

KYC verification of the customer by the merchant

Since in Austria the same rules apply to payments with cryptocurrencies as with cash payments, the merchant must request some documents from his customer and forward them to us so that we can fulfill our obligations under the Austrian Financial Market Anti-Money Laundering Act (FM-GwG).

In case of transaction sums above 10.000,- Euro, or in case of related transactions (which together amount up to 10.000,- Euro) of the same customer also below 10.000,- Euro we require from

NATURAL PERSONS

1. copy of photo identification of the customer
2. confirmation of registration (proof of residence) not older than 6 weeks (utility bill or similar is also sufficient)
3. contract
4. evaluation of the source of funds
 - How did the customer get the cryptocurrencies?
 - When was the cryptocurrency purchased?

Evidence by

- **Transaction documents/invoice/deposit/withdrawal confirmations) from the exchange where purchased;**
- **If the cryptocurrency was purchased within the last twelve (12) months, we require the proof of income;**

ENTITIES

1. excerpt from the commercial register of the customer (not older than 6 weeks)
2. contract
3. Survey of Ultimate Beneficial Owners: the company is beneficially owned by the following natural person(s)*:

| First name(s) | Surname(s) | Date of birth | Nationality | Seat Country | Share in % |
|---------------|------------|---------------|-------------|--------------|------------|
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Evidence of beneficial ownership: extracts from official registers are required.

4. evaluation of the source of funds

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***Information about the ultimate beneficial owner (UBO)**

UBOs are all natural persons who ultimately own or control an entity.

Depending on the nature of the entity, the following persons are to be understood as beneficial owners:

A. Entities under the control of one or more persons

Direct beneficial owner is any natural person who holds more than 25% of the capital or voting rights or otherwise controls the entity. Indirect beneficial owner is any natural person who controls one or more legal entities that together hold more than 25% of the capital or voting rights in the company.

In any case, control is deemed to exist if more than 50% of the capital or voting rights are held directly or indirectly in the company. Control is also deemed to exist if one of the following criteria is met:

- if the person has the right to appoint or remove the majority of the members of the administrative, management or supervisory body and is also a shareholder, or
- if the person has the right to exercise a controlling influence, or
- if, on the basis of an agreement with one or more shareholders of the subsidiary, the right to decide how voting rights of the shareholders, to the extent that their own voting rights are necessary to achieve a majority of all votes, are to be exercised in the appointment or removal of the majority of the members of the management or a supervisory body, or
- if the company is ultimately controlled in another way (de facto control, on the basis of which significant business decisions are made in the interests of the controlling party, e.g. on the basis of personal relationships).

Furthermore, control is deemed to exist if the highest legal entity in the chain of control exercises a function as founder, foundation board member or beneficiary. Moreover, a fiduciary relationship or a comparable legal relationship constitutes control within the meaning of the WiEReG (Austrian Beneficial Owners Register Act), or a comparable law in the seat country of the entity for the settlor.

In order to determine the beneficial owner, it is first necessary to identify all natural persons who hold more than 25% of the capital or voting rights in the company or otherwise control it. In any case, these persons are deemed to be beneficial owners.

Subsequently, the interests in capital or voting rights in the company held by other legal entities shall be evaluated. Those natural persons who control legal entities which solely or together hold more than 25% of the capital or voting rights in the company or otherwise control it are also deemed to be beneficial owners. Any shares held directly by these natural persons are to be added to this.

B. Companies that are not controlled by any natural person

If, after all, no natural person can be identified as the beneficial owner under the rules set forth in A. above, the natural persons belonging to the top management of the company shall be deemed to be (subsidiary) beneficial owners of the company.

The following applies to certain types of companies:

- In the case of general partnerships and limited partnerships with only natural persons as partners, the managing partners shall be deemed to be subsidiary beneficial owners, unless there are indications that the company is directly or indirectly under the control of one or more other natural persons.
- In the case of commercial and industrial cooperatives, the members of the top management level (board of directors) or, if managing directors are also registered, only the managing directors are considered subsidiary beneficial owners.
- In the case of ownerless companies, such as associations, savings banks and mutual insurance companies, there are by definition no ownership rights. Therefore, natural persons belonging to the top management level are considered subsidiary beneficial owners.

C. Foundations, trusts, and trust-like arrangements

In the case of foundations and trusts, the beneficial owner is any natural person who performs any of the following functions in the legal entity:

- the founders,
- the members of the foundation's board of directors,
- the beneficiaries, or if the individuals who are beneficiaries have yet to be determined, the group of individuals in whose interest the foundation or trust is established or operated (group of beneficiaries),
- the protector (if any),
- persons who otherwise ultimately control the foundation or trust.

Members of a supervisory board of a private foundation or of an advisory board, if any, as well as the foundation auditor shall not be deemed to be beneficial owners.

If a person from the group of beneficiaries is determined to be a beneficiary, he or she shall be deemed to be the beneficial owner as of that moment. If a person from the group of beneficiaries only receives a one-time donation of more than EUR 2,000, this person shall be deemed to be the beneficial owner only in the calendar year in question.

D. Exceptions

The obligation to identify beneficial owners does not apply in the case of

- public companies listed on a regulated market in the European Union or on an equivalent market in a third country (mainly NYSE, NASDAQ, Zurich Stock Exchange) as well as their subsidiaries in which they hold more than 75%,
- local authorities (federal government, provinces, municipalities), public sector authorities and institutions (including, for example, churches, religious orders, etc.), unless they are required to register in the commercial register.

Determination and disclosure of beneficial owners

To disclose the beneficial owner, the section 3. "Survey of Ultimate Beneficial Owners" must be completed in full and the information must be proven by extracts from official registers by the person authorized to represent the entity. In addition to the beneficial owner disclosure, the form must record the entire chain of control leading from the beneficial owner(s) to the Entity.

Example: The entity, limited liability company "A", is 100% owned by limited liability company "B". This in turn is 100% owned by the beneficial owner "C". In addition to the beneficial owner, the chain of control must also be recorded here: GmbH "A" is 100% owned by GmbH "B", which is 100% owned by "C". This information can be recorded both as text and as a sketch.