates independently of revenue-generating business lines.

11.2. All staff with client-facing or compliance-relevant roles receive mandatory AML/CTF training upon joining and at least annually thereafter, covering applicable legislation, typologies and red flags, internal procedures, sanctions obligations, and SAR reporting.

11.3. Our AML/CTF framework is subject to periodic independent review by external auditors or consultants, and to examination by the VQF SRO.

12. Travel Rule Compliance

12.1. In accordance with FATF Recommendation 16 and applicable implementations (including the EU Transfer of Funds Regulation and Swiss AMLO provisions), we collect and transmit originator and beneficiary information for all wire transfers and virtual asset transfers processed through the Oxen Finance platform.

12.2. For crypto-asset transfers, we comply with the Travel Rule by collecting the required originator and beneficiary data and transmitting it to the counterparty VASP, where technically feasible and required by law.

12.3. We may decline to process a transfer if the required Travel Rule information cannot be obtained from or transmitted to the counterparty.

13. Updates to This Summary

13.1. We update this summary as necessary to reflect changes in applicable law, regulation, or our internal procedures. Material changes will be notified to clients and published on our website.

13.2. The most current version is available at oxen.finance/aml-kyc.

14. Contact

For questions about our AML/KYC requirements, or if you need assistance with the verification process:

Compliance Team	compliance@oxen.finance
Onboarding Support	onboarding@oxen.finance
General Support	support@oxen.finance
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