ANTI-MONEY LAUNDERING (AML) & KNOW YOUR CUSTOMER (KYC) POLICY

WATCHIT PRO B.V.

Effective Date: July 13, 2026

ARTICLE 1: REGULATORY COMPLIANCE AND SCOPE

1. **Legal Framework:** WatchIT Pro operates a B2B platform dealing in high-value luxury timepieces, which represent asset classes susceptible to financial non-compliance. We enforce a zero-tolerance policy regarding money laundering, terrorist financing, and illicit corporate trading. This policy is structured in alignment with the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme - Wwft*) and European Union AML Directives.
2. **Applicability:** This Policy applies unconditionally to all registered Users, corporate entities, ultimate beneficial owners, and transactions executed through the Platform.

ARTICLE 2: USER ONBOARDING AND VERIFICATION PROCESS (KYC/KYB)

1. **Mandatory Screening Phase:** No User is permitted to place a bid, list a Lot, or access auction mechanisms without first successfully passing our corporate verification framework, operated in conjunction with our licensed Payment Provider (OPP).
2. **Corporate Documentation Requirements:** Verifying entities must supply:
    - An official commercial registry extract (e.g., Chamber of Commerce / *Kamer van Koophandel* certificate) issued within the last 3 (three) months.
    - A valid and active European or International VAT identification number.
    - The corporate ownership structure chart detailing all direct and indirect holdings.
3. **UBO Identification:** Users must identify all Ultimate Beneficial Owners (UBOs) who hold more than 25% of the corporate shares, voting rights, or operational control. UBOs must provide valid government-issued photo identification and proof of residence.
4. **Sanctions and PEP Screening:** All corporate entities, directors, and UBOs are continuously screened against international Sanctions lists, Specially Designated Nationals (SDN) lists, and Politically Exposed Persons (PEP) registries. WatchIT Pro will immediately refuse registration or terminate accounts matching these classifications.

ARTICLE 3: THE MANDATORY CORPORATE BANK ACCOUNT RULE

1. **Strict Origin Enforcement:** To prevent financial layering and anonymous asset injection, all funds transferred into the Platform's Escrow account must originate exclusively from a **verified corporate bank account** registered in the exact legal name matching the User's approved Platform profile.
2. **Prohibition of Consumer and Alternative Payments:** Payments originating from personal bank accounts, personal credit cards, cryptocurrency wallets, cash-deposit mechanisms, or unverified third-party entities are strictly prohibited.
3. **Rejection Protocols:** Any non-compliant transaction detected will be automatically blocked, frozen, and reversed by the Payment Provider. All administrative overhead, reversal fees, and currency conversion costs shall be borne solely by the defaulting Buyer. Non-compliant payment attempts trigger an immediate investigation under Article 5.

ARTICLE 4: HIGH-VALUE TRANSACTION MONITORING & VELOCITY CHECKS

1. **Transaction Scrutiny:** Because the Platform exclusively processes luxury timepieces of significant financial value, our automated compliance algorithms monitor transaction velocity, rapid price deviations, split-payment attempts, and unusual geographic routing.
2. **Enhanced Due Diligence (EDD):** WatchIT Pro and its Payment Provider reserve the right to deploy Enhanced Due Diligence protocols at any time. This requires the User to provide certified documentation establishing the legitimate **Source of Funds** and **Source of Wealth** utilized for the purchase of specific high-value Lots. Failure to provide satisfactory documentation within 48 hours results in an immediate transaction freeze.

ARTICLE 5: SUSPICIOUS ACTIVITY REPORTING & SUSPENSION

1. **Account Freezing:** In the event of an EDD failure, mismatched banking data, or a flagged AML indicator, WatchIT Pro will instantly freeze the User’s escrow funds, lock all active auction listings, and suspend platform access.
2. **Regulatory Reporting:** WatchIT Pro and its Payment Provider will fulfill their statutory obligations to report suspicious transactions and behavior to the relevant Financial Intelligence Units (FIU) without notifying the affected User (*Prohibition of Tipping-Off*).
3. **Exclusion of Liability:** WatchIT Pro B.V. assumes no liability for commercial losses, damages, missed auctions, or reputational harm arising from platform freezes executed under legal AML/KYC obligations.

ARTICLE 6: ACQUISITION READY COMPLIANCE AUDITING

1. **Data Transferability:** All onboarding logs, verified corporate charts, identity verification strings, and transaction risk profiles are structured in an immutable digital format. In the event of a platform acquisition, corporate merger, or asset sale, these compliance logs will transfer directly to the successor company to maintain regulatory transparency and ensure continuous compliance with oversight authorities.