



9. Regulatory Alignment

This section describes ZimX Finance's regulatory engagement status, compliance design principles, and alignment with applicable regulatory frameworks.

Regulatory Status

ZimX Finance is not authorised, licensed, or registered to provide regulated financial services in any jurisdiction at the time of writing. No payment services are live, no stablecoins have been issued, and no customer funds are held.

Engagement with regulators does not constitute authorisation, approval, or endorsement.

9.1 Regulatory Engagement Principles

Design Philosophy

ZimX Finance's compliance approach is designed around the following principles:

Compliance as Foundation: - Regulatory controls embedded at system level - Compliance considered in all architectural decisions - Regulatory alignment prioritised over speed of deployment - Safeguarding and auditability built into core design

Transparency as Standard: - Reserve backing verifiable through public mechanisms - Operations designed for regulatory oversight - Consumer rights clearly documented - No hidden operations or closed-door processes

Engagement over Evasion: - Proactive engagement with regulators - Willingness to adapt based on regulatory feedback - Collaboration approach with policymakers - Long-term orientation over regulatory arbitrage

Regulatory Status Clarity

All regulatory references in ZimX materials describe:

- Engagement activities (correspondence, applications, dialogue)
- Design alignment with regulatory frameworks
- Intended compliance structures

Regulatory references do not represent:

- Authorisation or licensing status
- Regulatory approval or endorsement
- Guaranteed acceptance into any programme
- Any official regulatory determination

9.2 United Kingdom Regulatory Context

Legal Structure

ZimX Finance operates under Blackmass Enterprises Ltd: - UK Company Registration No. 16124799 - Jurisdiction: England and Wales - Type: Private Limited Company

ZimX Finance Ltd is in the process of incorporation as dedicated operating subsidiary.

UK Regulatory Framework

By late 2025, the UK regulatory framework for digital assets and stablecoins has materially evolved. Stablecoins intended for use in payments are within scope of statutory and regulatory oversight, with defined expectations regarding:

- Reserve backing and segregation
- Redemption rights
- Safeguarding requirements
- Auditability and transparency
- Operational resilience

Engagement Status

ZimX Finance has engaged with UK regulatory pathways relevant to its intended activities. This engagement has included:

- Pre-authorisation support mechanisms
- Assessment of applicable regulatory sandboxes
- Dialogue regarding stablecoin regulatory frameworks

No determination has been made by UK regulators. ZimX Finance does not assume acceptance into any sandbox, authorisation regime, or registration process.

FCA Innovation

ZimX Finance is evaluating regulatory pathways that include: - Entry into dedicated stablecoin regulatory sandbox - Registration or authorisation under applicable regimes - Alignment with safeguarding and redemption requirements

Engagement with FCA pathways is ongoing dialogue, not approval status.

9.3 Zimbabwe Regulatory Context

Reserve Bank of Zimbabwe Engagement

ZimX Finance has submitted application materials to the Reserve Bank of Zimbabwe's fintech regulatory sandbox.

Sandbox Framework: - Structured pathway for responsible financial innovation - Testing environment under regulatory oversight - Consumer protection requirements - Monitoring and reporting obligations

Engagement Status

- Application materials submitted for sandbox consideration
- Review process ongoing
- No sandbox admission has been granted
- No operating authority exists

Submission of application materials does not constitute: - Sandbox admission or approval - Regulatory endorsement - Operating permission - Any official determination

Future Operation

Any future operation involving Zimbabwe is contingent on: - Regulatory permission from RBZ - Compliance with exchange control requirements - Adherence to AML/CFT requirements - Consumer protection compliance

9.4 Stablecoin-Specific Considerations

ZiGX Regulatory Positioning

ZiGX is designed as a fiat-backed stablecoin intended for use in payments and settlement. This classification attracts heightened regulatory scrutiny.

Design considerations reflecting regulatory expectations: - One-to-one reserve backing at all times - Segregation of reserve assets from operating funds - Third-party institutional custody - Clear minting and redemption rules - Auditability and proof-of-reserves transparency - Restrictions on use outside permitted payment contexts

ZiGX is not designed or marketed as: - A speculative asset - An investment product - A currency replacement - A yield-generating instrument

Pre-Issuance Requirements

ZiGX will not be issued, circulated, or marketed prior to: - Receipt of applicable regulatory permissions - Completion of required security audits - Establishment of custody arrangements - Satisfaction of all compliance prerequisites

9.5 AML/KYC/CFT Framework

Identity Verification Design (KYC)

User Onboarding (Intended): - Identity document verification - Proof of address verification - Biometric verification - Liveness detection

Risk-Based Approach: - Tiered verification based on transaction values - Enhanced due diligence for higher-risk scenarios - Ongoing monitoring for behaviour changes - Periodic re-verification requirements

Third-Party Verification: - Integration with established KYC providers - Sanctions screening (OFAC, UN, EU lists) - PEP identification - Adverse media screening

Transaction Monitoring Design (AML)

Real-Time Analysis (Intended): - All transactions analysed as they occur - Pattern matching for suspicious activity - Geographic anomaly detection - Volume and frequency analysis

Reporting Capabilities: - Suspicious Activity Report generation - Regulatory reporting template compliance - Audit trail maintenance - Data retention compliance

Counter-Financing of Terrorism (CFT)

- Sanctions screening integration
- Watchlist monitoring
- High-risk jurisdiction controls
- Enhanced due diligence triggers

9.6 Consumer Protection Framework

Disclosure Standards

Pre-Transaction: - Clear fee disclosure before execution - Terms of service accessible and understandable - Risk warnings where appropriate - No hidden charges or deductions

Ongoing: - Transaction history and status visibility - Balance and activity transparency - Fee structure changes communicated in advance - Material changes disclosed prominently

User Safeguards

Account Protection: - Multi-factor authentication - Biometric security options - Device authorisation management - Recovery mechanisms for lost access

Transaction Protection: - Confirmation prompts for transactions - Transaction limits for risk management - Velocity controls for unusual activity - Fraud monitoring and alerts

Dispute Resolution

- Clear complaint procedures documented
- Dedicated customer support channels
- Escalation pathways for unresolved issues
- Regulatory recourse information provided

9.7 Corporate Governance

Board Oversight

- Strategic direction oversight
- Risk management and compliance supervision
- Fiduciary responsibility to stakeholders
- Regular board meetings and reporting

Treasury Governance

- Multi-signature controls on reserve operations
- Time-locked major transactions
- Transparent approval processes
- Audit trail for all treasury movements

Community Governance (Phased)

- Initial corporate governance ensures regulatory compliance
- Community governance functions introduced progressively
- Governance scope excludes regulatory compliance decisions
- Transparent roadmap for governance evolution

Governance evolution is subject to regulatory constraints and operational stability requirements.

9.8 Intellectual Property

Trademark Status

Registered: - ZIMX® — UK trademark registration - ZiGX® — UK trademark registration

Filed/Planned: - ARIPO filings for African regional protection - Madrid Protocol for international expansion

All intellectual property is owned by Blackmass Enterprises Ltd with operational licensing to ZimX Finance Ltd.

9.9 International Standards Alignment

FATF Recommendations

Design alignment with Financial Action Task Force standards: - Risk-based approach to AML/CFT - Customer due diligence requirements - Suspicious transaction reporting capability - International cooperation mechanisms

Payment Systems Standards

Design alignment with CPMI principles:
- Legal certainty and governance frameworks - Comprehensive risk management - Settlement finality mechanisms - Operational reliability requirements

Data Protection

- GDPR alignment for UK operations
- Data protection compliance in operating jurisdictions
- Privacy by design principles
- Data minimisation and purpose limitation

9.10 Regulatory Evolution

Adaptive Compliance Design

The platform is designed to accommodate regulatory evolution: - Flexible systems for new requirements - Regular policy and procedure reviews - Technology updates for regulatory needs - Training and capability building

Monitoring

- Continuous tracking of regulatory developments
- Participation in industry consultations where appropriate
- Regional and international trend analysis
- Proactive engagement with evolving frameworks

9.11 Regulatory Dependencies

Progression Conditions

Progression to live operation is dependent on: - Completion of independent security audits - Custody onboarding and safeguarding arrangements - Regulatory feedback and acceptance into appropriate pathways - Internal remediation of any identified compliance gaps

Delay Consequences

Delay or failure in any dependency results in: - Deferred issuance and revised

timelines - Scope adjustment based on regulatory feedback - Extended development and compliance periods

Compromised controls or premature launch are not acceptable alternatives to dependency delays.

9.12 Disclaimers

Regulatory Status

ZimX Finance is not authorised, licensed, or registered to provide regulated financial services in any jurisdiction.

Regulatory engagement described in this document represents: - Ongoing dialogue

and application processes - Design alignment with regulatory frameworks - Intended compliance structures

Regulatory engagement does not represent: - Authorisation, approval, or endorsement - Guaranteed acceptance into any programme - Any official regulatory determination

Conditionality

All operations described are conditional on satisfaction of regulatory requirements. ZimX Finance does not assume regulatory approval in any jurisdiction.

ZimX Finance's regulatory approach embeds compliance at the system level rather than as an afterthought. Engagement with regulators is proactive and collaborative. All operations are conditional on regulatory permission. Engagement does not constitute approval.