

# Legal regulations

Over the last six months, financial authorities in the US, Singapore, China, Switzerland and Germany have tightened their policies towards ICOs or issued warnings as tokens are more and more frequently categorized as securities.

The HLC token sale will be compliant with the security regulations of several key jurisdictions and follow KYC and AML regulations. In detail this means:

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## Securities Regulation

- In the US, we follow Rule 506 of Regulation D, Section 4a of the US Securities Act, under which securities can be distributed to "accredited investors" with a net worth of \$1m USD or a certain level of income. Classification as an "accredited investor" requires written confirmation from a tax advisor or chartered accountant.
- German resident investors are not permitted to make investments in HELIOS tokens.
- Austrian resident investors can only invest amounts greater than €125,000.

A prospectus is currently being prepared. It will be based on the Private Placement Memorandum.

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## KYC and AML

Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations vary from country to country in technical details, but they all require the customer's identity to be verified and checked against various lists concerning terrorism, embargos and politically exposed persons (PEP). Yolla INC LTD. is implementing this process with professional service providers.

During the onboarding process for the ICO, identity verification and the AML check will be followed by a check of the investor category where applicable (upload of auditor confirmation). In case any doubts remain, a manual investigation will then take place. The exchange from crypto in FIAT currencies will be conducted by a regulated broker/exchange, and banks will be provided with the KYC and AML reports.

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## Corporate Governance

We are currently in the onboarding process with one of the major international accounting firms. They will evaluate our processes, audit our accounting, and they will deliver reports on how we follow the guidelines of our prospectus.