

EXPORT AND SANCTIONS COMPLIANCE POLICY

SIA Synchron - shookout.com

Effective Date: 07.04.2026

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1. INTRODUCTION

1.1 Purpose

This Export and Sanctions Compliance Policy ("**Policy**") sets forth the obligations of SIA Synchron, registration number 40203436468, registered address Unijas iela 74A - 45, Riga, LV-1084, Latvia ("**Company**," "**we**," "**us**," or "**our**"), and all Users of the shookout.com digital goods marketplace (the "**Platform**") with respect to economic sanctions, export controls, and trade restrictions.

1.2 Zero-Tolerance Statement

Company maintains a **zero-tolerance approach** to sanctions and export control violations. Any violation, or attempted violation, will result in immediate account termination, blocking of all transactions and payouts, and reporting to applicable authorities, without prior notice or liability to the affected User.

1.3 Related Documents

This Policy supplements and should be read together with:

- [Terms of Service](#), Section 7 (Export Controls and Sanctions Compliance);
- [Seller Agreement](#), Section 9 (Export Controls and Sanctions);
- [Prohibited Content Policy](#), Section 3.8 (Sanctions-Violating Content);
- [Privacy Policy](#), Sections 3 and 5 (screening data processing and disclosure to authorities).

1.4 Regulatory Framework

Company is subject to, and requires compliance with, the following sanctions and export control regimes:

(a) European Union:

- Council Regulation (EU) No 269/2014 (Russia asset freeze framework);
- Council Regulation (EU) No 833/2014 (Russia sectoral sanctions), as amended through the 20th sanctions package (Council Regulation (EU) 2026/506);¹

- Council Regulation (EU) No 765/2006 (Belarus sanctions), as amended;
- All other EU restrictive measures adopted pursuant to Article 215 TFEU;
- EU dual-use export controls (Regulation (EU) 2021/821).

(b) United States:

- Programs administered by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, including the Specially Designated Nationals and Blocked Persons List (SDN List) and all sector-specific sanctions programs;²
- U.S. Export Administration Regulations (EAR), administered by the Bureau of Industry and Security (BIS).

(c) United Nations:

- All sanctions measures adopted by the UN Security Council under Chapter VII of the UN Charter.

(d) United Kingdom:

- UK sanctions regulations administered by the Office of Financial Sanctions Implementation (OFSI), HM Treasury.

(e) Latvia:

- The Latvian Law on International Sanctions and National Sanctions of the Republic of Latvia (*Starptautisko un Latvijas Republikas nacionālo sankciju likums*);
- Latvian national sanctions imposed by the Latvian Cabinet of Ministers.

(f) Other jurisdictions:

- National sanctions and export control regimes applicable to Users in their respective jurisdictions.

2. OUR COMMITMENT

2.1 Company is committed to full compliance with all applicable sanctions and export control laws. As a Latvia-based company operating within the EU, we are directly subject to EU sanctions regulations, which have direct effect in all EU Member States. We also screen against OFAC, UN, and UK lists, as our Platform serves a global audience and processes transactions in US dollars and through US-connected financial channels.

2.2 Company implements a sanctions compliance programme that includes: (a) automated and manual screening of Users and transactions; (b) blocking of

transactions involving sanctioned parties or jurisdictions; (c) training of personnel involved in compliance functions; (d) record-keeping and audit trails for all screening activities; (e) periodic programme reviews; and (f) cooperation with applicable authorities.

3. PROHIBITED USERS AND TERRITORIES

3.1 Comprehensively Sanctioned and Embargoed Jurisdictions

Users located in, organised under the laws of, or ordinarily resident in the following jurisdictions are **prohibited from accessing or using the Platform**, including registering accounts, listing Digital Goods, purchasing Digital Goods, or conducting any transactions:

| Jurisdiction | Primary Sanctions Basis |
|---|---|
| Cuba | OFAC Cuban Assets Control Regulations (31 C.F.R. Part 515) |
| Iran | OFAC Iranian Transactions and Sanctions Regulations (31 C.F.R. Part 560); EU Regulation (EU) No 267/2012 |
| North Korea (DPRK) | OFAC North Korea Sanctions Regulations (31 C.F.R. Part 510); EU Decision 2013/183/CFSP; UN Security Council Resolutions |
| Syria | EU Regulation (EU) No 36/2012; OFAC Syrian Sanctions Regulations (31 C.F.R. Part 542) |
| Russia | EU Regulation (EU) No 833/2014 (as amended through the 20th package); OFAC Directive 1-5 under E.O. 14024 ³ |
| Belarus | EU Regulation (EU) No 765/2006 (as amended); OFAC Belarus Sanctions Regulations (31 C.F.R. Part 548) ⁴ |
| Crimea, Donetsk, and Luhansk regions (occupied territories of Ukraine) | EU Decision 2014/386/CFSP; OFAC E.O. 13685 ³ |

3.2 Other Sanctioned or Restricted Jurisdictions

The following jurisdictions are subject to partial or targeted sanctions. Users from these jurisdictions may be subject to enhanced due diligence, transaction restrictions, or account limitations depending on the specific sanctions programme, the User's identity, and the nature of the transaction:

Afghanistan, the Balkans (certain designated persons and entities), Burma (Myanmar), Central African Republic, Democratic Republic of the Congo, Ethiopia, Iraq, Lebanon, Libya, Mali, Nicaragua, Somalia, South Sudan, Sudan, Venezuela, and Yemen.

3.3 Designated Persons and Entities

The following categories of persons and entities are **prohibited from using the Platform**, regardless of their geographic location:

- (a) Individuals and entities listed on the **OFAC Specially Designated Nationals and Blocked Persons List (SDN List)** or any other OFAC sanctions list;
- (b) Individuals and entities listed on the **EU Consolidated Sanctions List** (asset freeze lists maintained under all EU sanctions programmes);
- (c) Individuals and entities listed on **UN Security Council sanctions lists**;
- (d) Individuals and entities listed on the **UK Sanctions List** (maintained by OFSI);
- (e) Individuals and entities listed on **Latvian national sanctions lists**;
- (f) Entities **50% or more owned, directly or indirectly, or controlled by** any designated person or entity listed above (in accordance with OFAC's 50% Rule and equivalent EU ownership and control guidance);
- (g) Persons acting **on behalf of, or at the direction of**, any designated person, entity, or government of a comprehensively sanctioned jurisdiction.

3.4 Dynamic Nature of Sanctions

Sanctions lists and programmes are updated frequently. The jurisdictions and persons listed in Sections 3.1 through 3.3 reflect the status as of the date of this Policy. Company monitors sanctions developments on an ongoing basis and updates its screening systems accordingly. **Users are responsible for monitoring their own sanctions status and eligibility.** If your status changes (e.g., you relocate to a sanctioned jurisdiction or become associated with a designated person), you must immediately cease using the Platform and notify Company.

4. RESTRICTED ACTIVITIES AND CONTENT

4.1 Prohibited Transactions

The following transactions are prohibited on the Platform:

- (a) Any transaction with or for the benefit of a person, entity, or jurisdiction listed in Section 3;
- (b) Any transaction that would cause Company, its Payment Processors, or any other party to violate applicable sanctions or export control laws;
- (c) The sale, licensing, or distribution of Digital Goods that contain controlled technology, technical data, or encryption subject to export licensing requirements under the EAR, EU dual-use regulations, or equivalent national controls, unless all required licences have been obtained;
- (d) Transactions designed to evade, circumvent, or avoid the application of sanctions or export controls, including through the use of intermediaries, shell entities, VPNs, proxy services, or anonymisation tools to mask the identity or location of a sanctioned party or jurisdiction;
- (e) The provision of any service (including technical support, updates, or licence extensions) to persons or in jurisdictions where such service is prohibited by applicable sanctions;
- (f) Transactions involving crypto-assets, digital currencies, or other payment methods designed to circumvent sanctions restrictions, including the Russian digital ruble and crypto-asset services originating from sanctioned jurisdictions.

4.2 Prohibited Content

The following content is prohibited on the Platform in connection with sanctions and export controls (see also [Prohibited Content Policy](#), Section 3.8):

- (a) Digital Goods containing controlled encryption technology subject to export licensing under Category 5, Part 2 of the EAR Wassenaar Arrangement Dual-Use List, or Annex I of EU Regulation 2021/821, unless an applicable licence exception or exemption applies;
- (b) Digital Goods designed or modified for military use, or that would be classified under any military export control list;
- (c) Digital Goods that facilitate sanctions evasion (e.g., VPN tools marketed for circumventing geo-restrictions in sanctioned jurisdictions, tools for obfuscating transaction origins);
- (d) Digital Goods originating from comprehensively sanctioned jurisdictions.

5. DUE DILIGENCE AND SCREENING

5.1 Screening Procedures

Company implements the following screening measures:

(a) Onboarding Screening: All new Users (Buyers and Sellers) are screened at registration against applicable sanctions lists, including: OFAC SDN List and Consolidated Sanctions List; EU Consolidated Sanctions List; UN Security Council Consolidated List; UK Sanctions List; and Latvian national sanctions. Screening is conducted using automated screening software that performs fuzzy matching and alias detection.

(b) Ongoing Monitoring: Existing Users are re-screened: (i) each time sanctions lists are updated; (ii) when User information is modified; (iii) at periodic intervals (no less than quarterly); and (iv) when triggered by risk indicators.

(c) Transaction Screening: Individual transactions are screened against applicable sanctions parameters, including: the identity and location of the counterparty; the jurisdiction of origin and destination; the nature of the Digital Good; and the payment method and financial intermediaries involved.

(d) Geographic Screening: Company implements IP-based geolocation controls to identify and block access from comprehensively sanctioned jurisdictions listed in Section 3.1. Users are prohibited from using VPNs, proxies, or other tools to mask their location for the purpose of circumventing geographic restrictions.

(e) Enhanced Due Diligence: Company applies enhanced due diligence procedures for: Users in partially sanctioned or high-risk jurisdictions; transactions involving high-value Digital Goods; Users whose screening results return potential matches (fuzzy hits); and Sellers who are required to undergo KYC verification under the [Seller Agreement](#).

5.2 Screening Databases

Company maintains subscriptions to commercial sanctions screening databases and monitoring services that aggregate and update sanctions lists from OFAC, EU, UN, UK, and other applicable authorities. These databases are updated within 24 hours of list changes published by the relevant authority.

5.3 Record Retention

All screening results, including positive and negative matches, are retained for a minimum of **five (5) years** from the date of screening, in accordance with applicable AML and sanctions record-keeping requirements, as described in the [Privacy Policy](#), Section 7.2.

6. SELLER OBLIGATIONS

6.1 In addition to the obligations set forth in the [Seller Agreement](#), Section 9, each Seller represents, warrants, and covenants that:

- (a) They are not located in, organised under the laws of, or ordinarily resident in any comprehensively sanctioned jurisdiction;
- (b) They are not, and will not become during the term of their use of the Platform, a person or entity with whom transactions are prohibited under applicable sanctions;
- (c) Their Digital Goods do not contain controlled technology or technical data subject to export licensing;
- (d) They will not sell, transfer, or make available Digital Goods to persons or in jurisdictions where such sale would violate applicable sanctions or export controls;
- (e) They will not use proceeds from Platform sales to finance activities prohibited under applicable sanctions, counter-terrorism, or anti-money laundering laws;
- (f) They will promptly notify Company at compliance@shookout.com if they become aware of any circumstance that may affect their sanctions compliance status, including changes in ownership, control, location, or designation status;
- (g) They will not facilitate or participate in any scheme to circumvent or evade applicable sanctions.

6.2 Seller Screening Cooperation

Sellers are required to cooperate with Company's sanctions due diligence procedures, including: (a) providing accurate and complete information for screening purposes; (b) responding to compliance inquiries within seven (7) days; and (c) providing additional documentation where requested for enhanced due diligence. Failure to cooperate constitutes grounds for immediate account suspension.

7. CONSEQUENCES OF VIOLATIONS

7.1 Platform Enforcement

Any confirmed or suspected violation of this Policy will result in one or more of the following actions, without prior notice:

- (a) **Immediate account suspension** pending investigation;
- (b) **Blocking of all pending and future transactions;**
- (c) **Freezing of all pending payouts** for the duration of the investigation and any subsequent legal proceedings, with no maximum time limit where required by law or regulatory authority;
- (d) **Permanent account termination** upon confirmation of a violation;
- (e) **Forfeiture of pending payouts** where required by applicable law or sanctions regulations (funds may be blocked or transferred to a designated authority);

(f) **Reporting to applicable authorities**, including: the Latvian Financial Intelligence Unit (*Finanšu izlūkošanas dienests*); the OFAC Compliance Hotline; the relevant EU Member State authority; and law enforcement, where criminal conduct is suspected;

(g) **Preservation of all relevant data** and transaction records for the purpose of regulatory investigation and potential legal proceedings.

7.2 Legal Consequences

Users should be aware that sanctions violations carry severe legal penalties:

| Jurisdiction | Potential Penalties |
|--------------|---|
| EU | Criminal penalties under national implementing law; administrative fines up to the maximum provided by the implementing Member State; asset freezing |
| OFAC (US) | Civil penalties up to the greater of approximately \$356,579 per violation or twice the transaction value; criminal penalties up to \$1,000,000 and 20 years imprisonment per violation (for wilful violations) |
| UK | Criminal penalties up to 7 years imprisonment and unlimited fines; monetary penalties imposed by OFSI up to the greater of £1,000,000 or 50% of the estimated value of the breach |
| Latvia | Criminal penalties under the Latvian Criminal Law; administrative fines; licence revocation |

7.3 No Liability to User

Company shall have no liability to any User for actions taken pursuant to this Policy, including account suspension, transaction blocking, payout freezing, or account termination, where such actions are taken in good faith to comply with, or avoid a potential violation of, applicable sanctions or export control laws.

8. UPDATES TO THIS POLICY

8.1 Sanctions regimes are subject to frequent and sometimes rapid change. Company may update this Policy at any time to reflect changes in applicable sanctions and export control laws, regulatory guidance, enforcement trends, or Company practices. Material updates will be communicated by: (a) posting the updated Policy with a revised "Last Updated" date; (b) email notification to registered Users; and (c) a prominent notice on the Platform.

8.2 Due to the nature of sanctions compliance, certain updates (e.g., the addition of newly designated persons or jurisdictions to the blocked list) take effect immediately upon publication by the relevant authority, regardless of any notice period. Users are responsible for monitoring their own compliance obligations on an ongoing basis.

9. CONTACT

| Purpose | Contact |
|--|--|
| Sanctions and export control compliance inquiries | compliance@shookout.com |
| Report a suspected sanctions violation | compliance@shookout.com |
| Legal inquiries | legal@shookout.com |
| General support | support@shookout.com |

Company: SIA Synchron **Registration number:** 40203436468 **Address:** Unijas iela 74A - 45, Riga, LV-1084, Latvia

Related documents: [Terms of Service](#) · [Seller Agreement](#) · [Prohibited Content Policy](#) · [Privacy Policy](#) · [Imprint](#)