

# Anti-Money Laundering Policy

## Introduction

Adel Ecosystem Limited (in document referred also as “ADEL”) is committed to the highest standards of Anti-Money Laundering (AML) compliance and requires management and employees to adhere to these standards to prevent the use of ADEL’s products and services for the purposes of money laundering. ADEL will examine its Anti-Money Laundering strategies, goals and objectives on an ongoing basis and maintains an effective policy for the ADEL business that reflects best practices. Adherence to the **ADEL Anti-Money Laundering Policy** (“AML policy”) is the responsibility of all employees. The policy is formulated and directed by the Head of Anti-Money Laundering, and includes Adel stakeholder monitoring requirements, “Know Your Customer (KYC)” screening (including the requirement to establish the identity of beneficial owners), global sanctions and embargo policies, record keeping requirements, the reporting of suspicious circumstances in accordance with relevant laws, and training.

## Policy Scope

The standards outlined in this policy are the minimum requirements based on applicable legal and regulatory requirements, and these standards apply to the entire Adel Ecosystem Limited. The goal of these requirements is to prevent its employees and community members (also “members”) from misusing funds for the purposes of money laundering, terrorist financing or other financial crimes. Therefore, this policy

establishes the overall framework for the fight against money laundering and the financing of terrorism.

According to the Isle of Man Proceeds of Crime Act 2008 (POCA), the Terrorism and Other Crime (Financial Restrictions) Act 2014, the Anti-Money Laundering and Countering the Financing Terrorist Financing Code 2015, and the Money Laundering and Terrorist Financing (Online Gambling) Code 2013, ADEL must ensure that the legal duties resulting from the regulations set out in these acts are fulfilled.

## Definition

Money laundering is the introduction of assets derived from illegal and criminal activities ("**Predicate offences**") into the legal financial and business cycle. For example, offences include forgery of money, extortionate robbery, and drug crime, as well as fraud, corruption, organized crime, terrorism, etc. **Predicate offences** for money laundering are defined by local law. Generally speaking, this consists of three "stages":

- ▲ **Placement** ▲ This is the movement of cash from its source.
- ▲ **Layering** ▲ This stage is to make it more difficult to detect and uncover laundering activity.
- ▲ **Integration** ▲ The movement of previously laundered money into the economy.

## Minimum Requirements

ADEL will comply with the following basic principles:

- ▲ Adel will not accept any fiat currency contributions to the Initial Coin Offering (ICO), nor will it accept fiat currency in the Adel ecosystem. Only cryptocurrency transactions are allowed.
- ▲ **Establish Customer Identity** ▲ When entering into a business relationship and when performing a single transaction or deal. This includes collecting the following identity details:
  - When accepting any currency or physical value over **15,000 Euros** (or equivalent) outside an existing business relationship,

or when performing a number of smaller payments adding to this amount (a.k.a. smurfing).

- Any participant that contributes **up to 1 BTC** (in equivalent cryptocurrency, based on its market value) throughout the ICO is required to provide their **first name, last name, citizenship, and e-mail**. The member is required to confirm the authenticity of these details.
- Any participant that contributes **more than 1 BTC and up to 20 BTC** (in equivalent cryptocurrency, based on its market value) throughout the ICO is additionally required to provide their **date of birth, a scanned copy of a valid government issued passport or ID, and a phone number**. The member is required to confirm the authenticity of these details.
- Any participant that contributes **more than 20 BTC** (in equivalent cryptocurrency, based on its market value) throughout the ICO is additionally required to provide a scanned copy of their **address and utility bill** (showing their name and address, and is not more than three months old), as well as a scanned copy of their **passport or ID**. The member is required to confirm the authenticity of these details. These details will be vetted by ADEL Ecosystem Limited.
- Should the participant not deliver and verify the required information by May 31<sup>st</sup> 23:59 UTC, then the contributions will be returned to the participant.

Contribution	First Name	Last Name	Citizen-ship	email	Birth Date	Passport or ID	Phone #	Utility Bill	Address
0 to 1 BTC	✓	✓	✓	✓					
1 BTC to 20 BTC	✓	✓	✓	✓	✓	✓	✓		
Over 20 BTC	✓	✓	✓	✓	✓	✓✓	✓	✓✓	✓

✓ Participants are required to confirm the authenticity of their credentials

✓ Confirmation check by Adel Ecosystem Ltd.

▲ **Establishing Purpose of Business Relationship** ▲ When entering a long-term business relationship, ADEL must obtain information on its scope and purpose thereof, if this is not clear from the business relationship itself.

▲ **Member Account Monitoring** ▲ A permanent monitoring of members' accounts will be implemented to detect unusual or suspicious transactions. This will be in cooperation with third parties responsible for transaction screening. Monitoring must be effected for applicable business areas using adequate processes and systems. Areas that will be monitored include at a minimum:

- The nature and type of the transaction;
- The frequency and nature of a series or pattern of transactions;
- The amount of any transactions, paying attention to particularly large transactions;
- The geographical origin and destination of a transaction; or
- The parties concerned with a view to ensuring that there are no payments to or from a person on a sanctions list or relating to any restricted activities. Blockchain transactions will also be verified by a third-party provider specialized in this service.

#### ▲ **Reporting of Suspicious Circumstances or Transactions** ▲

Suspicious circumstances or transaction will be reported to the relevant Isle of Man legal authorities. ADEL, being the designated person under the Isle of Man Designated Businesses (Registration and Oversight) Act 2015, will report any contributions or suspicious activity to the Isle of Man Financial Services Authority.

▲ **Staff Reliability** ▲ ADEL must employ staff who are deemed reliable as ADEL is following the ISO/IEC 27001 framework to ensure that employees and contractors understand their responsibilities and are suitable for the roles for which they are considered. Background verification checks on all candidates for employment will be carried out in accordance with relevant laws, regulations and ethics and are proportional to the business requirements, the classification of the information to be accessed, as well as the perceived risks.

▲ **Anti-Money Laundering Controls** ▲ The responsible Anti-Money Laundering Officer will ensure that all applicable AML requirements are being adhered to and security measures are properly functioning.

▲ **Anti-Money Laundering Training** ▲ All employees (including trainees and temporary personnel) responsible for carrying out transactions and/or for initiating and/or establishing business relationships must undergo anti-money laundering training. ADEL will extend the target audience to **all staff**. Initial training must be completed within three months from the commencement of their employment and refreshed every two years. Minimum training content as defined by the Head of AML must be adhered to.

▲ **Anti-Money Laundering Risk Analysis** ▲ ADEL has implemented a system to assess the level of risk exposure (product and member risk) and has implemented appropriate security measures from this analysis. This process will be partly overseen by a certified third party to ensure the best possible risk mitigation. All the funds received during the ICO will be assessed with a risk score by the certified third party.

- ▲ **Global Sanctions and Embargo Requirements** ▲ ADEL will adhere to all applicable global sanctions and embargo requirements under Isle of Man law, and will check members and transactions against applicable embargo lists.

## Roles & Responsibilities

Adel Ecosystem Limited will appoint a Money Laundering Reporting Officer (“MLRO”) to exercise the functions conferred by paragraphs 26 and 28. To be effective in the exercise of its functions the MLRO must:

- ▲ Be sufficiently senior in the organization of the relevant person or have sufficient experience and authority;
- ▲ Have a right of direct access to the Adel Board (as the case may be); and
- ▲ Have sufficient time and resources to properly discharge the responsibilities of the position.

Adel Ecosystem Limited will appoint a Deputy Anti-Money Laundering Reporting Officer (“Deputy MLRO”) in order to exercise the functions specified in paragraphs 26 and 28 in the MLRO’s absence.

## Record Retention

Records will be kept for all transaction data, credentials obtained for the purpose of identification, and all documents related to anti-money laundering initiatives (e.g. files on suspicious activity reports, documentation of AML account monitoring, etc.). These records will be kept for a minimum of five (5) years.