

Sabant B.V.
Anti-Money Laundering and Anti-Terrorist Financing
Program

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I. INTRODUCTION

Money is “laundered” to conceal illegal activity, including the crimes that generate the money itself, such as drug trafficking. Money laundering conceals the source of illegal proceeds so that the money can be used without detection of its criminal source. Financial institutions have been both witting and unwitting participants in laundering activities.

Banks have been major targets in laundering operations because they provide a variety of services and instruments, including cashier’s checks, traveler’s checks, and wire transfers, which can be used to conceal the source of illicit proceeds.

Similarly, criminals may use other financial service providers, such as virtual currency exchange, – to hide or disguise the origin of funds derived from illegal activity. Over the past year, the international community have expressed concerns that virtual currencies like Bitcoin may also be abused by criminal to launder the proceeds of crime, finance terrorism or purchase illicit merchandise.

Even though virtual currency exchange service providers are not currently regulated in the the Netherlands Antilles, companies may voluntary develop and maintain an effective anti-money laundering (“AML”) compliance program. Such a program should be commensurate with the risks posed by the location, size, nature and volume of the services provided by such companies. As part of its AML compliance program, companies should develop, administer and maintain a written Compliance Program, must

designate a knowledgeable Compliance Officer to administer the compliance program, must institute processes to monitor all transactions, must provide employee training, and must conduct periodic, independent audits of its compliance program.

Sabant B.V. develop and maintain a service that provides an online cryptocurrency dice game. As such, it does not fall under the category of non-banking financial institutions. Nevertheless, Sabant B.V. intends to maintain the highest possible standards of compliance with all anti-money laundering, antiterrorist financing and other applicable regulations.

To that effect Sabant B.V. officers are acting to ensure the effective implementation and enforcement of the policies and procedures set forth in this manual.

Sabant B.V. has adopted a “zero tolerance” policy by virtue of which employees are subject to immediate dismissal and business partners to immediate termination in case of a proven violation of any applicable anti-money laundering laws or regulations.

Sabant B.V.’s Officers are committed to full compliance with all anti-money laundering laws and regulations. It expects and will require a similar level of commitment from all of its employees, vendors, partners and representatives.

This manual shall be updated upon any significant change to Sabant B.V.’s products, services, geographies, customers or systems that might impact its risk. Upon such an update, the Sabant B.V. Officers will review, approve and duly adopt the manual.

II. LEGAL FRAMEWORK

NATIONAL ORDINANCE of 24 May 1993 on the penalization of money laundering (National Ordinance Penalization of Money Laundering).

(O.G. 1993, no. 52 amended by National Ordinance of 3 August 2001, O.G. 2001, no. 77)

NATIONAL ORDINANCE of 10 February 1996 laying down the rules for the identification of customers when rendering financial services (National Ordinance Identification when Rendering Financial Services)

(O.G. 1996, no. 23, amended by National Ordinance of 27 November 1997, O.G. 1997, no. 294. The National Ordinance Identification when Rendering Financial Services entered into force on 1 November 1997, O.G. 1997, no. 269)

MINISTERIAL DECREE WITH GENERAL OPERATION of 10 February 1998 Implementing the National Ordinance Identification When Rendering Financial Services.

(O.G. 1998, no. 19)

NATIONAL DECREE CONTAINING GENERAL PROVISIONS dated August 7, 2000 for application of Article 1(b)(9) of the National Ordinance Requiring Identification when Rendering Financial Services (National Decree on Designation of Financial Services, Identification in Financial Services)

(O.G. 2000, no. 121, amended by National Decrees of 20 April 2001, O.G. 2001, no. 59 and 19 December 2001, O.G. 2002, no. 34)

NATIONAL ORDINANCE of 10 February 1996 on the duty to report unusual transactions noted during financial service provision (National Ordinance Reporting of Unusual Transactions)

(O.G. 1996, no. 21 amended by National Ordinance of 3 August 2001, O.G. 2001, no. 78. The National Ordinance Reporting of Unusual Transactions entered into force on 1 October 1997, O.G. 1997, no. 252)

National Ordinance Reporting of Unusual Transactions.

NATIONAL DECREE CONTAINING GENERAL MEASURES, of 7 August 2000 implementing article 1, section a., sub 9, of the National Ordinance Reporting of Unusual Transactions (National Decree on the designation of financial services for reporting unusual transactions)

(O.G. 2000, no. 120, amended by National Decrees containing general measures of 20 April 2001, O.G. 2001, no. 58 and 19 December 2001, O.G. 2002, no. 33)

MINISTERIAL DECREE WITH GENERAL OPERATION of 4 April 2001, laying down the indicators on the strength of which it shall be decided whether a transaction shall be considered an unusual transaction in terms of the National Ordinance Reporting of Unusual Transactions (Decree Indicators Unusual Transactions).

(O.G. 2001, no. 46)

Appendices pertaining to the MINISTERIAL DECREE WITH GENERAL OPERATION of 7 September 2000, laying down the indicators concerning transactions in connection with the use of financial services, as referred to

in article 1, first paragraph, of the National Decree on the designation of financial services for the reporting of unusual transactions (Decree Indicators Unusual Transactions concerning Credit Cards and Money Transfers)

(O.G. 2000, no. 127. Approved by O.G. 2000, no. 128, amended by O.G. 2002, no. 120. Approved by O.G. 2002, no. 130)

Appendices pertaining to MINISTERIAL DECREE WITH GENERAL OPERATION of 4 April 2001, laying down in the indicators on the strength of which it shall be decided whether a transaction shall be considered an unusual transaction in terms of the National Ordinance Reporting of Unusual Transactions (Decree Indicators Unusual Transactions)

(O.G. 2001, No. 46, Amended by O.G. 2002, No. 119)

Appendix pertaining to the MINISTERIAL DECREE WITH GENERAL OPERATION of 11 April 2001, amending the Decree Indicators Unusual Transactions

(O.G. 2001, no. 48, amended by O.G. 2002, no. 119 approval by O.G. 2002, no. 129)

Appendix pertaining to the MINISTERIAL DECREE WITH GENERAL OPERATION of 27 April 2001, laying down the indicators concerning transactions in connection with the use of financial services, as referred to in article 1, first paragraph, section c., of the National Decree on the designation of financial services for the reporting of unusual transactions Decree Indicators Unusual Transactions concerning Games of Chance

Transactions (O.G. 2001 no. 60 approved by O.G. 2001, no. 61 amended by O.G. 2002, no. 121. approved by O.G. 2002, no. 131)

NATIONAL ORDINANCE of 25 March 2002 for the registration of money transportations as part of the measures to combat money laundering (National Ordinance Obligation to Report Cross-Frontier Money Transportations) (O.G. 2002, No. 74)

DECREE of 6 March 2002 promulgating the Act of 20 December 2001 (Bulletin of Acts and Decrees 674, approving the International Convention for the Suppression of the Financing of Terrorism effected in New York on 9 December 1999) (Bulletin of Treaties. 2000, 12).

(O.G. 2002, No. 58)

III. MONEY LAUNDERING AND TERRORIST FINANCING

A. Money Laundering

Money laundering and other financial crimes are a matter of serious concern to governments and international organizations at the highest level and in many parts of the world. In today's open and global financial world, characterized by the strong mobility of funds and the rapid development of new payment technologies, the fight against money laundering also needs to be global and comprehensive. Since it was formed in 1989, the Financial Action Task Force (FATF) has taken a leading role in setting international

standards to combat money laundering and the financing of terrorism and in working to ensure that countries implement more effective measures to combat these serious threats to the international financial system.

Money laundering has serious consequences if allowed to occur without preventive action being taken. The integrity of financial markets depends heavily on both the reality and the perception that high legal, professional and ethical standards apply. If the proceeds of crime are laundered through a financial institution, or employees of the institution are corrupt or turn a blind eye to the criminal origin of the funds, the reputation of the institution could be seriously damaged. This could affect the willingness of customers and other institutions to deal with that institution and could affect the market as a whole.

There are also potentially serious negative economic consequences for a country and its government if it appears to allow itself to be misused by money launderers. In the end, money laundering can lead to reduced levels of foreign direct investment if the country's commercial and financial sectors are perceived to be subject to the control and influence of organized crime. Over time, money laundering and organized crime can seriously weaken the moral and ethical standards of society and even damage the principles underlying democracy.

Money laundering is something that can only be fully addressed on an international basis. Criminals operating without regard to national boundaries will always try to find the weakest links in the anti-money laundering chain. Thus, countries and institutions which have not yet put into place the necessary protective measures may find themselves

attracting the sort of business that properly regulated financial centres have turned away.

The FATF was called into existence at the Paris G7 summit of 1989, and now consists of 31 members, including the major financial centres of Europe, North and South America and Asia/Pacific. As part of the Kingdom of the Netherlands, the Netherlands Antilles participates in the work of FATF.

The core of the FATF strategy is contained in a package of Forty Recommendations which set common standards. The Forty Recommendations provide the framework for national and international efforts and are now widely accepted as the global standard for anti-money laundering systems. They address the key issues essential to any effective anti-money laundering program: the law, the financial system, and international co-operation. Realizing that the sole reliance on legal measures would not be sufficient, FATF members agreed instead on a broad range of counter-measures involving, in an unprecedented fashion, the financial services sector in the strategy to combat money laundering. As the Recommendations need to address the prevailing money laundering trends, they are not set in stone and are subject to periodic review. Further to the recent annual reviews of the money laundering methods and techniques, the FATF has worked intensively to revise the Forty Recommendations.

The Recommendations have, as such, no binding force under international law, although a number of them are also embodied or reflected in the provisions of existing multilateral conventions and are therefore legally

binding. However, their force and authority derive from their endorsement by member governments and

their practical implementation. Each FATF member has made a firm political commitment to combat money laundering and terrorist financing at Ministerial level. In addition, the FATF has in place various mechanisms to monitor the implementation of the Recommendations, in particular the mutual evaluation procedure. In this respect, the anti-money laundering system of the Netherlands Antilles has been evaluated twice by the FATF.

B. Terrorist Financing

The financing of terrorism is another serious abuse of the international financial system. Since September 2001, the global landscape of serious crime has changed and a new dimension has been added to the work of the FATF. In October 2001, to disrupt the misuse of the international financial system by terrorists and those who channel the funds to them, the FATF agreed on Eight Special Recommendations. These Recommendations are separate from, but complementary to the FATF Forty Recommendations. In combination, the two sets of Recommendations provide a comprehensive framework for action against criminal misuse of the financial system, by terrorists, terrorist organizations and the individuals that support them. The FATF 40 and 8 Recommendations have now been recognized by the International Monetary Fund and the World Bank as the international standards to combat money laundering and the financing of terrorism.

Money laundering and terrorist financing pose a serious threat to the international community. Countering this threat requires a co-ordinated and

co-operative response from all countries. The approach to dealing with money laundering must include not only repressive action by judicial authorities but also the active participation of the financial sector. In countries with effective anti-money laundering systems, the financial sector recognizes that these measures are a necessary component of their own risk management and governance strategies. Fighting serious crime and particularly money laundering and terrorist financing, is now not only a key aspect of the worldwide battle against organized crime and terrorism, but also a significant step to strengthening the stability and integrity of the world's financial system.

IV. SABANT B.V. COMPLIANCE PROGRAM

The elements of Sabant B.V. Compliance Program are:

- a Compliance Officer;
- a Compliance Training Program;
- an Independent Compliance Auditing Function;
- a Transaction Monitoring and Analysis Function.

A. Compliance Officer and Department

Sabant B.V.'s has appointed a Compliance Officer, whose duty is to ensure the effective implementation and enforcement of the policies set forth in this manual. It is the Compliance Officer's responsibility to supervise all aspects

of Sabant B.V.'s anti- money laundering, anti-terrorist financing (collectively, "compliance"), including:

Policies and procedures

- Establishing and updating **internal policies and procedures** for the completion, review, submission and retention of all **reports and records**.
- Establishing an **internal referral process** and procedures for compliance matters such as handling of suspicious transactions, responding to official requests for information, and independent or partner program reviews.
- Working with external specialists to implement policies, procedures and internal controls to **correct compliance deficiencies**, enhance compliance performance, and/or adapt to regulatory changes.

Training

- Managing and updating the company's **Compliance Training Program** to ensure that employees and partners receive periodic refresher training on Anti-Money Laundering, Anti-Terrorist Financing and other regulatory compliance.
- Providing **supplemental training** as needed to address compliance deficiencies noted through monitoring and audit activities.

Monitoring

- **Monitoring** transactions and **investigating** any significant deviations from normal activity.
- Reviewing **SARs** and other reports for accuracy and completeness before filing them with the appropriate authorities.
- Monitoring **employee and vendor and partner activity** for compliance with internal and policies and procedures, as well as international best practices.
- Identifying needs for **corrective action** and assuring its implementation.
- Ensuring that periodic **compliance program reviews** (internal or external) are conducted corrective actions are taken, if necessary.

Reporting and Record-Keeping

- **Implementing a records management system** for appropriate storage and retrieval of documents, files, forms and logs.
 - Implementing systems to ensure the **accurate and timely reporting** of any statutory and regulatory reports.
 - Maintaining up-to-date **compliance manuals** and program materials.
 - Maintaining **mandatory records**.
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- When applicable, **maintaining and updating agent lists**, keeping records of terminated contracts and its complete files.

The Compliance Officer is also required to be available to answer any questions regarding potential money laundering and suspicious transactions. Sabant B.V.'s Compliance Officer may work in close collaboration with and contract the professional services of highly knowledgeable and experienced external counsel, AML and risk-management specialists who aid him in the execution of his duties, and, in particular, for the performance of specialized tasks such as data analysis, training and auditing

B. Compliance Training

Sabant B.V. trains and evaluates appropriate employees, agents, vendors and independent contractors in all relevant aspects of the regulatory requirements and other compliance policies and procedures. Sabant B.V. compliance training shall ensure that:

- All company personnel or contracted third-parties who have contact with customers or who see customer transaction activity receive appropriate training.
 - Training is ongoing and incorporates current developments and changes to the anti-money laundering laws and regulations.
 - New and different money laundering schemes involving clients and currency dealers are addressed.
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- Training includes examples of money laundering schemes and cases, tailored to the operations of those in attendance, and the ways such activities can be detected or resolved.
- Training focuses on the consequences of the failure to comply with established procedures (e.g., fines, termination and jail time).
- All training events, attendance records and materials are properly documented and archived.

This manual constitutes the centerpiece of Sabant B.V.'s compliance training program.

C. Independent Compliance Auditing Function

Sabant B.V. will periodically subject its compliance program to the thorough scrutiny of a qualified reviewer upon the change of any significant business function. The final report is reviewed by the Compliance Officer, who is responsible for ensuring that corrective measures are swiftly and effectively implemented.

D. Transaction Analysis Function

Clients (both individuals and entities) are known not only by verifying their identity (who they are) but, more importantly, by analyzing their transactional patterns (what they do). Therefore, Sabant B.V. relies on data analysis as a risk-assessment and suspicion detection tool. Sabant B.V. performs a variety of compliance-related tasks, including capturing data, filtering, record-keeping, investigation management, and reporting.

V. INTERNAL PROCEDURES, SYSTEMS AND CONTROLS

A. Know Your Customer

In order to reduce the appeal of the product and service to financial criminals, Sabant B.V. has established a user identification protocols and transaction limits in case of a suspicious activity.

B. OFAC Compliance

Sabant B.V. recognizes that OFAC screening and awareness training are quite possibly the only two tools available to combat the financing of terrorism. Sabant B.V. put the best effort to check that none of the customers it serves and vendors that it deals with is a prohibited person or entity. The responsibility for OFAC compliance has been assigned to a Compliance Officer.

In the event that the name of an individual listed on the OFAC list positively matches that of an Sabant B.V. customer or vendor, the Compliance Officer will follow the directions listed on OFAC's website, in the FAQs section:

When should I call the OFAC hotline?, contact OFAC's compliance hotline at (800) 540-6322, and follow the directions of the official contacted.

If, after consulting the OFAC list and the details provided, a confirmation cannot be made to release or retain the subject's funds, Sabant B.V. will not allow the transaction to take place. If necessary, the Compliance Officer will

seek guidance by calling the OFAC hotline and by providing the known details about the matched customer or vendor.

In the event that digital currency is ultimately blocked, Sabant B.V. will segregate those funds into a new address. The funds will not be transacted with or spent until further word from OFAC. The blocking also must be reported to OFAC Compliance within 10 business days.

As required by law, Sabant B.V. will report OFAC-related blockings within ten (10) days of the occurrence and annually, by September 30, it will send a report to OFAC concerning the assets blocked in the last twelve months, if any. The annual reports must be made in the Annual Report of Blocked Property (Treasury Form TD F 90-22.50).

C. Suspicious Activity

Suspicious Activity Detection and Investigation

There are two methods for detecting suspicious activity: 1) direct observation and 2) transactional analysis. Employees, vendors and contractors are thoroughly trained to be vigilant about certain indicators of illegal or suspicious activity and to report such observations and findings to the Compliance Officer. The Compliance Officer and any specialized staff have been trained to detect unusual activity in the transactional patterns of customers and any participating entities.

Suspicious Activity Indicators

As a general rule, a transaction may be connected to money laundering or terrorist activity financing when it (or a group of transactions) raises questions or gives rise to discomfort, apprehension or mistrust. An assessment of suspicion should be based on a reasonable evaluation of relevant factors, including the knowledge of the customer's business, financial history, background and behavior. It is behavior that is suspicious, not people. All circumstances surrounding a transaction should be reviewed. Training on detecting suspicious activity involves the discussion and study of indicators (red flags) such as the following:

GENERAL

- Customer admits or makes statements about involvement in criminal activities.

KNOWLEDGE OF REPORTING OR RECORD KEEPING REQUIREMENTS

- Customer attempts to convince employee not to complete any documentation required for the transaction.
- Customer makes inquiries that would indicate a desire to avoid reporting.
- Customer has unusual knowledge of the law in relation to suspicious transaction reporting.

IDENTIFICATION

- Customer provides doubtful or vague information.
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- Customer produces seemingly false, counterfeited, altered or inaccurate information.

GEOGRAPHY RISK

- Transaction involves a country known for highly secretive banking or corporate law.
- Transaction involves a country where illicit drug production or exporting may be prevalent, or where there is no effective anti- money laundering system.
- Transaction involves a country known or suspected to facilitate money laundering activities.

More suspicious activity indicators are provided below:

- The customer will not disclose the source of funds;
 - The explanation for the business and/or the amounts involved is not credible;
 - Unnecessary routing of funds through third parties;
 - The transaction is different from the normal business of the customer;
 - The size or frequency of the transactions is not consistent with the normal activities of the customer;
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- The pattern of transactions has changed since the business relationship was established;
- Sudden increases in the frequency/value of transactions of a particular customer without reasonable explanation.

D. Record Keeping

Sabant B.V. will store records of all transactions. The records we must keep are transaction lists and session logs.
