

Nexpay Pty Ltd

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

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), the AML/CTF Rules, and AUSTRAC guidance.
- **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 risk-based AML/CTF program comprising:

- **A money-laundering and terrorism-financing (ML/TF) risk assessment** of NexPay's customers, products, delivery channels and the jurisdictions it deals with, reviewed regularly and when the business changes;
- **Systems and controls** ("Part A") designed to identify, mitigate and manage that risk, with oversight by the Board and senior management; and
- **Customer identification and verification procedures** ("Part B") applied before a designated service is provided.

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 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**, keeping customer information current 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) 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 / suspicious transaction reports** to AUSTRAC (Australia), FINTRAC (Canada) and the relevant UK authorities;
- **threshold and international funds transfer reports** (for example AUSTRAC IFTI and TTR reporting) within prescribed timeframes.

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 subject to **independent review** at appropriate intervals, and the findings are reported to senior management and the Board. 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.