



**Compliance and Anti-Money Laundering (“AML”)
Program:
Compliance and Supervisory Procedures**

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1.0. borderless Policy

1.1. **Introduction.** borderless is committed to combating any activity that facilitates Money Laundering or Terrorist Financing, including full compliance with all applicable laws and regulations regarding Anti-Money Laundering (“AML”). It is the policy of borderless to actively prohibit and prevent Money Laundering and any activity that facilitates Money Laundering, fraud, other financial crimes, or the funding of terrorist or criminal activities by complying with all applicable requirements under the Bank Secrecy Act (“BSA”) and its implementing regulations.

Our AML policies, procedures and internal controls are designed to ensure compliance with all applicable BSA regulations and Financial Industry Regulatory Authority (“FINRA”) rules and will be reviewed and updated on a regular basis to ensure appropriate policies, procedures and internal controls are in place to account for both changes in regulations and changes in our business.

Rules: 31 C.F.R. § 103.120(c); FINRA Rule 3310.

1.2. **Definitions.** Definitions are included here for convenience but may also be included throughout.

(a) **Money Laundering** is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, Money Laundering (“ML”) occurs in three (3) stages. Stage one (1): Cash first enters the financial system at the “Placement” stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler’s checks, or deposited into accounts at financial institutions. Stage two (2): At the second, “Layering” stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. Stage three (3): At the final “Integration” stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund legitimate businesses or other criminal activities.

(b) **Terrorist Financing** may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between

terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership, and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

(c) borderless means borderless LLC and our respective employees, directors, agents and affiliates.

(d) AML Compliance Person means the person who has full responsibility for the borderless AML program.

(e) Suspicious Activity Report (“SAR”) means a document that must be filed with the Financial Crimes Enforcement Network (“FinCEN”) following a suspected incident of money laundering or fraud. These reports are required under the BSA.

(f) Bank Secrecy Act (“BSA”) can also be known as the Currency and Foreign Transactions Reporting Act and is legislation passed by the United States Congress in 1970 that requires U.S. financial institutions to collaborate with the U.S. government in cases of suspected money laundering and fraud.

(g) Business Days. References in this Agreement to “Business Day(s)” mean(s) Monday through Friday, excluding holidays when our offices are not considered open for business in the U.S. Holidays include New Year’s Day (January 1), Martin Luther King Jr’s Birthday (the third Monday in January), George Washington’s Birthday (the third Monday in February), Memorial Day (the last Monday in May), Independence Day (July 4), Labor Day (the first Monday in September), Columbus Day (the second Monday in October), Veterans Day (November 11), Thanksgiving Day (the fourth Thursday in November), Black Friday (the fourth Friday in November), and Christmas Day (December 25). If a holiday falls on a Saturday, borderless observes the holiday on the prior Friday. If the holiday falls on a Sunday, borderless observes the holiday on the following Monday.

(h) National Security Letter (“NSL”) is an administrative subpoena issued by the United States government to gather information for national security purposes. NSLs do not require prior approval from a judge.

(i) Specially Designated National (“SDN”) means any individual or company on the Office of Foreign Asset Control (“OFAC”) list of individuals, and companies owned or controlled by, or acting on behalf of, targeted countries. The list also contains individuals, groups, and entities, such as terrorists and narcotics traffickers, designated under programs that are not country-specific. Their assets are blocked and U.S. persons are generally prohibited from dealing with them.

(j) Legal Entity means an association, corporation, partnership, proprietorship, trust, or individual that has legal standing in the eyes of the law. A legal entity has the legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions.

(k) Representative means the person or persons registering for a borderless business account.

(l) Foreign Bank means any bank organized under foreign law or an agency, branch or office of a bank located outside the U.S. The term does not include an agent, agency, branch or office within the U.S. of a bank organized under foreign law.

(m) Foreign Shell Banks are Foreign Banks without a physical presence in any country.

(n) Correspondent Account means an account established for a foreign bank to receive deposits from, or to make payments or other disbursements on behalf of, the foreign bank, or to handle other financial transactions related to such foreign bank.

(o) Private Banking Account means an account (or any combination of accounts) that requires a minimum aggregate deposit of \$1,000,000, is established for one or more individuals, and is assigned to or administered or managed by, in whole or in part, an officer, employee or agent of a financial institution acting as a liaison between the financial institution and the direct or beneficial owner of the account.

(p) Services means a borderless account, any borderless application, API, product, service, feature, technology, content, or website, and the borderless accounts payable and accounts receivable services, collectively.

(q) Currency means coin and currency of the United States or of any other country that is customarily used and accepted as money in the country in which issued;

and a cashier's check (by whatever name called, including 'treasurer's check' and 'bank check'), bank draft, traveler's check, or money order, having a face amount of not more than \$10,000 received in a designated reporting transaction, or received in any transaction in which the recipient knows that such instrument is being used in an attempt to avoid the reporting of the transaction.

(r) Payment Method means a valid bank account, credit card, or alternative payment method such as wallet systems, that is linked to a borderless account.

(s) Financial Institution Partner means a Financial Institution and any of its parents, subsidiaries or corporate affiliates that borderless utilizes in connection with the provision of the borderless Services, including but not limited to: MoneyCorp US Inc. ("MoneyCorp"), NIUM Inc. ("NIUM") and Associated Foreign Exchange Inc. ("AFEX" or "Corpay"), and as defined in the borderless Terms of Service.

2.0. AML Compliance Person Designation and Duties

2.1. AML Program Compliance Person. borderless has designated Raffi Kayat as its AML Program Compliance Person, with full responsibility for the borderless AML program.

2.2. Duties. The AML Compliance Person will have a working knowledge of the BSA and its implementing regulations, and will be qualified by experience, knowledge and training. The duties of the AML Compliance Person will include monitoring borderless' compliance with AML obligations, overseeing communication and training for employees, and overseeing compliance or implementing rules for compliance with third party providers that borderless engages in services, dealings, or other financial transactions. The AML Compliance Person will also ensure that borderless keeps and maintains all of the required AML records and will ensure that Suspicious Activity Reports are filed with the appropriate responsible party and / or governing authority such as the FinCEN.

If requested by FINRA or other regulating authorities, borderless will provide contact information for the AML Compliance Person including: (i) name; (ii) title; (iii) mailing address; (iv) email address; and (v) telephone number. borderless will promptly notify the requesting party of any change in this information and will review, and if necessary update, this information within seventeen (17) Business Days after the end of each calendar year. The annual review of information will be conducted by the AML Compliance Person and will be completed with all necessary updates provided in accordance with the aforementioned schedule. In addition, if there is any change to the information, the AML Compliance Person will update the information promptly, but in any event, not later than thirty (30) Business Days following the change..

Rules: 31 C.F.R. § 103.120; FINRA Rule 3310; NASD Rule 1160.

3.0. Giving AML Information to Federal Law Enforcement Agencies and Other Financial Institutions

3.1. FinCEN Requests Under USA PATRIOT Act Section 314(a). Financial Institution Partner(s), a licensed financial institution and third party Processor, is solely responsible for ensuring that any FinCEN requests received concerning borderless accounts and transactions (a “314(a) Request”) are responded to. borderless will collaborate with the Financial Institution Partner in response to any 314(a) Requests received through its Financial Institution Partners by immediately searching borderless records to determine whether it maintains or has maintained any account for, or has engaged in any transaction with, each individual, entity, or organization named in the 314(a) Request, as outlined in the Frequently Asked Questions (“FAQ”) located on FinCEN’s website. borderless understands that it has fourteen (14) days (unless otherwise specified by FinCEN or its Financial Institution Partner) from the transmission date of the request to respond to a 314(a) Request. borderless will liaise with the one or more persons who have been designated through the FINRA Contact System (“FCS”) to be the Point of Contact (“POC”) for 314(a) Requests at its Financial Institution Partners.

Unless otherwise stated in the 314(a) Request, or specified by FinCEN, borderless is required to search those documents outlined in the FinCEN FAQs. If borderless finds a match, the AML Compliance Person will report it to its Financial Institution Partners who are required to report it to FinCEN via FinCEN’s web-based 314(a) Secure Information Sharing System within fourteen (14) days or within the time requested by FinCEN in the 314(a) Request. If the search parameters differ from those mentioned above (for example, if FinCEN limits the search to a geographic location), borderless will structure its search accordingly.

If, after searching its records, borderless does not find a matching account or transaction, then borderless will not reply to the 314(a) Request. borderless will maintain documentation that the required search was performed by maintaining a log showing the date of the request, the number of accounts searched, the name of the individual conducting the search and a notation of whether or not a match was found.

borderless will not disclose a FinCEN request or obtention of information, except to the extent necessary to comply with the 314(a) Request through its Financial Institution Partners. borderless will review, maintain, and implement procedures to protect the security and confidentiality of requests from Financial Institution Partners and FinCEN similar to those

procedures established to satisfy the requirements of Section 501 of the Gramm-Leach-Bliley Act with regard to the protection of borderless users' non-public information.

borderless will direct any questions about any received 314(a) Request to the requesting Federal law enforcement agency, as designated in the 314(a) Request.

Unless otherwise stated in the 314(a) Request, borderless will not be required to treat the information request as continuing in nature, and will not be required to treat the periodic 314(a) Requests as a government provided list of suspected terrorists for purposes of the customer identification and verification requirements.

Rule: 31 C.F.R. § 103.100.

3.2. Voluntary Information Sharing with Other Financial Institutions Under USA PATRIOT Act Section 314(b). borderless will share information with other financial institutions regarding individuals, entities, organizations and countries for purposes of identifying and, where appropriate, reporting activities that borderless suspects may involve possible Terrorist Financing activity or Money Laundering. The AML Compliance Person will liaise with the Financial Institution Partners Compliance Person(s) to ensure that all sharing complies with FinCEN regulations including the filing of an initial notice before any sharing occurs and annual notices thereafter. borderless advises that its Financial Institution Partners use the notice form found at FinCEN's website. Before sharing information with another financial institution, borderless will take reasonable steps to verify that the other financial institution has submitted the requisite notice to FinCEN, either by obtaining confirmation from the financial institution, or by consulting a list of such financial institutions that FinCEN will make available. This requirement applies even to financial institutions with which borderless is affiliated, and borderless will obtain the requisite notices from affiliates and follow all required procedures.

Rule: 31 C.F.R. § 1010.540.

3.3. National Security Letters. borderless understands that the receipt of a National Security Letter ("NSL") is highly confidential and that none of our officers, employees or agents may directly or indirectly disclose to any person that the FBI or other federal government authority has sought or obtained access to any borderless record. To maintain the confidentiality of any NSL received by borderless, the NSL will be processed and maintained using reasonable measures, including administrative, technical and physical safeguards to provide reasonable protection for the confidentiality of any NSL received by borderless. The security measures include firewalls, data encryption, physical access controls, and information access authorization controls. If borderless files a SAR after receiving an NSL, the SAR will not contain any

reference to the receipt or existence of the NSL. The SAR will only contain detailed information about the facts and circumstances of the detected suspicious activity.

3.4. Grand Jury Subpoenas. borderless understands that the receipt of a grand jury subpoena concerning a borderless user does not in and of itself require the filing of a SAR. Upon the receipt of a grand jury subpoena, borderless will conduct a risk assessment of the borderless user subject to the subpoena as well as review the user's account activity. If suspicious activity is uncovered during the risk assessment and review, borderless will elevate that borderless user's risk assessment and file a SAR in accordance with the SAR filing requirements. None of the borderless officers, employees or agents may directly or indirectly disclose to the person who is the subject of the subpoena its existence, its contents, or the information used to respond to such subpoena. If borderless files a SAR after receiving a grand jury subpoena, the SAR will not contain any reference to the receipt or existence of the subpoena. The SAR will only contain detailed information about the facts and circumstances of the detected suspicious activity.

3.5. Joint Filing of SARs by Broker-Dealers and Other Financial Institutions. The obligation to identify and properly report a suspicious transaction and to timely file a SAR rests solely with each Financial Institution Partner (broker-dealer and financial institution). borderless will liaise with its Financial Institution Partners who are responsible for filing one joint SAR by all relevant parties involved in a transaction, for a suspicious activity report, provided that the report contains all relevant and required information. borderless will share information about a particular suspicious transaction with any broker-dealer or Financial Institution Partner, as appropriate, involved in that particular transaction for the purposes of determining whether or not to file one joint SAR. All disclosures that are made for the purposes of jointly filing a SAR are protected by the safe harbor contained in the SAR regulations.

borderless will share information about particular suspicious transactions with relevant Financial Institution Partners and other financial institutions for the purposes of determining whether or not to file one joint SAR. In cases in which a joint SAR is filed for a transaction that has been handled both by borderless and the relevant Financial Institution Partner, borderless may request from the jointly filing financial partner a copy of the filed SAR. borderless will use reasonable means to maintain a copy of the SAR and supporting documentation, but the Financial Institution Partner is solely and independently responsible for maintaining a copy of the SAR and will maintain SAR supporting documentation in accordance with the BSA recordkeeping requirements.

If borderless determines that it is appropriate to jointly file a SAR, borderless will not disclose to any financial institution that an SAR has been filed, except the financial partner that is filing jointly. If a joint filing is not appropriate (e.g., because the SAR concerns the other financial

partner or one of its employees), borderless will not disclose that a SAR has been filed to any other financial institution or broker-dealer.

Rules: 31 C.F.R. § 1023.320; 31 C.F.R. § 1010.430; 31 C.F.R. § 1010.540.

3.6. **Confidentiality.** borderless employs strict procedures both to ensure that only relevant information is shared and to protect the security and confidentiality of this information. borderless employs procedures to ensure that any information received from another financial institution or government agency shall not be used for any purpose other than its intended purpose (e.g., identifying and reporting on money laundering or terrorist activities, determining whether to maintain an account or engage in a transaction, assisting the financial institution or governmental or judicial agency with their lawful activities).

4.0. Checking the Office of Foreign Assets Control Listings

4.1. **Policy.** Before opening an account, and on an ongoing basis, Financial Institution Partner(s), a licensed financial institution and third party Processor, is solely responsible for ensuring that a borderless account user does not appear on the SDN list, nor engages in transactions that are prohibited by the economic sanctions and embargoes administered and enforced by OFAC. Since the SDN list and listings of economic sanctions and embargoes are updated frequently, Financial Institution Partner will consult with OFAC on a regular basis and subscribe to receive any available updates when they occur. Financial Institution Partner may also access the SDN list through various software programs and tools to ensure speed and accuracy. Financial Institution Partner is also solely responsible for reviewing existing accounts against any updates to the SDN list and listings of current sanctions and embargoes. Financial Institution Partner will document and maintain a record of the review.

4.2. **Scope.** Financial Institution Partner's review will include actual or potential borderless account holders, transactions involving actual or potential borderless account holders, and the review of borderless account holders' transactions that involve physical security certificates or application-based investments (e.g., mutual funds).

4.3. **Remedies.** If, at any time, Financial Institution Partner determines that a borderless potential or actual account user is on the SDN list or is engaging in transactions that are prohibited by the economic sanctions and embargoes administered and enforced by OFAC, borderless will immediately reject the transaction and / or block the borderless account holder's assets. borderless will notify Financial Institution Partner to file a blocked assets and / or rejected transaction form with OFAC within ten (10) business days.

References: [OFAC website](#) includes the SDN list and listings of current sanctions and embargoes. [FINRA's OFAC Search Tool](#) screens names against the SDN list.

Rules: 31 C.F.R. § 501.603; 31 C.F.R. § 501.604.

5.0. Customer Identification Program (“CIP”): Know Your Customer (“KYC”)

5.1. **Definitions.** For the purposes of this section, the following terms shall have the following meanings:

(a) **Account** means a formal relationship with borderless established to effect transactions in securities, including, but not limited to, the purchase or sale of securities, securities loan and borrowing activity, and the holding of securities or other assets for safekeeping or as collateral. The following are excluded from the definition of Account: (i) an account that the broker-dealer acquires through any acquisition, merger, purchase of assets or assumption of liabilities; and (ii) an account opened for the purpose of participating in an employee benefit plan established under the Employee Retirement Income Security Act of 1974 (“ERISA”).

(b) **Customer** means (i) an individual who opens a new account with borderless or (ii) an individual who opens a new account for an individual who lacks legal capacity or for an entity that is not a legal person; or (iii) a business customer representing a legal entity. Customer does not refer to individuals who fill out account creation paperwork or who provide information necessary to establish an account, if such individuals are not also the account holder. For the purposes of the CIP rule’s definition of Customer, the following entities are excluded from the definition of Customer: (1) a financial institution regulated by a federal functional regulator (that is, an institution regulated by the Board of Governors of the Federal Reserve; Federal Deposit Insurance Corporation; National Credit Union Administration; Office of the Comptroller of the Currency; Office of Thrift supervision; Securities and Exchange Commission; or Commodity Futures Trading Commission) or a bank regulated by a state bank regulator; (2) a department or agency of the United States, of any State, or of any political subdivision of any State; (3) any entity established under the laws of the United States, of any State, or of any political subdivision of a State that exercises governmental authority on behalf of the United States, any State, or any political subdivision of a State; (4) any entity, other than a bank, whose common stock or analogous equity interests are listed on the New York Stock Exchange or the American Stock Exchange or whose common stock or analogous equity interests have been designated as NASDAQ National Market Security listed on the Nasdaq Stock Market (except stock or interests listed under the

separate “NASDAQ Capital Markets Companies” heading), provided that, if the person is a financial institution, other than a bank, only to the extent of its domestic operations; or (5) a person that has an existing borderless account, provided borderless has a reasonable belief that it knows the true identity of the person.

5.2. Policy. borderless does not open or maintain Accounts within the meaning of 31 CFR 103.122(a)(1)(i), in that borderless does not establish formal relationships with Customers for the purpose of effecting transactions in securities. If in the future borderless elects to open Customer Accounts or to establish formal relationships with Customers for the purpose of effecting transactions in securities, borderless will first establish, document and ensure the implementation of appropriate CIP procedures.

Rule: 31 C.F.R. § 1023.220.

5.3. Personal borderless Account Customer Information.

(a) Required Information. *Prior* to opening a borderless personal account, borderless will collect the following information, if applicable, for any individual that is opening a new borderless personal account and whose name is on the borderless personal account: (i) first name; (ii) last name; (iii) address - this will be a residential or business street address, an Army Post Office (APO) or Fleet Post Office (FPO) box number, or residential or business street address of next kin or another contact individual (for an individual who does not have a residential or business street address); (iv) email address; (v) date of birth; (vi) bank account number and routing number.

(b) Optional Information. *Prior* to opening a borderless personal account, borderless will also request the following information: (i) phone number. This information is not required to open a borderless personal account.

(c) Additional Information. If additional verification information is deemed necessary, borderless will collect an identification number which may be a taxpayer identification number (including social security number), or Driver’s License number, or Government Issued Identification Number for U.S. persons. For non-U.S. persons, borderless will collect one or more of the following: (i) a taxpayer identification number; (ii) passport number and country of issuance; (iii) alien identification card number; or (iv) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other similar safeguard.

Where deemed necessary and available, borderless may collect bank statements for the four (4) months immediately preceding the date of application for a borderless personal account including, but not limited to, transaction history, type of transaction, amount, and transaction location.

5.4. Business borderless Account Customer Information.

(a) Required Information. *Prior* to opening a borderless business account, borderless will collect the following information, if applicable, for any Legal Entity that is opening a new borderless account and whose name is on the borderless account: (i) Legal Entity legal name; (ii) business address - this will be the principal place of business, local office, or other physical location; (iii) email address; (iv) industry; (v) sub-industry; (vi) type; (vii) Employer Identification Number (“EIN”); (viii) bank account number and routing number; and (ix) incorporation documents.

borderless will also collect the following information from the Legal Entity Representative: (i) first name; (ii) last name; (iii) email; (iv) phone number (v) date of birth; and (vi) government document identification.

(b) Optional Information. *Prior* to opening a borderless business account, borderless may also request the following information: (i) URL; (ii) years in business. This information is not required to open a borderless business account.

(c) Additional Information. Where deemed necessary and available, borderless may (i) conduct a credit check; and (ii) collect bank statements for the four (4) months immediately preceding the date of application for a borderless business account including, but not limited to, transaction history, type of transaction, amount, and transaction location.

(d) Foreign Legal Entities. If a borderless business account is requested by a foreign Legal Entity that does not have a U.S. EIN, borderless will request alternative government-issued documentation certifying the existence of the business or enterprise and the country of issuance.

borderless recognizes that the risk of not knowing a potential or actual borderless account holder’s identity may be heightened for certain types of accounts, such as an account opened in the name of a corporation, partnership, or trust that is created or conducts substantial business in a jurisdiction that has been designated by the U.S. as a primary money laundering jurisdiction, a terrorist concern, or has been designated as a

non-cooperative country or territory. borderless will identify those account holders who may pose a heightened risk of not being properly identified, and will follow the additional measures set out in section 6.0. below to verify the identity of these Legal Entities when standard methods prove to be insufficient.

5.5. Policy. borderless provides all Account Customer Information to its Financial Institution Partner who is solely responsible for verifying all KYC and CIP information.

Rule: 31 C.F.R. § 1023.220(a)(2)(i).

5.6. Refusal to Provide Information. If a potential or existing borderless account holder either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, borderless will not open a new borderless account and, after considering the risks involved, consider closing any existing account. In either case, the AML Compliance Person will be notified and will determine whether or not a notice should be sent to Financial Institution Partner or report the situation to FinCEN on a SAR-SF.

5.7. Verifying Information. borderless relies on Financial Institution Partner to verify a potential or existing borderless account holder's identity. Based on the risk, and to the extent reasonable and practicable, Financial Institution Partner will communicate to borderless that they have ensured that they have a reasonable belief that they know the true identity of the potential or existing borderless account holder by using risk-based procedures to verify and document the accuracy of the information borderless receives about its customers. Financial Institution Partner will analyze the information obtained by borderless to determine whether the information is sufficient to form a reasonable belief that the true identity of the potential or actual borderless account holder is known (e.g., whether the information is logical or contains inconsistencies).

Financial Institution Partner verifies borderless potential and actual account holders through documentary and non-documentary means. When appropriate documents are available, Financial Institution Partner uses documentary means to verify the account holder's identity. Whenever necessary, Financial Institution Partner will supplement the use of documentary evidence with non-documentary means. In all cases, Financial Institution Partner will use whatever means necessary to determine a reasonable belief that the true identity of the potential or actual borderless account holder is known (e.g., whether the information provided is logical or contains inconsistencies).

5.8. Documentary Verification.

(a) Personal borderless Account Identity Verification. An unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard (such as a driver's license or passport) is considered to be appropriate for verifying the identity of a person who is seeking or is in possession of a borderless personal account.

(b) Business borderless Account Identity Verification. Documents showing the existence of the Legal Entity such as: (i) certified articles of incorporation; (ii) a government-issued business license; (iii) a partnership agreement; or (iv) a trust instrument will be considered to be appropriate for verifying the identity of a Legal Entity that is seeking or in possession of a borderless business account.

Neither borderless nor Financial Institution Partner are responsible for taking steps to determine whether the document that a potential or actual borderless account holder has provided for the purpose of identity verification has been validly issued. If, however, the document shows some obvious form of fraud, the document will be rejected as an acceptable form of identity verification.

5.9. Non-Documentary Verification. Non-documentary verification methods will be used when: (i) the potential or actual borderless account holder is unable to present an unexpired government-issued identification document with a photograph or similar safeguard; (ii) both borderless and Financial Institution Partner are unfamiliar with the documents that the potential or actual borderless account holder presents for identification verification; (iii) there are other circumstances that increase the risk that borderless and Financial Institution Partner will be unable to verify the true identity of the potential or actual borderless account holder through documentary means. Non-documentary methods considered to be appropriate for identity verification include: (i) independently verifying the potential or actual borderless account holder's identity through the comparison of the information provided with the information obtained from a consumer reporting agency, public database, or other source; (ii) checking references with financial institutions; or (iii) obtaining a financial statement.

5.10. Identity Verification for Accounts Presenting Heightened Risk. When standard methods prove to be insufficient to prove the identity of a Legal Entity that presents a heightened risk, borderless and Financial Institution Partner will identify red flags, organize a call with the Account Signatory or Company Beneficial Owner, and address each red flag during the call. If red flags are not remedied to the satisfaction of the Financial Institution Partner, borderless will not open a new borderless account and, after considering the risks involved, consider closing any existing account. In either case, the AML Compliance Person will be notified.

5.11. Timeframe for Identity Verification. The identity information will be verified by Financial Institution Partner within a reasonable time before or after the borderless account is created. Prior to the completion of identity verification, a borderless account holder will not be able to complete transactions, the transaction status will be “pending” in their account and no funds will be withdrawn from their Payment Method. Whenever suspicious information indicating possible Money Laundering, Terrorist Activity, or other suspicious activity is found, the AML Compliance Person will collaborate with Financial Institution Partner to ensure appropriate documentation is filed (for example, a SAR) in accordance with applicable laws and regulations.

Rule: 31 C.F.R. § 1023.220(a)(2)(ii).

5.12. Lack of Verification. When it is impossible to form a reasonable belief that the true identity of a potential or actual borderless account holder is known, the following steps will be taken: (i) *prior* to the creation of an account, a borderless account will not be opened; (ii) maintain transactions as “pending” while additional attempts at identity verification take place; (iii) close such borderless account after attempts at identity verification fail; and (iv) the AML Compliance Person will collaborate with Financial Institution Partner to determine whether it is necessary to file a SAR, in all cases complying with all applicable laws and regulations.

Rule: 31 C.F.R. § 1023.220(a)(2)(iii).

5.13. Recordkeeping. borderless will securely document identity verification information provided by a potential or actual borderless account holder, the methods used to obtain that data, the results of the verification, and the resolution of any discrepancies identified in the verification process. Records of all identification information, including: (i) the type of document, any identification number contained therein, the place of issuance, and if any, the date of issuance and expiration date; (ii) documents that describe the methods and results of any non-documentary verification measures taken to verify the identity of a borderless account holder will be retained for five (5) years after the borderless account has been closed. Records made about the verification of a potential or actual borderless account holder will be retained for five (5) years after the record is made.

Rule: 31 C.F.R. § 1023.220(a)(3).

5.14. Comparison with Government-Provided Lists of Terrorists. borderless does not check government lists after the creation of a borderless account. At such time as borderless receives notice that a federal government agency has issued a list of known or suspected terrorists and identified the list as a list for CIP purposes, borderless will, within a reasonable

period of time after an account is opened (or earlier, if required by another federal law or regulation or federal directive issued in connection with an applicable list), alert Financial Institution Partner to the existence of the list. After a borderless account is opened, Financial Institution Partner is solely responsible for determining whether a borderless account holder appears on any such list of known or suspected terrorists or terrorist organizations and will, within a reasonable period of time, inform borderless of the determination as to whether or not a borderless account holder appears on any such list. borderless and Financial Institution Partner will follow federal directives issued in connection with such lists. borderless and Financial Institution Partner will continue to comply with OFAC rules prohibiting transactions with certain foreign countries or their nationals.

Rule: 31 C.F.R. § 1023.220(a)(4).

5.15. Notice to borderless Account Holders. borderless will provide notice to potential and actual borderless account holders that borderless is requesting information for identity verification purposes, as required by federal law. This notice will be provided in the borderless Terms of Use and Privacy Policy posted on the borderless website.

Rule: 31 C.F.R. § 1023.220(a)(5).

5.16. Reliance on Another Financial Institution for Identity Verification. borderless relies on Financial Institution Partner to complete elements of the CIP as per the Moneycorp Integrated Partner Agreement and the NIUM Referral Agreement. These contracts mandate that Financial Institution Partner complete all aspects of the CIP/KYC Program heretofore described.

borderless is not responsible for the failure of Financial Institution Partner to adequately fulfill the CIP responsibilities as described in this AML Program and in the Moneycorp Integrated Partner Agreement and the NIUM Referral Agreement. Financial Institution Partner acknowledges and understands this responsibility to adequately fulfill the CIP responsibilities theretofore described and certifies that the reliance of borderless on Financial Institution Partner is reasonable and all requisite contracts and certifications have been obtained by Financial Institution Partner.

Rule: 31 C.F.R. § 1023.220(a)(6).

6.0. Due Diligence

6.1. Introduction. It is important to the borderless AML program that sufficient information about each borderless account holder is obtained to allow the evaluation of the risk

presented by that account holder and to detect and report suspicious activity. When borderless opens a new account for a Legal Entity, the due diligence performed may be in addition to customer information obtained for purposes of CIP. There are four (4) critical pieces that ensure the strength of the borderless AML program. The first, the CIP, was discussed at length in section 5.0. of this document. This section (section 6.0.) will focus primarily on the other three (3) pillars, discussing how borderless: (i) collects information for beneficial ownership identification and verification; (ii) understands the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and (iii) conducts ongoing monitoring to identify and report suspicious transactions and, on a risk basis, maintains and updates borderless account holder information.

6.2. Beneficial Ownership Identification and Verification. At the time of opening an account for a Legal Entity, the AML Compliance Person will identify any individual that is a beneficial owner of the Legal Entity by identifying any individuals who directly or indirectly own twenty-five (25) percent or more of the equity interests of the Legal Entity, and any individual with significant responsibility to control, manage, or direct a Legal Entity.

(a) Required Information. The following information will be collected for each beneficial owner: (i) first name; (ii) last name; (iii) address - this will be a residential or business street address, an Army Post Office (APO) or Fleet Post Office (FPO) box number, or residential or business street address of next kin or another contact individual (for an individual who does not have a residential or business street address); and (iv) date of birth.

(b) Additional Information. If additional verification information is deemed necessary, borderless may collect an identification number which will be a taxpayer identification number (social security number), or Driver's License number, or Government Issued Identification Number for U.S. persons. For non-U.S. persons, borderless will collect one or more of the following: (i) a taxpayer identification number; (ii) passport number and country of issuance; (iii) alien identification card number; or (iv) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other similar safeguard.

(c) Verification. Financial Institution Partner is solely responsible for the verification of the beneficial owners of any borderless account. Financial Institution Partner is solely responsible for describing any document relied on (noting the type, any identification number, place of issuance and, if any, date of issuance and expiration). Financial Institution Partner is also solely responsible for describing any non-documentary methods and the results of any measures undertaken.

Rules: 31 C.F.R. § 1010.230(b); 31 C.F.R. § 1023.210(b)(5).

6.3. Understanding the Nature and Purpose of Customer Relationships. borderless will understand the nature and purpose of customer relationships for the purpose of developing a customer risk profile by understanding: (i) the industry and service offered; (ii) the anticipated or actual account activity (both volume and type); (iii) domicile (where the Legal Entity is organized); (iv) the source of funds.

For accounts that borderless or Financial Institution Partner deem to be of higher risk, borderless may obtain the following additional information: (i) description of primary trade area and whether international transactions are expected to be routine; (ii) description of the business operations and anticipated volume of trading; and (iii) explanations for any changes in account activity.

Financial Institution Partner is solely responsible for verifying all documentation relating to understanding the nature and purpose of customer relationships.

Rules: 31 C.F.R. § 1010.230; 31 C.F.R. § 1023.210(b)(5)(i); FINRA Rule 3310.

6.4. Conducting Ongoing Monitoring to Identify and Report Suspicious Transactions. Financial Institution Partner is solely responsible for conducting conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, maintain and update borderless account holder information, including information regarding the beneficial ownership of a Legal Entity, using the risk profile as a baseline against which account activity is assessed for suspicious transaction reporting. Suspicious activity monitoring procedures are detailed in section 10.0. herein.

Rules: 31 C.F.R. § 1010.230; 31 C.F.R. § 1023.210(b)(5)(ii); FINRA Rule 3310.

7.0. Correspondent Accounts for Foreign Shell Banks

borderless does not have nor intends to open or maintain, Correspondent Accounts for Foreign financial institutions or Foreign Banks. If in the future borderless elects to open Correspondent Accounts, borderless will first establish, document and ensure the implementation of appropriate procedures.

Rule: 31 C.F.R. § 1010.610(a).

8.0. Private Banking Accounts

borderless does not open or maintain Private Banking Accounts. If in the future borderless elects to open Private Banking Accounts, borderless will first establish, document and ensure the implementation of appropriate procedures.

Rule: 31 C.F.R. § 1010.620.

9.0. Compliance with FinCEN's Issuance of Special Measures

If FinCEN issues a final rule imposing a special measure against one or more foreign jurisdictions or financial institutions, classes of international transactions or types of accounts deeming them to be of primary money laundering concern, we understand that we must read FinCEN's final rule and follow any prescriptions or prohibitions contained in that rule.

Rules: 31 C.F.R. §§ 1010.651, 1010.653, 1010.655, 1010.658, 1010.659, 1010.660.

10.0. Monitoring Accounts for Suspicious Activity

Financial Institution Partner is solely responsible for monitoring borderless accounts for suspicious activity; however, borderless will also monitor account activity for unusual size, volume, pattern or type of transactions, taking into account risk factors and red flags appropriate to the business. Monitoring will be conducted through the following methods: borderless Operations Team monitors transactions and may flag suspicious transactions for additional due diligence by Financial Institution Partner. The AML Compliance Person is responsible for this monitoring and will review any activity that the borderless Operations Team detects. The AML Compliance Person will also work with Financial Institution Partner to determine whether any additional steps are required, will document when and how this monitoring is carried out, and will report suspicious activities to Financial Institution Partner, who, collectively will decide the appropriate course of action, in full compliance with all applicable laws and regulations.

10.1. Activity Reviews. It is the sole responsibility of Financial Institution Partner to review all activity; however borderless will also conduct the following reviews of activity: (i) suspicious transactions, (ii) high value transactions, (iii) high risk jurisdictions, (iv) multiple payments with similar amounts, (v) multiple payments to the same legal entity or natural person. borderless will report any suspicious activity to Financial Institution Partner to determine whether any additional steps are required and the appropriate course of action, in full compliance with all applicable laws and regulations.

10.2. Documentation. borderless will document our monitoring and reviews as follows:
(i) annual review of internal ledger.

10.3. Relevant Information. borderless will assist Financial Institution Partner in conducting an appropriate investigation and review relevant information from internal or third-party sources before a SAR-SF is filed.

Rules: 31 C.F.R. § 1023.320; FINRA Rule 3310.

10.4. Emergency Notification. In situations involving violations that require immediate attention, such as terrorist financing or ongoing money laundering schemes, borderless will immediately notify Financial Institution Partner. Financial Institution Partner is solely responsible for notifying appropriate law enforcement authorities of these situations requiring immediate attention. If a borderless account holder, individual or Legal Entity, appears on OFAC's SDN list, Financial Institution Partner should notify the borderless AML Compliance Person immediately at (502)-230-1490, as well as immediately notifying the OFAC Hotline at (800)-540-6322. Other contact numbers that Financial Institution Partner may use include: (i) FinCEN's Financial Institutions Hotline at (866)-556-3974 (especially to report transactions relating to terrorist activity); (ii) local U.S. Attorney's office at Financial Institution Partner; (iii) local FBI office at Financial Institution Partner; and (iv) local SEC office at Financial Institution Partner for voluntary reporting of violations to the SEC in addition to contacting the appropriate law enforcement authority. If Financial Institution Partner notifies the appropriate law enforcement authority of any such activity, they will file a timely SAR.

Although it is not required, Financial Institution Partner may, in cases where a SAR that may require immediate attention by the SEC has been filed, contact the SEC via the SEC SAR Alert Message Line at 202-551-7277 to alert the SEC about the filing. Financial Institution Partner understands and acknowledges that calling the SEC SAR Alert Message Line does not alleviate obligations to file a SAR or notify appropriate law enforcement authorities.

Rule: 31 C.F.R. § 1023.320.

10.5. Red Flags. Red flags that signal possible money laundering or terrorist financing may include, but are not limited to the following:

(a) Insufficient or Suspicious Information, such as if a borderless potential or actual account holder: (i) provides unusual or suspicious identification documents that cannot be readily verified; (ii) is reluctant to provide complete information about the nature and purpose of their business, prior banking relationships, anticipated account

activity, officers, beneficiaries, directors, or business location; (iii) refuses to identify a legitimate source for funds or information is false, misleading, or substantially incorrect; (iv) has a questionable background or differs from expectations based on business activities; or (v) has no discernable reason for using the borderless Services;

(b) Efforts to Avoid Reporting and Recordkeeping, such as if a borderless potential or actual account holder: (i) is reluctant to provide information needed to file reports; (ii) tries to persuade an employee not to file required reports or not to maintain required records; or (iii) expresses unusual concern over the borderless compliance with government reporting requirements and its AML policies;

(c) Certain Funds Transfer Activities, such as: (i) wire transfers to and from financial secrecy havens or high-risk geographic locations without an apparent business reason; (ii) many small, incoming wire transfers that are almost immediately withdrawn or wired out in a manner inconsistent with a borderless account holder's business or history (this may indicate a Ponzi scheme); or (iii) wire activity that is unexplained, repetitive, unusually large or shows unusual patterns or does not have an apparent business purpose;

(d) Activity Inconsistent with Business, such as: (i) transaction patterns that show a sudden change inconsistent with normal activities; (ii) unusual transfers of funds or journal entries among accounts without any apparent business purpose; (iii) the maintenance of multiple accounts, or accounts in the names of family members or corporate entities with no apparent business or other purpose; or (iv) appearing to act as an agent for an undisclosed principal, but reluctant to provide information;

(e) Other Suspicious Activity, such as: (i) unexplained high level of account activity with very low amounts; (ii) law enforcement subpoenas; (iii) payments to third-parties without an apparent connection; or (iv) no concern regarding the cost of the transaction or applicable fees (e.g., higher than necessary commissions, etc.).

10.6. Responding to Red Flags and Suspicious Activity. When a borderless employee detects any Red Flag, or other activity that may be suspicious, they will notify the borderless AML Compliance Person. The AML Compliance Person will determine whether or not and how to further investigate the matter, including alerting Financial Institution Partner. This may include gathering additional account information internally or from third-party sources, contacting the government, rejecting transactions or closing the borderless account.

11.0. Suspicious Transactions and BSA Reporting

11.1. Filing a SAR. Financial Institution Partner is solely responsible for filing SARs with FinCEN for any borderless transactions; however, borderless will consult with Financial Institution Partner as appropriate to file a SAR with FinCEN for any transactions conducted or attempted by, at or through a borderless account involving five thousand dollars (\$5,000) or more of funds or assets (either individually or in the aggregate) where it is known, suspected, or there is reason to suspect: (i) the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade federal law or regulation or to avoid any transaction reporting requirement under federal law or regulation; (ii) the transaction is designed, whether through structuring or otherwise, to evade any requirements of the BSA regulations; (iii) the transaction has no business or apparent lawful purpose or is not the sort in which the borderless account holder would normally be expected to engage, and after examining the background, possible purpose of the transaction, and other facts, no reasonable explanation for the transaction is apparent; or (iv) the transaction involves the use of borderless to facilitate criminal activity.

Financial Institution Partner is also solely responsible for filing a SAR, immediately notifying borderless, and notifying appropriate law enforcement authorities in situations involving violations that require immediate attention, such as terrorist financing or ongoing money laundering schemes. In addition, although it is not required, Financial Institution Partner may contact the SEC in cases where a SAR filed may require immediate attention by the SEC (refer to section 10.4. herein for emergency notification procedures).

Financial Institution Partner may file voluntary SARs for any suspicious transaction that is believed to be relevant to the possible violation of any law or regulation but that is not required to be reported under the SAR rule. Financial Institution Partner may report all SAR filings to the borderless AML Compliance Person, and the AML Compliance Person will provide quarterly updates on all SARs to the Board of Directors and senior management, with a clear reminder of the need to maintain the confidentiality of the SAR.

Financial Institution Partner will report suspicious transactions by completing a SAR, and will collect, maintain, and may provide to borderless supporting documentation as required by the BSA regulations. Financial Institution Partner will file a SAR-SF no later than thirty (30) calendar days after the date of the initial detection of the facts that constitute a basis for filing a SAR. Financial Institution Partner may notify borderless of such filing no later than thirty (30) calendar days after the date of the initial detection of the facts that constitute a basis for filing a SAR. If no suspect is identified on the date of initial detection, filing of the SAR may be delayed an additional thirty (30) calendar days pending identification of a suspect, but in no case will the reporting be delayed more than sixty (60) calendar days of initial detection. This thirty (30) day

(or sixty (60) day) period begins when an appropriate review is conducted by Financial Institution Partner or the borderless AML Compliance Person and a determination is made by Financial Institution Partner that the transaction under review is “suspicious” within the meaning of the SAR requirements and as outlined in section 10.5. herein. It is required that a review be promptly initiated by the Financial Institution Partner upon identification of unusual activity that warrants investigation.

Copies of any SAR filed and the original or business record equivalent of any supporting documentation will be retained by the Financial Institution Partner for five (5) years from the date of filing. Such documentation will be identified, maintained and made available to FinCEN, any other appropriate law enforcement agencies, federal or state securities regulators and self-regulatory organizations (“SRO”) upon request.

It is prohibited to notify any person involved in the transaction that the transaction has been reported, except as permitted by the BSA regulations. Anyone who is subpoenaed or required to disclose a SAR or the information contained in the SAR will decline to produce the SAR or to provide any information that would disclose that a SAR was prepared or filed, except where disclosure is requested by FinCEN, the SEC, or another appropriate law enforcement or regulatory agency, or an SRO registered with the SEC. Financial Institution Partner will notify FinCEN of any such request and Financial Institution Partner response.

Rules: 31 C.F.R. § 1023.320; FINRA Rule 3310.

11.2. Currency Transaction Reports. Financial Institution Partner is solely responsible for filing a Currency Transaction Report (“CTR”) for each exchange of currency or other payment or transfer through borderless that involves a transaction in Currency of more than ten thousand dollars (\$10,000) or for multiple transactions in Currency of more than ten thousand dollars (\$10,000) when the transactions are by or on behalf of the same person during any one business day, unless the transaction is subject to certain exemptions. If it is discovered that such transactions have occurred, Financial Institution Partner is solely responsible for filing the supported CTR form with FinCEN through the [BSA E-Filing System](#), and may notify borderless.

Rules: 31 C.F.R. §§ 1010.311, 1010.306, 1010.312.

11.3. Currency and Monetary Instrument Transportation Reports. borderless is a digital-only platform and as such does not accept monetary instruments that have been transported, mailed, or shipped in any fashion from any location to any destination. If in the future borderless elects to accept physical monetary instruments, borderless will first establish, document and ensure the implementation of appropriate procedures.

Rules: 31 C.F.R. §§ 1010.340, 1010.306.

11.4. Foreign Bank and Financial Accounts Reports. borderless does not open or maintain bank accounts. If in the future borderless elects to open bank accounts, borderless will first establish, document and ensure the implementation of appropriate procedures.

Rules: 31 C.F.R. §§ 1010.306, 1010.350, 1010.420.

11.5. Monetary Instrument Purchases. borderless does not issue bank checks or drafts, cashier's checks, money orders or traveler's checks in the amount of \$3,000 or more. If in the future borderless elects to do so, borderless will first establish, document and ensure the implementation of appropriate procedures.

Rule: 31 C.F.R. § 1010.415.

11.6. Funds Transmittals of \$2,000 or More. This section is designed to ensure full compliance with all applicable laws and regulations under the Travel Rule. When a transaction takes place for two-thousand dollars (\$2,000) or more, borderless will retain an electronic record of the transmittal order that includes: (i) the name and address of the transmitter; (ii) the account number of the Payment Method; (iii) the amount; (iv) the execution date; (v) the identity of the recipient's bank; (vi) the recipient's name and address; (vii) the bank account number of the recipient; and where available (viii) the recipient's Tax Identification number.

borderless conducts the entirety of its operations digitally and uses the following identification for all transactions over two-thousand dollars (\$2,000): (i) for U.S. Persons - the transmitter's taxpayer identification number (including social security number); and (ii) for non-U.S. persons, one or more of the following: (a) a taxpayer identification number; (b) passport number and country of issuance; (c) alien identification card number; or (d) number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other similar safeguard.

Rules: 31 C.F.R. § 1010.410(e) and (f); Exchange Act Rule 17a-8 (requiring registered broker-dealers subject to the Currency and Foreign Transactions Reporting Act of 1970 to comply with the BSA regulations regarding reporting, recordkeeping and record retention requirements); FINRA Rule 3310.

11.1. Exemptions. Financial Institution Partner is exempt from reporting on a SAR the following violations: (i) a robbery or burglary that is committed and already reported to appropriate law enforcement authorities; (ii) violations of the federal securities laws or

self-regulatory organization (“SRO”) rules by Financial Institution Partner, its officers, directors, employees, or registered representatives, that are reported appropriately to the SEC or SRO, except for a violation of Exchange Act Rule 17a-8, which must be reported on a SAR. If Financial Institution Partner relies on one of these exemptions, they may be required to demonstrate their reliability on one of these exemptions and thus a record of its determination not to file a SAR based on exemption should be kept for a minimum of five (5) years.

Rule: 31 C.F.R. § 1023.320.

12.0. AML Recordkeeping

12.1. Responsibility for Required AML Records and SAR Filing. Financial Institution Partner is solely responsible for maintaining required AML records and filing SARs; however, as appropriate the borderless AML Compliance Person will work with Financial Institution Partner to ensure that AML records are properly maintained and that SARs are filed as required. Additionally, Financial Institution Partner is solely responsible for creating and maintaining SARs, CTRs, CMIRs, FBARs, and relevant documentation on customer identity and verification; however, borderless is responsible for providing accurate borderless account holder information as received from the borderless account holder (as detailed in Section 5.0. herein). Financial Institution Partner is required to keep SARs and their accompanying documentation for at least five (5) years, and may share that information with borderless, who will maintain a copy on file if appropriate. Financial Institution Partner will also keep other documents according to existing BSA and other recordkeeping requirements including certain SEC rules that require six-year retention periods (e.g., Exchange Act Rule 17a-4(a) requiring firms to preserve for a period of not less than six years, all records required to be retained by Exchange Act Rule 17a-3(a)(1)-(3), (a)(5), and (a)(21)-(22) and Exchange Act Rule 17a-4(e)(5) requiring firms to retain for six years account record information required pursuant to Exchange Act Rule 17a-3(a)(17)). Financial Institution Partner may share that information with borderless, who will maintain a copy on file if appropriate.

Rules: 31 C.F.R. § 1010.430; Exchange Act Rule 17a-8 (requiring registered broker-dealers subject to the Currency and Foreign Transactions Reporting Act of 1970 to comply with the BSA regulations regarding reporting, recordkeeping and record retention requirements); FINRA Rule 3310.

12.2. SAR Maintenance and Confidentiality. borderless and Financial Institution Partner will hold SARs and any supporting documentation confidential. No one outside of FinCEN, the SEC, an SRO registered with the SEC, or other appropriate law enforcement or regulatory agency will be informed about a SAR. Any subpoena requests for SARs or for

information that would disclose that a SAR has been prepared or filed will be refused and FinCEN will immediately be notified of any such requests received (refer to Section 11.0. herein for contact information). SAR filings and copies of supporting documentation will be segregated from other Financial Institution Partner and borderless books and records to avoid disclosing SAR filings.

The borderless AML Compliance Person will handle all subpoenas or other requests for SARs directed to borderless.

Rule: 31 C.F.R. § 1023.320(e).

12.3. Additional Records. borderless will retain a digital copy of each of the following:

(a) A record of each advice, request or instruction received or given regarding any transaction resulting (or intended to result and later canceled if such a record is normally made) in the transfer of Currency or other monetary instruments, funds, checks, investment securities or credit, of more than ten-thousand dollars (\$10,000) to or from any person, account or place outside the U.S.;

(b) A record of each advice, request or instruction given to another financial institution (which includes broker-dealers) or other person located within or without the U.S., regarding a transaction intended to result in the transfer of funds, or of Currency, other monetary instruments, checks, investment securities or credit, of more than ten-thousand dollars (\$10,000) to a person, account or place outside the U.S.;

(c) If available, each record described in Exchange Act Rule 17a-3(a): (i) (blotters), (ii) (ledgers for assets and liabilities, income, and expense and capital accounts), (iii) (ledgers for cash and margin accounts), (iv) (securities log), (v) (ledgers for securities in transfer, dividends and interest received, and securities borrowed and loaned), (vi) (order tickets), (vii) (purchase and sale tickets), (viii) (confirms), and (ix) (identity of owners of cash and margin accounts);

(d) A record of each remittance or transfer of funds, or of Currency, checks, other monetary instruments, investment securities or credit, of more than ten-thousand dollars (\$10,000) to a person, account or place, outside the U.S.; and

(e) A record of each receipt of Currency, other monetary instruments, checks or investment securities and of each transfer of funds or credit, of more than ten-thousand

dollars (\$10,000) received on any one occasion directly and not through a domestic financial institution, from any person, account or place outside the U.S.

Rules: 31 C.F.R. § 1010.410; 31 C.F.R. 1023.410; Exchange Act Rule 17a-8 (requiring registered broker-dealers subject to the Currency and Foreign Transactions Reporting Act of 1970 to comply with the BSA regulations regarding reporting, recordkeeping and record retention requirements); FINRA Rule 3310.

13.0. Introducing Firm Relationships

borderless will work closely with Financial Institution Partner to detect money laundering. borderless and Financial Institution Partner will exchange information, records, data and exception reports as necessary to comply with the Moneycorp Integrated Partner Agreement and the NIUM Referral Agreement and with all applicable AML laws. Financial Institution Partner is a fully licensed financial institution with filed (and updated) annual certifications for such information sharing, which can be found on [FinCEN's website](#) and as such is solely responsible for the accurate reporting and filing of appropriate documentation as laid out in this AML Program. As a general matter, borderless will provide Financial Institution Partner with proper borderless account holder identification and due diligence information as detailed in this AML Program and any information required to successfully monitor borderless transactions. borderless and Financial Institution Partner have discussed how each firm will apportion customer and transaction functions and how information will be shared and set forth this understanding in a written document, the Moneycorp Integrated Partner Agreement and the NIUM Referral Agreement. borderless and Financial Institution Partner understand that the apportionment of functions will not relieve either entity from our independent obligation to comply with AML laws, except as specifically allowed under the BSA and its implementing regulations.

Rules: 31 CFR § 1010.540; FINRA Rule 3310; FINRA Rule 4311.

14.0. Training Programs

borderless will develop ongoing employee training under the leadership of the AML Compliance Person and senior management. The training will occur on at least an annual basis. It will be based on the size of borderless, its customer base, and its resources, and be updated as necessary to reflect any new developments in the law.

14.1. Training Requirements. The borderless AML training will include, at a minimum: (i) how to identify red flags and signs of money laundering that arise during the course of the employees' duties; (ii) what to do once the risk is identified (including how, when and to whom

to escalate unusual customer activity or other red flags for analysis and, where appropriate, the filing of SARs); (iii) what employees' roles are in the firm's compliance efforts and how to perform them; (iv) the firm's record retention policy; and (v) the disciplinary consequences (including civil and criminal penalties) for non-compliance with the BSA.

14.2. Training Delivery. borderless will develop training internally, or contract for it. Delivery of the training may include educational pamphlets, videos, webinars, intranet systems, in-person lectures and explanatory memos. Currently our training program is: all registered representatives must participate in the AML Program Training Webinar on an annual basis or within two weeks of being hired. borderless will maintain records to show the persons trained, the dates of training and the subject matter of their training.

As borderless expands, its operations and procedures will be reviewed to see if certain employees, such as those in compliance, margin, and corporate security, require specialized additional training. As borderless expands, written procedures will be updated to reflect any such changes.

Rules: 31 CFR § 1023.210(b)(4); FINRA Rule 3310.

15.0. Independent Testing of AML Program

15.1. Testing Program. borderless will test its AML program at least annually (on a calendar year basis). This test will be performed by Melinda Herrera, COO, who is not the AML Compliance Person nor does she perform the AML functions being tested, nor does she report to any such persons. Her qualifications include a working knowledge of applicable requirements under the BSA and its implementing regulations. To ensure that she remains independent, borderless will separate her functions from other AML activities by restricting her access to any and all AML activities. Independent testing will be performed more frequently if circumstances warrant.

Rules: 31 C.F.R. § 1023.210(b)(2); FINRA Rule 3310.

15.2. Evaluation and Reporting. After the completion of the independent testing, Melinda Herrera will report her findings to senior management. borderless will promptly address each of the resulting recommendations and keep a record of how each noted deficiency was resolved.

Rules: 31 C.F.R. § 1023.210(b)(2); FINRA Rule 3310.

16.0. Monitoring Employee Conduct and Accounts

borderless will subject employee accounts to the same AML procedures as customer accounts, under the supervision of the AML Compliance Person. borderless will also review the AML performance of supervisors, as part of their annual performance review. The AML Compliance Person's accounts will be reviewed by Melinda Herrera.

Rules: 31 C.F.R. § 1023.320; 31 C.F.R § 1023.210; FINRA Rule 3310.

17.0. Confidential Reporting of AML Non-Compliance

Employees, directors, affiliates, and any other borderless personnel will promptly report any potential violations of the borderless AML compliance program to the AML Compliance Person, unless the violations implicate the AML Compliance Person, in which case the employee shall report to Melinda Herrera. Such reports will be strictly confidential, and the employee will suffer no retaliation for making them.

Rules: 31 C.F.R. § 1023.210; FINRA Rule 3310.

18.0. Additional Risk Areas

borderless has reviewed all areas of its business to identify potential money laundering risks that may not be covered in the procedures described above and has found no additional areas of risk. If in the future the nature of the borderless business changes, borderless will first establish, document and ensure the implementation of appropriate procedures to comply with all applicable laws.

19.0. Senior Management Approval

Senior management for borderless have approved this AML compliance program in writing as reasonably designed as of the last Updated Date to achieve and monitor borderless' ongoing compliance with the requirements of the BSA and the implementing regulations under it.

Rules: 31 C.F.R. § 1023.210; FINRA Rule 3310.