

MERCHANT PROHIBITED ACTIVITIES, RESTRICTED BUSINESS LIST, AND AML COMPLIANCE STATEMENT

By applying for and utilizing the services of TheroPay Inc., you, the Merchant, acknowledge and agree to comply with this policy and fully support our commitment to preventing money laundering, terrorist financing, sanctions violations, fraud, and other illicit activities.

I. Strictly Prohibited Businesses

Businesses in these categories are strictly prohibited due to inherent connections to criminal activity, high AML/CTF/Sanctions risk, severe regulatory penalties, or extreme reputational damage.

Category	Prohibited Activities (Examples)
Illegal Activities	<p>Any activity illegal in the jurisdiction(s) offered. Including, but not limited to:</p> <ul style="list-style-type: none">Illegal drugs, narcotics, and paraphernalia.Child pornography and child abuse imagery (CP/CAI).Human trafficking and forced labor.Unlicensed or illegal gambling.Counterfeit goods or intellectual property infringement.Hacking, cracking, or cybercrime tools/services.Document falsification services (e.g., fake IDs).
Sanctioned Entities & Terrorist Financing	<p>Any individual, entity, or transaction involving jurisdictions, persons, or entities subject to comprehensive or targeted sanctions.</p> <ul style="list-style-type: none">Direct or indirect links to comprehensively sanctioned or embargoed countries/regions, including North Korea, Cuba, Syria, Iran, and certain regions of Ukraine (Crimea, Donetsk, Luhansky).Shell banks or shell companies (no physical presence/operations, unverified beneficial ownership).Businesses with opaque ownership where beneficial ownership cannot be clearly established or verified.
High-Risk Financial Services	<ul style="list-style-type: none">Unlicensed Money Service Businesses (MSBs) or Payment Service Providers (PSPs).Payday lenders, high-interest consumer lending, or predatory lending services.Binary options, unregulated forex trading, or highly speculative investment schemes.Unlicensed cryptocurrency exchanges or Virtual Asset Service Providers (VASPs).Third-party payment processors (TPPPs) processing on behalf of other merchants without explicit prior approval.
High-Risk Retail & Other Models	<ul style="list-style-type: none">Sale of tobacco products, e-cigarettes, vaping products, or related paraphernalia.Sale of cannabis, marijuana, or related products (e.g., CBD, Delta-8 THC) where legal status is ambiguous or inconsistent.Online pharmacies selling prescription-only medication without stringent verification.Nutraceuticals/supplements making unsubstantiated, deceptive, or dangerous medical claims ("Miracle cure" products).Telemarketing with high-pressure sales tactics or negative option billing history.Timeshare sales with a history of consumer complaints.Crowdfunding platforms/Charities lacking transparency or operating in high-risk jurisdictions.

II. Restricted Businesses

Businesses in these categories may be considered but require significant additional scrutiny, specific controls, and senior management approval before onboarding. They are not entirely prohibited but pose an elevated risk.

Category	Prohibited Activities (Examples)
Adult Content Creators / Subscription-Based Adult Platforms	Must be legal in all jurisdictions and requires rigorous age verification, a detailed content moderation plan, and extensive reputational checks. Excludes all illegal, exploitative, or non-consensual content, which is strictly prohibited.
Gambling / Gaming (Licensed & Regulated)	Must hold active and valid licenses in all applicable jurisdictions. Requires demonstration of robust internal AML/CTF controls and jurisdictional compliance. Excludes unlicensed gambling.
Nutraceutical Companies	Businesses selling dietary supplements and herbal products. Requires verification of regulatory compliance (e.g., FDA/local authorities) and scrutiny of product claims to ensure they are not deceptive.
Multi-Level Marketing (MLM) Companies	Requires thorough review to distinguish legitimate MLM from pyramid schemes (emphasis on product sales over recruitment). Requires detailed analysis of the compensation plan and extensive reputational checks. Excludes pyramid or Ponzi schemes.
Licensed Virtual Asset Service Providers (VASPs)	Includes licensed exchanges, wallet providers, etc. Requires verification of active VASP licenses, detailed review of their internal AML/CTF programs, and assessment of on-chain analysis capabilities. Excludes unlicensed VASPs.
International Money Transmitters (Licensed)	Must hold active, valid money transmitter licenses in all relevant jurisdictions. Requires comprehensive review of their AML/CTF program, agent network oversight, and geographic risk assessment. Excludes unlicensed money transmitters.
Businesses operating in or transacting with High-Risk Jurisdictions	Any otherwise acceptable business whose primary operations or significant transaction flows involve countries identified as high-risk (e.g., FATF or internal lists), but are not comprehensively sanctioned. Requires rigorous verification of the Source of Funds/Wealth and clear documentation of the economic purpose of the activity.
Businesses dealing with Politically Exposed Persons (PEPs)	Any business where a beneficial owner or key management is a PEP, family member, or close associate. Requires rigorous verification of the PEP's Source of Wealth/Funds and senior management approval.

III. Merchant AML Compliance Statement

By submitting an application for TheroPay services, the Merchant agrees to the following commitments:

1. Transparency and Diligence: You will provide accurate, complete, and timely information regarding your beneficial owners, key management, company operations, and source of funds when requested by TheroPay, Inc.
2. Ongoing Compliance: You agree to operate your business in compliance with all applicable local, national, and international Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and sanctions laws and regulations.
3. No Illicit Funds: You warrant that no funds or transactions processed through TheroPay, Inc. are derived from, or intended to finance, illegal activities, terrorist financing, or sanctioned individuals/entities.
4. Transaction Monitoring: You acknowledge that TheroPay, Inc. will conduct ongoing monitoring of your business activities and transaction patterns to detect unusual or suspicious activity.
5. Consequences of Violation: Any attempt to process payments for, or engage with, a prohibited business or failure to meet the standards set forth in this policy will result in the immediate termination of services. Funds may be held, frozen, or reported to relevant law enforcement and regulatory authorities as required by law

Contact and Policy Questions

If you are a prospective merchant and have questions about whether your business model falls under the Restricted Businesses section, or if you require clarification on the specific requirements, please contact our Compliance Team:

Compliance Questions compliance@theropay.co