FINANCIAL CRIME COMPLIANCE

KYC & AML
POLICY

Know Your Customer • Anti-Money Laundering • Counter-Terrorist Financing • Sanctions •

Financial Crime Prevention

INSTITUTIONAL COMPLIANCE FRAMEWORK

Client-facing policy • Risk-based controls • Ongoing oversight

CDD / EDD | UBO | PEPs | Sanctions | Monitoring | Governance

Source of Funds / Wealth | Fraud | TF / PF | Record Keeping

VERSION	ENTITY	REFERENCE	STATUS
1.0	SEDO CAPITAL LTD	TRADING TERMS V3.1	CURRENT POLICY

This Policy forms part of the SEDO FX compliance framework and should be read together with

the applicable Terms & Conditions, Risk Disclosure, Privacy Policy and related procedures.

Policy architecture

20 CORE POLICY AREAS

A structured client-facing framework covering onboarding, risk assessment, enhanced due diligence, beneficial ownership, PEPs, sanctions, funding integrity, monitoring and governance.

01 **Purpose, Scope & Policy Status**	02 **Contracting Entity, Eligibility & Restricted Jurisdictions**
03 **Customer Identification & Verification (CDD)**	04 **Purpose & Intended Nature of the Relationship**
05 **Risk-Based Approach & Customer Risk Rating**	06 **Enhanced Due Diligence (EDD)**
07 **Beneficial Ownership & Control**	08 **Politically Exposed Persons (PEPs) & Adverse Information**
09 **Sanctions Screening & Sanctions-Evasion Controls**	10 **Source of Funds, Source of Wealth & Payment Integrity**
11 **Transaction Monitoring & Ongoing Due Diligence**	12 **Suspicious Activity, Escalation & Regulatory Reporting**
13 **Fraud Prevention, Account Security & Identity Misuse**	14 **Prohibited Activities & Financial-Crime Conduct**
15 **Terrorist Financing & Proliferation Financing**	16 **New Technologies, Digital Assets & Higher-Risk Channels**
17 **Corporate, Joint, Trust & Other Non-Individual Accounts**	18 **Record Keeping, Data Protection & Third-Party Providers**
19 **Governance, Training, Testing & Independent Assurance**	20 **Client Cooperation, Restrictions, Complaints & Contact**

INTERNATIONAL BENCHMARK

Risk-based approach • CDD / EDD • Beneficial ownership • PEPs • Sanctions • Monitoring • Governance

How the framework works

RISK-BASED COMPLIANCE MODEL

01 IDENTIFY

Customer identification, verification, purpose and beneficial ownership.

02 ASSESS

Customer, geographic, product, channel, payment and ownership risk.

03 CONTROL

CDD, EDD, PEP and sanctions screening, funding integrity and fraud controls.

04 MONITOR

Ongoing due diligence, transaction monitoring, escalation, reporting and governance.

RISK FACTORS REFERENCED THROUGHOUT THE POLICY

- Customer
- Geography
- Product / Service
- Delivery Channel
- Transactions / Payments
- Ownership / Control
- PEPs / Adverse Information
- Sanctions Exposure

01 / SEDO FX COMPLIANCE

Purpose, Scope & Policy Status

01

POLICY POSITION

This KYC/AML Policy sets out SEDO FX's client-facing framework for preventing and mitigating money laundering, terrorist financing, proliferation financing, sanctions evasion, fraud and related financial crime. It is intended to operate together with the Trading Terms & Conditions, Risk Disclosure, Privacy Policy, Product Specifications, complaints procedure and other applicable client documents.

CORE CONTROLS & PRINCIPLES

- The Policy applies to prospective and existing Clients and, where relevant, beneficial owners, controllers, authorised representatives and other connected persons.
- Controls are risk-based and proportionate to the nature of the customer, service, transaction, geography and other relevant risk factors.
- Mandatory applicable law takes precedence over this Policy.
- This document does not itself represent a statement of regulatory authorisation, licence status or permission to provide financial services in any particular jurisdiction.
- The final operational policy should be approved for the actual SEDO FX contracting entity, regulatory perimeter and jurisdictions served before publication.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

02 / SEDO FX COMPLIANCE

Contracting Entity, Eligibility & Restricted Jurisdictions

02

POLICY POSITION

The supplied Trading Terms identify SEDO CAPITAL LTD, company number 16796145, England and Wales, registered at 20 Wenlock Road, London, England, N1 7GU, as the contracting entity unless another entity is expressly identified in the Client's account documentation. The Terms also contain jurisdictional restrictions.

CORE CONTROLS & PRINCIPLES

- Clients must be at least 18 years old, or any higher age required by applicable law, and must have legal capacity to contract.
- Services are unavailable where provision would be prohibited or restricted by applicable law.
- The current Terms specifically state that services are not offered to residents or persons located in the United States or Canada and restrict persons in jurisdictions...
- The restricted-jurisdiction list is non-exhaustive and may be amended for legal, regulatory, sanctions, risk-management or operational reasons.
- Circumvention through VPNs, proxies, nominees, false addresses, third-party accounts, payment methods or other means is prohibited.
- SEDO FX may refuse an application, restrict or suspend an account, decline transactions, restrict deposits/withdrawals or terminate a relationship where...

POLICY ALIGNMENT

Directly aligned with the supplied Terms' eligibility, restricted-jurisdiction and anti-circumvention provisions.

03 / SEDO FX COMPLIANCE

03

Customer Identification & Verification (CDD)

POLICY POSITION

SEDO FX may conduct identity, address, sanctions, fraud, tax, source-of-funds, source-of-wealth, beneficial-ownership and other compliance checks before or during the relationship.

CORE CONTROLS & PRINCIPLES

- Identify the Client and verify identity using reliable and appropriate information or documents.
- For individuals, verification may include government-issued identification, date of birth, nationality and residential address.
- For legal persons or arrangements, verify legal existence, ownership/control information and authority to operate the account.
- Verification may use electronic, documentary and independent-source checks appropriate to the risk.
- Information that is incomplete, inconsistent, expired or unreliable may trigger additional verification.
- Where required CDD cannot be satisfactorily completed, SEDO FX may decline to open or continue the relationship or transaction, subject to applicable law.

POLICY ALIGNMENT

Directly aligned with the supplied Terms' identity, address, sanctions, fraud, source-of-funds/wealth and UBO checks.

04 / SEDO FX COMPLIANCE

Purpose & Intended Nature of the Relationship

04

POLICY POSITION

SEDO FX should maintain a reasonable understanding of why the Client is opening the account, the expected nature of activity and the customer's relevant circumstances.

CORE CONTROLS & PRINCIPLES

- Collect information reasonably necessary to understand the intended purpose of the account.
- Consider expected funding methods, trading activity, withdrawal behaviour and relevant customer profile.
- For corporate customers, understand the nature of the business and the reason for using FX/CFD services.
- Compare actual activity with the customer's known profile and expected behaviour.
- Refresh the understanding of the relationship when material changes or risk indicators arise.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

05 / SEDO FX COMPLIANCE

05

Risk-Based Approach & Customer Risk Rating

POLICY POSITION

SEDO FX should identify, assess and manage financial-crime risks using a documented risk-based framework. Risk assessment should inform the depth and frequency of controls rather than applying identical checks to every customer.

CORE CONTROLS & PRINCIPLES

- Consider customer risk, geographic risk, product/service risk, delivery-channel risk, transaction/payment risk and ownership/control risk.
- Consider factors such as complex ownership, high-risk jurisdictions, unusual funding, adverse information, sanctions exposure, PEP status and unexplained activity.
- Assign and periodically refresh an appropriate customer risk classification.
- Higher-risk relationships should receive stronger CDD/EDD and enhanced ongoing monitoring.
- Lower-risk treatment should never override mandatory legal requirements or known red flags.
- Risk decisions should be documented sufficiently to demonstrate the rationale for the control applied.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

06 / SEDO FX COMPLIANCE

Enhanced Due Diligence (EDD)

06

POLICY POSITION

Where risk is elevated, SEDO FX may apply Enhanced Due Diligence in addition to normal CDD. EDD should be targeted at the specific risk identified.

CORE CONTROLS & PRINCIPLES

- Obtain additional information about the Client, beneficial owners, controllers, business activity and intended relationship.
- Obtain additional independent verification where appropriate.
- Establish source of funds and/or source of wealth where warranted.
- Increase the frequency or depth of transaction monitoring and CDD refresh.
- Require appropriate management/compliance approval for higher-risk relationships where required by internal procedures or law.
- Document EDD findings, decisions, mitigants and review dates.

POLICY ALIGNMENT

Expanded international best-practice layer for higher-risk customers and relationships.

07 / SEDO FX COMPLIANCE

Beneficial Ownership & Control

07

POLICY POSITION

For corporate, partnership, trust, joint or other non-individual accounts, SEDO FX may identify and verify the natural persons who ultimately own or control the customer.

CORE CONTROLS & PRINCIPLES

- Identify beneficial owners and controlling persons in accordance with applicable law.
- Understand ownership and control structures, including layered or indirect structures.
- Verify beneficial-owner information using reliable sources appropriate to the risk.
- Identify directors, authorised signatories, trustees, partners or equivalent persons where relevant.
- Apply additional scrutiny to opaque, nominee, unusually complex or inconsistent ownership structures.
- Refresh beneficial-ownership information when material changes occur or information becomes doubtful.

POLICY ALIGNMENT

Directly aligned with the supplied Terms' UBO, director, signatory, trustee, partner and controller requirements.

08 / SEDO FX COMPLIANCE

Politically Exposed Persons (PEPs) & Adverse Information

08

POLICY POSITION

PEP status is a financial-crime risk factor and is not, by itself, evidence of misconduct. SEDO FX may use risk-based screening to identify PEPs, relevant family members and known close associates.

CORE CONTROLS & PRINCIPLES

- Maintain appropriate systems for identifying relevant PEP relationships.
- Apply enhanced measures where required by law and risk, including appropriate source-of-wealth/source-of-funds review.
- Apply appropriate approval and enhanced monitoring for higher-risk PEP relationships.
- Consider reliable adverse information as a risk indicator, not as an automatic finding of wrongdoing.
- Document the rationale for onboarding, continuing or restricting a higher-risk relationship.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

09 / SEDO FX COMPLIANCE

Sanctions Screening & Sanctions-Evasion Controls

09

POLICY POSITION

SEDO FX should maintain risk-based sanctions controls covering relevant customers, beneficial owners, controllers, authorised persons and, where appropriate, transaction/payment parties.

CORE CONTROLS & PRINCIPLES

- Screen relevant parties at onboarding and at appropriate intervals or trigger events.
- Maintain appropriately updated sanctions data and escalation procedures.
- Investigate potential matches and document the basis for clearing or escalating alerts.
- Consider ownership/control and indirect exposure where relevant.
- Do not permit customers to circumvent geographic or sanctions restrictions.
- Where legally required, take appropriate restrictive action and make required reports or notifications.

POLICY ALIGNMENT

Directly aligned with the supplied Terms' sanctions and restricted-jurisdiction provisions.

10 / SEDO FX COMPLIANCE

10

Source of Funds, Source of Wealth & Payment Integrity

POLICY POSITION

SEDO FX may request evidence concerning the origin of funds used for an account or transaction and, where warranted, the broader origin of a customer's wealth.

CORE CONTROLS & PRINCIPLES

- Source of Funds concerns the origin of money used for a particular transaction or relationship.
- Source of Wealth concerns how a customer's overall wealth was accumulated.
- Evidence may include employment/business income, investment proceeds, sale of assets, inheritance, audited accounts or other reliable evidence appropriate to the…
- Funding should be attributable to the Client and consistent with the account relationship and applicable payment controls.
- Third-party deposits may be refused or subjected to enhanced verification where permitted by the Terms and applicable law.
- Unexplained payment reversals, chargebacks, mismatched payers or unusual funding patterns may trigger enhanced review.

POLICY ALIGNMENT

Directly aligned with the supplied Terms' payment, source-of-funds, third-party funding and withdrawal controls.

11 / SEDO FX COMPLIANCE

11

Transaction Monitoring & Ongoing Due Diligence

POLICY POSITION

SEDO FX may monitor account activity throughout the relationship to identify transactions or patterns inconsistent with the customer's known profile, expected activity or risk level.

CORE CONTROLS & PRINCIPLES

- Monitor deposits, withdrawals, payment behaviour, account activity and material changes in customer circumstances.
- Use rules, thresholds, alerts and risk indicators appropriate to the firm's business and risk profile.
- Consider unusual transaction size, frequency, velocity, complexity or geographic/payment characteristics.
- Consider rapid in-and-out funding, repeated payment reversals, unusual third-party funding and activity inconsistent with the stated profile.
- Apply enhanced ongoing monitoring to higher-risk relationships.
- Refresh CDD when information changes, concerns arise or risk materially increases.

POLICY ALIGNMENT

Directly aligned with the supplied Terms' ongoing monitoring and updated-information provisions.

12 / SEDO FX COMPLIANCE

Suspicious Activity, Escalation & Regulatory Reporting

12

POLICY POSITION

Where activity gives rise to reasonable suspicion of money laundering, terrorist financing, sanctions evasion, fraud or another financial crime, SEDO FX may investigate and take action required or permitted by applicable law.

CORE CONTROLS & PRINCIPLES

- Escalate material concerns through documented internal compliance procedures.
- Conduct appropriate review and preserve an audit trail of material investigations and decisions.
- Submit suspicious activity or other regulatory reports to competent authorities where legally required.
- Apply confidentiality and anti-tipping-off requirements where applicable.
- Do not disclose investigation information where disclosure is restricted by law or could prejudice an investigation.
- Maintain appropriate controls over access to sensitive investigation information.

POLICY ALIGNMENT

Expanded to cover escalation, suspicious activity reporting and anti-tipping-off principles.

13 / SEDO FX COMPLIANCE

13

Fraud Prevention, Account Security & Identity Misuse

POLICY POSITION

KYC/AML controls also support prevention of identity theft, account takeover, payment fraud and misuse of trading accounts.

CORE CONTROLS & PRINCIPLES

- Clients must protect passwords, authentication credentials, API keys and devices.
- Clients should promptly report suspected unauthorised access or identity misuse.
- Account credentials must not be shared except through an expressly authorised service.
- Material changes to personal or corporate information should be reported promptly.
- SEDO FX may apply protective controls where necessary to protect the Client, platform, payment integrity or other stakeholders.
- Fraud indicators may be escalated into KYC/AML review where appropriate.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

14 / SEDO FX COMPLIANCE

14

Prohibited Activities & Financial-Crime Conduct

POLICY POSITION

The KYC/AML framework complements the Trading Terms' prohibitions on unlawful conduct, fraud, sanctions evasion and abusive activity that can undermine account, payment or platform integrity.

CORE CONTROLS & PRINCIPLES

- Money laundering, terrorist financing, sanctions evasion, fraud and other unlawful conduct are prohibited.
- Market manipulation and other abusive practices are prohibited where applicable.
- Unauthorised third-party operation or account sharing is prohibited.
- Latency arbitrage, stale-price exploitation, quote abuse or exploitation of known platform/pricing delays may be prohibited under the Terms.
- Excessive order flooding, denial-of-service behaviour or infrastructure impairment is prohibited.
- Multiple accounts, related persons, devices or payment methods must not be used to circumvent restrictions.
- Ordinary scalping, hedging and algorithmic trading are not prohibited merely because they are short-term or automated, provided they comply with the Terms and do...

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

15 / SEDO FX COMPLIANCE

Terrorist Financing & Proliferation Financing

15

POLICY POSITION

The financial-crime framework should address not only laundering of criminal proceeds but also terrorist financing and proliferation financing risks where relevant to the business and applicable legal obligations.

CORE CONTROLS & PRINCIPLES

- Assess terrorist-financing and proliferation-financing risks as part of the broader financial-crime risk framework.
- Apply sanctions and targeted-financial-sanctions controls relevant to applicable jurisdictions.
- Consider unusual activity that lacks an obvious economic purpose or presents heightened geographic or counterparty risk.
- Escalate relevant alerts for compliance review.
- Apply reporting, freezing/restriction and confidentiality obligations where required by applicable law.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

16 / SEDO FX COMPLIANCE

New Technologies, Digital Assets & Higher-Risk Channels

16

POLICY POSITION

Where SEDO FX provides or supports products, technologies or payment channels that create additional financial-crime exposure, risk assessment and controls should be adapted accordingly.

CORE CONTROLS & PRINCIPLES

- Assess risks arising from new technologies, digital channels, automated onboarding and remote verification.
- Where cryptocurrency-related CFDs or digital-asset-linked products are offered, distinguish exposure to a reference asset from ownership of the underlying asset.
- Apply additional controls to opaque, anonymous or difficult-to-verify funding channels where relevant.
- Use transaction and device intelligence where lawful and proportionate to the risk.
- Review technology and product risk before launching materially new services or channels.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

17 / SEDO FX COMPLIANCE

17

Corporate, Joint, Trust & Other Non-Individual Accounts

POLICY POSITION

Where non-individual accounts are accepted, CDD should reflect the legal form, ownership and control structure of the applicant.

CORE CONTROLS & PRINCIPLES

- Verify legal existence and registration details.
- Identify directors, authorised signatories, trustees, partners, beneficial owners and controlling persons as applicable.
- Obtain evidence that the persons operating the account are authorised to do so.
- Understand the business activity, purpose of the relationship and expected funding/trading activity.
- Apply enhanced scrutiny where ownership or business activity is complex or higher risk.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

18 / SEDO FX COMPLIANCE

Record Keeping, Data Protection & Third-Party Providers

18

POLICY POSITION

KYC/AML information should be retained for the period required by applicable law and protected through appropriate security and confidentiality controls.

CORE CONTROLS & PRINCIPLES

- Retain identification, verification, beneficial-ownership, risk-rating, EDD, screening, monitoring and material investigation records as required.
- Maintain records in a form that supports retrieval, review and audit.
- Protect personal and compliance information against unauthorised access, alteration or loss.
- Process personal information in accordance with the Privacy Policy and applicable data-protection requirements.
- Where third parties support KYC, screening, payments or monitoring, maintain appropriate oversight, contractual controls and accountability.
- Third-party reliance does not remove the firm's responsibility for appropriate compliance governance where applicable.

POLICY ALIGNMENT

Aligned with the Terms' communications/compliance-record provisions and expanded for formal KYC/AML record governance.

19 / SEDO FX COMPLIANCE

Governance, Training, Testing & Independent Assurance

19

POLICY POSITION

A mature financial-crime programme requires clear accountability, competent personnel, documented procedures, training, monitoring, testing and periodic review.

CORE CONTROLS & PRINCIPLES

- Maintain appropriate compliance ownership and escalation routes.
- Provide role-appropriate training covering KYC, AML/CFT, sanctions, PEPs, fraud and suspicious-activity indicators.
- Perform quality assurance, compliance monitoring and control testing at appropriate intervals.
- Conduct periodic review of the enterprise financial-crime risk assessment and policy.
- Review controls after material changes in products, jurisdictions, technology, sanctions or threat typologies.
- Maintain version control, approval records and an authoritative current policy.
- Where appropriate, obtain independent testing or assurance over the effectiveness of the AML/CFT control framework.

POLICY ALIGNMENT

International best-practice enhancement: this section strengthens the framework beyond the minimum KYC/AML language in the supplied Terms.

20 / SEDO FX COMPLIANCE

Client Cooperation, Restrictions, Complaints & Contact

20

POLICY POSITION

Clients are expected to cooperate with reasonable KYC/AML requests and keep account information current. The Trading Terms allow protective restrictions where reasonably necessary for KYC/AML, sanctions, fraud prevention, payment disputes, security, legal or operational reasons.

CORE CONTROLS & PRINCIPLES

- Clients should provide requested information and documents within the applicable timeframe.
- Only submit sensitive KYC information through official SEDO FX channels.
- Failure to provide requested information may result in delayed deposits or withdrawals, trading restrictions, suspension or termination where permitted by law.
- SEDO FX may restrict withdrawals or trading while investigating suspicious activity, payment reversals, compliance concerns, account compromise or other...
- Where disclosure is restricted by law or would compromise an investigation, SEDO FX may be unable to provide detailed reasons.
- Complaints should follow the applicable complaints procedure. The current Terms identify support@sedofx.com for general support and complaints.
- Clients are responsible for maintaining current contact details and checking communications relevant to their account.

POLICY ALIGNMENT

Directly aligned with the Terms' cooperation, restriction, suspension, withdrawal and complaints provisions.

International benchmark

CONTROL COVERAGE MATRIX

The Policy is structured around core preventive-measures themes in the FATF Recommendations, adapted to the SEDO FX client-facing context and supplied Trading Terms.

BENCHMARK	SEDO FX IMPLEMENTATION
Risk-based approach	Risk assessment, customer risk rating, proportional CDD/EDD and enhanced monitoring.
Customer due diligence	Identification, verification, purpose/intended nature and ongoing due diligence.
Beneficial ownership	Identification and verification of ultimate owners/controllers and ownership structures.
PEPs	Risk-sensitive PEP identification, EDD, source-of-wealth/funds and enhanced monitoring where required.
Sanctions	Screening, alert investigation, ownership/control consideration and escalation.
Suspicious activity	Internal escalation, investigation, reporting where required and anti-tipping-off controls.
Record keeping	Retention of KYC, EDD, screening, monitoring and investigation records as required by law.
Internal controls	Training, governance, quality assurance, testing, policy review and third-party oversight.
New technologies	Risk assessment for remote onboarding, digital channels and higher-risk technologies.
TF / proliferation financing	Controls addressing targeted financial sanctions and relevant financial-crime risks.

REFERENCE FRAMEWORK

FATF Recommendations provide internationally recognised standards for AML/CFT and related financial-crime controls. This Policy is intended to operate together with the laws, regulatory requirements and supervisory expectations applicable to SEDO FX's activities.

RISK-BASED • PROPORTIONAL • ONGOING • DOCUMENTED

Policy governance

DOCUMENT CONTROL & IMPLEMENTATION

This document establishes the SEDO FX framework for customer identification, financial-crime prevention, sanctions controls, monitoring, escalation and record keeping.

DOCUMENT OWNER	VERSION	STATUS	REVIEW CYCLE
Compliance / Legal	1.0	CURRENT POLICY	AT LEAST ANNUALLY / MATERIAL CHANGE

Governance principles

01	**Risk-based application**	Controls are applied proportionately to the nature, scale and risk of the customer and activity.
02	**Ongoing review**	Customer information, risk indicators, sanctions exposure and monitoring outcomes are reviewed as required.
03	**Escalation**	Potential financial-crime concerns are escalated through appropriate internal compliance channels.
04	**Confidentiality**	Information relating to investigations and suspicious activity is handled confidentially and in accordance with applicable law.
05	**Record integrity**	KYC, screening, monitoring, investigation and related compliance records are maintained for the periods required by applicable law.
06	**Training & assurance**	Relevant personnel receive appropriate training, while controls are subject to review, testing and continuous improvement.

POLICY CONTACT

support@sedofx.com

APPLICABLE DOCUMENT SET

Terms & Conditions • Risk Disclosure • Privacy Policy • Product Specifications

CURRENT POLICY • VERSION 1.0