KYC/AML Policy for AlphaXCoin

Introduction

This Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy outlines the procedures and requirements for participation in certain aspects of the AlphaXCoin (AXC) ecosystem. These measures are designed to ensure compliance with applicable laws and regulations, prevent fraud, and protect the integrity of the platform.

Purpose

The primary purposes of this KYC/AML Policy are to:

1. Verify the identity of participants in the AlphaXCoin ecosystem
2. Prevent and detect money laundering, terrorist financing, and other illegal activities
3. Comply with relevant regulatory requirements
4. Protect the AlphaXCoin platform and its participants from fraud and misuse
5. Maintain the integrity and security of the ecosystem

Scope of KYC Requirements

Features Requiring KYC Verification

The following features of the AlphaXCoin ecosystem require KYC verification:

1. **Staking**: Participants must complete KYC to stake tokens and earn staking rewards
2. **Promotional Claims**: Claiming promotional bonus tokens requires KYC verification
3. **Referral Program**: Both referring users and claiming referral rewards require KYC
4. **Revenue Sharing**: Participation in and claiming from revenue sharing distributions

Features Not Requiring KYC Verification

The following features do not require KYC verification:

1. **Basic Token Purchase**: Initial purchase of AXC tokens during the public sale phases
2. **Basic Token Transfers**: Standard ERC-20 token transfers between wallets
3. **Viewing Public Information**: Accessing public information about the project

KYC Verification Process

Verification Levels

AlphaXCoin implements a tiered KYC approach:

Level 1: Basic Verification

- Required for: Staking and promotional claims
- Information required:
    - Full legal name
    - Date of birth
    - Country of residence
    - Valid email address
    - Government-issued ID (passport, driver's license, or national ID)
    - Selfie with ID for facial verification

Level 2: Enhanced Verification

- Required for: Referral program participation and revenue sharing
- Information required (in addition to Level 1):
    - Proof of address (utility bill, bank statement, etc., less than 3 months old)
    - Source of funds declaration
    - Additional verification as required by regulatory standards

Verification Procedure

1. **Registration**:
    - Create an account on the AlphaXCoin platform
    - Connect your wallet
    - Provide basic information (email, name)
2. **Document Submission**:
    - Upload the required identification documents
    - Ensure documents are clear, uncropped, and unmodified
    - Complete facial verification if required
3. **Review Process**:
    - Documents will be reviewed by our compliance team
    - Additional information may be requested if necessary
    - Verification typically takes 1-3 business days
4. **Approval and Access**:
    - Upon successful verification, your account will be granted KYC status
    - The smart contract will be updated to grant your wallet address the KYC_ROLE
    - You will receive email confirmation of verification

AML Monitoring and Compliance

Transaction Monitoring

AlphaXCoin implements ongoing monitoring of user activities to identify and prevent potential money laundering and other illegal activities:

1. **Suspicious Activity Monitoring**:
   - Unusual purchase patterns or amounts
   - Multiple accounts linked to the same individual
   - Transactions involving high-risk jurisdictions
2. **Blockchain Analysis**:
   - Monitoring of fund sources and destinations
   - Identification of high-risk wallet addresses
   - Cross-referencing with known suspicious addresses

Risk Assessment

Users are categorized according to risk levels based on various factors:

1. **Geographic Risk**:
   - Residence in high-risk jurisdictions
   - Connections to sanctioned countries
2. **Behavioral Risk**:
   - Transaction patterns and frequency
   - Source of funds
   - Interaction with high-risk wallets
3. **Structural Risk**:
   - Complex ownership structures
   - Use of proxies or representatives

Compliance Measures

Blacklisting

The AlphaXCoin smart contract includes blacklisting functionality (BLACKLIST_ROLE) that restricts certain addresses from participating in the ecosystem:

1. **Triggers for Blacklisting**:
   - Violation of Terms and Conditions
   - Suspicious or fraudulent activity
   - Regulatory requirements
   - Court orders or legal proceedings
2. **Effects of Blacklisting**:
   - Inability to purchase tokens
   - Restriction from participating in staking, referrals, and revenue sharing
   - Other functional limitations as determined by the contract

Emergency Mode

The contract includes an emergency mode that can be activated in case of suspicious activities or security concerns:

1. **Activation Criteria**:
   o Detection of significant suspicious activities
   o Security vulnerabilities
   o Regulatory actions
   o Legal requirements
2. **Effects of Emergency Mode**:
   o Temporary suspension of most contract functions
   o Restriction of token transfers
   o Administrative actions to address concerns

Data Retention and Privacy

Data Protection

All personal information collected during the KYC process is protected in accordance with applicable data protection laws:

1. **Security Measures**:
   o Encryption of sensitive data
   o Secure storage systems
   o Access controls and audit trails
   o Regular security assessments
2. **Third-Party Providers**:
   o KYC verification may be conducted through trusted third-party providers
   o All providers are subjected to strict data security requirements
   o Data sharing is limited to verification purposes only

Retention Period

1. **Active Users**:
   o Personal data is retained for the duration of your participation in the ecosystem
   o Additional retention as required by applicable laws
2. **Inactive Users**:
   o Data may be archived after a period of inactivity
   o Retention periods comply with relevant regulations

Prohibited Activities and Jurisdictions

Prohibited Activities

The following activities are strictly prohibited:

1. Money laundering or terrorist financing
2. Fraudulent activities or misrepresentation
3. Identity theft or impersonation
4. Market manipulation
5. Use of the platform for illegal purposes
6. Circumvention of KYC/AML controls

Restricted Jurisdictions

Due to regulatory requirements, residents or citizens of the following jurisdictions may be subject to additional restrictions or may not be eligible for participation:

1. Countries subject to comprehensive sanctions
2. Jurisdictions identified by the Financial Action Task Force (FATF) as high-risk
3. Other jurisdictions where token sales or crypto activities are prohibited or heavily restricted

Regulatory Compliance

AlphaXCoin is committed to complying with applicable regulations, including but not limited to:

1. Financial Action Task Force (FATF) recommendations
2. Local AML/CTF regulations
3. Sanctions compliance requirements
4. Securities and financial regulations as applicable

Reporting and Cooperation

Suspicious Activity Reporting

AlphaXCoin will report suspicious activities to relevant authorities as required by law:

1. **Reportable Activities**:
   - Suspected money laundering
   - Terrorist financing
   - Fraud or other financial crimes
   - Sanctioned entity involvement
2. **Cooperation with Authorities**:
   - Response to legal requests and subpoenas

- Provision of information to regulatory bodies
- Assistance with investigations as required by law

Policy Updates

This KYC/AML Policy may be updated from time to time to reflect:

1. Changes in regulatory requirements
2. Enhancements to security measures
3. Improvements to verification processes
4. Additional compliance obligations

Significant changes will be communicated through official channels.

Contact Information

For questions regarding KYC/AML procedures or to report suspicious activities, please contact:

- **Email**: [info@alphaxcelite.com.com]
- **Form**: alphaxcelite.com