

Minimum Requirements for Applying

As a licensed and regulated financial institution, Clear Junction has strict requirements about the types of clients it can work with. We therefore ask that clients read and familiarise themselves with our minimum requirements before applying.

1. Minimum Eligibility Criteria

- **Legal Form:** Clear Junction accepts only companies, and in certain circumstances, partnerships as Clients. We do not accept trusts, fund structures and foundations, contractual or hybrid entities, special purpose vehicles and similar arrangements.
- **Jurisdiction of Incorporation and Business Operations:** The company must not be incorporated or conduct business in offshore countries ("tax havens") or in any jurisdiction subject, but not limited to, the following¹:
 - FATF: High-Risk Jurisdictions subject to a Call for Action (i.e. "blacklists")
 - FATF: Jurisdictions under Increased Monitoring (i.e. "grey list")
 - United Nations: United Nations Sanctions Regimes
 - United States: Countries related to OFAC Sanctions Programs
 - European Union: EU list of non-cooperative jurisdictions for tax purposes
 - European Union: Countries which cooperate with the EU and have pending commitments ('State of play' Annex II of Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes)
 - Canada: Canadian Sanctions in Relation to Countries

This list is non-exhaustive and is subject to change in accordance with international standards and applicable laws.

¹In exceptional circumstances, Clear Junction may establish a business relationship with Clients and underlying customers that are incorporated or conduct business in these jurisdictions, subject to internal approval.

- **Substance:** Shell companies (a company with no physical presence involving effective decision-making, operations or assets other than cash or equivalents of cash², with no independent operations, ongoing business activities and/or employees) are not permitted.
- **Beneficial Transparency:** Bearer share companies utilising nominee directors or shareholders or similar arrangements to hide or obscure the true beneficial ownership are not permitted.
- **Licensing and Registration:** If the company conducts financial or regulated activity (subject to AML regulations), it must possess the appropriate licences, authorisations or registration statuses for the services in which it operates. The company should be at least registered for AML purposes with a local authority in the country of its incorporation, as well as, in the countries/territories where it provides products and services.
- **AML/CFT, Sanctions, Fraud and Regulatory Compliance:** If the company conducts financial or regulated activity (subject to AML regulations), it must have robust, up-to-date AML/CFT, Sanctions and Fraud Prevention policies and procedures that are relevant and proportionate to its business, effectively implemented KYC and where relevant transaction monitoring systems and controls, experienced MLRO/Compliance Officer, Compliance team and



Onboarding team. It must be compliant with all local and extrajurisdictional regulatory requirements applicable to their business (e.g. the UK Financial Promotion Regime [FPR]; the EU's Markets in Crypto-Assets Regulation [MiCAR], et cetera).

- **Lawful Activity:** The company must conduct lawful business, comply with the applicable laws, regulations, good industry practices, and must not engage in activity that is illegal, conducted in the absence of required licences or permissions, that breaches any applicable local, national, or international law or regulation, infringes intellectual property or proprietary rights, promote hate, violence, discrimination, terrorism, harassment or abuse in any shape or form, facilitates tax evasion, or causes Clear Junction to breach any applicable law or regulation, in any way that is unlawful or fraudulent, or has any unlawful or fraudulent purpose or effect, or present an excessive reputational risk to Clear Junction.
- **Sanctions and Adverse Connections:** The company, its directors, shareholders, beneficial owners, and affiliates must not appear on OFAC, OFSI, EU, or relevant sanctions and watchlists in their jurisdiction of incorporation, residence, or business operation. Offering any products or services, directly or indirectly in or with sanctioned countries, entities, individuals, or crypto wallets are not permitted.
- **Reputation:** The company, its directors, shareholders, beneficial owners, and affiliates must maintain a positive reputation and avoid engagement in activities that could harm Clear Junction's reputation, such as those involving financial crime, unethical practices, or significant negative media coverage.

²In exceptional circumstances, Clear Junction may establish a business relationship with UK-licensed remittance companies that accept not operating under an agency model that accept cash, subject to fulfilling our other requirements and being subjected to enhanced due diligence, including site visits to evaluate the effectiveness of their financial crime controls.

2. Prohibited Business Activities

Clear Junction does not establish direct business relationships with and requires its Clients not to enter into business relationships with, the entities or individuals related to the following industries and business activities. Clear Junction's services must not be used to initiate and/or receive payments with the following industries and business activities.

- Shell banks or regulated companies (banks or regulated companies based in countries where they have no physical presence involving decision-making and management and which are typically not connected to wider regulated financial groups).
- Private banking (banks or regulated companies providing banking and investment services in a closely managed relationship to high-net-worth clients, including current account banking, high-value transactions, use of sophisticated products, non-standard investment solutions, business conducted across different jurisdictions and offshore and overseas companies, trusts or personal investment vehicles).
- Financial institutions and regulated entities that will be using Clear Junction's services for 'nesting', 'layering' or providing 'payment through' accounts.
- Financial institutions and regulated entities that provide anonymous accounts, numbered accounts or accounts in fictitious names.
- Remittance businesses that primarily operate on a cash-funded basis² (where the business is funded in cash or relies significantly on cash deposits for the initiation of remittance transactions).
- Unlicensed or unregistered cryptoasset business or licensed in offshore jurisdictions or in jurisdictions where registration/licence is not required, or facilitating the exchange of anonymity-enhanced cryptocurrency, unlicensed facilitation of security tokens (e.g. tokens that have characteristics akin to traditional instruments like shares, debentures or units in a collective investment scheme), or operating cryptocurrency ATMs.
- Unlicensed or unregulated high-risk financial businesses, including, without limitation, contract for difference (CFD), financial spread betting, initial coin/token offering (ICO) or similar, forex and options, binary options, cryptocurrency derivatives, other financial instruments trading, financial advisors, get-rich-quick schemes, Ponsi, pyramid schemes, multi-level marketing (MLM), hawala (and alternative informal value transfer system), and other high-risk financial businesses.
- Bidding fee auctions, penny auctions, or any type of all-pay auction in which all participants must pay a non-refundable fee to place each small incremental bid.
- Crowdfunding, crowdlending and similar activities businesses.
- Charities, social service organisations, non-government organisations (NGOs) and other non-profit organisations, as well as political organisations, governmental services, such as embassies or consulates.



- Unlicensed or unregulated holding/investment companies involved in managing or investing own or a third-party's funds, proprietary trading companies, true holding companies with no business operations.
- Companies whose business activity is directly or indirectly related to weapons of war, automatic weapons, ammunitions or defence equipment, including but not limited to chemical weapons, cluster bombs, ammunitions, explosive devices and firearm parts, or other defence equipment or similar military weapons or that might be used for dual use purposes (except weapons for legitimate sport or recreational activities).
- Adult Services.
- Companies whose business activity is directly or indirectly related to illegal/unlicensed/unregulated drugs, illegal sale of prescription drugs, intravenous therapy (e.g IV drip bar, vitamin infusions, hangover cures), tools specifically intended for the production of drugs, drug paraphernalia, synthetic stimulants, smart drugs, nootropic supplements, anabolic steroids and peptides, substances designed to mimic illegal drugs, other psychoactive products and substances, or other products that present a risk to consumer safety.
- Any business involved with Cannabidiol "CBD".
- Companies whose business activity is directly or indirectly related to hazardous materials, including but not limited to hydrofluoric acid, products containing cyanide, prohibited ozone-depleting substances (ODS), nitric acid, research chemicals, bacteria cultures or other products containing e-coli or Escherichia coli.
- Companies whose business activity is directly or indirectly related to counterfeit products, replicas or designed infringements of them including products designed to circumvent IP, essay mills, paper mills where the intent is to falsely submit documents as their own work, products designed to circumvent copyright protection techniques or to otherwise facilitate the unlicensed use of copyrighted material, fake references and other services or products that foster deception.
- Companies whose business activity is directly or indirectly related to alcohol businesses, tobacco, smoking supplies, e-cigarettes, e-liquids, vaping liquid, vaping accessories.
- Wildlife Trafficking, including animals and wildlife products classified as endangered or protected.
- Companies whose business activity is directly or indirectly related to atomic power, oil, gas and shipping companies, as well as related activities.
- Corporate service provider and other legal and accounting services. Trust and corporate service providers that are involved in:
 - Opening accounts on behalf of other businesses.
 - Offshore company formation.
 - Using nominee directors and/or shareholders to obscure company ownership.
- Cash-intensive businesses², construction, the extractive industries, public procurement, high-value dealers, art dealers and galleries, auction houses, precious metals and stones, antiques, other valuable commodities, and other merchants dealing with high-value goods, or other items of archaeological, historical, cultural or religious significance or of rare scientific value.
- Other services that are out of the scope of Clear Junction's scope of permissions and Clear Junction's risk appetite.
- Gambling, gaming and betting businesses.

Please note, the above list is not exhaustive, Clear Junction may not accept other business activities as well if we don't think they are appropriate.

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3. Prohibited Jurisdictions

Clients and underlying customers of the client must not be incorporated or conduct business in offshore countries ("tax havens") or in any of the jurisdictions found on the following lists including, but not limited to¹:

- FATF: High-Risk Jurisdictions subject to a Call for Action (i.e. "black list")
- FATF: Jurisdictions under Increased Monitoring (i.e. "grey list")



- United Nations: United Nations Sanctions Regimes
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4. Failure to Comply

Clients and underlying customers of the client must comply with these requirements at all times throughout the duration of the business relationship with Clear Junction.

Failure of a Client or underlying customers of the client to comply with or any breach of these requirements will result in Clear Junction exercising its rights to delay, reject or suspend payments. In extreme cases, Clear Junction reserves the right to terminate the business relationship for failure to comply. If considered necessary, Clear Junction may also initiate legal action, report and/or disclose information about its Clients to law enforcement authorities.

Clear Junction may revise its risk appetite and minimum requirements at any time during the business relationship. Where this happens, Clear Junction will provide notice within reasonable time.

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5. Disclaimer

The onboarding decision is made based on numerous factors, and simply meeting our minimum requirements does not guarantee that we will be able to open or maintain an account for you. Clients of Clear Junction must ensure that their underlying Customers also comply with these requirements.