

Know Your Client (KYC)- Anti Money Laundering (AML)

TERM AND CONDITIONS

1st JUNE, 2024

This Know Your Client (“KYC”) and Anti-Money Laundering (“AML”) Policy (“KYC-AML Policy”) details the terms and conditions binding on the You (hereinafter referred to as “User/Client/You”) to access and use our website <https://infliv.in/> and the various mobile applications (collectively referred to as “Platform”), operated under the brand name of “Infliv Exchange”, which provides services of online purchase and sale of Virtual Digital Assets (“VDA”) through deposit and withdrawal of INR, as well as through the transfer of other VDAs. This KYC-AML Policy aims to create awareness amongst Users/Clients about their obligations under the (i) Prevention of Money Laundering Act, 2002, (“PMLA”) (ii) Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (“PML Rules”), and (iii) AntiMoney Laundering and Countering the Financing of Terrorism Guidelines For Reporting Entities Providing Services Related To Virtual Digital Assets published by the Financial Intelligence Unit – India (“FIU-IND Guidelines”) (the PMLA, PML Rules and the FIU-IND Guidelines hereinafter are referred to together as the “PML Framework”).

The Platform is distributed and managed in India by Infliv Technology Pvt Ltd, (CIN:U62099CT2024PTC015961) a company incorporated under the Companies Act, 2013 of India (hereinafter referred to as “Us”/“We”/“Infliv Exchange”), which will a Reporting Entity under the PMLA. You accept and understand that this KYC-AML Policy forms a legal and binding agreement between You and Infliv Exchange.

Infliv Exchange reserves the right, at its sole discretion, to change, modify, add or remove portions of this KYC-AML Policy, at any time without any prior written notice. It is Your responsibility to review the KYC-AML Policy periodically for any updates/changes. Your continued use of the Platform following the modification of the KYC-AML Policy will imply the acceptance of this KYC-AML Policy or any changes made to it. You hereby acknowledge and agree that this KYC-AML Policy is also subject to the Terms of Use and Privacy Policy.

You hereby expressly consent to Infliv Exchange’s continuous monitoring and collecting of information and data of Your activities on the Platform as well as the collection, storage, processing and sharing of any identification information for the purpose of this KYC-AML Policy.

Infliv Exchange is vigilant in the fight against money laundering and under its best judgment implements processes not allowing any person to use the Platform for money laundering, terrorist financing and proliferation financing activities.

1. Definitions

1.1 “Applicable Laws” shall mean any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, government resolution, order, directive, guideline, terms and conditions, requirement, or other governmental restriction in force in India including but not limited to the PML Framework, or any relevant United Nations Security Council resolutions, and various applicable guidelines, rules and regulations, replaced and updated from time to time.

1.2 “Beneficial Owner” shall mean a beneficial owner as defined under rule 9(3) of the PML Rules.

1.3 “Crypto(s)” are VDAs and refer to a cryptographically secure digital representation of value or contractual rights that uses distributed ledger technology and can be transferred, stored or traded electronically using the Platform, including but not limited to USD Tether (USDT), Bitcoin (BTC) and Ether (ETH).

1.4 “Client”/“User”/“You” shall mean any person using/accessing the Platform, for trading in Cryptos.

1.5 “Client Due Diligence (“CDD”)” means identifying the Client and/or their Beneficial Owner and verifying their identity by using documents and information submitted by the User or any other reliable, independent source of documents, data, or information, and shall also include Enhanced Due Diligence (“EDD”) and Counterparty Due Diligence (“CPDD”).

1.6 “Know Your Customer (“KYC”)” is an effective way to confirm and thereby verify the authenticity/identity of a prospective Client and/or their beneficial owner. KYC is the main process for the identification of any individual/entity opening and operating a User Account and may be conducted at least once in a year.

1.7 “Officially Valid Document (OVD)” includes Passport, Driving License, proof of possession of an Aadhaar Number, the Voter’s Identity Card issued by the Election 3 Commission of India, job card issued by NREGA duly signed by an officer of the State Government, or the letter issued by the National Population Register containing details of name and address. For the purpose of this definition, ‘Aadhaar Number’ means an identification number as defined under the Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016.

1.8 “Politically Exposed Persons (PEPs)” are individuals who are or have been entrusted with prominent public functions by a foreign country, including the Heads of States/Governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials. You could also qualify as a PEP if You are a family member or a close relative of such an individual.

1.9 “User Account”/“Infliv Exchange Account” shall mean the account created on the Platform through which the User gives instructions for Crypto trading to Infliv Exchange.

2. Purpose

2.1 The purpose of this KYC-AML Policy is to ensure that activities like money laundering, terrorism financing and/or any other criminal activities are prevented from occurring on or through the Platform and the risks associated with the same are mitigated to the highest extent possible.

2.2 In terms of the provisions of PML Framework, as amended from time to time, Reporting Entities (REs) are required to follow certain Client identification procedures while registration with the Platform and undertaking a transaction either by establishing an account-based relationship or otherwise and monitor their transactions.

2.3 The KYC-AML Policy also seeks to ensure appropriate Client identification procedures, and spread awareness amongst the Clients about their obligations as per the PML Framework in relation to activities like money laundering and terrorism financing.

2.4 The KYC-AML Policy lays down the process of User Identification. Identification of a User is an important prerequisite for registering and opening a Infliv Exchange Account. No Infliv Exchange Account is allowed on the Platform unless verification and due diligence of said User is successfully completed by Infliv Exchange.

2.5 Infliv Exchange seeks to collect various documents and conduct KYC to:

- a.** Establish and verify the identity of the Client and their Beneficial Owner, where appropriate, or to establish and verify the nature of any transaction undertaken on the Platform;
- b.** Minimize frauds;
- c.** Avoid opening accounts with fictitious names and addresses; and
- d.** Promptly detect and reject dubious Clients.

2.6 While this KYC-AML Policy is intended to be exhaustive, it is subject to change as required under any Applicable Law and/or as per Infliv Exchange’s sole discretion.

3. Declarations and Obligations

3.1 Declarations and disclosure of information by the Infliv Exchange:

- a.** Infliv Exchange will endeavor to verify, either itself or through third-party vendors/service providers, the identity and address of the Users, and their Beneficial Owners where appropriate, at the time the User opts to trade using the Platform or apply to be a Client (i.e. during the creation of a User account).
- b.** Infliv Exchange may use/deploy various software and/or technology or other means, either directly or through its service providers/vendors in the process of establishing and verifying Your identity and/or the documents/information provided by You. You hereby consent to such processes of identity verification and KYC checks.
- c.** Infliv Exchange may request from the User any documents and data (or their certified copies or equivalent e-documents) for KYC and Client identification purposes as may be legally/operationally tenable, including but not limited to using the list of documents provided in Clause 4 of this KYC-AML Policy. Should there be any discrepancy in the documents obtained from the User, Infliv Exchange may require additional documents to be provided. The documents and data shall be accessed and used by Infliv Exchange for the purposes listed in this KYC-AML Policy, for compliance with Applicable Laws, and in accordance with the Privacy Policy.
- d.** Your failure as a User, to provide the requisite KYC documents or any identification documents or information as requested by Infliv Exchange, may hinder or completely restrict Your use of the Platform and the related services to the User.
- e.** Infliv Exchange reserves the right to examine or request additional information and documents to establish Your identity, and financial position, including sources of Your funds and/or details of the Crypto wallet to which You

transferred / from where You received any Crypto, and You shall provide all assistance and cooperation in this regard. If You fail/refuse to comply with the requirements herein, Infliv Exchange shall not allow You to create or operate the User Account or carry out Crypto transactions through the Platform.

f. Infliv Exchange shall take necessary reasonable steps for maintenance, preservation, and reporting of User information per the internal policies and standard operating procedures of Infliv Exchange. In addition, the confidentiality, security, and protection against access, use, and disclosure (including publication or display) of all information of a User, collected or created by Infliv Exchange shall be kept in accordance with Applicable Law.

g. Infliv Exchange may share any information including information regarding transactions or KYC as available with Infliv Exchange in compliance with the PML Framework or as required by any governmental authority including any central, national, foreign, supranational, state, provincial, local, municipal or other political subdivision or other government, governmental, regulatory or administrative or taxation authority, agency, board, bureau, department, instrumentality or commission or any court, tribunal, or judicial or arbitral body of competent jurisdiction under Applicable Laws.

h. You understand and agree that, in case of AML related sanctions suspected or present on your wallet, Infliv Exchange reserves the right to return deposits made from such wallets and or disallow withdrawal / further transfer of VDAs to any other wallet.

i. Notwithstanding anything to the contrary contained in the Terms of Use or Privacy Policy, any information obtained while undertaking the client identification procedures or due diligence measures under this KYC-AML Policy in relation to Your Infliv Exchange Account and any information relating to any attempted or executed transaction by You shall be maintained for the duration of the account is operational, and for a period of 5 (five) years from the date the Infliv Exchange Account ceases to exist or from the date of the transaction, as appropriate, or such longer period as may be specified under any Applicable Laws / industry standards.

3.2 Your Obligations;

a. You as the User, hereby agree to provide the required documents and information for KYC checks in a timely manner, to create and to continue using the User's Platform Account through which the You may give instructions on the Platform. You agree to provide any additional information and assistance as required by Infliv Exchange in complying with its obligations under Applicable Laws.

b. You agree to use the Platform only for lawful and legal purposes in accordance with this KYC-AML Policy, as amended from time to time, and applicable laws.

c. You shall not use the Platform for any illegal or unlawful or criminal or anti-national purposes or for financing any such activity or for violation of Applicable Laws under any circumstance whatsoever.

d. You shall not impersonate another person or misrepresent Yourself on the Platform or use the platform for any illegal activity Under any circumstance whatsoever.

e. You undertake and warrant not to indulge in any transactions or any transactions that are in violation of any Applicable Laws, this KYC-AML Policy or any other policy or instruction as issued by Infliv Exchange from time to time.

f. You agree and undertake to ensure that the funds transferred by you to your account with Infliv Exchange are from your own bank account or from exchange wallets/unhosted/web3 wallets which are held in your name and are in your control, and have been derived through legitimate means in compliance with Applicable Laws.

g. You further represent, warrant, and agree to provide true, correct, complete and updated KYC documents, information, and data to Infliv Exchange/its delegates/agents/representatives.

4. Account Opening Procedures and Client KYC Documents

4.1 Any Indian national resident can open a Infliv Exchange Account with Infliv Exchange and such Infliv Exchange Account can only be accessed within the geographical territory and jurisdiction of India.

4.2 The User must provide the following documents before his/her Infliv Exchange Account can be made operational:

a. Permanent Account Number (PAN) given by Income Tax Authorities,

b. Officially Valid Documents for identification and proof of residence (Aadhaar/Voter ID/Passport),

c. Live selfie from the camera.

4.3 The above documents/data would help to establish the identity of the person opening the account but would not be sufficient to prepare a profile of expected activities in the Infliv Exchange Account. Towards this, the following additional details will be collected while opening the Infliv Exchange Account:

a. Annual Income,

- b. Occupation, and
- c. Whether the User is a Politically Exposed Person (PEP).

4.4 If you are a company, Infliv Exchange may require you to provide:

- a. the certificate of incorporation;
- b. memorandum and articles of association;
- c. the Permanent Account Number of the company;
- d. a board resolution and power of attorney given to the individual executing transactions; and
- e. other documents as described above in this provision relating to the individual Beneficial Owner and/or the individual executing transactions.

4.5 If you are a partnership firm, Infliv Exchange may require you to provide:

- a. the registration certificate;
- b. partnership deed;
- c. the Permanent Account Number of the partnership firm; and
- d. other documents as described above in this provision relating to the individual Beneficial Owner and/or the individual executing transactions.

4.6 If you are an unincorporated association or a body of individuals, Infliv Exchange may require you to provide:

- a. the resolution of the managing body of such association or body of individuals;
- b. the Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals;
- c. a power of attorney given to the individual executing transactions;
- d. other documents as described above in this provision relating to the individual Beneficial Owner and/or the individual executing transactions; and
- e. such information may be required to collectively establish the existence of such association or body of individuals.

4.7 Please note that post the account opening process, the User would be required to add and verify their bank account/UPI ID for making INR deposits/withdrawals.

4.8 The User's Infliv Exchange Account will only be made operational for the User to avail of our services when such documents, information as mentioned above, or any other additional information as requested by Infliv Exchange has been verified as per the satisfaction of Infliv Exchange.

4.9 Infliv Exchange shall maintain an audit trail of any upload/modification/download.

5. Client Due Diligence

5.1 One of the objectives of the KYC and data/information collection norms being carried out by Infliv Exchange is to ensure appropriate Client Identification. Client Identification means undertaking the process of CDD, which may include EDD, and/or CPDD. Infliv Exchange may need to obtain sufficient information necessary to establish, to its satisfaction and in compliance with Applicable Laws, the identity of each User, whether regular or occasional and the purpose of the intended nature of the transaction being executed on/ through the Platform.

5.2 CDD is carried out at different stages while the Platform is accessed by the User including but not limited to the following instances:

- a. Registration of a User Account,
- b. Periodic review of a User Account,
- c. Any transaction is being executed by the User on the Platform, and/or
- d. The Platform has a doubt about the authenticity/veracity or the adequacy of the earlier obtained User identification data.

5.3 For the purpose of User identification:

- a. Identity generally means a set of attributes that together uniquely identify a 'natural' or a 'legal' person. The attributes which help in the unique identity of a 'natural' or 'legal' person are called identifiers.
- b. Identification is the act of establishing who a person is or purports to be. This is done by recording the information provided by the Users covering the elements of their identity.
- c. Verification of identity is the process of proving whether a person actually is who they claim to be. In the context of KYC, verification is the process of seeking satisfactory evidence of the identity of those with whom Infliv Exchange does business. This is done by carrying out checks on the correctness of the information provided by the Client.

d. In scenarios where the document provided by a User has some issues and cannot be validated using the automated solutions Infliv Exchange has in place, a video-KYC might be required from the User to validate the identity and authenticity of the document/ information submitted by them. We would also use the video-KYC process while performing enhanced due diligence wherever required.

e. Periodic updation of KYC of Users is performed at such intervals of time and using such processes/documents as decided by Infliv Exchange at its sole discretion. A risk-based approach for periodic updation of KYC is adopted, wherein the periodic updation of KYC for all users is done at least annually or more frequently as per Infliv Exchange's discretion, to ensure the information and documentation for users is up-to-date.

f. In case of a change in the contact details of the User, the User must reach out to Infliv Exchange to get the details updated, along with valid proof of change and demonstrating ownership of the Infliv Exchange Account for which the details are to be updated.

5.4 Based on the Client's risk category, or the nature of transfers, we may perform CDD, which may include EDD, and/or CPDD. Infliv Exchange reserves the right to request for additional information and documentation, as required.

a. CDD includes but is not limited to the collection and verification of identity proof, address proof, and a photograph to establish the identity of the User, which is done on the basis of the documents and information submitted by the User.

b. EDD includes the additional diligence measures undertaken over and above the CDD, which include but are not limited to examining the background and purpose of all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose. Additionally, EDD includes checking if a person is under the category of Politically Exposed Persons (PEPs), or is associated with any terrorist activities/groups, monitoring the account activity of such users, requesting for additional information and documentation, conducting inperson visits, obtaining information of the User from publicly available sources or otherwise, undertaking reasonable measures to know the User's source of funds commensurate with the assessed risk of the User and the User Account, screening for sanctions that may be placed by Applicable Laws at the time of creation of a User Account as well as prior to or during a transaction, etc. EDD may also be applied to business relationships and transactions with natural and legal persons from higher risk jurisdictions (specifically with countries designated as tax-havens and those on the Financial Action Task Force grey and blacklists). If Infliv Exchange is not able to undertake EDD in such cases, your User Account may be terminated.

c. CPDD is applicable to VDA transfers to the Platform from other service providers or exchanges ("Counterparty"), or vice versa. For transfers originating from Infliv Exchange, we may carry out the CPDD on the Counterparty to avoid dealing with illicit or sanctioned actors. CPDD may include processes including but not limited to identification of the Counterparty wallet type and risk factors in relation to the beneficiary based on analytics and sanctions screening.

5.5 If you are a Crypto exchange or a financial institution creating a User Account, Infliv Exchange may require you to provide:

a. sufficient information to understand the nature of your business and your anti money laundering/counter financing of terrorism/counter proliferation financing risk control framework including what types of customers you intend to provide services to;

b. sufficient information on your reputation, the quality of supervision you are subject to, and information regarding any money laundering/terrorism financing/proliferation financing investigation or regulatory action;

c. requisite approvals obtained from your senior management on creating of User Account and accessing the Platform; and

d. information regarding any of your accounts or custodial wallets used directly by your customers to transact business on the Platform, information regarding CDD conducted by you on your customers and transaction details pertaining to identified customer/s.

6. Contact

In case of any complaint or queries with respect to this KYC-AML Policy or to report any suspicious or illegal activity of a User within Your knowledge, You may write to us at care@infliv.in.