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SOSNA GEMS INVESTMENTS INC.

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EIN: 32-0763482

Legal Form: Corporation

Document No.: EN 007/2024

Document Title: Anti-Money Laundering (AML) and Know Your Customer (KYC) Policy

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Effective From: February 15, 2024

Prepared by: Legal Department

1. INTRODUCTION

1.1 This document defines the internal policy of **SOSNA GEMS INVESTMENTS INC.** (“the Company”) regarding Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), including Know Your Customer (KYC) procedures.

1.2 The policy is fully compliant with U.S. federal law, including:

- **Bank Secrecy Act (BSA)**
- **USA PATRIOT Act**
- **FinCEN AML Regulations**
- **OFAC Sanctions Programs**
- **FATF Recommendations** and relevant **EU AML Directives**

1.3 This policy is mandatory for all clients, investors, employees, agents, and business partners of the Company.

2. CLIENT RISK CLASSIFICATION

2.1 Clients are categorized into risk groups based on:

- Source of funds
- Country of residence or incorporation
- Business activity and structure
- Transaction history and patterns

2.2 Risk categories:

- **Low Risk** – Clients from jurisdictions with low financial crime risk (e.g., USA, EU, Canada); transparent structures
- **Medium Risk** – Transactions over \$10,000; investment entities; layered ownership

- **High Risk** – Politically Exposed Persons (PEPs); clients from FATF or OFAC watchlist countries; clients with unclear financial sources

2.3 High-risk clients are subject to **Enhanced Due Diligence (EDD)**, including comprehensive verification of assets and funding sources.

3. KYC IDENTIFICATION PROCEDURES

3.1 Individual clients must provide:

- Valid government-issued ID (passport, national ID, or driver's license)
- Proof of address (utility bill or bank statement not older than 90 days)
- Source of income documentation (for transactions over \$50,000), e.g., employment contract, tax return, or bank statement

3.2 Legal entities must submit:

- Certificate of incorporation and company registration
 - List of Ultimate Beneficial Owners (UBOs)
 - Identification of directors and authorized representatives
 - Proof of capital origin for transactions above \$100,000
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4. TRANSACTION THRESHOLDS AND VERIFICATION LEVELS

- Up to \$10,000 – Basic KYC (identity + address)
 - Over \$10,000 – Advanced KYC + sanction list screening
 - Over \$50,000 – **EDD required**, including documentation of income and assets
 - Legal entities over \$100,000 – Full due diligence of ownership and capital flow
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5. AUTOMATED SANCTIONS SCREENING

5.1 All clients are screened in real time against the following watchlists:

- **OFAC (U.S. Treasury)**
- **FATF High-Risk Jurisdictions**
- **EU Sanctions List**
- **UN Security Council Sanctions**

5.2 Transactions are monitored continuously for suspicious patterns or flagged behavior.

6. NON-COMPLIANCE AND ENFORCEMENT

6.1 If a client fails to comply with AML/KYC obligations, the Company may:

- Reject the transaction
 - Freeze the client's account
 - Report the incident to **FinCEN** and other regulatory bodies
 - Terminate the business relationship without compensation
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7. INTERNAL CONTROLS AND STAFF TRAINING

7.1 The Company appoints an **AML Compliance Officer** to supervise AML policy implementation.

7.2 All employees are trained on AML/KYC requirements and red-flag indicators annually.

7.3 The Company conducts a full internal AML audit at least once per year, with documentation of findings and improvements.

8. DATA PRIVACY AND LEGAL FRAMEWORK

8.1 The Company processes personal data in accordance with **GDPR (EU)**, **CCPA (USA)**, and relevant U.S. federal privacy laws.

8.2 Clients may request access, correction, or deletion of their personal data unless retention is required by law.

8.3 Governing law: **State of Florida, USA**

8.4 Any disputes shall be resolved through **binding arbitration** in accordance with the rules of the **American Arbitration Association (AAA)**

Approved on behalf of the Company:

Date: February 15, 2024

Martin Sosna

Chief Executive Officer (CEO) and Member of the Board of Directors

SOSNA GEMS INVESTMENTS INC.