

SPONSORED STANDARDS

TCCL

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READING GUIDE

Applicable to	What do I need to read?
All sponsored model clients (Outsourced KYC and In-house KYC)	• Business conduct requirements a. Conduct of Business b. Pricing strategy c. Customer support standards and processes d. Complaints handling process e. Vulnerable clients handling process f. Fitness and propriety expectations of directors of Clients and those with significant influence day-to-day on a Client's operations g. Business soundness checks • Data privacy and data processing standards • Information security standards
	Appendices
	• Appendix 1: Complaints requirements • Appendix 2: Customer support standards • Appendix 3: Pricing standards • Appendix 4: Permitted and non-permitted marketing language • Appendix 5: Customer outcomes • Appendix 6: Data processing templates and guidance
If I am an Outsourced KYC client...	I also need to read
	• Anti-money laundering, Anti-terrorist Financing and Sanctions controls • Appendix 7: CDD & onboarding requirements for Outsourced KYC arrangements only • Appendix 8: Initial customer risk assessment requirements • Appendix 9: Customer Due Diligence refresh requirements • Appendix 10: Screening requirements • Appendix 11: Sub-account creation requirements
If I am an API user with my own client-facing front-end application or website...	• Appendix 12: Product governance • Appendix 13: Strong Customer Authentication minimum technical requirements

If I am an Outsourced KYC client and API user with my own client-facing front-end application or website...

- Customer communication requirements
- **Appendix 14:** Currencycloud's minimum client communications information provision requirements

1. INTRODUCTION

1.1 SUMMARY

Thank you for your interest in becoming a client of The Currency Cloud Limited. We hope this is the first step in a successful partnership.

The purpose of this document is to clearly set out the requirements for clients on the Sponsored model. It details:

1. Business conduct standards that must be complied with at all times during interactions with customers of Currencycloud;
2. Business plan / commercial soundness expectations;
3. Customer service and support requirements;
4. Complaints handling requirements;
5. Reporting requirements around major operational incidents;
6. Data protection requirements;
7. Information security requirements;
8. Staff compliance training requirements;
9. Fitness and propriety requirements for Directors or those with significant influence day-to-day at the Client;
10. Process for reporting of suspicious activity;
11. Appendices with additional guidance and templates;

OUTSOURCED ONBOARDING ONLY:

12. Customer due diligence standards that should be applied when onboarding customers on behalf of Currencycloud;

- 13. Requirements when creating sub-accounts;
- 14. Compliance requirements for customers (sub-account holders);

CLIENTS USING OWN CUSTOMER-FACING FRONT-END APPLICATIONS VIA API ONLY:

- 15. Strong Customer Authentication technical standards and requirements; and
- 16. Product governance requirements;

CLIENTS DESIGNING OWN END-CLIENT REGULATORY INFORMATION PROVISION REQUIREMENTS SOLUTIONS (ONLY PERMISSIBLE FOR OKYC OPERATING VIA API-BASED UI) ONLY:

- 17. Either the client's proposed customer journey/transactional UI screens, or other direct communication templates such as emails (alongside explanations as to when these are sent).

Please read through the document in detail and get back to us if anything is not clear. Our Compliance Team will be happy to follow up with you.

Important: Please know that our Compliance Team will seek to confirm your receipt and understanding of this document. Following the course of our business relationship, your adherence to these Standards will be continuously monitored and tested. Non-compliance with our Standards can lead to termination of services.

1.2 TERMINOLOGY

The terms defined below are commonly used throughout this document:

- "Currencycloud" refers to:
 - The Currency Cloud Limited (**TCCL**), a company incorporated under the laws of England and Wales with a registered office at 12 Steward St, London E1 6FQ with registration number 06323311 and authorized and regulated by the Financial Conduct Authority (FRN: 900199);
- "Client" or "Sponsored client" refers to the entity contracted with Currencycloud;
- "End-client" or "customer" refers to the parties that receive payments, e-money and unregulated FX services from Currencycloud via our Client;

- “In-house KYC (IKYC)” refers to clients for whom Currencycloud performs KYC for the end-client; and
- “Outsourced KYC (OKYC)” refers to clients who perform KYC for end-clients on behalf of Currencycloud.

Important: geographical scope of these standards - Please note that these TCCL Sponsored Model standards have been designed to comply with specific conduct and regulatory rules and requirements in the UK such as Consumer Duty and therefore apply to Sponsored clients contracted with TCCL only. If you have additional arrangements with our other Group entities such as our European entity The Currency Cloud B.V. in the Netherlands, please ensure that you are compliant with that entity’s requirements too.

1.3 PRE-ONBOARDING POLICY, PROCEDURE, GOVERNANCE AND CONTROL REQUIREMENTS

Prior to completing on-boarding, Currencycloud will review your policies outlining the items below. In cases where there is no separate company policy per item, please indicate where items are located in the respective documents you provide:

All Sponsored clients

- Fitness and propriety expectations of directors of Clients and those with significant influence day-to-day on a Client’s operations (see [section 2.9](#));
- Business soundness information such as financial projections (see [section 2.10](#));
- Complaints handling process (see [section 2.7](#) and [appendix 1](#) for our minimum requirements);
- Data privacy and data processing standards (see [section 3](#) and [appendix 6](#) for our minimum requirements);
- Information security standards (see [section 4](#) for our minimum requirements);
- Conduct of Business (see [section 2](#) and [appendices 1-5](#) for our minimum requirements);
- Vulnerable clients handling process (see [section 2.8](#) and [appendix 5](#) on general customer outcomes for our minimum requirements);
- Customer support standards and processes (see [section 2.6](#) and [appendix 2](#) for our minimum requirements);
- Pricing strategy (see [section 2.4](#) and [appendix 3](#) for our minimum requirements).

Clients operating via ‘Outsourced KYC’ only

- Anti-money laundering, Anti-terrorist Financing and Sanctions controls (see [section 7](#) and [appendices 7-11](#) for our minimum requirements);
- Risk assessment methodology (see [appendices 7-11](#) for our minimum requirements).

Clients operating via their own client-facing front-end connected to Currencycloud’s systems via API only

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March 2024, Confidential

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The Currency Cloud Limited is authorized by the Financial Conduct Authority under the Electronic Money Regulations 2011 and the Payment Services Regulations for the issuing of electronic money and the provision of payment services with FCA registration number 900199. In the US Currency Cloud operates in partnership with CFSB. CFSB fully owns the bank program and services are provided by The Currency Cloud Inc. Currencycloud B.V. is authorized by De Nederlandsche Bank (DNB) for the issuing of electronic money and the provision of payment services with Relation number DNB: R142701. Currencycloud Pty Ltd is licensed in Australia, however does not yet provide services to clients via this licensed entity. ©2024 Currencycloud Limited. The Currency Cloud name and logos are trade marks. All rights reserved. 7166/0324

- Strong Customer Authentication build (relevant for clients operating via their own API rather than via Currencycloud's own platform, 'Direct', only) (see [appendix 13](#) for our minimum requirements);
- Product development processes including any governance and sign-off requirements (relevant for clients operating via their own API rather than via Currencycloud's own platform, 'Direct', only) (see [appendix 12](#) for our minimum requirements).

OKYC Clients operating via their own client-facing front-end connected to Currencycloud's systems via API only:

- Either the client's proposed customer journey/transactional UI screens, or other direct communication templates such as emails (alongside explanations as to when these are sent) (see [section 2.5](#) and [appendix 14](#) for our minimum requirements).

Important: The above policy considerations will also be reviewed as a part of the annual audit conducted on each of our clients on the Sponsored model, to ensure continued compliance with the standards outlined in this document.

2. BUSINESS CONDUCT REQUIREMENTS

2.1 SUMMARY OF REQUIREMENTS, BACKGROUND AND CONTEXT

As a regulated Electronic Money Institution we are required to adhere to a set of conduct rules. These rules apply to Currencycloud, its employees and those clients that offer our products to end-clients on our behalf. These rules break down how the firms are expected to conduct themselves in the completion of their day-to-day duties. Currencycloud has taken those rules and formulated the business conduct requirements, which form the foundation of how we expect our clients to behave and conduct themselves - both in their respective market and in their interactions with end-clients.

Currencycloud has adopted the following interpretation of the business conduct rules:

- You must act with integrity;
- You must act with due skill, care and diligence;
- You must be open and cooperative with the regulated services provider (i.e. Currencycloud);
- You must pay due regard to the interests of customers and treat them fairly; and
- You must observe proper standards of market conduct.

In addition to the above rules, in the UK The Currency Cloud Limited is subject to the FCA's Consumer Duty. These rules, applying from July 2023, clarify the extent of the FCA's expectations regarding Currencycloud's oversight of the outcomes received by the **end-clients of TCCL** using its services. Specifically:

- **New consumer principle:**
 - *A firm must act to deliver good outcomes for retail customers.*
- **Supported by three cross-cutting rules requiring firms to:**
 - *Act in good faith towards retail customers;*
 - *Avoid causing foreseeable harm;*
 - *Enable and support retail customers to pursue their financial objectives.*
- **Over four outcomes:**
 - *Pricing and value;*
 - *Products and services;*
 - *Customer support;*
 - *Customer understanding.*

As you, our Sponsored model client, perform the day-to-day relationship management activities with the end-clients, relevant to achieving the good customer outcomes set out above, this section also sets out our **requirements of you** in terms of customer treatment, marketing,

complaints-handling and pricing, as well as the **information we may require of you on a periodic basis to monitor on-going compliance with our regulatory obligations and our regulators' expectations.**

IMPORTANT: Currencycloud's detailed examples around what good and poor customer outcomes look like are provided at appendix 5. At all times you are expected to take steps to deliver **good customer outcomes**. Currencycloud's on-going monitoring and oversight of Sponsored models, where it identifies concerns that your practices will result in **poor customer outcomes and their associated detriment for these customers**, will contact you and expect you to take urgent action to drive better customer outcomes. If you fail to do so, we may be forced to take action, for example stopping you on-boarding new clients or in especially serious cases, we may terminate our relationship with you.

2.2 SERVICES OFFERED BY CURRENCYCLOUD TO END-CLIENTS VIA SPONSORED CLIENTS

As part of the business relationship between Currencycloud and its Client, the Client can only offer the following four types of payment services to Customers ("**the Products**"):

Product	Description
Account Issuance	Issue accounts to customers and allow them to store funds in those accounts
Collections	Customers fund their own accounts (1st party) and receive funds from 3rd parties
Payments	Pay out to any specified beneficiary, in any currency/country as available
Foreign Exchange (FX) - Spot contracts // Forward contracts	Spot: A contract of buying or selling currency for immediate settlement on the spot date
	Forward: Agreements between two parties to exchange two designated currencies at a specific moment in time up to one year

Important: Clients cannot offer any other type of regulated financial services to the customers besides the Products mentioned above, unless the Client is regulated to provide such services themselves or through an appropriate arrangement with another regulated entity. If, during on-

boarding or at any point after on-boarding is complete, your regulated status changes or is likely to change in the near future, e.g. you obtain or have applied for a licence from the FCA to perform regulated investment (MIFID) activities, you **must let Currencycloud know without delay**. This is important for many reasons, and it is key that there is no risk in these situations of end-client confusion regarding what regulated entity is providing what types of regulated services. You **must** also inform us immediately as soon as possible of any potential changes to any other licence types you hold, either as a Principal or Agent/Appointed Representative of another regulated firm.

Clients can market and facilitate the Products set out in the table above to customers via their website and/or mobile application.¹ During the onboarding process, the Client's website must be reviewed and approved by Currencycloud. Customers can independently execute a transaction or book a trade by using either Currencycloud's online transaction platform ("**the platform**") or the Client's customer facing system, which is subject to Currencycloud's approval. Please see section 2.5 for more information on minimum information provision requirements to end-clients regarding transaction journeys.

Important: Clients cannot provide any of the Products mentioned above to end-clients by any other distribution channels besides the platform and any pre-approved customer facing system, without specific permission from Currencycloud. This means that you cannot sell your product by, nor accept customer orders via, telephone², unless you fall within the Unregulated FX broker client segment and comply with the UFXB Conduct of Business Policy in addition to the requirements in this document.

The " <i>Dos and Don'ts</i> " of business conduct requirements	
1	Customer accounts can only be debited by the Client upon receipt of a payment order from the customer.
2	Using the Products for any speculative or overhedging purposes is strictly prohibited . Currencycloud has the right to immediately close out any FX contract immediately if it believes it is being used for such purposes.
3	Pricing strategies for E-money, Payments and unregulated FX services for all Sponsored clients need to be agreed with Currencycloud as part of the on-boarding journey and will be tested against as part of on-going oversight. The only fee types that are permitted by Currencycloud for the payments, e-money and FX services that Currencycloud provides are, subject to review at on-boarding stage, FX spreads and payments fees.

¹ Different channels of delivery need to be discussed and approved in advance by Currencycloud.

² Please note that a specific sub-category of Currencycloud's Sponsored model, Unregulated FX Brokers, have the ability to sell FX trades to end-clients via telephone. **ONLY** Unregulated FX Brokers are permitted to operate this way.

	Examples of fees not permitted by Currencycloud include vague, non-specific and unclear fees for payments, e-money and FX services (undefined 'loading' or 'service' fees for customers), or charging a subscription fee simply for use of the basic multi-currency account provided to the client by Currencycloud. Our pricing framework at appendix 3 sets out our expectations for you in terms of clear, fair and not misleading pricing that reflects the value your service provides. Clients are prohibited from receiving any commission or fee from customers for the services provided by Currencycloud beyond FX spread and payments fees. For example, this means that in no circumstances should Clients charge customers a fee for Currencycloud's provision to that customer of a multi-currency account. Clients who operate businesses of which payments and e-money is only one part (i.e. you offer investment services under a separate licence arrangement) are allowed to charge fees for those separate services, but we require these to be charged directly to the customer 'off platform'. More details can be found in section 2.4.
4	The Client cannot book FX transactions without the express instruction of the account owner. The FX trades need to be booked only as a means of payment for identifiable goods and services . If it transpires that a previously booked FX trade is now no longer needed in part or in full for those purposes, the trade should be cancelled , in part or in full as appropriate. Under no circumstances should an account owner be encouraged to book or close out a trade for speculative or profit-driven reasons. Currencycloud is not permitted, under the terms of the MIFID exemption it operates under, to make the balance of trades cancelled available to the account owner.

2.3 MARKETING AND FINANCIAL PROMOTIONS

Set out below are Currencycloud's standards and requirements regarding all marketing materials that are presented to customers by the Client, in relation to the relationship with the customer or the product(s) provided to them by Currencycloud. Marketing materials include all communications that are presented to customers, such as a website, online banners, TV/youtube videos, articles, phone calls, and emails.

We have provided in appendix 4 a more detailed list of acceptable language for use on your website, application and any other client-facing channels, alongside examples of unacceptable language, and why.

Currencycloud Requirement	Requirements
Currencycloud pre-approval on all documents	All documentation and/or marketing materials that the Client intends to share with customers or to use as press releases must be shared with Currencycloud in advance

	for approval in the event that they refer to services ultimately provided by Currencycloud. No press releases or marketing material should ever be published that breaches the Marketing Language requirements set out in appendix 4 as well as the requirements set out in the rest of this table. Please send marketing requiring approval to compliancereviews@currencycloud.com .
Initial information supplied to the customer	Clients must ensure that customers are provided with clear information via all distribution channels or marketing material to allow them to make the right commercial decision for them and their needs. This applies before, during and after the point of sale.
Information shared with the customer must be balanced and clearly identify associated risk	Clients must present a balanced view of the products to customers in all circumstances and clearly identify potential risks as well as benefits, such as: 1. Informing customers that the exchange rate quote given prior to a trade is valid only for immediate execution; 2. Informing customers that the given quote is not necessarily the final price that they will pay due to possible fluctuations in market rates; 3. Informing customers that the final price paid will only be known once they have provided confirmation for the execution of the transaction. Until confirmation is provided the customer is exposed to the risk that the exchange rate might change; 4. Confirming that any decision to proceed or not with the transaction is the sole decision of the customer; 5. Confirming that neither the Client or Currencycloud will be liable for any loss or opportunity loss if exchange rates move before or after the customer makes a transaction; or

	6. In the case of forward contracts, informing customers that the exchange rate on the day of settlement will be the same as the quoted exchange rate when confirming the transaction, as long as the value date (that the contract will settle on) does not change. Clients should inform end-clients/customers of the fact that from time to time, information may be requested by compliance or transaction monitoring teams to substantiate specific transactions even once on-boarding is completed. This is to ensure that we comply with our transaction monitoring and AML requirements as a financial institution.
Information shared with the customer must be accurate and unbiased	In providing customers with details of the services, Clients must avoid giving customers misleading impressions. Clients must use accurate wording and disclosures and must not use any misleading, unclear or unfair statement. This includes: 1. Not using misleading wording such as “risk-free”, “best rate” and “no commission”; 2. Not claiming to offer the “best rates” (or similar), “interbank rates” or “mid-market rates”; 3. Notifying the clients regarding any fees or charges where these are likely to be incurred; 4. Not describing the e-money accounts provided by Currencycloud as “bank accounts” or otherwise implying that Currencycloud is a bank or a credit institution; and 5. In the case that the Client’s website includes a currency converter tool which is based on information other than the final exchange rate, the Client must make this fact clear and not provide any misleading statement to their customers about the exchange rate that will be provided.

Correct and clear information regarding the regulatory cover	1. The FX and payment services are provided by The Currency Cloud Ltd. in the UK, an e-money institution that operates under an e-money licence of the FCA in the UK. You must not present anything to clients that contradicts this, or calls it into question; 2. Do not give customers the impression that the services provided to them under the Currencycloud arrangement are banking services, that the provided accounts are bank accounts or that Currencycloud is a banking provider. You must not indicate that the funds held under the Currencycloud arrangement for customers are protected by the Financial Services Compensation Scheme (FSCS) as this does not apply to e-money and payments services; 3. Clients should not present themselves as a regulated entity or the products' providers. In the case of agents, Clients should clarify to end-clients that they are not regulated or authorized by the FCA but are registered as an agent of TCCL; 4. Where Clients do hold regulated status(es) with the FCA, and provide services to the clients under these licences alongside the payments and e-money services provided by Currencycloud, it must be made clear on the Client's website and marketing materials which regulated entity provides which services - for example, using disclosure in the footer of the website or marketing material.
Safeguarding requirements	1. End-clients'/customers' funds are fully protected and held in safeguarded accounts. In this process their funds are either held separately from both Currencycloud and the client's funds, or covered by a safeguarding insurance policy. You must not present anything to end-clients that contradicts this, or calls it into question;

	2. Clients should not suggest/indicate/state that they safeguard customers' funds or provide any other misleading statement to the extent of the protection given by Currencycloud's own safeguarding arrangements; 3. As stated above, please do not give any impression that end-clients' funds are held under the Financial Services Compensation Scheme (FSCS), the FCA's client assets protection scheme for investment firms (CASS) or any other equivalent scheme.
Conflicting statements with Currencycloud's Terms of Use are prohibited	Clients must not make any representation or promises that conflict with Currencycloud's Terms of Use or any other document that is signed between the Client and Currencycloud.
Financial 'advice' prohibited	Clients are prohibited from giving advice to customers on market rates or influencing the customer to enter into a trade based on market predictions or to instruct a certain payment. FX trades can only be entered into by end-clients on their instruction , with the purpose for the trade being as a means of payment for identifiable goods and services .
Requirements surrounding advertising and promotional materials	The Client is solely responsible for ensuring that advertising and promotional materials are accurate and meet all requirements of Applicable Law. Under no circumstances should any promotional material be published that contradicts the standards set out in appendix 4. Failure to comply can constitute a contractual breach and serious cases could result in termination of our contract with you.
Website requirements	Clients must provide the following information on their website: 1. Details about the Client, including full legal name, head office address and contact details; 2. Details about the main characteristics of the payment services provided by Currencycloud and the fact they are provided by Currencycloud and

	not the Client; 3. Details of any charges and fees payable by the customer to the Client or Currencycloud, including a full breakdown where relevant.
Mandatory regulatory disclosure to be included on Client's website	Clients must display the following regulatory disclosure on their website/app's footer (and other marketing materials)³: ○ For Agent Clients (UK): <i>[Client NAME] is an EMD Agent of The Currency Cloud Limited. Payment and e-money services are provided by The Currency Cloud Limited. Registered in England No. 06323311. Registered Office: Stewardship Building 1st Floor, 12 Steward Street London E1 6FQ. The Currency Cloud Limited is authorized by the Financial Conduct Authority under the Electronic Money Regulations 2011 for the issuing of electronic money (FRN: 900199);</i> ○ For Non-Agent Clients (UK): <i>Payment and e-money services are provided by The Currency Cloud Limited. Registered in England No. 06323311. Registered Office: Stewardship Building 1st Floor, 12 Steward Street London E1 6FQ. The Currency Cloud Limited is authorized by the Financial Conduct Authority under the Electronic Money Regulations 2011 for the issuing of electronic money (FRN: 900199);</i> ○ If you offer additional financial services (such as investment services) through other providers unrelated to Currencycloud, we would ask you to make a small addition to our disclosure on your website. Please add (Non MIFID related products). See the following example below: <i>Payment and e-money services (Non MIFID related products) are provided by The Currency Cloud Limited. Registered in England No.</i>

³ The specific placement of the regulatory disclosure can be discussed with Currencycloud should the proposed placement be an issue for the Client.

	06323311. Registered Office: Stewardship Building 1st Floor, 12 Steward Street London E1 6FQ. The Currency Cloud Limited is authorized by the Financial Conduct Authority under the Electronic Money Regulations 2011 for the issuing of electronic money (FRN: 900199) Important: Clients should not make any statements to the effect that they are regulated by the Financial Conduct Authority or any other regulatory body (unless they are licensed for other activities).
Mandatory explanation of safeguarding arrangements	Clients must display the following information on their websites, in a way that is easily accessible throughout the website. This would include a link titled “Safeguarding funds” to a page, featuring in the primary website navigation bar or menu, or providing a link among other useful links at the footer of each webpage, e.g. alongside Terms, About us, Contact us. For Clients who work with no other firms for provision of e-money and/or payments services, the text should state: <i>When funds are posted to your account, e-money is issued in exchange for these funds, by an Electronic Money Institution who we work with, called Currencycloud. In line with regulatory requirements, Currencycloud safeguards your funds. This means that the money behind the balance you see in your account is held at a reputable bank, and most importantly, is protected for you in the event of Currencycloud’s, or our, insolvency. Currencycloud stops safeguarding your funds when the money has been paid out of your account to your beneficiary’s account.</i> ===== For Clients who work with one or more other firms for provision of e-money and/or payments services, the text should state: <i>When funds are posted to your account, in line with regulatory requirements, the regulated [payment/e-money] institutions who we work with safeguard your</i>

	<i>funds. This means that the funds shown in your payment account or e-wallet are held at reputable banks or covered by an insurance policy, and most importantly, are protected for you in the event of our partner [e-money/payment] institutions', or our, insolvency. Our partners stop safeguarding your funds when the money has been paid out of your account to your beneficiary's account.</i> <i>If you require a breakdown of the exact amounts of funds you have safeguarded at each of our [e-money/payments partners] at a particular point in time, please do not hesitate to contact us.</i> <i>If your other providers express concern at linking to or mentioning them in the context of regulatory safeguarding processes on your website, please let us know.</i>
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2.4 PRICING

Set out below are the pricing requirements that apply to all customer activity within the Currencycloud platform or through any other platform that is provided by the Client in respect of services provided by Currencycloud. The pricing requirements only apply to charges levied by the Sponsored Clients towards end-clients, they do not apply to pricing received by Sponsored clients from Currencycloud.

Clients who have wider business models which go beyond the provision of payments, e-money and FX are able to charge fees for those other business offerings. An example would be a Client who also holds a UK MIFID licence charging separately for its investment services. We require these fees related to investment activity to be charged outside of Currencycloud's platform. This means you should not execute transactions from an end-client's sub account on Currencycloud's platform to one of your business accounts (on or off Currencycloud's platform) to facilitate fee payments. Another example would be a Client who provides automated business invoicing and/or tax filing solutions alongside the payment offering from Currencycloud. This Client could charge a reasonable subscription fee for the services that are not the regulated services Currencycloud provides. However, these should be disclosed to Currencycloud at on-boarding and charged 'off platform' separately with your clients.

For the avoidance of doubt, your client-facing documentation including your website must be **very clear and transparent** about **any** fees you charge in addition to the payments, e-money and FX fees related to Currencycloud's services.

As part of the on-boarding process, Clients will be asked to provide their pricing strategy. Currencycloud, as an FCA-regulated EMI subject to Consumer Duty rules on fair, value-based pricing, must ensure that your pricing strategy is clear and fair at the outset and on an on-going basis. In appendix 3 we have set out our expectations regarding pricing practices and you are required to act to avoid poor customer outcomes and to drive good outcomes for customers through the governance structure and conduct at your organization.

As a general principle, **you are prohibited from charging customers fees for services that Currencycloud provides to them**, save for those set out below - payments fees and exchange fees. This means that you are not allowed to charge the customer fees for, for example, the multi-currency account that Currencycloud provides the client, or fees to 'collect' or receive funds. For the avoidance of doubt, this does not prohibit Clients from charging fees for services that are not connected to Currencycloud, for example fees for investment services or subscription fees for a platform whose main offering are products other than FX and payment services.

2.4.1 EXCHANGE RATES

The exchange rate offered to customers is based only on the sum of Currencycloud's base rate and, if applicable, the spread rate fixed by the Client. The Client cannot add any additional conversion fees on top of the exchange rate offered to customers.

Spread rates are monitored daily by Currencycloud. To treat customers fairly and prevent Clients from abusing their ability to set the spread rate, transactions with spreads over 6% will be queried by Currencycloud. In such situations the Client will have to provide a satisfactory rationale for the high spread.

The quote presented to clients, whether over the phone (unregulated FX broker sector clients only), by email or via the online platform/app, must include the following information:

1. The estimated amount of the transfer in the currency of the Customer's account;
2. The exchange rate; and
3. The estimated amount to be transferred to the beneficiary in the currency used by the beneficiary.

The quote provided to the Client and agreed at the point of trade must be identical to the final price as noted in the confirmation email, and the final price paid by the Customer. Clients must notify customers that the exchange rate quote is only valid for a limited time and any new contract will not be based on the same quote.

Any representation of the Client's exchange rate and/or spread has to be identical to the exchange rate and/or spread that the customer will get at the point of trade, unless the Client notes clearly that the presented rate is different from the final exchange rate (such as the mid-market rate).

Clients must be able to demonstrate clear rationale for different spreads being given to different customers for similar payments. For example, end-clients that regularly book high-value trades beyond certain thresholds may receive more competitive pricing.

2.4.2 PAYMENT LEVEL FEES

Clients have the ability to apply payment fees to customer payments, subject to the following conditions:

1. Clients are only permitted to set one fee level per type of payment for all customers, e.g. consistent pricing by currency and route;
2. Clients must notify Currencycloud of the fee levels they wish to apply to their customers' payments;
3. Fee levels are subject to **prior written approval** from Currencycloud;
4. Currencycloud will apply the approved fees to the respective payments on the transaction platform; and
5. All fees must be presented to customers prior to the initiation of payments in a clear way.

2.5 EVENT-DRIVEN CUSTOMER COMMUNICATION REQUIREMENTS

Currencycloud operates its own 'Notification Engine' with event-based transaction emails compliant with rules and regulations around provision of information to customers regarding execution of payment (and where applicable, FX) transactions. These notifications can be amended to feature your brand name and logo although text within the message and contained within the footer will make clear that Currencycloud is the provider of the regulated e-money and payments services. This means that Currencycloud, as the regulated entity providing regulated services to the end-client, takes care of transactional and event-driven customer information provision and notification requirements without you having to design and develop your own arrangements to comply with these rules. **We mandate that certain types of Sponsored client (i.e. those who have Currencycloud perform the KYC on clients and who wish to use Currencycloud's platform 'Direct' as their end-client-facing UI) - have customer transactional information provision notifications handled by Currencycloud directly through its Notification Engine.**

Clients operating their own client-facing front-end application or website connecting to Currencycloud via API are permitted to design and send their own event-driven transactional emails, subject to approval from Currencycloud. To be approved you will need to design a suite of email or UI templates that comply with the rules and regulations that Currencycloud itself is subject to. We need to review these templates before they go live to ensure that this is the case, and we will audit the content of your emails on an on-going basis to ensure they remain compliant.

Should you ever wish to change these templates, you **must obtain prior approval from Currencycloud to do so**. Currencycloud reserves the right to refuse these requests and require that Clients use Currencycloud's own Notification Engine and will make these decisions using a risk-based approach.

Please see additional information on Currencycloud's minimum information provision requirements in appendix 14.

Clients have to collect the following details in regards to the relevant transaction when providing the Products through a medium other than Currencycloud's Direct user interface (e.g. via their own API-enabled front-end) (in line with WTR2 requirements⁴):

- Payer's name;
- Payer's account number;
- Payer's address;
- Payee's name; and
- Payee's account number.

2.6 CUSTOMER SUPPORT STANDARDS

As a client-facing organization and being part of a customer journey that involves provision of regulated financial services, Currencycloud expects you to have high standards of customer support and customer service.

This includes having adequate staff to cover inbound customer queries and complaints in a timely manner, and a range of communication channels that meet the needs of customers - for example, providing digital and/or telephone support options.

We have set out our detailed expectations for your customer service and customer support arrangements in appendix 2.

As part of our on-going monitoring program for Sponsored clients, you will be asked to submit information on your customer support function to us on a periodic basis. You must be ready to supply this on request.

⁴ EU: Wire Transfer Regulations (Regulation (EC) No 1781/2006); and UK: The Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019.

2.7 COMPLAINTS HANDLING

Clients are required to have internal complaints handling arrangements to investigate and respond to all complaints received by their customers. Currencycloud will monitor and supervise the Clients' complaints handling arrangements to make sure that those arrangements comply with relevant regulations.

Important: The Client has some discretion to design and maintain its own complaint handling arrangements, but the following minimum requirements **must** be included. Further detail is contained within appendix 1.

Currencycloud Requirement	Requirements
Logging of complaints	Logging all complaints onto an internal complaints register. Such a register must conform to the requirements set out in appendix 1, at a minimum.
Requirements upon receiving a complaint	1. Contact the complainant within one business day, confirming that the complaint is being considered and advising the complainants when they can expect a response; 2. Investigate the complaint competently, diligently and impartially, obtaining additional information as necessary.
Final response requirements	The final response must be issued within the timeframes given below and address the issues raised in the complaint and provide the formal options or redress (where such options exist). The final response must either: 1. Accept the complaint, and where appropriate, offer redress or remedial action; or 2. Offer redress or remedial action without accepting the complaint; or 3. Reject the complaint and give reasons for doing so.
Final response timeframes	Complaints must be resolved by the end of 15 business days following receipt of the complaint. A complaint is counted as resolved when a final

	response is issued to the complainant. In exceptional circumstances, where the Client is unable to issue a final response within 15 business days of receipt of the complaint, it has up to a maximum 35 business days from the date of receipt to issue a final response. In those cases the Client is expected to be able to present a compelling rationale for not resolving the case within the 15 business days time frame. Where the Client is unable to resolve the complaint and issue a final response within 15 business days, it must, at a minimum, issue a holding response by this deadline. The holding response must include: 1. The reasons for the delay in answering the complaint; and 2. A deadline which the Client aims to issue a final response within. This deadline must not be later than 35 business days after the date the complaint was received.
Website disclosures	Clients are required to publish information regarding their own complaints handling procedures and information on and how to contact the local complaint settling authority or equivalent body on their website. If you are a client of Currencycloud in the UK, the relevant authority is the Financial Ombudsman Authority (FOS). The complaints handling section on your website has to include: 1. A summary of the complaints handling process. It does not have to be the full complaints handling process, but has to include the key information to clients such as how to submit a complaint, timelines and information that should be outlined in a complaint; and

	2. Information about how to contact the FOS. This must set out that customers have the option to approach the FOS in cases where they are not satisfied with the resolution provided by the Client. Clients must display the following information on their websites, in a way that is easily accessible throughout the website. This would include a link titled “Complaints” to a page featuring in the primary website navigation bar or menu, or providing a link among other useful links at the footer of each webpage, e.g. alongside Terms, About us, Contact us. For Clients who work with no other firms for provision of e-money and/or payments services, the text should state: <i>We are your first port of call for any queries or concerns, including complaints. We will handle these complaints in line with our complaints process.</i> <i>[Provide key complaints information such as Client’s own contact email address and phone number, plus response times]</i> <i>We work with Currencycloud, who ultimately provides you with regulated payments and e-money services. Currencycloud has certain obligations as a regulated financial services institution, including around complaints. We keep them informed of the complaints we receive from you regarding the regulated payments and e-money services they ultimately provide to you. They oversee how we handle complaints to ensure we do this to the standard required under the regulations.</i> <i>However, if for any reason your complaint regarding your payments and e-money services has not been acknowledged or dealt with by us, or if you have concerns about the way it has been handled, Currencycloud’s complaints information can be found here.</i>
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	===== For Clients who work with one or more other firms for provision of e-money and/or payments services, the text should state: <i>We are your first port of call for any queries or concerns, including complaints. We will handle these complaints in line with our complaints process.</i> <i>[Provide key complaints information such as contact email address and phone number, plus response times]</i> We work with e-money and payments institution partners in providing you with our service, namely Currencycloud, [OTHER NAMES]. Currencycloud ultimately provides you with [SPECIFIC REGULATED SERVICES, i.e. geographically or functionally limited elements of regulated payments and e-money services in [UK/EU/US]]. [OTHER PARTNERS] provide you with [OTHER SERVICES]. These partners have certain obligations as regulated financial services institutions, including around complaints. We keep them informed of the complaints we receive from you regarding the regulated payments and e-money services they ultimately provide to you. They oversee how we handle complaints to ensure we do this to the standard required under the regulations. However, if for any reason your complaint regarding your payments and e-money services has not been acknowledged or dealt with by us, or if you have concerns about the way it has been handled, Currencycloud's complaints information can be found here, and [OTHER PROVIDERS] can be found here [LINK]. If your other providers express concern at linking to or mentioning them in the context of regulatory complaints-handling processes on your website, please let us know.
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End-client complaints to the FOS	If clients are contacted by the FOS regarding a customer complaint this must be passed to Currencycloud to respond directly. Important: Clients must not respond to the FOS themselves.
Regulatory reporting requirements	As part of Currencycloud's obligation as an authorized e-money institution, it has to report details about complaints that Currencycloud and its sponsored Clients have received regarding payment services. Please see appendix 1 for our expectations on complaints information sharing.

Our more detailed guidance as to **what constitutes a complaint** in the UK under the FCA's rules, alongside complaints handling rules and timelines, is set out in appendix 1.

Currencycloud provides training from time to time on complaints handling requirements and will contact you with details as to when these sessions are being run. We recommend that Client staff members likely to receive complaints from customers in their day-to-day activities as well as any staff dedicated to complaints handling attend this training at least once per year.

2.8 VULNERABLE CUSTOMERS

Clients are required to adopt good practice and deliver an appropriate level of care towards vulnerable customers, where "vulnerable customers" mean customers, who are under 18 or over 70 years of age. The reason behind this control is to prevent possible impersonation and/or abuse of personal (KYC) data, since customers create their account online and there is no face-to-face interaction. The following rules apply to vulnerable customers:

Age of vulnerable customer	Rule
Under 18s	The Client <u>must not</u> accept applications for clients who are under 18 years old.
Over 70s	The Client must obtain a picture of the customer holding their proof of identity, in addition to another method of standard verification.

Note: In instances where the customer becomes a “vulnerable customer” throughout the course of the business relationship (turning 70 years old), the additional verification step (above), should be conducted during their next customer due diligence refresh (*see more in appendix 9*).

2.9 FITNESS AND PROPRIETY

In the highly regulated world of financial services, Currencycloud must satisfy itself that any entities it partners with under the Sponsored model in order to provide services to ultimate end-clients is led by appropriately qualified individuals.

For this reason, during the on-boarding process we will ask for a CV/resume, from your Directors and/or those in your business who will have significant influence over the day-to-day running of operations. We will also ask that you fill out a fitness and propriety questionnaire for each Director/person with influence.

As part of our ongoing monitoring of Fitness and Propriety, we will ask you periodically to attest to the following:

- That nothing has changed since your prior return; **OR**
- That there have been changes to the individuals with significant influence over the business (joiners, leavers, promotions), and if so, we ask that you name these individuals, and provide their CVs/resumes; **AND/OR**
- That there has been a change to the **status** of any of the individuals (please see more details below) who are either Directors or who have significant influence over the day-to-day running of operations in the sense that they would now fill in any section of our Fitness and Propriety form differently.

In addition to the above periodic attestation process, **you must inform us immediately** of any change to your Directors/persons with influence, and you must inform us immediately of any change in status of any of your Directors/persons with influence regarding the matters we set out in our Fitness and Propriety form, such as being charged with an offense, being convicted, being disbarred, having a company wound down, being dismissed for conduct reasons, or being subject to a disciplinary action by a professional body.

2.10 BUSINESS SOUNDNESS

In the highly regulated world of financial services, Currencycloud must satisfy itself that any entities it partners with under the Sponsored model in order to provide services to ultimate end-clients is based on a sound business model, to minimize disruption of business failure on end-clients.

During the on-boarding process, you will be asked to provide a high-level business plan, including your expected financial projections for your first few years of operation, and the market research this is based on (including details of your target market).

3. DATA PROTECTION REQUIREMENTS

3.1 SUMMARY REQUIREMENTS

Currencycloud expects its clients to adhere to data privacy regulations and to implement minimum standards of protection of personal information, where personal information includes the following:

- Names (first, last, middle, maiden, etc.);
- Dates of birth;
- Telephone numbers;
- Addresses;
- Photographs;
- Audio/visual recordings of an individual;
- Bank details;
- Opinions;
- Passport/ID numbers;
- Location data;
- Financial information.

3.2 DATA PROTECTION OFFICER

Clients are expected to have a Data Protection Officer or similar function, which is responsible for the maintenance and enforcement of your company's data framework oversight. Please provide us with the following information regarding your Data Protection Officer:

- Name;
- Resume / CV; and
- Contact details.

3.3 DATA PRIVACY POLICY

All Clients are required to comply with all relevant data protection regulations that apply in both their home jurisdictions and the relevant jurisdiction of Currencycloud's entity they have a contract with⁵. Currencycloud expects that its Clients have their own Data Privacy Policy in place that includes the relevant data privacy standards. Please provide us with any policy in place, which you comply with.

⁵ UK: General Data Protection Regulation and Data Protection Act.

Please see appendix 6 for the minimum requirements Currencycloud expects to see in a Client's Data Privacy Policy.

3.4 DATA PROCESSING REGISTER

In accordance with art. 30 of GDPR in the EU and art. 61 of Data Protection Act in the UK, Clients, as data controllers of end-clients' personal data, are expected to maintain a Data Processing Register. A Data Processing Register is a record of all data processing activities which the controller is responsible for. It includes the types of personal data collected and/or used, who the personal data will be shared with and how the personal data will be kept secure.

Please see appendix 6 for the minimum requirements Currencycloud expects to see in a Client's Data Processing Register.

3.5 DATA RETENTION PERIOD

All data collected by the Client in relation to Currencycloud accounts needs to be retained for a period of **five years**, where this is measured from the date of trade execution or five years from the date that the customer ends its business relationships with Currencycloud. The data which Currencyclouds expects the Client to keep includes, at a minimum:

1. **Customer due diligence** information (for OKYC clients);
2. Customer communication information, including **phone calls⁶ and emails**;
3. **Internal communication** pertaining to customers;
4. Information pertaining to **customer complaints**; and
5. Any other information relating to provision of Currencycloud services to customers.

We are required by our regulators to be able to evidence compliance with a wide range of regulatory rules for this period of five years, so it is very important that you retain and protect in line with UK data privacy rules all data relating to customer interactions for this timeframe and that you are able to provide it to Currencycloud without delay if requested to. Phone calls with customers must be on recorded lines and any third parties providing you with call recording services should be able to provide retention for the five year period and/or you should archive your recorded calls locally for this time frame. You should also ensure that any third parties providing call recording services are compliant with all relevant privacy rules as the information shared with you from customers during phone calls may often be sensitive and confidential. Please see our additional guidance on data protection arrangements in appendix 6.

⁶ In cases where the Client executes payments or books trades on behalf of customers by means of telephone orders, they are required to record all phone calls with customers.

4. INFORMATION SECURITY REQUIREMENTS

Currencycloud expects its clients to adhere to applicable information security standards and to implement minimum standards of both physical and technical security for underlying business infrastructures.

4.1 INFORMATION SECURITY OFFICER

Clients are expected to have an Information Security Officer or similar function, who is responsible for the maintenance and enforcement of your company's security framework oversight. Please provide us with the following information regarding your Information Security Officer:

- Name;
- Resume / CV; and
- Contact details.

4.2 INFORMATION SECURITY STANDARDS

All Clients are required to comply with all relevant Information Security standards that apply in both their home jurisdictions and the relevant jurisdiction of Currencycloud's entity they have a contract with.

In line with the above, Currencycloud expects that its Clients have their own security measures in place, pertaining to both physical and technical security. Please provide us with any standards in place, which you comply with.

4.3 DATA HOSTING

Clients can host data either internally or externally (via a vendor). This process should be described either separately or as part of a policy. Please provide us with any relevant information regarding your company's data hosting.

Please see appendix 6 for the minimum requirements Currencycloud expects to see in a Client's Data Hosting processes.

5. MAJOR OPERATIONAL INCIDENTS

5.1 BACKGROUND AND DEFINITIONS

As an FCA-regulated EMI, Currencycloud is obligated to report to the FCA within strict timeframes operational incidents that are defined as Major in line with EBA Guidelines on this topic⁷. A reportable major incident is when a service is unavailable and affects sufficient numbers of end-clients, sufficient numbers of transactions, or sufficient aggregate values of transactions that we are required to report to the FCA.

The thresholds apply to Currencycloud as the regulated entity and not its individual Sponsored clients, so we ask that if you become aware of an outage of your systems that means your end-clients cannot access the service via your website or front-end application linked to Currencycloud via API, **please notify Currencycloud immediately at regulatory@currencycloud.com so that we can assess whether this incident constitutes a reportable incident.**

⁷ <https://www.eba.europa.eu/sites/default/documents/files/documents/10180/1972987/eb859955-614a-4afb-bdcd-aaa664994889/Final%20Guidelines%20on%20Internal%20Governance%20%28EBA-GL-2017-11%29.pdf?retry=1>

6. TRAINING AND COMPETENCE

Clients are expected to have regular staff training for new employees, as well as regular re-training for existing employees across all levels of seniority. The responsibility of staff training is down to the Compliance Officer of the business, who should be supported by senior management.

The Client should keep an auditable log of all training sessions (e.g. presentation slides / recordings of sessions in cases of online training) as well as attendance and an attestation log filled in by each employee after completion of the relevant training.

The Client should cover, at a minimum, the following topics in their staff training:

1. Anti-money laundering, Anti-terrorist financing and Sanctions (OKYC clients only);
2. Data protection and privacy;
3. Information security.

Periodically you will be asked to supply copies of your training log to ensure you are providing training to your staff.

In addition to the expectation of internal training at Clients, Currencycloud will periodically run training webinars with the ability to ask interactive questions via chat functions. We will contact you from time-to-time with training invites. We require employees at Clients to ensure they attend at least once, then encourage attendance periodically thereafter to ensure they have refresher training, to remind them of requirements and to update them on any relevant changes.

7. REPORTING SUSPICIOUS ACTIVITY

Clients are expected to report any suspicious activity to Currencycloud by sending an email to fraud@currencycloud.com and include, at a minimum, the following information:

1. **Summary / timeline** of suspicious activity and how was it detected;
2. Detailed **transaction details** of suspected transactions (e.g. date, sender, recipient, amount, payment reference, description, etc.);
3. (OKYC clients only) **KYC pack** of the customer(s) involved in the suspicious transaction(s).

Important: Clients are obliged to report suspicious activity to Currencycloud only in regards to services provided by Currencycloud. Other services provided by the Client, not via Currencycloud, do not fall under this section and the Client is responsible for filing suspicious activity reports with the respective regulatory bodies.

8. CURRENCYCLOUD'S TERMS OF USE: GUIDANCE

All customers onboarded by the client on behalf of Currencycloud must be made aware of, provided with, and accept Currencycloud's terms of use prior to using the Currencycloud transaction platform.

8.1 TERMS OF USE ACCEPTANCE LOG

The Client is required to keep a record with a timestamp and proof of acknowledgement of Currencycloud's Terms of Use by their customers.

8.2 DISCLOSURE OF SERVICES PROVIDED

The Client is required to clearly indicate to the customers the type of services provided by Currencycloud (e.g. payment and e-money services).

In the event that the Client is partnering with other providers for similar services, there should be a clear distinction of which provider offers which service. In this scenario there should be parity between the terms of use, as presented for other providers, and our own terms of use. For example, if a partnering provider has a dedicated page on the Client's website reiterating their terms, Currencycloud's terms should be presented in the same manner.

8.3 TERMS OF USE LINKS

The Client is required to provide to their customers a copy of the Terms of Use. The Terms of Use are available through the relevant links are included below for your convenience:

- **UK customers must accept the terms of use of Currencycloud Ltd:**
<https://www.currencycloud.com/legal/terms/terms-of-use-uk-cc-ltd>

8.4 USEFUL LINKS

- [Annual Return on Complaints](#) as referred to in 2.7 and appendix 1;
- [TCCL Agent Registration Form](#) for prospective EMD Agents of TCCL;
- [TCCL Sponsored Fitness & Propriety Form](#) as referred to in 2.9.

9. EXIT ARRANGEMENTS

We hope that our agreement with you will be a longstanding and successful one. However, in the event that our arrangement with you ends, we need to make sure both your and our responsibilities towards the end-clients during the account wind-down process are clear and complied with.

The arrangement between us may cease, either by you providing us with notice, or by us sending to you a notice of termination.

For regulatory reasons, in both of these scenarios, certain obligations apply to you during the wind-down period of two calendar months regarding client communications and return of funds. Some other contractual clauses relating to (a) and (b) below will survive the termination of our arrangement and still be enforceable by Currencycloud for a period of five years following the date of termination.

- a) the retention of information you may hold relating to end-clients and their transactions under our agreement; and
- b) your obligation to provide us with this information on request.

This is to allow us to comply with our regulatory and legal obligations e.g. statutory timelines regarding assisting and responding to queries by regulators or law enforcement.

9.1 EXIT PROCESS SUMMARY

The exit process will follow the below process and timeframes. Please note that the below is drafted from the perspective of a mutual closure. Should we unfortunately have to take the step of offboarding you for compliance reasons, we may need to vary your platform access permissions at an early stage due to security reasons.

Activity	Task
Currencycloud initial communication with you	We will communicate to you that the relationship is ended via call and flag that a written notice will be sent by Legal. This phone call may be recorded for record-keeping purposes at Currencycloud.

Written confirmation of termination	We will send you formal written notice to confirm the relationship is ending.
Regulatory arrangements	If you are an Agent client, we will begin arrangements to have you formally removed as our Agent from our FCA register. This will be timed so that the status is not removed prematurely, to prevent confusion or worry for you and your end-clients.
Block new applications	You will not be able to create accounts for / on-board any new customers once the wind-down process has begun.
Communication with end-clients	We will work with you to draft communications to end-clients regarding the wind-down process, such as when end-clients should have cleared their balances by and contact details for any support / queries. Follow-up queries may be sent during the 60-day wind-down process for accounts where balances do not seem to be reducing.
Close end-client accounts	After 60 days' notice - we will run a report on clients with balances and return any balances free of charge. We may require your cooperation to obtain for these clients the return account details.
Confirm contact details with you for any future information requests	To comply with our own regulatory obligations, we may need to provide the authorities or our regulators with on-boarding information, or evidence of our past interactions with customers. We will establish with you who the appropriate contact point for this would be within your organisation. This obligation to share such data will last until five years after the date of termination of our arrangement.

Close out arrangement between you and Currencycloud	We will formally end the relationship, disabling your house account and subs as per the given notice.
Close out any marketing arrangements the	We will check that you have removed reference to Currencycloud on your website and other marketing materials as required, to prevent end-client confusion.

9.2 DATA WE REQUIRE YOU TO RETAIN

As mentioned, we require you to store certain types of data during your relationship with us, and for five years following the end of that relationship, to enable compliance with relevant laws and regulations.

The data you should be retaining for this five year period includes:

- Customer data collected at onboarding or throughout the relationship (including: name, address, date of birth, identification document, contact details, residential history and banking details);
- All Customer transactional information;
- Internal suspicious activity reports;
- Training and compliance monitoring records;
- Evidence of your communications with clients (such as complaints responses, client queries, etc. including recorded phone lines); and
- Evidence of the products you sold (e.g. FX trades, their pricing, written sales documentation or verbal discussions via recorded phone line where permitted).

If we ask you for information of this nature, you must respond in a timely manner. We expect an acknowledgement of response within 48 hours and a response generally within five working days, although for complex information requests we will allow additional time on a case-by-case basis.

APPENDICES

APPLICABLE TO

ALL SPONSORED

MODEL CLIENTS

Important: Behind every template/policy/guidance item in this section, the Client must have developed policies, procedures, systems, and controls that address the requirements in each appendix. Controls described in writing alone do not fulfil the Client's obligation to address these requirements; they must be carried out in practice, sufficiently resourced, and integrated into the Client's business-as-usual activities. Currencycloud will refer back to these requirements during our ongoing monitoring of your account in the process of this business relationship.

These templates list the absolute minimum requirements Currencycloud expects from its Clients when performing onboarding checks and ongoing monitoring in the form of quarterly reviews and/or annual audits. The templates are not a mandatory requirement but should be used as guidance.

APPENDIX 1: COMPLAINTS REQUIREMENTS

1. BASIC REQUIREMENTS

All Sponsored model clients are required to maintain complaints registers. You are required to send your complaints register to Currencycloud at regcomplaintsreporting@currencycloud.com **on an annual basis** to enable Currencycloud to comply with its requirements around regulatory reporting on Complaints. The complaints register must be shared within the first two weeks of October each calendar year, reflecting all complaints received between the preceding year of October 1st to September 30th.

Your complaints handling policy will be reviewed at on-boarding stage and periodically afterwards to ensure it meets at least the minimum requirements for regulatory complaints handling in the UK.

2. COMPLAINTS REGISTER REQUIREMENTS

You **must** maintain a Complaints Register and it **must** be updated to reflect complaints from customers as and when they arise. You must train relevant staff within your organization on the content contained in paragraph 3 of this appendix to ensure that your client-facing staff understand how to identify, manage and escalate complaints, as appropriate. In addition to your internal training, Currencycloud will run periodic training sessions on the regulatory requirements around complaints handling and we encourage the relevant employees of Sponsored model clients to attend. We will provide you with a spreadsheet template design during on-boarding that captures what we require, but if you choose to use a different format, the Complaints Register must include, as a minimum, the following information:

Complaints Register Items	
1	Complaint Number
2	Category of Complaint
3	Date Received
4	Received From
5	Client
6	Receipt Acknowledged (Yes / No + Date)

7	Name of Investigator
8	Justified / Upheld (Yes / No)
9	Outcome Advised (Date)
10	Process Time
11	Compensation (Yes / No + Amount)
12	Actions Completed (Yes / No)
13	Closed Out Date

3. REGULATORY REQUIREMENTS ON COMPLAINTS HANDLING

What is a complaint in the UK?

The FCA's definition of a complaint is very broad:

“any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination, which:

- *alleges that the complainant has suffered (or may suffer) financial loss, **material distress** or **material inconvenience**; and*
- *relates to an activity of that respondent, or of any other respondent with whom that respondent has some connection in marketing or providing financial services or products, which comes under the jurisdiction of the Financial Ombudsman Service.”*

This means that a customer does not need to write to you and state that they are making a ‘formal complaint’ or even mention the word ‘complaint’ for you to be required to record the interaction in your regulatory complaints log. For example, a customer phoning a customer service representative and stating that they are ‘disappointed’ or ‘upset’ with the financial service that was provided (or was not provided) needs to be added to the register and dealt with in line with your internal complaints policy.

Complaints processes

Your internal complaints policies/processes will be reviewed at on-boarding stage to ensure they meet minimum regulatory requirements. However, the basic requirements in terms of complaints handling that you will be audited against on a periodic basis by Currencycloud align with the PSD2 requirements on timelines for complaints and are as follows:

1. **Within 24 hours** you must acknowledge the complaint

2. If the complaint is resolved **within three working days** (the customer must agree they are happy with the outcome for this to be the case) then you must send the customer a Summary resolution;
3. **Within 15 days** you must have investigated the complaint and written to the customer with the 'final response' - upholding or rejecting the complaint (partially or fully). If the customer is unhappy with the final response and they are eligible to do so (i.e. they are an individual or a smaller business - see below*), you should include in your final response text letting them know of their right to refer the complaint to the FOS;
4. **In exceptional circumstances**, you can write to the customer to let them know at day 15 that the complaint investigation has not yet concluded, explaining the exceptional reasons why, providing them with the timeline for resolution (which can be no longer than **35 days** from the receipt of the original complaint). If you believe there are exceptional circumstances applicable to a complaint you are handling, you must inform Currencycloud at complaints@currencycloud.com of these circumstances without delay.

* FOS eligibility criteria:

- an **individual**, or joint **individuals** on an account; or
- **Small businesses, charities, and trusts, defined as:**
 - **A 'micro-enterprise':** with an annual turnover or balance sheet that does not exceed £2 million and fewer than ten employees;
 - **A small or medium-sized enterprise (SME):** with an annual turnover of no more than £6.5 million and fewer than 50 employees;
 - **A charity:** with an annual income of less than £6.5 million;
 - **A trust:** that has a net asset value of less than £5 million.

We have provided some suggested wording for each stage above.

1. Acknowledgement of receipt:

Dear (Name),

We can confirm that we have received your complaint and it has been escalated to the relevant parties for urgent review. We will respond in full at the earliest opportunity.

Thank you for your patience in the interim.

Kind regards,

2. Summary resolution:

Dear [customer name],

"Following our call/email conversation/contact on [INSERT DATE] relating to the complaint you raised with us, I understand that this has now been resolved to your satisfaction. We now consider the matter resolved, however if you subsequently disagree with the

outcome, you may refer your complaint to the Financial Ombudsman Service free of charge. You must do so within six months of the date of this letter/email.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay is from exceptional circumstances.”

3. Final outcome:

Dear [customer name],

I am writing to you to set out our response to your complaint - which we received on [INSERT DATE].

Your complaint is about [INSERT DESCRIPTION OF ISSUES RAISED BY CLIENT]. Please let me know if I have misunderstood any element of your complaint.

Having reviewed all relevant information (e.g. documents, calls, emails, internal policies, procedures, etc. [NB this will depend on what the complaint is about]) I have reached the following conclusions.

I have upheld/not upheld your complaint. [INSERT EXPLANATION INCLUDING REASONS WHY YOU HAVE REACHED THIS DECISION]

[upheld complaints where relevant] To resolve your complaint, I would like to offer you [INSERT RESOLUTION] and apologize for any inconvenience this matter has caused you.

[all complaints for FOS eligible complainants] This is our final response to your complaint. If you remain dissatisfied with our response, you may refer your complaint to the Financial Ombudsman Service - free of charge. You must do so within six months of the date of this letter.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

4. Exceptional circumstances:

Important: you **must** contact Currencycloud prior to issuing a complaint response of this nature to confirm that we agree the circumstances merit use of the exceptional additional timeframe to resolve under the regulations. You **must not** send this wording to an end-client before having its '[rationale]' approved by Currencycloud.

Dear [customer name],

Thank you for your recent communication to us setting out your complaint.

We are investigating your complaint as a matter of priority in line with our [relevant name e.g. Complaints Procedure]. We wanted to let you know that, due to exceptional circumstances in relation to [rationale], we believe we are not able to resolve your complaint within the 15 day timeline you may ordinarily expect.

We are working very hard to resolve your complaint, and we will respond to you within 35 working days from the date of your original query to us.

We thank you for your patience, and we will be in touch soon.

Kind regards

4. COMPLAINTS REQUIRING IMMEDIATE ESCALATION TO CURRENCYCLOUD

If a customer complaint about services ultimately provided by Currencycloud (e-money and related payments services) has been referred to the FOS and the FOS has reached out to you, **or** if the customer has engaged a legal firm to represent them and send you the complaint, **you must escalate this to Currencycloud within the same working day** at complaints@currencycloud.com so that our regulatory and legal teams can provide appropriate support.

APPENDIX 2: CUSTOMER SUPPORT STANDARDS

As a client-facing organization and being part of a customer journey that involves provision of regulated financial services, we expect you to have high standards of customer support and customer service.

This appendix sets out our expectations of you in terms of provision of customer service and customer support. We will monitor your adherence to these standards as part of our ongoing monitoring and oversight of Sponsored clients. The minimum requirements below apply to all Clients; the 'strongly recommended' items are important and for OKYC Clients we would generally expect to see these in place. For IKYC clients we still strongly recommend these.

Feature	Purpose	Requirement
Business as usual (BAU) ticketing	Engaging Customer Support to resolve issues, action tasks or provide information	Minimum: The channels available (e.g. email, chat, phone number, post) offer customers the ability to raise and track tickets in a way that suits them and is reasonable based on your target market. There is a way for customers to contact your support functions without unreasonable barriers.
Complaints	Allow customers to raise a complaint if they wish via an easily accessible channel	Minimum: A dedicated email address must be available and the complaints process is defined on the publicly-facing website. You must have internal processes to identify complaints in line with the definitions we have provided elsewhere in this document, and you must respond to the complaints in the timeframes and in line with the other requirements set out in this document.
Customer feedback	Allow customers to provide feedback and /or ask for improvements or flag issues	Strongly recommended: You should have arrangements in place to record customer feedback. Where relevant, you should pass this feedback on to Currencycloud through the usual channels so we can continue to consider it as part of our customer outcomes work.
Time to resolve tickets	How quickly are you resolving customer tickets	Strongly recommended: To the extent possible, you should track the time it takes you to resolve customer queries beyond simply complaints. Time to close tickets is a helpful statistic here,

		and you should monitor trends and take action where appropriate (i.e. sudden uptick in inbound queries taking longer than usual to resolve).
First reply time on tickets	How quickly are we replying to tickets when they are initially raised	Strongly recommended: To the extent possible, you should track the time it takes for you to provide a first response to customer queries. Where applicable, it may be helpful to distinguish between automatically-generated responses that acknowledge customer queries, and the time it takes for your customer-facing team to respond. If relevant, for example, statistics on call abandonment rates and wait times are helpful management information. You should consider performing root cause analysis and taking action if there are sudden upticks e.g. abandoned queries from customers or longer wait times.

APPENDIX 3: PRICING STANDARDS

Currencycloud is committed to delivering good customer outcomes and a key driver of risk in this area is **unfair pricing**. We have set out below our view on fair pricing versus unfair pricing and require you to adhere to these expectations at all times.

We will monitor pricing considerations throughout your relationship with us and will take action where we have concerns. You must provide your pricing strategy at on-boarding stage for review and approval prior to on-boarding, and we will continue to monitor your pricing throughout your time working with us.

The Pricing Standards below describe Currencycloud's expectations for the pricing of its products by our clients. The Standards are **binding** to Sponsored clients in respect of products manufactured by Currencycloud. However, all clients are encouraged to consider applying the Standards in relation to any financial products they offer outside of these such as those offered under a Sponsored client's own MIFID licence, although such firms may/should have their own pricing standards aligned to Consumer Duty requirements if based in the UK.

Standard 1: Transparent pricing

We require our clients to have a transparent pricing model and to always disclose a price of the products or services **before** the customer is bound by the agreement. The pricing information must be communicated to the client in a clear and non-misleading way and to properly disclose all fees that will be charged. Although payments and e-money services are of relatively low complexity compared with some financial services products, any risks and rewards inherent in the services Sponsored clients provide should be advertised with equal prominence. We also require our clients to retain records that demonstrate that the customer agreed to the products and services terms and conditions, including the pricing.

Standard 2: Fair value

We require our clients to price their products and services fairly and avoid price discrimination, i.e. charging different prices to different consumers that have the same costs to serve, but different willingness to pay. This does not mean that all customers must receive the same price - the price might differ if the cost to serve the customer is different or the quality of the product is different. Clients should ensure that existing end-clients are not getting worse pricing than new clients (so called "loyalty penalty") and also that they do not exploit any information or knowledge imbalance in their pricing.

Currencycloud does not allow Sponsored clients to charge their customers any other fees besides payment fees and a spread on FX in relation to products provided by Currencycloud. We expect that if customers are charged payment fees, that the payment fees reflect the actual cost of the

payment and should be fixed per the type of payment. An example of unacceptable practice would be to charge payment fees selectively based on e.g. willingness to pay.

While we do not impose any spread cap on FX transactions, we expect that the spread applied reflects the level of service provided and does not feature considerations which would constitute harmful price discrimination. We expect our clients to be able to explain in detail any differences in the spreads charged and to retain records that demonstrate the objective criteria considered when setting the spread.

If through our on-going monitoring we see indications of unfair pricing contravening the above, we will contact you requiring you to provide us with any information that we need to support a more detailed review, and in certain cases we may require you to provide redress to clients for past unfair pricing practices.

Currencycloud also does not allow their Sponsored clients to charge exit fees. An exception to this would be where the Sponsored clients suffer a direct loss as a result of the customer leaving, for example due to closing of a forward trade. In that situation, the Sponsored client may claim compensation for the loss from the customer.

Standard 3: Vulnerable customers considerations

We require our clients to look after the interests of all customers and to treat them fairly, and this includes considering vulnerability characteristics in their pricing to ensure that vulnerable customers do not receive a less favourable pricing.

We would expect our client to have in place processes to recognise vulnerable customers.

Standard 4: Periodic review

We require our clients to review their pricing models on a periodic basis, at least annually. This applies to review of pricing for any new or prospective clients, but also for existing clients.

To ensure that the pricing of the client is competitive, we would encourage clients to consider conducting a benchmarking exercise from time to time against their competitors.

Sponsored clients will also have their pricing models reviewed by Currencycloud and will be asked to provide a sample of sales records in relation to selected customers.

APPENDIX 4: PERMITTED AND NON-PERMITTED MARKETING LANGUAGE

When drafting **any** document or content ultimately targeted at end-clients, **you must ensure that as an absolute minimum, the communication is clear, fair and not misleading, and that it is very clear which entities are providing which regulated financial services to the end-clients.** Generally this will be Currencycloud, but we understand that you may hold your own licence to provide services other than Payments and E-money services such as a MIFID licence to provide investment services. If this is the case, it must be made very clear for end-clients in all client-facing documentation such as websites and promotions. You may also hold other relationships (agency or distributor status) with other parties, and if this is the case, the same applies. It must be clear to the end-client at all times who is providing them a given regulated financial service.

Our expectations on language that can be used on your websites and any other relevant client-facing materials, and that which **must not**, is set out below.

Area	Example acceptable language	Example unacceptable language	Why?
Currencycloud platform services	Our... Platform Market leading online platform Technology Award winning trading platform	"[Client name] Spark" (or other Currencycloud product names)	To claim that a particular Currencycloud product or marketing term like Spark is the sponsored client's own is misleading, and involves regulated services which an unregulated entity does not have permission to provide itself.

Currencycloud description	One of the top/ leading deliverable currency companies in the world Market leading exchange rates, competitive exchange rates	"Our services are provided by the best/no. 1 payment services provider in the market"	We cannot guarantee to clients that there are no providers offering better services and exchange rates. To say that we are one of the top payment services providers is appropriate.
	"Currencycloud is our payment and foreign exchange services provider" "Currencycloud is an e-money institution" "Currencycloud provides its clients with payment/e-money accounts or e-wallets"	"Currencycloud is our banking provider" "Currencycloud provides banking services" "Currencycloud/we offer banking accounts" any reference to Currencycloud accounts as "bank accounts"	Currencycloud is not a bank and does not provide any banking services. When providing a description about Currencycloud, it is important to clarify that we are an e-money institution and not to imply that we can provide any banking-related services. We provide e-money, payment and unregulated foreign exchange services.
Clients Currencycloud supports	"Our platform is used by leading global/UK/EU/US banks" or "our services utilize the network/services of leading global banks in order to provide you with competitive exchange rates"	"We offer an award-winning payment platform used by most of the U.S. and European banks"	Our exchange rates are competitive but stating that our platform is used by 'most of' the 'banks' is incorrect or even if correct at time of writing cannot be guaranteed to remain so, and is therefore (potentially) misleading and should be removed.

Regulated status	We work with FCA-regulated partners to...	"We are certified under (e.g. ISO/IEC 27001:2013) or "We are regulated by the FCA etc." unless this can be evidenced "The use of the FCA logo on your website"	It is true that if a sponsored client works with us, they are working with FCA-regulated entities, so this is appropriate. To say that the sponsored client themselves holds certifications or licenses that we do without holding them themselves (and without having provided us evidence of this) is misleading, or potentially misleading, and so should not be permitted. Where a sponsored client holds any type of license, it is required to share evidence of the license to Currencycloud and to add a disclosure (next to Currencycloud's one) with the exact details of the sponsored client's license.
Charges	Zero bank charges/ zero intermediary bank charges Competitive exchange rates	"The best..." • Exchange rates • Prices • Technology" or "Zero/no fees" or "no exchange fees"	We do not charge intermediary bank charges to end-clients, so this is fair to say. However, stating that e.g. our prices, technology and exchange rates are 'the best' is an objective statement that cannot be guaranteed to be true at all times, and so is not permissible/should be removed. Also, to give the impression that the sponsored client does not charge any fee from the

			clients is misleading. Instead, noting a specific type of uncharged fee is appropriate.
	"Bank beating..." - Exchange rates - Service - Technology" "No payment fees" (WHERE APPLICABLE)	"Zero fees/ zero processing fees" "free services/products" "0% commission" "No transaction fees" "No fees" "Best rate" "No conversion fees"	To provide the service in a commercially sustainable way, generally fees are levied on FX transactions, even if this is solely adding a margin to the spread charged on the exchange rate. To state that there are zero fees is therefore untrue, misleading, and should be removed We cannot give any guarantee on any profit/savings that clients will have by using our services and of course not to state a specific % of any financial benefit by using our services. We also cannot provide any prediction of the market. "No payment fees" can only be stated if

			this is genuinely the case - clients have the option to charge fees on payments, and if they choose to exercise this, they must not state that there are no payment fees.
Competitiveness of exchange rates offered	"competitive rate"	"Connecting you with interbank rate" "we offer interbank/mid market rates" "best rates" "the most competitive rates" "unrivaled rates"	We do not charge intermediary bank charges to end-clients, so this is fair to say. However, stating that e.g. our prices, technology and exchange rates are 'the best' is an objective statement that cannot be guaranteed to be true at all times, and so is not permissible/should be removed.

Speed	"Fast payments" "Market beating payments speed" "For most currencies we provide same day payments" "Same day payment to the UK/EU/US"	"Guarantees: Same day payments Delivered in hours not days"	We cannot 'guarantee' in every instance that these will be met. To state this is therefore misleading, and should be removed.
Safeguarding	Funds are safeguarded by our FCA-regulated e-money partners at a credit institution	"We hold client segregated accounts/ our client segregated accounts" "We offer safeguarding accounts" "We offer/provide ring-fenced client accounts" "Funds are safeguarded with the best/safest banks" "We offer/provide individual named client accounts"	This is misleading, unless the entity is itself an e-money institution and safeguards client funds in addition to its arrangement with Currencycloud. It should be removed.
	Funds are safeguarded by our FCA-regulated e-money partners at a credit institution	"clients' funds are protected under the Financial Services Compensation Scheme (FSCS)" or any other protection scheme	Since Currencycloud is an e-money institution, its clients' funds are only protected by the safeguarding scheme. FSCS is the protection scheme for banks.
Liquidity	We work with liquidity providers...	"We operate under the licence of our liquidity provider" "We can act as your liquidity provider"	Clients may work with liquidity providers, but generally do not 'operate under the licence' of the liquidity provider. This is misleading and should be removed.

Commercial arrangements of Currencycloud being presented as those of the sponsored client	Referring to the partnership with Currencycloud while it is clear that the client is a separate entity	"We have offices coming soon in New York and Singapore" where this is not the case for the client themselves	The sponsored client representing Currencycloud's commercial set up as their own is misleading and should not be used. If the sponsored client is targeting clients in these jurisdictions, this should be checked with Currencycloud to be sure that the sponsored client having (and marketing to) end-clients in other jurisdictions would not trigger any licence requirements for Currencycloud.
	We prefer to avoid references to Visa having acquired Currencycloud. However, where you do want to make a reference to Visa acquisition, please only use the following statement: "Our partner/payment services provider Currencycloud has been acquired by Visa Inc."	Clients are prohibited from using Visa's logo. Adding the logo to your website will expose you to an intellectual property breach. You cannot also make these misleading references: "we're acquired by Visa" "we're owned by Visa"	The acquisition deal is between Currencycloud and Visa. Clients cannot consider themselves as part of Visa group nor present themselves as such.
Advice	We can provide you with regular updates on FX market activity, and notify you of events and opportunities which may be of interest to you	"We advise"/"advice" "We provide bespoke/tailored strategies/products"	We do not allow this wording because 1) "advice" is loaded term from a regulatory perspective, it requires collection of relevant data from the consumer, careful analysis and personalisation, and 2) Investment

	"market insights" "FX consultation" "Bespoke/tailored customer service"		advice is a regulated activity and therefore we do not allow this term to be used in reference to our FX Spot and Forward products
Other services	N/A	"We offer options / swaps / NDFs / mortgages / pensions services / investment services / investment advice / pensions advice / lending / [trade finance]"	None of these services should appear on any website without appropriate regulatory cover and providers listed on the regulatory disclosures, as they are all regulated activities [with the exception of trade finance, which is usually not regulated, but if provided by a partner it should be made clear on the website that these services are not provided by Currencycloud]. Where many of these services are provided, it should be clear what entities are offering what services in the disclosures. It should be clarified in the Currencycloud disclosure that Currencycloud does not provide services other than unregulated FX spots and forwards, e-money services, and payments services.

	Currencycloud can support outbound transactions in line with our Permitted Jurisdictions list (https://support.currencycloud.com/hc/en-gb/articles/360017599560).	"We serve clients in the Philippines" - or any other jurisdiction not on our Permitted Jurisdictions list	We are only able to service clients in jurisdictions that are on the permitted jurisdiction list and we only hold funds in countries where Currencycloud is licensed.
	hold funds in (currency that Currencycloud offers) e.g. hold funds in AED	"hold funds in (jurisdiction where Currencycloud does not operate) e.g. hold funds in the UAE, have an account in UAE.	We are only able to service clients in jurisdictions that are on the permitted jurisdiction list and we only hold funds in countries where Currencycloud is licensed.
	Using of the Clients address	Currencycloud's address used as clients address	We do not allow clients to use the address of any Currencycloud office as their own address as this may be misleading.

	If the client provides other products that Currencycloud does not provide, for example investment or MiFID products, it must be reflected in Currencycloud's disclosure in the footer. E.g. <i>Payment services for [SPONSORED CLIENT NAME] (non-MiFID/no card products/no investment products) are provided by The Currency Cloud Limited. Registered in England No. 06323311. Registered Office: Stewardship Building 1st Floor, 12 Steward Street London E1 6FQ. The Currency Cloud Limited is authorized by the Financial Conduct Authority under the Electronic Money Regulations 2011 for the issuing of electronic money (FRN: 900199).</i>	Marketing of other products without clarifying that Currencycloud does not provide the service and a proper disclosure in the footer as to the provider	Regulated services should appear on any website without appropriate regulatory cover and providers listed on the regulatory disclosures. Where other regulated services are provided, it should be clear what entities are offering what services in the disclosures. It should be clarified in the Currencycloud disclosure that Currencycloud does not provide services other than unregulated FX spots and forwards, and payments services related to these activities.
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Crypto	N/A	"We offer crypto(currencies)..."	We do not have the appetite to work with clients offering crypto at this time, regardless of the identity and licence of the other provider. No language on the website should refer to crypto services being provided
Risk	We offer FX spot and forward contracts (up to 1 year), which can be used to mitigate foreign exchange risks (examples can then be provided of e.g. a business invoicing in one currency but having to buy supplies in another)	"Riskless/ no risks/ risk free" "Eliminate risk" "Remove all transaction risk/risk from your currency transactions"	This is misleading, as there is always some degree of risk in financial transactions (credit, market, liquidity, technical failure). It should be removed.

Risk	We permit: "risk management" as a feature of description of forward contracts, e.g. reference to how purchasing forward contracts can help manage risk in FX transactions. "Risk management strategy" is acceptable in relation to the discussion of how an end-client can utilize our products to manage or mitigate currency fluctuation risk (albeit they cannot claim these products eliminate or remove all risk)	We do not permit: "Risk Management Advice" "Risk Management Experts/Professionals", "Risk Management Service", "Risk Consultation". Our risk management strategies eliminate/remove all the risk from your currency transactions.	• Whilst our products can be utilized to manage the risks of currency fluctuations, it is very important to not claim that these products eliminate all risk. It is essential that any discussion of risk is balanced and only discussed as a tool to help end-clients manage the potential risks. • "Risk management" as a standalone service (especially without disclosure that Currencycloud does not provide the service) – this is because 1) it could be interpreted as providing advice, 2) the service usually consists only of offering forwards, so to present “risk management” as a standalone service is misleading to the customer e.g. We advise on risk management, risk management experts/Risk management professionals • “risk management” to describe
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			any investment services or other non-FX products – this is because 1) we do not offer these other products 2) these services in relation to MiFID products require authorisation
Barclays	"Funds are safeguarded by our FCA-regulated e-money partners at a credit institution"	"Funds are safeguarded with Barclays" "[name of a client] holds safeguarding accounts with Barclays" "Barclays is our banking provider"	Currencycloud utilises more than one banking provider for the safeguarding of funds, therefore it is misleading to reference only Barclays.

		The use of Barclays' logo is prohibited.	
Forward contract marketing	Marketing that highlights the benefits of certainty about currency rates at stated future dates	Do not market the forward contract as being a fully flexible product. There is the ability to draw down some of the amount early, but this should only be where the funds are needed for the specific goods or services they were booked for initially. It is not open-ended flexibility.	Forwards are not intended to be flexible products and to market them as such could be misleading. Furthermore, FX derivatives that do offer flexibility such as options are generally regulated products and are not within the scope of Currencycloud's licences.
Testimonials	All testimonials, reviews, opinions or case studies presented on our website may not be indicative of all customers. Results may vary and customers agree to proceed at their own risk.	Any customer testimonial or review outlining service, savings etc. e.g. One client was able to save 5 figure sums on their larger payments, another consistently saves £1,000 per month working with us.	Customer testimonials, reviews or opinions present experiences that may not apply to every end-client, circumstance or transaction. Therefore, presenting their experience as 'typical' is misleading and must be offset by a disclaimer to ensure end-clients can make an informed choice.

Case studies	All testimonials, reviews, opinions or case studies presented on our website may not be indicative of all customers. Results may vary and customers agree to proceed at their own risk.	Any case study presented by the client to demonstrate to potential clients as a marketing tool.	Case studies and the presented outcome present experiences that may not apply to every end-client, circumstance or transaction. Therefore, presenting their experience as 'typical' is misleading and must be offset by a disclaimer to ensure end-clients can make an informed choice.
Inappropriate marketing partnerships	Social media promotions/promoters and influencers: This is not permitted under any circumstances	Any reference to social media promoters and/or influencers marketing products	Social media promotions and influencers: This is not permitted under any circumstances. As a regulated entity this practice is outside of our risk appetite as we are unable to provide the necessary training to these content providers and oversee the content of their language to ensure that they are providing accurate and not misleading content. Any references to this must be removed and confirmation provided to Currencycloud that you are not engaging in any of these types of partnerships.

"Buy Now, Pay later" In reference to Forwards	None- any variations of this type are not permitted. If they wish to discuss forwards and any potential deposit/margin then the below information can be displayed: <i>A Forward contract is an FX contract that enables you to agree on a rate today for a trade that will be settled on a specified future date, maximum 1 year from the booking of the trade. Forward contracts can be used only as means of payment for identifiable goods or services. Forward contracts needs to be collateralised, so a deposit or margin will be required, there might be additional margin calls as per our Terms of Use</i>	Any reference to/ descriptions of forward contracts as "Buy now, pay later" or any reference to "credit" terms being provided to end-clients for the provision of forward contracts.	The FCA utilises the term "Buy now, pay later" and the term "credit" in relation to firms offering lending products, therefore the use of these terms in relation to Currencycloud's products would be inaccurate and misleading.
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APPENDIX 5: CUSTOMER OUTCOMES

This appendix sets out Currencycloud's expectations of you in delivering good customer outcomes. You must take actions to drive good customer outcomes, and you must expressly avoid and discourage action that falls under the poor customer outcomes column. You must drive this culture within your own organizations, such as through hiring and training. Currencycloud will conduct on-going monitoring and audits of customer outcomes and the actions that drive those outcomes. We will also seek to identify any concerns around poor customer outcomes and take appropriate action.

Area	Good Customer Outcome	Poor Customer Outcome	Associated Detriment/Harm resulting from poor outcome
Products and Services	- Products and services marketed and sold to the end-client meet the needs of the end-client at the point of, during and post sale; - The product and service aligns with end-clients' individual characteristics, circumstances and objectives- this includes consideration of any features of the product, service which has potential for customer	- The products and services marketed and sold to the end-client are/were inappropriate, does not meet the needs of the end-client; - The product and services marketed do not align with end-clients' individual characteristics, circumstances or objectives; - The products and/or services marketed were of inadequate quality i.e., too high risk, unaffordable, complex features that could cause customer vulnerability to	- The end-client may incur monetary cost due to the incorrect product/service being sold to them; - The end-client may incur non-monetary cost (e.g., time, inconvenience, distress); - New or increased vulnerability due to the poor outcome (e.g. mental health impacts, stress, anxiety, reduced ability to engage with financial service);

	vulnerability to arise/worsen; • The end-client can change products or services easily and without penalty. (If applicable); • End-client loyalty is not exploited to the Sponsored client's advantage (e.g. the end-client is not charged unfair spread margins due to behavioural biases or vulnerable characteristics).	arise/worsen; • The end-client experienced unfair difficulty in changing products and/or services leading to the customer being penalized unfairly; • End-client loyalty is taken advantage of leading to unfair treatment (e.g. the end-client has been charged an unfair spread margin due to behavioural biases of vulnerable characteristics).	• Achievement/pursuit of financial objectives impacted; • (If applicable) End-client's vulnerability may be exacerbated due to the detriment/harm (e.g. exacerbated stress, anxiety, exclusionary behaviors); • Subject to unfair treatment and/or discrimination based on personal characteristics; • Reduction in trust in financial services leading to the end-client excluding or limiting themselves from the market.
Customer Understanding	• The end-client understands the product and/or services they have been sold; • For product sales the end-client has been informed of and demonstrates an understanding of the Core transactional information/Quote (e.g. for product sales information such as exchange rate, buy/sell amounts and	• The end-client demonstrates a lack of understanding of the products and/or services, yet the seller continues with the sale; • For product sales the end-client has not been informed of and thus, it cannot be demonstrated that they understand the core transactional information/quote (e.g. the customer was not informed of information such as the exchange rate, buy/sell amounts and settlement date);	• The end-client may incur monetary cost due to the incorrect product/service being sold to them; • The end-client may incur non-monetary cost (e.g., time, inconvenience, distress); • New or increased vulnerability due to the poor outcome (e.g. mental health impacts, stress, anxiety, reduced ability to engage with financial service);

	settlement date); • The end-client has been clearly informed of any charges/fees that apply to them both at the point of sale and on an ongoing basis; • The end-client has made an informed choice based on a range of information and their own agreement is clearly communicated; • The end-client has been provided with suitable documentation and/or communications that provide all necessary information for the customer to make an informed choice; • The end-client has been provided with documentation and/or communications in line with their needs and suitable adjustments have been made for clients who have or present vulnerable characteristics;	• The end-client was not clearly informed and thus, it cannot be demonstrated that they understand any charges/fees that apply to them both at the point of sale and on an ongoing basis; • The end-client did not make a clear indication that they agreed to the transaction or its features; • The end-client was not provided with all the suitable documentation and/or communications that provided all necessary information for the end-client to make an informed choice; • The end-client was not provided with documentation and/or communications in line with their individual needs and suitable adjustments were not made for a client who has or presents with vulnerable characteristics (meaning they are less likely to have understood the information); • The end-client has not been appropriately informed post sale (e.g. a transaction confirmation was not sent to the end-client); • Questions raised by the end-client at the	• Achievement/pursuit of financial objectives impacted; • (If applicable) End-client's vulnerability may be exacerbated due to the detriment/harm (e.g. exacerbated stress, anxiety, exclusionary behaviours); • Subject to unfair treatment and/or discrimination based on personal characteristics; • Reduction in trust in financial services leading to the end-client excluding or limiting themselves from the market.
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	• The end-client has been appropriately informed post sale (e.g. transaction confirmation); • Any questions raised by the end-client at the point of sale or post sale have been adequately handled and the end-client provided with time to consider the information.	point of sale were not adequately handled and the end-client's comprehension of the product was more limited; • The end-client was pressured to make a decision and/or agree to the product terms at short notice or under an unreasonable timescale that impacted their understanding of the product/service; • The end-client was provided with "advice" or encouraged to speculate the market inappropriately, which encouraged the end-client to engage in a transaction which they did not understand or would not have considered independently.	
Price and Fair Value	• The end-client was charged a price for a product and/or service that is proportionate to the overall benefit received and represents fair value for the end-client; • The fair value of the product extends to the lifecycle of the product (e.g. if any changes are made to the product	• The end-client was charged a price for the product and/or service that was disproportionate to the overall benefit received and they did not receive fair value; • The fair value of the product and/or service did not extend to the lifecycle of the product (e.g. changes to charges were made during the product lifecycle that were not fair or proportionate);	• The end-client may incur monetary cost due to the incorrect product/service being sold to them; • The end-client may incur non-monetary cost (e.g., time, inconvenience, distress); • New or increased vulnerability due to the poor outcome (e.g. mental health impacts, stress, anxiety, reduced

	and/or service which impacts the end-client these are fair and proportionate); • The margins applied to transactional products (e.g. margin spread) is fairly applied to the transaction and not applied unfairly for individual end-clients due to vulnerable characteristics or behavioural biases; • The margins applied to transactional products (e.g. margin spread), is fairly applied to the transaction and not applied unfairly in cases where conflicts of interest arise (this can represent both higher and lower margin spreads); • The pricing of products and services are based on market practices that the wider society would consider reasonable, fair and socially acceptable.	• The end-client was charged an unfair margin for a transaction without reasonable justification. This could be for a number of reasons e.g. due to behavioral biases on the part of the product seller, exploitation of vulnerable customer characteristics or conflicts of interest influencing margins applied; • The underlying price applied to products and/or services (including margin) may be viewed in this case as egregious, unfair or unreasonable by wider society.	ability to engage with financial service); • Achievement/pursuit of financial objectives impacted; • (If applicable) End-client's vulnerability may be exacerbated due to the detriment/harm (e.g. exacerbated stress, anxiety, exclusionary behaviours); • Subject to unfair treatment and/or discrimination based on personal characteristics; • Reduction in trust in financial services leading to the end-client excluding or limiting themselves from the market.
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Customer Support	• The end-client was able to easily access support when required and the overall experience of dealing with the provider was reasonable; • The end-client was provided with support and/or service that met their individual needs, capabilities, preferences and reasonably supported their characteristics of vulnerability; • The end-client was provided with colleagues who were appropriately knowledgeable, competent and skilled to provide applicable assistance and support where required; • The end-client was able to easily locate information on how to obtain support when problems occurred and this information was available via a range of media (if service channels have been amended these changes have been	• The end-client had difficulties in accessing or was unable to access support; • Sludge practices resulted in the end-client being unable to obtain support due to Currencycloud's service channel being difficult to access or inaccessible to the end-client. In addition, system or service outages limited the ability to obtain support; • The end-client was unable to obtain support and/or service that met their needs, capabilities and preferences. Vulnerability characteristics were not taken into account or considered as part of the support journey; • The end-client was presented with colleagues who lacked sufficient skills, competence and/or knowledge to provide adequate support; • The end-client was not able to locate information easily on how to obtain support when problems occurred and/or this information was not presented in an accessible media; • In the event of an end-client encountering an error, poor outcome, detriment or	• The end-client may incur monetary cost due to the incorrect product/service being sold to them; • The end-client may incur non-monetary cost (e.g., time, inconvenience, distress); • New or increased vulnerability due to the poor outcome (e.g. mental health impacts, stress, anxiety, reduced ability to engage with financial service); • Achievement/pursuit of financial objectives impacted; • (If applicable) End-client's vulnerability may be exacerbated due to the detriment/harm (e.g. exacerbated stress, anxiety, exclusionary behaviours); • Subject to unfair treatment and/or discrimination based on personal characteristics; • Reduction in trust in financial services leading to the end-client excluding or limiting themselves from the market.
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	appropriately communicated); • In the event of an end-client encountering an error, poor outcome, detriment or inconvenience they were provided with the opportunity to submit a complaint; • In the event of an end-client submitting a complaint, the complaint was handled in relation to the regulatory requirements, fair treatment was applied to the decision in line with other complaints and the end-client was adequately communicated with throughout the process; • The end-client was provided with a suitable and fair resolution to their complaint. In the event that the complaint could not be resolved the customer was informed of their right to escalate their complaint to the Financial Ombudsman.	inconvenience they were not provided with the opportunity to submit a complaint; • The end-client was actively discouraged from submitting a complaint; • In the event of an end-client submitting a complaint, the complaint was not handled in relation to the regulatory requirements, fair treatment was not applied to the decision in line with other complaints and the end-client was not adequately communicated throughout the process; • The end-client was not provided with a suitable and fair resolution to their complaint. In the event that the complaint could not be resolved the customer was not informed of their right to escalate their complaint to the Financial Ombudsman.	
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Vulnerable Customer Outcomes (sits over and above other outcome categories)	• Vulnerable customer characteristics are identified and recorded in an appropriate manner; • Any appropriate adjustments or requirements are met by the colleague or product seller; • Any appropriate signposting was provided to the end-client; • The end-client has received fair treatment in relation to a non-vulnerable end-client (e.g. all of the appropriate adjustments have been made to ensure an equitable outcome in relation to their individual characteristics and requirements); • Post sale any requirements or adjustments (including follow	• Vulnerable customer characteristics evident in the discussion were not identified or discussed in an appropriate manner; • Vulnerable customer characteristics were not recorded appropriately; • The relevant GDPR disclosure statement was not made with the end-client (if appropriate); • Inappropriate or no adjustments were made for the end-client in line with their requirements; • No appropriate signposting was provided to the end-client; • The end-client did not receive fair treatment in relation to a non-vulnerable customer (e.g. the appropriate adjustments were not made to ensure that this end-client received an equitable outcome in relation to their individual characteristics and requirements); • Post sale none or inappropriate follow up communication was provided to the end-client.	• The end-client may incur monetary cost due to the incorrect product/service being sold to them; • The end-client may incur non-monetary cost (e.g., time, inconvenience, distress); • New or increased vulnerability due to the poor outcome (e.g. mental health impacts, stress, anxiety, reduced ability to engage with financial service); • Achievement/pursuit of financial objectives impacted; • (If applicable) End-client's vulnerability may be exacerbated due to the detriment/harm (e.g. exacerbated stress, anxiety, exclusionary behaviours); • Subject to unfair treatment and/or discrimination based on personal characteristics; • Reduction in trust in financial services leading to the end-client excluding or limiting themselves from the market.
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	up contact) has been appropriate.		
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APPENDIX 6: DATA PROCESSING TEMPLATES AND GUIDANCE

1. DATA PROCESSING REGISTER

A Data Register must include the following items relating to the processing of personal information, where "*processing*" means gathering and/or use of personal data and your company is referred to as the "Controller". Please note that we have provided a template with example data for your reference only, in case you do not have a Data Processing Register in place currently.

CONTROLLER					
Name and contact details		Data Protection Officer (if applicable)		Representative (if applicable)	
Name	Example controller	Name	Example DPO	Name	N/A
Address	Street, city, postcode	Address	Street, city, postcode	Address	N/A
Email	Email address	Email	Email address	Email	N/A
Telephone	Tel. number	Telephone	Tel. number	Telephone	N/A

Please note that the table below has been broken down per category (i.e. Article 30 Record of Processing Activities, Privacy Notices, etc) but practically if it is transferred to a spreadsheet, all header rows would be transposed to be next to each other so that all the information per Business function (column 1) would be in one row and hence easier to refer to.

Article 30 Record of Processing Activities										
Business function	Purpose of processing	Name and contact details of joint controller (if applicable)	Categories of individuals	Categories of personal data	Categories of recipients	Link to contract with processor	Names of third countries or international organizations that personal data are transferred to (if applicable)	Safeguards for exceptional transfers of personal data to third countries or international organizations (if applicable)	Retention schedule (if possible)	General description of technical and organizational security measures (if possible)
Finance	Payroll	N/A	Employees	Contact details	HMRC	N/A	N/A	N/A	5 years post-employment	Encrypted storage and transfer
Human Resources	Recruitment	N/A	Successful candidates	Contact details	Referee	N/A	N/A	N/A	6 years post-employment	Encrypted storage and transfer
Sales	Direct marketing	N/A	Existing customers	Purchase history	Processor - marketing co.	Link	N/A	N/A	End of customer	Encrypted storage and transfer

									relationship	
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Privacy Notices						
Article 6 lawful basis for processing personal data	Article 9 condition for processing special category data	Legitimate interests for the processing (if applicable)	Link to record of legitimate interests assessment (if applicable)	Rights available to individuals	Existence of automated decision-making, including profiling (if applicable)	The source of the personal data (if applicable)
Article 6(1)(c) - legal obligation	N/A	N/A	N/A	Access and rectification	No	Data subject
Article 6(1)(b) - contract	N/A	N/A	N/A	Access, data portability, rectification	Yes	Data subject
Article 6(1)(a) - consent	N/A	N/A	N/A	Access, data portability, rectification, objection, erasure	Yes	Data subject

Consent	Access Requests	Data Protection Impact Assessments			Personal Data Breaches	
Link to record of consent	Location of personal data	Data Protection Impact Assessment required?	Data Protection Impact Assessment progress	Link to Data Protection Impact Assessment	Has a personal data breach occurred?	Link to record of personal data breach
N/A	Finance payroll system	No	N/A	N/A	No	N/A
N/A	HR Recruitment system	Yes	Completed	Link	No	N/A
Link	Sales system, data processor	Yes	Completed	Link	No	N/A

Data Protection Act 2018 - Special Category or Criminal Conviction and Offense data				
Data Protection Act 2018 Schedule Condition for processing	GDPR Article 6 lawful basis for processing	Link to retention and erasure policy document	Is personal data retained and erased in accordance with the policy document?	Reasons for not adhering to policy document (if applicable)
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

SPONSORED STANDARDS - TCCL

March 2024, Confidential

N/A	N/A	N/A	N/A	N/A
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2. DATA PRIVACY STANDARDS

Clients are expected to act in accordance with data privacy standards. When drafting policies/procedures pertaining to data privacy, a Client must address, at a minimum, the following:

Data Privacy Considerations	
1	Description of data privacy regulations applicable to the Client.
2	Description of the safeguarding measures in place to ensure data shared with third parties is secure and only used for the authorized purpose.
3	Maintenance of Data Processing Registers within your framework, containing at least the minimum standards as mentioned above.
4	Description of Incident Response plan, in the event of a data breach.
5	Description of applicable process(es), in the event you have to notify individuals and authorities of personal data breaches.
6	Demonstrate that you apply the various GDPR principles or equivalent in relation to the rights of the individual.
7	List of all third parties who have access to customers' personal data and the jurisdictions they are located and relevant control in place to ensure the compliance of the third parties with applicable Data Protection rules.
8	Description of the measures in place to get customers' consent to process their personal data and the retention of that consent.
9	Description of the client's Data Privacy Impact Assessments
10	Description of the process in place to notify individuals and authorities of personal data breaches.

3. DATA HOSTING STANDARDS

Clients are expected to document their data hosting processes. When drafting policies/procedures pertaining to data hosting, a Client should address, at a minimum, the following:

Data Hosting Considerations	
Internal Data Hosting	External Data Hosting (via vendor)
Description of how this data is stored and protected.	Describe who is the vendor.
---	Describe the geographical region(s) in which the data is hosted.
---	Describe measures in place to ensure that the hosted data is secure.
---	Describe any underlying encryption of the hosted data and the process of encryption key management.
---	Describe if any independent audit / review is performed on the vendor's security configuration and how often this is performed.

APPENDICES APPLICABLE ONLY FOR CLIENTS WHO PERFORM KYC ON BEHALF OF CURRENCYCLOUD (‘OUTSOURCED KYC’)

APPENDIX 7: CDD & ONBOARDING REQUIREMENTS FOR OUTSOURCED KYC ARRANGEMENTS ONLY

Set out below are the Customer Due Diligence (CDD) steps for both individual and corporate customers. These steps apply to all customers onboarded by the Client, on behalf of Currencycloud. Within these steps there are slight variations in the onboarding requirements for different Currencycloud Group entities. Where a customer receives a service from one or more Currencycloud Group entities, they must meet the onboarding standards of *all* relevant entities. Further detail on the services provided by each Currencycloud Group entity can be found in the Commercial Agreement.

All CDD steps must be completed before a customer can transact on the Currencycloud platform. The customer information provided when creating an account within the Currencycloud transaction platform should be exactly the same as the information verified during the CDD process (e.g. name, address, date of birth). For more information, please refer to "Sub-Account Creation Requirements".

Simplified Due Diligence is not permitted for individual or corporate customers.

Further information on CDD requirements can be found in the appendix of this document.

1. OVERVIEW OF REQUIRED CDD ACTIVITIES

Customer Due Diligence Steps		Individuals ⁸	Corporates ⁹
Individual Identification and Verification		✓	n/a
Vulnerable Person Assessment		✓	n/a
Screen Individual	Sanctions Screening	✓	n/a
	Adverse Media Screening	✓	n/a

⁸ Individuals customers defined as natural/physical persons

⁹ Corporate customers defined as legal persons such as a partnership or incorporated bodies

	Politically Exposed Person (PEP) Screening	✓	n/a
Corporate Identification and Verification		n/a	✓
Screen Corporate	Sanctions Screening	n/a	✓
	Adverse Media Screening	n/a	✓
Screen Corporate Directors/ Controllers	Sanctions Screening	n/a	✓
	Adverse Media Screening	n/a	✓
	PEP Screening	n/a	✓
Verify Corporate Director/Controller Identity		n/a	✓
Screen Corporate Ultimate Beneficial Owners (UBO)	Sanctions Screening	n/a	✓
	Adverse Media Screening	n/a	✓
	PEP Screening	n/a	✓
Verify Corporate UBO Identity		n/a	✓
Establish Purpose and Nature of Account		✓	✓
Enhanced Due Diligence (where required)		✓	✓
Management Approval (where required)		✓	✓

2. THE CURRENCY CLOUD LIMITED ONBOARDING STANDARDS

2.1 INDIVIDUAL CUSTOMERS

Verification of individual customer identity may be based on electronic evidence or physical documentary evidence as per the table below. It is not a requirement to apply both verification checks in parallel. The most appropriate method should be applied based on the type of customer and their location. For example, where electronic verification is not available, or fails for technical reasons, then a physical document verification check should be applied.

However, where electronic evidence is used as the primary method of verifying an individual customers identity (i.e. where a physical document is not collected and verified) an additional verification check must be performed to mitigate the risk of impersonation fraud.

Electronic identification and verification must use data from multiple sources. Examples of electronic identification and verification providers include, among others, Experian, GDC, and GBG. The criteria to achieve a “pass” using electronic identification and verification tools is a 2+2 match.

A 2+2 match can be achieved through:

- Verifying an individual to an address by surname and forename on two separate databases, or
- Verifying an individual to an address by surname and forename on one database & verifying an individual by first name, surname and date of birth on another database.

Automatic identification and verification checks will result in a "failed" score if the Individual's information cannot be matched in two databases.

CDD Requirement	Electronic Verification Check	Physical Document Verification Check
Full Legal Name	Electronic Verification with a 2+2 Pass (Additional verification check also required)	Government issued photo ID: • Passport; or • Driving License; or • National ID Card; or • Green Card/Resident Permit; or • Visa. Physical ID documents must be verified using a well known industry provider, such as Onfido.
Full Residential Address	Electronic Verification with a score of 2+2 (Additional verification check also required)	Independent documentary evidence: • Utility Bill; or • Bank/ Credit Card Statement; or • Council Tax Letter; or • Mortgage Statement; or • Residency Card; or • Driving License.
Date of Birth	Electronic Verification with a score of 2+2	Government issued photo ID: • Passport; or

	(Additional also verification check required)	• Driving License; or • National ID Card; or • Green Card/Resident Permit; or • Visa.
Screen Individual	Screen Individual for Adverse Media, PEP & Sanctions	N/A
Vulnerable Person Assessment¹⁰ (Individuals over 70 years)	N/A	Clear picture of the individual holding their identity document. Identify document must be a government issued photo ID: • Passport; or • Driving License; or • National ID Card; or • Green Card/Resident Permit; or • Visa.

Additional verification steps to mitigate the risk of impersonation fraud include:

- Verifying additional aspects of the customers identity using biometric data;
- Requesting the customer to confirm a secret code or PIN that links them incontrovertibly to the claimed electronic/digital identity.

Please reach out to our Compliance Team if you would like to discuss options to fulfil the additional verification steps required to mitigate the risk of impersonation fraud.

2.2 CORPORATE CUSTOMERS

Verification of Corporate Customer Identity may be based on (1) Electronic Evidence, (2) Non-Documentary Evidence or (3) Physical Documentary Evidence.

Non-Documentary Evidence or Documentary Evidence should be used if Electronic Evidence is not available or Electronic checks fail for technical reasons.

Electronic verification of corporate information must be based on a well known industry provider, such as Creditsafe.

Electronic verification of identity for individuals associated with a corporate customer (Directors and UBOs) should be based on the requirements for Individual customers, including the additional verification check to mitigate impersonation fraud. When identifying the Ultimate Beneficial Owners (UBOs) of a UK or EU based corporate customer, the information provided by the customer should be explicitly compared against the source used to verify that information. For

¹⁰ Please note that Currencycloud is open to other suggestions in order to prevent potential impersonation of elderly persons. Please reach out to our Compliance Team if you have any suggestions for measures that would achieve the same purpose.

example, for UK customers the UBO information provided by the customer in the onboarding form should be compared against UBO information listed in Companies House.

Any discrepancies, such as a different date of birth or address, must be reported to the relevant UK/EU national body. For example, in the UK any discrepancies should be reported to Companies House via the online portal.

CDD Requirement	Electronic Verification Check	Non-Documentary Verification Check	Physical Document Verification Check
Company Information: - Registered Name; - Company Number; - Date of Incorporation; - Registered Address.	Electronic Verification Pass	Verification against information obtained from a reliable independent source: - Companies House (UK); - State Registry (US); - Company Registry maintained by official body (ROW); - Recognised stock exchange.	Physical documents issued or made available by an official body: Incorporation documents
Tax Information EU VAT Number	Validity confirmed using EU VAT Information Exchange System VIES (UK, EU)	N/A	N/A
Identify Directors/ Controllers	Electronic Verification Pass	Verification against information obtained from a reliable independent source: - Companies House (UK) - State Registry (US) - Company Registry maintained by official body (ROW)	Physical documents issued or made available by an official body: Director Register
Screen Directors/ Controllers	Screen All Identified Directors/ Controllers for Adverse Media, PEP & Sanctions	N/A	N/A
Verify Identity of Director(s)/ Controller(s)	At least one Director/Controller verified using	N/A	Government issued photo ID: - Passport; or - Driving License; or

	Electronic Verification with a score of 2+2 (Additional verification check also required)		- National ID Card; or - Green Card/Resident Permit; or - Visa. Physical ID documents must be verified using a well known industry provider, such as Onfido.
Identify UBO(s) - Low and Medium Risk 25%; - High Risk 10%.	Electronic Verification Pass	Verification against information obtained from a reliable independent source: - Companies House (UK); - State Registry (US); - Company Registry maintained by official body (ROW).	Physical documents issued or made available by an official body: Ownership Register
Screen UBO(s)	Screen All Identified UBOs for Adverse Media, PEP & Sanctions	N/A	N/A
Verify Identity of UBO(s) - Low and Medium Risk: The identity of all UBO(s) owning 25% or more should be verified; - High Risk: The identity of all UBO(s) owning 10% or more should be verified.	Verified using Electronic Verification with a score of 2+2 (Additional verification also check required)	N/A	Government issued photo ID: - Passport; or - Driving License; or - National ID Card; or - Green Card/Resident Permit; or - Visa. Physical ID documents must be verified using a well known industry provider, such as Onfido.

2.3 BOTH INDIVIDUAL AND CORPORATE CUSTOMERS

Assessing the purpose and nature of the account must be completed for both individual and corporate customers. Where required, Enhanced Due Diligence and Management Approval must also be completed for both individual and corporate customers.

CDD Requirement	Guidance Notes
Purpose and Nature of Account	You must establish the nature of a customer's business/employment and their reason for opening an account. If payments is an additional element to your core offering (e.g. investments/wealth management) then that core offering should be the primary focus of the customer assessment. The purpose of the customer assessment is to: (1) Verify the customer's business activities/employment against the information provided during the onboarding process. (2) Confirm that the customer's profile aligns with the product/service that they have applied to use. A customer's business activities/employment can be verified using sources such as corporate websites, trade listings, professional networking sites or employee records. When such resources are not available, relevant information should be obtained from the customer to verify their business activities/employment e.g. audited financial accounts, or business bank statements. Confirmation of the customer's profile should be based upon knowledge and experience of your target market. For example, if your typical customer is an established UK-based small business, but you receive an application from a prospective customer with a different profile, you should apply a risk based approach to understand and validate that customer's reason(s) for entering into a business relationship with you.
Enhanced Due Diligence	Enhanced due diligence must always be applied when: • Adverse Media has been identified by a true match against the customer or related parties (e.g. Director/Controller or Shareholder); • The customer has been identified by a true match as a PEP or is owned or controlled by a PEP (e.g. Director/Controller or Shareholder); • The customer has been rated as "high risk" during onboarding; or • The customer exhibits any other "red flags" such as an unusually complex ownership structure or an unclear relationship between Directors and Ultimate Beneficial Owners (UBOs) (see appendix I for further examples). Enhanced due diligence measures include obtaining : • Additional information on the customer and their beneficial owner(s);

	• Additional information on the source of funds and source of wealth of the customer and their beneficial owners; and • Additional information on the anticipated level and nature of the activity that is to be undertaken through the relationship. If not already identified, UBOs that own or control 10% of the shares or voting rights of a legal entity should be identified and verified as part of Enhanced Due Diligence. An explicit review of the origin of the initial and ongoing source(s) of funds/wealth must be conducted as part of Enhanced Due Diligence. This review should be supported with evidence obtained from a reliable and independent third-party source e.g. audited financial statements, payslips, investment certificates and bank statements. Unless already collected, information on the anticipated level and nature of the activity to be undertaken should be collected as part of Enhanced Due Diligence. The purpose of this step is to validate the purpose and nature of account information obtained during CDD. These areas can be further understood by obtaining information on a customer's intended transaction behavior (e.g. values and volumes, payment origin and destination countries) as well as the underlying reason for transactions (e.g. liquidity, paying suppliers and investments).
Management Approval	Management approval of customers must be obtained in the following situations: • Where a true match screening hit (PEP, Sanctions, Adverse Media) has occurred; • Where enhanced due diligence has been conducted; and • When there are unresolved concerns about the customer, such as unusual or suspicious behavior.

APPENDIX 8: INITIAL CUSTOMER RISK ASSESSMENT REQUIREMENTS

All customers must be assessed to understand the financial crime risk presented by the customer and the proposed business relationship or transaction. The initial customer risk assessment is required to determine the appropriate level of CDD to be applied at onboarding, and the frequency of the CDD refresh. The initial customer risk assessment should consider the following risk factors:

- Product/Service;
- Entity type (for corporate customers);
- Industry type (for corporate customers);
- Length of establishment (for corporate customers);
- Geography/Jurisdiction;
- Politically Exposed Person (PEP) status;
- Adverse media.

The Client should include additional risk factors in the initial customer risk assessment as applicable to their business model or sector.

Customers should be assigned one of the following risk scores as a result of the initial customer risk assessment:

- Low;
- Medium;
- High;
- Prohibited.

The risk factors below should result in a customer being automatically rated as high risk:

- Association with a high jurisdiction;
- Any PEP status or direct PEP controlled entities;
- Verified adverse media;
- Associated with high risk industries such as travel agents, tobacco products, oil and gas extraction, historical or cultural artifacts;
- Unusual or excessively complex entity structure (for corporate customers), etc.

The table below sets out the type of CDD that should be applied per risk level, the frequency that the CDD refresh must take place and the required percentage to identify UBOs that own or control the shares or voting rights of a legal entity.

Customer Risk Rating	Type of CDD to be applied	Frequency of CDD refresh	Required percentage to identify and verify UBOs
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Low	Standard Due Diligence	Every 3 years	25% ownership
Medium	Standard Due Diligence	Every 2 years	25% ownership
High	Enhanced Due Diligence	Every year	10% ownership

APPENDIX 9: CUSTOMER DUE DILIGENCE REFRESH REQUIREMENTS

On a periodic basis all existing customers must be reviewed to ensure the information kept on record is up-to-date for the purpose of applying customer due diligence measures. The timing of the CDD refresh process should be based on the risk score assigned to the customer at onboarding (see appendix 8 above).

The CDD refresh should re-verify customer information and identify any relevant changes to the customer's ownership or operations. In certain cases the CDD refresh may increase a customer's risk rating. Where this occurs the additional CDD steps of the higher risk level should be applied

If a customer refuses, or is unable to provide, information required as part of the CDD refresh their account should be disabled. The account should only be re-enabled after successfully completing the CDD refresh.

Where changes in customer information are identified during the CDD refresh, such as a new address for a customer, the relevant customer's account within the Currencycloud payments platform should be updated.

For customers who become a "Vulnerable Customer" (70 years old or above) during the course of the business relationship, the additional verification step should be applied during the next scheduled refresh on the account (see section 2.8 in the main body of the Standards).

Important: the following section provides further clarification on CDD requirements. **It is important to familiarize yourself with these carefully**, since your controls will be tested prior to onboarding. Furthermore, Currencycloud will refer back to these requirements during our ongoing monitoring of your account in the process of this business relationship.

APPENDIX 10: SCREENING REQUIREMENTS

1. SANCTIONS SCREENING

- Sanctions screening must be completed as part of CDD;
- At a minimum the following sanctions lists should be used for screening:
 - The United Nations (UN);
 - Office of Foreign Assets Control (OFAC);
 - European Union (EU);
 - Her Majesty's Treasury (HMT);
 - The Office of the Superintendent of Financial Institutions (OSFI); and
 - Sanction Netherlands Domestic Terrorist List.
- In addition Currencycloud will not onboard customers from, or process transactions for or on behalf of entities directly or indirectly linked to the following countries and regions:
 - Belarus;
 - Cuba;
 - Iran;
 - Libya;
 - Myanmar;
 - North Korea;
 - Russia;
 - Sudan;
 - South Sudan;
 - Syria;
 - The region of Crimea;
 - The Donetsk region of Ukraine;
 - The Kherson region of Ukraine;
 - The Luhansk region of Ukraine;
 - The Zaporizhzhia region of Ukraine; and
 - Venezuela.
- A documented process should be followed to discount sanctions alerts. Sanctions alerts can be discounted where the customer information does not match the information associated with the sanctions record. For example, a customer with a different date of birth to the sanctioned individual;
- Where an alert can be discounted it should be closed with a clear description of the elements that led to its being classified as a false positive, including supporting information where relevant.

2. ADVERSE MEDIA SCREENING

- All customers and their identified beneficial owners and authorized controllers should be subject to screening through a recognised database to identify relevant adverse media;
- Where relevant adverse media is identified the customer should be subject to enhanced due diligence. This should establish whether the adverse media is true, and whether it represents any kind of risk (reputational, financial, regulatory) to your firm or to Currencycloud;
- As with sanctions screening a documented process should be followed to discount adverse media screening alerts.

3. PEP SCREENING

- All customers and their identified beneficial owners and authorized controllers should be subject to screening through a recognised database to identify if they are a PEP;
- Where a PEP is identified the customer should be subject to enhanced due diligence. This should establish the nature or position of the PEP, the country the PEP is associated with, and whether the PEP represents an increased money laundering or bribery and corruption risk to your firm or to Currencycloud;
- As with sanctions screening a documented process should be followed to discount PEP alerts.

4. CUSTOMER IDENTIFICATION AND VERIFICATION

- A list of acceptable identification documents that can be used to enable verification of individual identity can be found here: <https://www.currencycloud.com/support/topics/item/accepted-proof-of-identity-documents>
- Providers used for Electronic Verification should be independent and reliable;
- Where documentary or non-documentary verification is applied the sources should be independent, reliable, up-to-date and legible;
- Foreign language documents should be translated to English;
- Where evidence is obtained from a system/ online database that evidence should be easily accessible, or if required saved as a copy of the original (PDF or screen shots);
- Copies of physical documents should be scrutinized to identify instances of impersonation fraud or forgery.

5. NON-PERMITTED ACTIVITY

- Details of Currencycloud's non-permitted industries, activities and client types can be found here: <https://www.currencycloud.com/support/topics/item/non-permitted-activity/>

- This page is updated periodically so should be checked to ensure non permitted customers are not onboarded.

6. ONBOARDING RED FLAGS

- The customer is unusually reluctant to provide information or is unable to produce required information;
- The customer provides information that cannot be validated or appears to be false (e.g. identification documents that have been photocopied/scanned numerous times);
- The customers source of funds cannot be reasonably explained (e.g. a loan from an entity with no physical or online presence);
- The customer has an unusually complex ownership structure;
- The customer presents their ownership in a format that cannot be verified (e.g. handwritten or drawn out in excel);
- The customer cannot explain the industries that they are involved in/target;
- The customer does not maintain a live website and is unable to provide a plausible explanation as to how they market their business/gain customers;
- The customer behaves in an unusual manner e.g. wants to make transactions without a clear business or economic purpose;
- The customer is extremely time sensitive and checks on application at an unreasonably frequent rate; and
- The customer seeks to use 'reputation' as a means of being onboarded or to avoid standard CDD checks.

APPENDIX 11: SUB-ACCOUNT CREATION REQUIREMENTS

Once a Client has been fully onboarded and their account has been activated, the Client can create sub-accounts for their customers. When creating these sub-accounts it is important to follow the requirements set forth in this section to ensure that Currencycloud obtains identifying information for all its customers. Accounts, which do not meet the below criteria will be disabled until the necessary information is presented.

Important: The customer information provided when creating an account within the Currencycloud transaction platform should be exactly the same as the information verified during the CDD process (e.g. name, address, date of birth). Where the Client receives or obtains updated information on a customer, for example during the customer due diligence refresh, it should update the relevant information in the Currencycloud transaction platform without delay.

1.1 SUB-ACCOUNT NAMING CONVENTION

All sub-accounts created by the Client should follow the following naming convention:

Individuals	Corporates
First Name	Legal business name
Last Name	---

1.2 SUB-ACCOUNT MANDATORY FIELDS

All sub-accounts should contain the following information upon creation, where some of the information is requested upon account creation and some in contact creation. Please note that all the fields mentioned below are mandatory for clients and their respective sub-accounts.

Important: The customer email addresses and the phone numbers **must be those of the end-client**. You **must not** enter 'placeholder' emails or emails for your business' members of staff/generic inboxes.

Mandatory Information

Individuals	Corporates
First Name	Legal business name
Last Name	---
Date of birth	---
Current email address	Current email address
Phone number	Phone number
Postal code	Postal code
Street	Street
City	City
Country	Country
Identification type (i.e. passport, driver's license, etc.)	Identification type (i.e. incorporation number)
Currencycloud's Terms and Conditions proof of acceptance	Currencycloud's Terms and Conditions proof of acceptance
Currencycloud's Terms and Conditions timestamp of acceptance	Currencycloud's Terms and Conditions timestamp of acceptance

If you are experiencing difficulties and need any technical help, please contact your Solutions consultant or Customer Success Manager.

APPENDICES ONLY RELEVANT FOR CLIENTS OPERATING THEIR OWN CLIENT- FACING FRONT-END APPLICATION OR WEBSITE CONNECTING TO CURRENCYCLOUD VIA API

APPENDIX 12: PRODUCT GOVERNANCE

When developing a front-end application or website for your end-clients, you must be sure that the end-client experience and journey drives good customer outcomes, and in particular does not contain anything that is not ‘clear, fair and not misleading’.

We expect you to have in place adequate and proportionate Product governance procedures, so that client-facing interfaces operate to drive good customer outcomes and prevent poor customer outcomes.

At on-boarding, you must provide an outline of your product governance processes and these must include consideration of the customer outcomes they drive. The process should be robust enough to assess the impact of changes or developments on customer outcomes, and corrective action should be taken prior to launch if the product changes drive bad customer outcomes or if the process fails to consider how to drive good customer outcomes.

Please see appendix 5 for our expectations around customer outcomes.

APPENDIX 13: STRONG CUSTOMER AUTHENTICATION MINIMUM TECHNICAL REQUIREMENTS

Currencycloud operates Strong Customer Authentication (“SCA”) for access to its own platform, called ‘Direct’. Further information can be found on our FAQs [here](#).

However, if you operate your own customer-facing front-end application or website, we are required to outsource the proper performance of Strong Customer Authentication requirements to you.

We require you to align to the SCA standards set out in [Directive \(EU\) 2015/2366](#) of the European Parliament and of the Council of 25 November 2015 (“**PSD2**”), and its relevant [Regulatory Technical Standards](#) (“**RTS**”).

As a minimum, we expect you to implement the following measures in relation to Strong Customer Authentication:

- **Require customers to undertake SCA** in the following circumstances¹¹:
 - When accessing their payment account;
 - When initiating a electronic payment; and
 - When undertaking an action online which may imply a risk of payment fraud or other abuses (e.g. updating contact or address details).
- Adopt sufficient security and mitigation measures to **minimize the risks** that:
 - The elements of SCA are uncovered or used by unauthorized third parties;
 - The use of the elements of SCA are replicated, disclosed or subject to unauthorized use;
 - Authentication codes can be forged, or regenerated based on the knowledge of previous codes; and
 - The breach of one of the elements of SCA compromises the reliability of the other elements.
- Apply a **temporary block where the number of consecutive failed authentication attempts exceeds five** within a given period of time;
 - The user must be alerted, and a secure procedure established to allow the user to regain access to the account
- Apply a **timeout** to the payment account where a user, after being authenticated has been inactive for more than five minutes;

¹¹ Unless an exemption applies. Please see articles 10 to 18 of the regulatory technical standards to assess the list of scenarios where SCA is exempt. We will review any proposed exemptions that you plan to use prior to go live to ensure they align with our risk appetite.

- Adopt measures to comply with **‘dynamic linking’** requirements for payment initiation, including:
 - Making the payer aware of the amount of the payment transaction and of the payee when SCA is being undertaken; and
 - To ensure that the authentication code is specific and corresponds to the amount of the payment transaction and to the identity of the payee agreed by the payer.

APPENDIX 14: CURRENCYCLOUD'S MINIMUM CLIENT INFORMATION PROVISION REQUIREMENTS

Currencycloud operates its own Notification Engine to take care of client information provision requirements regarding payments and e-money services.

However, some of our more established clients can be permitted to design their own solutions to meet these requirements, subject to Currencycloud's sign-off.

We have set out below the minimum notifications/communications we require of Clients should they wish to do this. These standards must be met prior to the information provision screens/notifications going live, and they will be audited on at least an annual basis by Currencycloud's Audit teams to ensure that the customer journey remains compliant for the end-client.

The list of minimum required communications to end-clients is as follows, with details as to how these need to be communicated provided in our standalone guide to minimum customer communication requirements (to be provided separately during the on-boarding journey):

- **Welcome email;**
- **Payment information - executing a payment;**
- **Payment information - payment rejected;**
- **FX trade: pre-booking information;**
- **FX trade: confirmation and settlement instructions;**
- **FX trade: cancellation/amendment;**
- **Changing an email on the account;**
- **Changing a password on the account;**
- **Account statements (generally stored in-app or in-platform).**

In addition to the requirements to send end-client notifications of the above categories, you must have in place a process to validate the customer contact details provided at on-boarding. To align with good practice, this should include:

- An initial e-mail field;
- A confirmation of e-mail field which identifies discrepancies between the two and does not allow progression until both emails match for validation purposes;

- A validation process in line with industry good practice such as a ‘magic link’ email validation.