

# Merchant Onboarding & KYC Policy

<b>Version</b>	1.0
<b>Effective Date</b>	01 June 2025
<b>Approved By</b>	Compliance & Risk Committee
<b>Next Review Date</b>	01 June 2026

# 1. Purpose

The purpose of this policy is to establish a standardized process for onboarding merchants on Bayarcash Sdn. Bhd. (Registration Number: 202201040365 (1486062-H)) ("**Bayarcash**") while ensuring compliance with Know Your Customer (KYC), anti-money laundering (AML), and local regulatory requirements. The policy aims to mitigate financial, legal, and reputational risks.

# 2. Scope

This policy applies to:

- All merchants applying to use Bayarcash payment services.
- Bayarcash onboarding, compliance and risk teams.
- Third-party service providers assisting with KYC verification.

## 3. Merchant Onboarding Process

### 3.1 Step 1: Merchant Application

- Prospective merchants submit an application through the Bayarcash platform or onboarding portal.
- Required information may include:
  - Business name, registration number, and legal entity type.
  - Contact details (email, phone, address).
  - Bank account information for settlements.
  - Nature of business and product/service description.

### 3.2 Step 2: Documentation Submission

Merchants must provide valid documentation for verification, such as:

- Certificate of incorporation or business registration.
- Tax Identification Number (TIN) registration.
- Identification documents of authorized signatories (passport, national ID, or driver's license).
- Utility bill or proof of business address.

### **3.3 Step 3: Risk Assessment**

Bayarcash conducts a risk assessment based on:

- Business type and industry risk.
- Transaction volume and geographical presence.
- Politically Exposed Persons (PEPs) and sanctions screening.
- Previous legal, regulatory, or financial history.

### **3.4 Step 4: KYC & Compliance Verification**

- Validate merchant documents and authorized signatory identities.
- Conduct AML, sanctions, and PEP checks using reliable sources.
- Verify the legitimacy of the bank account provided for settlements.

### **3.5 Step 5: Approval & Onboarding**

- Approved merchants receive login credentials and access to the Bayarcash platform.
- High-risk merchants may be subject to Enhanced Due Diligence (EDD) before activation.

## 4. Ongoing Monitoring

- Bayarcash continuously monitors merchant activity for suspicious transactions, unusual patterns, or regulatory compliance breaches.
- Merchants must update their information if there are changes in ownership, authorized signatories, or business operations.
- Regular periodic reviews may be conducted depending on risk rating.

## 5. Enhanced Due Diligence (EDD)

High-risk merchants may require additional verification, such as:

- Detailed business plan, financial statements or annual reports.
- Ownership structure and ultimate beneficial ownership (UBO) verification.
- Site visits or additional interviews.

## 6. Sanctions & PEP Screening

- Merchants are screened against global sanctions lists and PEP databases.
- Bayarcash will not onboard merchants flagged as:
  - Subject to sanctions.
  - High-risk PEPs without additional approvals.
  - Engaged in illegal or high-risk business activities.

## 7. Record-Keeping

- All merchant application, KYC, and verification records are securely stored in accordance with Bayarcash's Record Retention Policy and regulatory requirements.
- Retention period ensures availability for audits, regulatory inspections, and compliance reporting.

## 8. Responsibilities

### Merchant Responsibilities:

- Provide accurate and complete information and documentation.
- Notify Bayarcash of changes in ownership, operations, or authorized signatories.
- Comply with Bayarcash terms, conditions, and policies.

### Bayarcash Responsibilities:

- Conduct thorough KYC and risk assessments.
- Ensure secure storage of merchant data.
- Monitor ongoing activity for compliance and risk mitigation.

## 9. Non-Compliance & Termination

- Merchants providing false or misleading information may be denied onboarding or terminated.
- Bayarcash reserves the right to suspend or terminate accounts for non-compliance with KYC, AML, or regulatory requirements.

## 10. Review of Policy

This policy will be reviewed at least annually or when regulatory requirements change to ensure ongoing compliance.