Nexpay Pty Ltd

Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Policy

NexPay — International Education Payments

ABN 56 153 910 984 · ACN 153 910 984 · AFSL No. 560782

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This Policy is a public summary of the anti-money laundering and counter-terrorism financing (**AML/CTF**) controls maintained by NexPay and its group entities. It is not the whole of NexPay's AML/CTF program. NexPay maintains a documented AML/CTF program (including a risk assessment and detailed customer and transaction procedures) which is held internally and provided to regulators and qualified counterparties on request.

1. Who this Policy applies to

NexPay delivers cross-border, education-related payment services for students, parents, education agents and education providers. These services are provided through regulated and registered group entities, each responsible for AML/CTF compliance in its own market:

- **Nexpay Pty Ltd** (Australia) — holder of Australian Financial Services Licence No. 560782 and registered with AUSTRAC as a remittance service provider and reporting entity (ABN 56 153 910 984).
- **Nexpay Limited** (United Kingdom) — authorised by the Financial Conduct Authority as an Authorised Payment Institution (FRN 792784).
- **Nexpay Canada Inc.** (Canada) — registered with FINTRAC as a Money Services Business (MSB M18421670) and with the Bank of Canada as a Payment Service Provider.

2. Legal and regulatory framework

NexPay's AML/CTF obligations arise under the laws of each jurisdiction in which it operates, including:

- **Australia — the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as amended by the AML/CTF Amendment Act 2024, the Anti-Money Laundering and Counter-Terrorism Financing Rules 2025, and AUSTRAC guidance. The reformed obligations apply to NexPay from 31 March 2026.**
- **United Kingdom** — the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and FCA financial-crime guidance.
- **Canada** — the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and FINTRAC requirements.
- NexPay also applies the financial sanctions regimes administered by the United Nations, Australia (DFAT), the United Kingdom (OFSI), the European Union, the United States (OFAC) and Canada.

3. Our AML/CTF program

NexPay maintains a single, risk-based AML/CTF program, approved and overseen by senior management, comprising:

- **a money-laundering, terrorism-financing and proliferation-financing (ML/TF/PF) risk assessment of NexPay's customers, products, delivery channels and the jurisdictions it deals with, reviewed regularly and before NexPay introduces a new service, delivery method, technology or country;**
- **AML/CTF policies, procedures, systems and controls that are proportionate to those risks, covering customer due diligence, transaction monitoring, reporting, record keeping, training and staff screening; and**

- **customer due diligence carried out before a designated service is provided and on an ongoing basis throughout the customer relationship.**

An **AML/CTF Compliance Officer** is appointed with responsibility for the program, regulatory reporting and liaison with AUSTRAC, FINTRAC and the FCA.

4. Customer due diligence (KYC)

NexPay verifies the identity of its customers and understands the purpose of each payment before funds are processed. For every payment, NexPay collects and, where required, independently verifies:

- valid identification of the payer, including photographic identification, date of birth and residential address;
- evidence of the purpose of the payment, supported by documentation such as a Letter of Offer, an invoice from the education provider or service provider, or a student or work visa;
- "Know Your Customer" (KYC) information about business customers (agents and providers), including their nature, ownership and the basis of NexPay's relationship with them; and
- evidence that the funds have been received. NexPay does **not** accept cash or cheques.

NexPay applies enhanced due diligence to higher-risk situations, including domestic and foreign politically exposed persons, higher-risk jurisdictions, and unusual or complex arrangements, and may request source-of-funds or source-of-wealth information. NexPay conducts ongoing customer due diligence, refreshing customer information at intervals set by the customer's risk rating and when circumstances change, and reviewing activity over the life of the relationship.

5. Sanctions screening

NexPay screens customers, payers, beneficiaries and counterparties against applicable consolidated sanctions lists (UN, Australia/DFAT, UK/OFSI, EU, US/OFAC and Canada), including sanctions relating to the proliferation of weapons of mass destruction, at onboarding and on an ongoing basis, and screens payments before they are released. NexPay will not process a payment to or from any person or jurisdiction where doing so would breach applicable sanctions or law, and may block, freeze, return or report funds as required.

6. Transaction monitoring

NexPay monitors transactions for unusual or suspicious activity using risk-based rules and human review. Activity that is inconsistent with a customer's expected profile, or that may indicate money laundering, terrorism financing, fraud or sanctions evasion, is escalated for investigation.

7. Reporting obligations

Where required by law, NexPay reports to the relevant financial intelligence unit, including:

- **suspicious matter reports to AUSTRAC (within 3 business days of forming a suspicion, or 24 hours for terrorism financing), and suspicious transaction reports to FINTRAC (Canada) and the relevant UK authorities;**
- **threshold transaction reports and international value transfer reports to AUSTRAC (IFTI and IVTS reports) within prescribed timeframes.**

For international transfers, NexPay collects payer and payee information and passes it on with the transfer through the payment chain, as the "travel rule" requires.

NexPay does not "tip off" a customer that a report has been or may be made. These reporting obligations override NexPay's confidentiality obligations to customers.

8. Record keeping

NexPay retains customer identification records, transaction records and AML/CTF program records for the periods required by law — at least seven years in Australia and Canada, and at least five years in the United Kingdom — calculated from the end of the relationship or the date of the transaction, as applicable.

9. Training, governance and independent review

All relevant staff complete AML/CTF and sanctions training appropriate to their role, on commencement and periodically. The AML/CTF program is independently evaluated at least every three years, and earlier after a significant change to the business, and the findings are reported to senior management. Employees in sensitive roles are subject to background screening.

10. How agents and providers can help

NexPay's education-agent and provider partners play an important role in keeping payments safe. We ask partners to:

- ensure payers provide complete and genuine identification documents;
- provide correct supporting information for the purpose of each payment;
- tell NexPay promptly if their business model or ownership changes;
- advise payers that NexPay does not accept cash or cheques; and
- ask payers to pay promptly, so payments can be processed quickly and funds do not need to be returned.

11. Contact

Questions about this Policy or NexPay's AML/CTF program can be directed to the AML/CTF Compliance Officer at support@nexpay.com.au, or by mail to Nexpay Pty Ltd, Level 12, 64 York Street, Sydney NSW 2000, Australia.