

## RED APPLE TOKEN (RAT)- AML/CTF POLICY

### INTRODUCTION

Money laundering is a huge issue around the world. Unfortunately, while cryptocurrency means cheaper, quicker international transactions, it also makes the crypto sector ripe for criminal activity, such as money laundering and terrorist financing.

The senior management has implemented systems and procedures that meet international AML standards in order to remain ahead of this. This decision reflects the desire of the senior management to prevent money laundering and not to be used by criminals to launder criminal proceeds.

A Strong AML programs include foolproof KYC processes to identify and verify users. With this, RED APPLE TOKEN (RAT) hopes to root out suspicious activity in the crypto sector.

### POLICY

RED APPLE TOKEN (RAT) Anti-Money Laundering and Know Your Customer Policy ("AML / KYC Policy") is designed to prevent money laundering by meeting the international standards including the need to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime.

Both international and local regulation mandate that RED APPLE TOKEN (RAT) enforce appropriate internal processes and measures to deter money laundering, terrorist funding, corruption and bribery and take action in the event of any suspicious activity on the part of its Users.

This AML Policy sets out the minimum standards which must be complied with and includes:

1. Verification procedures.

RED APPLE TOKEN (RAT)' identity verification procedure requires the User to provide accurate, Information (e.g., national Identification, international passport, bank statement, utility bill) Source Records and Data. RED APPLE TOKEN (RAT) reserves the right to obtain User identification information for the purposes of the AML / KYC Regulation.

RED APPLE TOKEN (RAT) shall take measures to confirm the authenticity of the Users' documents and records. All legal methods should be used to double-check identity records, and RED APPLE TOKEN (RAT) reserves the right to investigate those users that have been found to be risky or suspicious.

RED APPLE TOKEN (RAT) reserves the right to check the identity of the User on an ongoing basis, in particular when their identifying information has been updated or

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their behavior becomes irregular (unusual for the user). Additionally, RED APPLE TOKEN (RAT) reserves the right to request Users for up-to - date information, even if they have passed identity verification in the past.

User's identification information will be collected, stored, shared, and protected strictly in accordance with the RED APPLE TOKEN (RAT)' Privacy Policy and related regulations.

### 2. Sanctions and PEP lists screening.

RED APPLE TOKEN (RAT) screens applicants against recognized Sanctions and Politically Exposed Persons (PEPs) lists. Individuals and legal entities are screened

- at the registration stage when the user is submitting the application;
- on each anti-fraud and AML alerts by Compliance Officer;

### 3. Compliance Officer.

The Compliance Officer is the person appointed by RED APPLE TOKEN (RAT) who is responsible for ensuring the successful implementation and compliance of the AML / KYC Policy. It is the responsibility of the Compliance Officer to oversee all aspects of the anti-money laundering and counter-terrorism financing of RED APPLE TOKEN (RAT) including but not limited to:

- a. Collecting Users' identification information.
- b. Establishing and updating internal policies and procedures for the completion, review, submission and retention of all reports and records required under the applicable laws and regulations.
- c. Transaction monitoring and investigation of any major deviations from normal activity.
- d. Implementation of a record management system to securely store and retrieve records, files, forms, and logs.
- e. Updating risk assessment regularly.
- f. Providing information to law enforcement as needed under applicable laws and regulations.

### 4. Monitoring Transactions.

The Users are known not only by verifying their identity (who they are) but, more importantly, by analyzing their transactional patterns (what they do). Therefore, RED APPLE TOKEN (RAT) relies on data analysis as a risk-assessment and suspicion detection tool. RED APPLE TOKEN (RAT) performs a variety of compliance-related

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tasks, including capturing data, filtering, record-keeping, investigation management, and reporting. System functionalities include:

1) Daily check of Users against recognized “black lists” (e.g. OFAC), aggregating transfers by multiple data points, placing Users on watch and service denial lists, opening cases for investigation where needed, sending internal communications, and filling out statutory reports, if applicable;

2) RED APPLE TOKEN (RAT) will monitor all transactions in respect of the AML / KYC policy and reserves the right to:

- request the User to provide any additional information and documents in case of suspicious transactions;
- ensure that STR are reported to the proper regulatory authority through the Compliance Officer;
- suspend or terminate User’s Account when RED APPLE TOKEN (RAT) has reasonable suspicion that such User engaged in illegal activity.

The above list is not exhaustive and the Compliance Officer will monitor Users’ transactions on a day-to-day basis in order to define whether such transactions are to be reported and treated as suspicious or are to be treated as bona fide

### 5. Employee Training

Due to the importance of this policy, RED APPLE TOKEN (RAT) shall develop and enforce a training program for employees. The aim of the training program is to familiarize the Company's relevant employees with the company's basic AML / CFT procedures and provide guidance to identify suspicious activities. The Compliance officer will also ensure that employees are trained in the obligation of reporting suspicious transactions to the Compliance team. All relevant staff and new hires are required to take part in the training.

### 6. Audit/ Independent Audits

This policy will be subject to periodic review and testing to certify the effectiveness to the AML/CTF Compliance program.