

# Selini Capital FZE

Inactive accounts - SOP

May 2025

## Inactive Accounts Procedure

Selini Capital FZE (hereafter Selini Capital or Company) ensures that all client assets are pre-funded and an order is created and confirmed by the client within 72 hours of receiving the funds.

This procedure outlines how Selini Capital manages confirmed but unexecuted pre-funded client assets. It describes those assets account statuses, notification processes, safeguards and criteria for transitioning assets from inactive to unclaimed status.

### *Status Definition and Criteria*

- **Pending:** Assets associated with a confirmed order, which are pre-funded for trading but unexecuted, held for two (2) weeks while awaiting order execution.
- **Inactive:** Assets with no order execution after four (4) consecutive weekly notifications.
  - **Dormant:** Assets with no order execution after additional contact attempts over eight (8) weeks, totaling twelve (12) weeks from Pending.
  - **Unclaimed:** Assets identified as unclaimed and refunded to the client.

### *Actions for Pending Assets (for 2 weeks)*

Selini Capital accepts pre-funded assets accompanied by a confirmed, existing order, or allowing the customer to place an order within 72 hours of prefunding. Upon receipt of pre-funded assets, Selini Capital records the funds in dedicated, segregated accounts for each client. During the initial two-week period, the assets remain securely held pending order execution. No trading or movement of the assets is initiated without the client's prior direction. Throughout this period, Selini Capital may follow up the client in regard to the trade execution and its finalization.

### *Actions for Inactive Status (for 4 weeks)*

If the trade execution is not completed within the initial two-week holding period, Selini Capital classifies the account as **Inactive**. During the subsequent four weeks, the company sends weekly notifications via the client's confirmed communication channels, such as email or SMS, prompting progression or completion of the order execution.

Once an account reaches "Inactive" status after four consecutive weekly notifications (per the Inactive Accounts Procedure), the following actions are triggered:

1. **Inactive Accounts List Creation:** Account moved to "Inactive list" marked as "Inactive" in SumSub, generating a list, which is reviewed for accuracy.
2. **Freezing Customer Deposit Address:** The associated customer deposit address in Fireblocks is automatically frozen, preventing any further deposits or withdrawals until the account is reactivated.
3. **Reactivation Process:** If a client provides the necessary instructions, the account is reactivated. The status in SumSub is updated to "Active," and the freeze on the Fireblocks deposit address is lifted, allowing transactions to resume.
4. **Audit Trail:** All actions, including status changes and deposit address freezes, are logged in both SumSub and Fireblocks for compliance and transparency.

#### *Actions for Dormant Status (for 8 weeks)*

Following the Inactive period, if the trade execution is not completed after four consecutive weekly notifications, Selini Capital designates the account and associated assets as **Dormant**. During the Dormant phase, which spans eight weeks, Selini Capital intensifies its outreach efforts by continuing to send weekly notifications via multiple channels, including email, phone calls, and postal mail, using the client's most recently confirmed contact details. These communications clearly highlight the status of the account and underscore the potential risk of the assets being reclassified as **Unclaimed** if no action is taken.

Once an account reaches "Dormant" status after 8 weeks of inactivity (including four weeks in "Inactive" status and an additional eight weeks of no client response), the following actions are triggered:

1. **Dormant Accounts List Creation:** Account moved to "Dormant" list and marked as "Dormant" in SumSub, generating a list for review. This list identifies all accounts that have been inactive for over 8 weeks.
2. **Freezing Customer Deposit Address:** The associated customer deposit address in Fireblocks is automatically frozen, preventing any further deposits or withdrawals until the account is reactivated or fully resolved.
3. **Final Client Communication:** A final notification is sent to the client, informing them of the dormant status and the freeze on their deposit address. They are

given a last opportunity to take action or reclaim their assets.

4. **Reactivation Process:** If a client provides the necessary instructions within a specified period, the account is reactivated. The status in SumSub is updated to "Active," and the freeze on the Fireblocks deposit address is lifted.
5. **Refund Process (if no client response):** If the client does not respond within the defined period after the dormant status, the funds will be identified as unclaimed and refunded to the client.
6. **Audit Trail:** All actions, including the status change to dormant and the freeze on the deposit address, are logged in both SumSub and Fireblocks for compliance and audit purposes.

#### *Actions for Unclaimed Status*

If, after the eight-week Dormant period, no response or instruction is received from the client, Selini Capital reclassifies the account and associated assets as **Unclaimed**. At this stage, the company initiates the process of returning the pre-funded assets to the originating account/wallet from which the funds were initially received. Clients are notified of the asset return, and the case is formally archived with all outreach efforts and actions recorded for audit and compliance purposes.

#### *Safeguards and Record-Keeping*

All notifications, status changes, and actions are logged in an auditable system, retained for 8 years in accordance with regulatory requirements.