Kudo

Kudo

KYC POLICY

KUDO TRADE LIMITED

BUSINESS COMPANY NUMBER 2024-00239

KYC (Know Your Customer) Policy – Kudo Trade LTD

Kudo Trade LTD

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KYC (Know Your Customer) Policy – Kudo Trade LTD

This KYC (Know Your Customer) policy outlines the procedures followed by Kudo Trade LTD ("the Company" or “Kudo”) to verify the identity of its clients, assess risk levels, and ensure compliance with Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) regulations. These measures are critical for protecting the platform, preventing fraud, and meeting regulatory obligations.

Scope

This policy applies to:

- All new clients registering on the Kudo platform
- Existing clients undergoing periodic review or enhanced due diligence
- Both individual and corporate clients
- Any client flagged through risk-based transaction monitoring

Kudo uses Sumsub, a third-party identity verification provider, to conduct secure, real time customer due diligence (CDD). Sumsub enables document validation, biometric checks, and compliance screening.

KYC Requirements

Individual Clients

All individual users must complete the following steps before their account is fully activated or permitted to transact:

- **Proof of Identity**: A valid government-issued document (passport, national ID card, or driver's license) showing full name, date of birth, photo, and document number. The document must be unexpired and clearly legible.
- **Proof of Address**: A recent utility bill, bank statement, or official correspondence (dated within the last 3 months) showing the user's full name and residential address.
- **Liveness Check**: A real-time biometric verification performed via Sumsub to confirm the individual is present and matches the submitted ID.

Corporate Clients

Corporate users must submit the following documentation:

- Certificate of incorporation or business registration
- List of directors and beneficial owners
- Proof of business address
- KYC documents for all Ultimate Beneficial Owners (UBOs) holding 25% or more ownership

KYC Process Steps

Step 1 – Initiation

Users are prompted to complete verification during account registration or prior to initiating their first transaction. The KYC workflow is integrated directly into the Kudo platform via Sumsub's API.

Step 2 – Document Submission

Users upload ID and address documents through the Sumsub interface. The liveness check is completed within the same session.

Step 3 – Automated Verification

Sumsub performs AI-driven and manual document validation, sanctions screening, and checks against Politically Exposed Persons (PEPs) lists.

Step 4 – Review and Appeal

- Users who pass all checks are automatically approved.
- If anomalies are detected (e.g., mismatched information, unclear documents), the case is flagged for manual review by Kudo's compliance team.

Step 5 – Onboarding Completion

Approved users are granted full platform access. Failed or suspicious applications are either denied or escalated for further investigation.

Risk-Based Approach

Clients are classified as Low, Medium, or High risk based on factors such as:

- Jurisdiction
- Transaction behavior and volume
- Screening results from Sumsub

High-risk users may be required to complete Enhanced Due Diligence (EDD), which can include:

- Submission of additional documents
- Video verification

- Source of funds verification

Record Keeping

- All KYC-related data and verification logs are securely stored in compliance with GDPR and other applicable data protection regulations.
- Records are retained for a minimum of 5 years after the end of the client relationship, or longer if legally required.

Reverification and Ongoing Monitoring

Clients may be required to reverify their identity in cases where:

- Previously submitted documents have expired
- There is a change in personal or business information
- The account is flagged during ongoing transaction monitoring

KYC status is tracked in real time and integrated with internal transaction systems to prevent non-compliant activity.

Roles and Responsibilities

- **Compliance Team:** Oversees the KYC process, handles escalated cases, and conducts manual reviews.
- **Customer Support:** Assists users with the verification process and handles related
- inquiries.

Compliance and Enforcement

- Clients who do not complete the KYC process will have their access to Kudo services restricted or suspended.
- Attempts to submit forged or fraudulent documents may be reported to authorities and could result in permanent bans from the platform.