

# Non-Discriminatory Commercial Policy

**Effective Date:** July 25, 2025

## 1. Introduction

To meet the obligations under the Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (hereinafter referred to as the “MiCA”), Kentreed s.r.o. (hereinafter referred to as the “Company”) has established this Non-Discriminatory Commercial Policy (hereinafter referred to as the “Policy”).

The Company carries on the business of providing the services of exchange of crypto-assets for funds, as such term is defined in Article 3(19) of the MiCA, to clients (hereinafter – “Exchange services” or “Services”). This Policy is established in accordance with Article 77(1) and Article 77(2) of the MiCA to ensure transparency, fairness, and compliance with regulatory obligations.

The Policy addresses the pricing methodology of the Company, including the impact of volume and market volatility of crypto-assets. The Company determines in the Policy the type of clients they agree to transact with and the conditions that shall be met by such clients.

As required by the MiCA, the Company publishes a firm price or a method for determining the price of the crypto-assets it proposes to exchange for funds, along with any applicable limit on the amount to be exchanged, as determined by the Company.

All definitions shall be understood as they are referred to in the MiCA and other applicable laws and regulations.

## 2. Types of Clients

2.1. The Company exchange crypto-assets for funds to all individual persons. The Company will not restrict its Exchange services to specific client types.

## 3. Conditions for Clients

3.1. The Company provides services to clients who have agreed to comply with the Company’s terms and conditions and have passed onboarding procedure. The Company will not offer services to clients who have not met the client onboarding and associated due diligence requirements.

3.2. The Company will not provide services to clients who:

- have not accepted the Company’s terms and conditions or breached those terms or any of the Company’s policies, or
- are in breach of any regulatory requirement.

#### 4. Availability of exchange services

4.1. Clients can access Exchange services 24/7 under normal market conditions. Exchange services may be unavailable due to several internal or external reasons specified in the Terms and Conditions.

#### 5. Methodology for Determining the Price of Crypto-Assets

5.1. The price of crypto-assets offered to clients is determined based on a combination of market data, operational costs, and risk considerations. The methodology ensures fairness, competitiveness, and transparency while reflecting the real-time nature of crypto-asset markets.

5.2. **Base Market Price.** The base price is derived from the real-time market price on the selected exchange(s) at the time the buy order is placed. This is typically the best available bid/ask price aggregated from partner exchanges via API feeds.

5.3. **Service Markup.** A markup is applied to the base market price to cover operational costs (e.g., blockchain transaction fees, KYC/AML compliance costs) and to ensure a sustainable profit margin. The markup is expressed as a percentage (e.g., 1%–2%, depending on the crypto-asset and transaction size).

5.4. **Final Price Calculation.** The final price presented to the client is the base market price plus the service markup, adjusted for any additional fees (e.g., processing fees charged by financial institutions, typically up to 1%).

$$\text{Firm price} = \text{Base market price} + \text{Markup} + \text{Fees}$$

Formulae 1. Final price calculation

#### 5.5. Impact of Volume on Pricing

**Small Transactions.** For lower-volume transactions (e.g., below €100), the markup may be slightly higher (e.g., 1.5%–2%) to account for fixed operational costs, ensuring cost recovery.

**Large Transactions.** For higher-volume transactions (e.g., above €5,000), the markup may be reduced (e.g., 1%–1.5%) to remain competitive and incentivize larger purchases, subject to enhanced KYC/AML checks.

**Liquidity Constraints.** If partner exchanges or reserves lack sufficient liquidity to fulfill a large order at the quoted price, the Company may source additional crypto-assets at a higher market price, which could increase the final price to the user. This is disclosed prior to transaction execution.

#### 5.6. Impact of Market Volatility on Pricing

**Real-Time Adjustments.** Crypto-asset prices are highly volatile. To manage this, the Company locks in the quoted price for a short window (10 seconds) after the user confirms the transaction, allowing time for payment processing. If the market price shifts significantly during this period, the transaction may be re-quoted or canceled, with immediate notification of the client.

**Volatility Premium.** During periods of extreme volatility (e.g., price swings exceeding 5% within a 5-minute window), an additional volatility premium (e.g., 0.5%–1%) may be applied to the markup to mitigate the risk of price slippage between order placement and execution. It is dynamically adjusted based on real-time volatility indicators from partner exchanges.

**Hedging Mechanisms.** The Company may employ hedging strategies (e.g., futures contracts on partner exchanges) to stabilize reserve value, minimizing the impact of volatility on pricing.

## **6. Publication of Firm Prices**

6.1. The Company publishes a firm price of the crypto-assets or a method for determining the price of the crypto-assets that the Company proposes to exchange for funds.

6.2. The Company publishes its prices or methodology on the Company's website. The prices may be updated at any time in line with changes in the price of the relevant crypto-asset or the general market. Within the concrete offer, the Company specifies the firm price as a final price. The client has adequate time to accept this firm price.

6.3 The Company may withdraw prices published at the Company's website in exceptional circumstances, such as where there has been a human or technical error in price publication. The Company may at all times and without restrictions withdraw prices when the market prices move heavily before the client's confirmation of the transaction.

6.4. The Company shall execute client orders at the prices displayed at the time when the order for exchange is final. The Company shall inform the client of the conditions for their order to be deemed final.

6.5. The final price, including the base price, markup, and fees, is displayed to the client in both fiat currency and the equivalent crypto-asset amount before the client confirms the transaction.

6.6. If the Company agrees to exchange crypto-assets for funds to one client, then the Company shall provide the same price to other clients, subject to the limits and restrictions published on the Company's website.

6.7. The Company will conclude an exchange transaction with the client for the firm price or price set up along with price methodology in the size requested by the client, giving priority to the client on a first-come, first-served basis.

6.8. The Company shall publish information about the transactions it concluded, including transaction volumes and prices, on the Company's website.

6.9. The Company may not publish firm prices or prices based on its methodology during exceptional market conditions. Exceptional market conditions are any of the following, but not limited to:

- partner exchange halts trading;
- a reliable market price is not available;
- times of enhanced volatility based on news and/or special events;
- competent authority prohibits trading or applies other supervisory measures to relevant crypto-assets or persons;
- the platform is down due to technical errors or overload.

## **7. Publication of Limits**

7.1. Transactions may be subject to regulatory limits, KYC/AML thresholds, and operational constraints (e.g., payment gateway availability). The Company is allowed to establish a limit on the amount or number of exchanges of crypto-assets for funds. The Company will publish information about such limits on its website.

7.2. The upper limit depends on the general and market circumstances of the amount and volume that the client wants to exchange, such as liquidity in the market and market depth. Where the client has asked to provide an exchange service with certain crypto-assets that are above the Company's available upper limit, the client's transaction is immediately rejected, and the client gets a notification.

7.3. The minimum amount to exchange is defined with 1 euro.

## **8. Final Provisions**

### **8.1. General provisions**

This Policy enters into force upon its approval by the Board and is valid for an indefinite period unless the Board prescribes a different date for the Policy coming into effect.

The Board is responsible for the approval, implementation, and control of this Policy.

### **8.2. Review**

This Policy is reviewed annually or upon material changes to ensure compliance with the MiCA and evolving market conditions. Any modifications and amendments to the Policy shall be made in writing and become effective once approved by the Board. Any updates will be communicated to clients via the Company's website or direct notification.

### **8.3. Contact Information**



For questions about this Policy or exchange services, please contact us via email [support@looi.io](mailto:support@looi.io).