

Legal Opinion

Cryptocurrency Exchange

<i>LEGAL OPINION FOR THE BENEFITS OF PARTNERS</i>	
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Table of Contents

I.	Purpose of this Legal Opinion Letter	3
II.	Document Certified by	3
III.	Merchant's Services	3
IV.	Merchant's Customers	3
V.	Merchants Internal Compliance Policy and Procedure documentation	3
VI.	Merchant Third Party Software Audit and Remediation Report	4
VII.	Merchant Business Process.....	4
VIII.	Merchant's Licenses and Proposed Licenses	4
IX.	The Merchant's Business Model	5
	i. Merchant's Background.....	5
	ii. Salient Features of Exchange Business Process	5
	iii. Fund Flow Diagram.....	5
X.	Description of the Product offered on the Merchant's Platform	6
XI.	The Jurisdiction(s) in which the Merchant's Services are offered	6
	i. Locations through which the services are offered to Users	6
	ii. Confirmation that the Merchant received the requisite licenses / approvals from the relevant jurisdiction(s)	7
	a. FinCEN registration as a Money Service Business	7
	b. State licenses as a money service business	7
	c. New York State Crypto license to serve residents of New York State.....	7
XII.	Description of the type of Marketing Conducted	7
XIII.	Signatures.....	8

I. Purpose of this Legal Opinion Letter

This legal opinion letter is provided solely for the benefit of Worldpay, its sponsor banks, and other third parties involved in the payment processing ecosystem with Worldpay, including but not limited to Visa, MasterCard, Discover, and American Express and each are permitted to review and rely upon this legal opinion in the application of [HashCash Consultants PTE. LTD. (the "Merchant")for payment processing services.

II. Document Certified by

This Legal Opinion is provided by HashCash Consultants internal legal department and certified by the Merchant's General Counsel.

III. Merchant's Services

The Merchant provides cryptocurrency purchase (buy and sell) and cryptocurrency conversion services (one crypto to another) to its users.

IV. Merchant's Customers

The Merchant's services are used by the buyers and sellers of cryptocurrencies in according with applicable laws and regulations.

V. Merchants Internal Compliance Policy and Procedure documentation

The Merchant's adheres to a set of internal Compliance Policies and Procedures (that are comparable with regulated financial institutions in the United States) which every customer of the Merchant needs to comply with. The Merchant denies service to all customers that are not compliant with the Compliance Policies and Procedures described herein:

1. The Merchant adheres to a strict Know your customer (KYC) and Customer Due Diligence (CDD) procedures are described in this policy document which can be accessed [here](#).
2. The Merchant adheres to Anti-Money Laundering (AML) & Counter-Terrorism Financing (CTF) Policy described in this policy document which can be accessed [here](#).
3. The Merchant complies with financial industry Transaction monitoring procedures which can be accessed [here](#).

HashCash Consultants - Legal Opinion_en_us_v3.1

4. The Merchant adheres to the Financial Crimes Compliance policy which can be accessed [here](#).
5. The Merchant's customer Risk Disclosure policy can be accessed [here](#).
6. The Merchant's refund policy can be accessed [here](#).
7. The Merchant's website privacy policy can be accessed [here](#).
8. The Merchant's other terms of use can be accessed [here](#).

VI. Merchant Third Party Software Audit and Remediation Report

The Merchant's Exchange Software was Audited by the Audit company Hacken (Hacken is considered to be the number 1 Cryptocurrency Audit Firm) recently through one of its Enterprise client. Post remediation actions, the Software received a high score and no Critical, High, Medium or Low issues were found in final audit process and report.

VII. Merchant Business Process

1. The Merchant's employs standard operating principles of the regulated financial institutions with daily, weekly, monthly and quarterly audits of Business processes.
2. The Merchant employs transaction monitoring procedures and reviews and approves all transactions using Batch Approval processes in a manner where the probability of internal foul play is very low.
3. The Merchant deploys processes in a manner where no one internal team can carry out a process on its own.
4. The Merchant process ascertains housing teams in different office locations if the process requires team silo in order to maintain seclusion of certain teams.
5. The Merchant office premises are under 24/7 surveillance and employees are not allowed inside with recording devices including cell phone and in and out body searches are performed.
6. The Merchants office premises are IP secured and access to systems requires IP approvals through approved devices only.

VIII. Merchant's Licenses and Proposed Licenses

Cryptocurrency licenses and regulations had not been fully formulated or consolidated in most part of the world. The General Counsel believes that the Merchant had been proactive in acquiring licenses wherever they are applicable.

1. The Merchant is currently registered as a Money Service Business (MSB) with the Financial Crimes Enforcement Network, US Department of Treasury with a (MSB Registration Number: 31000168822473) voluntarily though it is not required to do so under the law.
2. The Merchant is in the process of voluntarily apply for the California state Money

- Transmitter license though it is not required to do so under the law (the merchant is not a money service business and the merchant's transaction value for one customer did not exceed USD 1,000).
3. The Merchant is in the process of applying voluntarily for the New York State crypto license to be able to operate in New York State.
 4. The Merchant wishes to voluntarily apply for the Federal Banking Charter regulated under Office of the Comptroller of the Currency.

IX. The Merchant's Business Model

i. Merchant's Background

The Merchant had been providing Exchange technology and services to global cryptocurrency exchanges since 2017. The Merchant had built technology around cryptocurrency exchanges during this time. Therefore, the Merchant is not using third parties to serve any of the core components of its exchange.

ii. Salient Features of Exchange Business Process

1. The Merchant's exchange is a crypto-to-fiat and crypto-to-crypto exchange.
2. The Merchant host its own blockchain nodes and operates its own wallet system in secured Amazon Web Services (AWS) servers.
3. The Merchants users are retail and institutional clients.
4. The Merchant accepts order number managed Wire Transfer and Internet card as modes of payments.
5. The Customer accounts are segregated in the Exchange system.
6. As the Merchant is a Custody technology solution providers and has significant expertise in it, the Merchant holds custody of crypto assets of all its users. No third party systems are used in Custody management. The custodial wallets are stored in highly secure environments. Access to these wallets are available to Directors with large share holding.

iii. Fund Flow Diagram

The Merchant mode of accepting payment is "Internet". The steps herein describes the manner in which payments are made.

1. The Merchant users registers via the Merchant's [website](#).
2. As a first step, they are required to complete the Know your customer (KYC) and Customer Due Diligence (CDD) procedures of the Merchant as described in the Know your customer (KYC) and Customer Due Diligence (CDD) herein. The Merchant denies service to all customers that are not compliant with the Compliance Policies and Procedures.
3. The Users are verified against the Anti-Money Laundering (AML) & Counter-Terrorism Financing (CTF) Policy described herein.
4. If and only if the user receives KYC and CDD approval and passes the Anti-

- Money Laundering (AML) & Counter-Terrorism Financing (CTF) checks, they are allowed to make a deposit.
5. To make a deposit, the user visits the Deposit Funds page from the exchange menu.
 6. Deposit popup will open and the user can select **Credit/Debit Card** button.
 7. User enters the amount he wants to deposit using payment gateway and clicks "Pay Now"
 8. User enters new card number or uses a saved card on the Inpendium/Worldpay served page, to make the payment.
 9. The response from the Payment processor is captured and the user is sent to the merchant's website.
 10. The user can see the updated wallet balance in the Deposit Funds page or check the history and invoice section for a record of the payment
 11. The user can now use this balance to purchase cryptocurrencies on the exchange platform.

X. Description of the Product offered on the Merchant's Platform

1. All coins offered on the Merchants platform are listed [here](#)
2. The Merchant hosts Spot and Futures Markets on the platform.
3. All cryptocurrencies listed on the platform are categorized as Utility coins.
4. No Securities tokens are listed on the platform
5. The platform has never conducted an Initial Coin Offering and shall never do so.
6. No NFTs are listed on the platform.
7. Lending, Borrowing or Staking are not available on the platform.
8. The platform is not offering any other financial product and shall never be used to do so.

XI. The Jurisdiction(s) in which the Merchant's Services are offered

i. Locations through which the services are offered to Users

The Exchange product offered by the Merchant is available in the locations identified herein:

1. At Website location at <https://trade.paybit.com>
2. In Google Play Store. Click [Play Store](#) to review the app.
3. In Apple Store. Click [Apple Store](#) to review the app.
4. As Desktop Application. Click [Windows Desktops](#) app to review the app.

ii. Confirmation that the Merchant received the requisite licenses / approvals from the relevant jurisdiction(s)

The Merchant wishes to operate in the United States of America. The licenses in this jurisdiction that requires discussion are identified herein:

a. FinCEN registration as a Money Service Business

The Merchant is currently registered as a Money Service Business (MSB) with the Financial Crimes Enforcement Network, US Department of Treasury with a (MSB Registration Number: 31000168822473) voluntarily though it is not required to do so under the law.

b. State licenses as a money service business

The Merchant does not require this license as the value of the merchant's transaction for one customer does not exceed USD 1,000 in a day.

c. New York State Crypto license to serve residents of New York State

The Merchant shall not serve the residents of the State of New York until this license is acquired.

XII. Description of the type of Marketing Conducted


The Merchants employs marketing methods that leads to only reverse solicitation. Such Marketing methods include branding on various social media sites, Organic Google Search Engine Marketing, Email marketing to users who had expressed interest in the Merchant's products.

Merchant uses automatic geo-fencing and IP blocking as per the policies described herein.

XIII. Signatures.

The Document is authorized by the parties on the day and year of the Signatures.

PARTY A




Signature

Chris Brown
Print Name

Member of General Counsel
Title

22-AUG-2022
Date

PARTY B



Signature

Rohan Gupta
Print Name

Compliance Officer
Title

25-AUG-2022
Date