

KYC POLICY

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KYC or “Know Your Customer” or sometimes “Know Your Client” processes were introduced in 2001 as part of the Patriot Act. They were further strengthened in 2016 by the U.S. Treasury’s Financial Crimes Enforcement Network (FinCEN) rulings around customer due diligence (CDD). It is a standard procedure used by banks and financial institutions to identify and verify a client's identity when opening a financial account. These standards and procedures along with AML (Anti-Money Laundering) compliance, are designed to protect institutions and their clients from being used by a few bad actors and criminal elements for illegal means, money laundering, digital scamming, and other fraudulent actions.

CHINGUP KYC

While we at Chingup are advocates of privacy and anonymity, we also need to protect our own interests and just as importantly OUR CLIENTS’ interests. Having fraudsters as users on any platform poses a threat to law-abiding business clients. In addition, KYC processes enable us to understand our clients to serve them better and manage risks prudently. Therefore, as a U.S. MSB (Money Services Business) Chingup has implemented a form of KYC that meets our extremely high-security standards while maintaining our principles of privacy and USER control.

We use KYC:

- To verify that each new client is a real person
- To assess and monitor risks of and for each new client
- To prevent and identify money laundering
- To prevent terrorism financing
- To identify any other illegal corruption schemes

WHAT DOES THIS MEAN FOR YOU

Each user account must provide personal KYC information based upon the amount and type of activity engaged in on Chingup.com. For example, a client is not required to provide anything more than a telephone number as long as their account value is less than \$3,000.

The only information that we will ever require is:

Full Name

Phone Number

Email Address

Physical Address

Date of Birth

Social Security Number

Drivers License

Typically, all of this information will be required by the time the balance exceeds \$10,000.

The AML Compliance Program is designed to identify and report suspicious activity and file Currency Transaction Reports (CTR) for transactions over \$10,000 that may have certain characteristics. As an MSB that reports to the FinCEN (Financial Crimes Enforcement Network, one of the primary agencies to oversee and implement policies to prevent and detect money laundering), our AML program stipulates what KYC information will be collected and has appointed a compliance officer to monitor and oversee these transactions.

SUMMARY

For any Marketplace to work well, users need to trust that their transactions, wallets, and funds are safe. Our KYC systems help our clients know that we know who is using our services. Our KYC provides trust between our clients and Chingup. For a new applicant,

knowing that KYC and other security measures are being taken should be a reassurance that criminals are being kept off the exchange.

By voluntarily updating your KYC procedures in your own Chingup account, you can demonstrate trustworthiness to other new users.

As always, if you have any questions at all, you can contact contact@chingup.com or use the live chat feature on the bottom left of each page on Chingup.com.