

**POLICY  
ON  
ANTI MONEY LAUNDERING  
FOR  
STOCK BROKING  
AND  
DP OPERATIONS**

Adopted By:  
**Acemoney Intermediaries Private Limited**

(Formerly known as Chugh Securities Private Limited)

(Member of NSE, BSE, MCX-SX, and DP of CDSL)

Dated: 13/06/2017

## 1. BACKGROUND:

1.1 Pursuant to the recommendation made by the Financial Action Task Force Money on Anti Money Laundering standards, SEBI had issue the guidelines on Anti Money Laundering standards vide their notification no. ISD/CIR/RR/AML/1/6 dated 18th January 2006 and vide letter no. ISD/CIR/RR/AML/2/6 dated 20th March 2006 had issue the obligation of Intermediaries registered under section 12 of the Securities and Exchange Board of India Act, 1992. As per the SEBI guidelines, all Intermediaries have been advice to ensure that proper policy framew0orks are put in place as per the guidelines on Anti Money Laundering standards notify by SEBI.

## 2. GOVERNING LAWS / BODIES

### 2.1 Anti Money Laundering

2.1.1 Money Laundering can be defined as engaging in financial transactions that involve income derived from criminal activities, transaction designated to conceal the true origin of criminally derived proceeds and appears to have been received through legitimate sources/ funds.

2.1.2 This is done in below mentioned three phases

- Placement Phase
- Layering Phase
- Integration Phase

2.1.3 The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. Necessary Notifications / Rules under the said Act have been published in the Gazette of India on 1st July 2005 by the Department of Revenue, Ministry of Finance, and Government of India.

2.1.4 As per Section 12 A read with Section 24 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) will now be treated as a scheduled offence under schedule B of the PMLA.

- All cash transactions of the value of more than Rs 10 lakh or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakh or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as demat account, security account maintained by the registered intermediary
- It may, however, be clarified that for the purpose of suspicious transactions reporting, apart from „transactions integrally connected“, „transactions remotely connected or related“ shall also be considered.

- In case there is a variance in CDD/AML standards prescribed by SEBI and the regulators of the host country, branches/overseas subsidiaries of intermediaries are required to adopt the more stringent requirements of the two.

## **2.2 Financial Intelligent Unit (FIU)**

The government of India set up Financial Intelligent Unit -India (FIU) on 18th November 2004 as an independent body to report directly to the Economic Intelligence Council (EIC) headed by the Finance Minister.

FIU-IND has been established as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transaction. FIU-IND is also responsible for coordinating and stretching efforts of national and international intelligence and enforcement agencies in pursuing the global efforts against Money laundering and related Crimes.

### **3. “MONEY LAUNDERING AND TERRORIST FINANCING”**

In order to combat drug trafficking, terrorism and other organized and serious crimes have all emphasized the need for financial institutions, including securities market intermediaries, we have establish internal procedures that effectively serve to prevent and impede money laundering and terrorist financing.

To be in compliance with these obligations, the senior management shall be fully committed to establishing appropriate policies and procedures for the prevention of money laundering and terrorist financing and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements.

- (a) We review the content of these Directives and ensure that understood by all staff members;
- (b) Regularly review the policies and procedures on the prevention of money laundering and terrorist financing to ensure their effectiveness. Further, in order to ensure the effectiveness of policies and procedures, the person doing such a review shall be different from the one who has framed such policies and procedures;
- (c) Adopt client acceptance policies and procedures which are sensitive to the risk of money laundering and terrorist financing;
- (d) Undertake client due diligence (“CDD”) measures to an extent that is sensitive to the risk of “money laundering and terrorist financing” depending on the type of client, business relationship or transaction;
- (e) Have a system in place for identifying, monitoring and reporting suspected “money laundering and terrorist financing” transactions to the law enforcement authorities; and
- (f) Develop staff members awareness and vigilance to guard against money laundering and terrorist financing Policies and procedures to combat ML cover:
  - i. Communication of group policies relating to prevention of money laundering and terrorist financing to all management and relevant staff that handle account

- information, securities transactions, money and client records etc. whether in branches, departments or subsidiaries;
- ii. Client acceptance policy and client due diligence measures, including requirements for proper identification;
  - iii. Maintenance of records;
  - iv. Compliance with relevant statutory and regulatory requirements;
  - v. Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and
  - vi. Internal audit or compliance function to ensure compliance with the policies, procedures, and controls relating to the prevention of ML and TF, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious.

#### **4. ANTI MONEY LAUNDERING PROCEDURES**

We adopt written procedures to implement the anti money laundering provisions as envisaged under the PMLA. Such procedures shall include inter alia, the following three specific parameters which are related to the overall „Client Due Diligence Process“:

- a. Policy for acceptance of clients
- b. Procedure for identifying the clients
- c. Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR).

#### **5. CLIENT DUE DILIGENCE**

##### **5.1 The CDD measures comprise the following:**

- (a) Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.
- (b) Verify the client's identity using reliable, independent source documents, data or information;
- (c) Identify beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the client and/or the person on whose behalf a transaction is being conducted;

- (d) Verify the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c);
- (e) Understand the ownership and control structure of the client;
- (f) Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and
- (g) Registered intermediaries shall periodically update all documents, data or information of all clients and beneficial owners collected under the CDD process.

## **5.2 Client Acceptance Policy**

- a) The client account should not be opened in a fictitious / benami name or on an anonymous basis.
- b) Risk perception of the client need to defined having regarded to:
  - 1. Client's location (registered office address, correspondence addresses and other addresses if applicable).
  - 2. Nature of business activity, tracing turnover etc. and
  - 3. Manner of making payment for transactions undertaken.
  - 4 The parameters of clients into Clients of special category (as given below) may be classified as higher risk and higher degree of due diligence and regular update of KYC profile should be performed.
- c) Documentation like KYC and Risk Disclosure Document and other information from different category of client prescribed by SEBI and any other regulatory authority to be collected depending on perceived risk and having regard to the requirement to the Prevention of Money Laundering Act, 2002, guidelines issued by RBI and SEBI from time to time.
- d) Ensure that a client account is not opened where the organization is unable to apply appropriate client's due diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to the organization is suspected to be non-genuine, perceived non-co-operation of the client in providing full and complete information. Discontinue to do business with such a person and file a suspicious activity report. We can also evaluate whether there is suspicious trading in determining whether to freeze or close the account. Should be cautious to ensure that it does not return securities or money that may be from suspicious trades. However, we can consult the relevant authorities in determining what action should be taken when it suspects suspicious trading.
- e) We need to comply with adequate formalities when client is permitted to act on behalf of another person / entity. It should be clearly specified the manner in which the account should be operated, transaction limits for the operation, additional authority required for transactions exceeding a specified quantity / value and other appropriate details. The rights and responsibilities of both the persons (i.e. the agent-client registered with

Broker, as well as the person on whose behalf the agent is acting) should be clearly laid down. Adequate verification of a person's authority to act on behalf the customer should be carried out.

- f) Necessary checks and balance to be put in place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

### **5.3 For new clients:**

1. Each client should be met in person, before accepting the KYC. The client should be met at the Registered Office or any of the branch offices as per mutual convenience of the client and ourselves.
2. Verify the PAN details on the Income Tax website.
3. All documentary proofs given by the client should be verified with original.
4. Documents like latest Income Tax returns, annual accounts, etc. should be obtained for ascertaining the financial status. If required, obtain additional information/document from the client to ascertain his background and financial status.
5. Obtain complete information about the client and ensure that the KYC documents are properly filled up, signed and dated. Scrutinize the forms received at branch office thoroughly before forwarding it to RO for account opening.
6. Ensure that the details mentioned in the KYC matches with the documentary proofs provided and with the general verification done by us.
7. If the client does not provide the required information, then we should not open the account of such clients.
8. As far as possible, a prospective client can be accepted only if introduced by existing client or associates or known entity. However, in case of walk-in clients, extra steps should be taken to ascertain the financial and general background of the client.
9. If the account is opened by a POA/Mandate Holder, then we need to clearly ascertain the relationship of the POA/Mandate Holder with the client. Apply the KYC procedures to the POA/Mandate Holder also.
10. We should not open any accounts in fictitious / benami / anonymous basis.
11. We should not open accounts where we are unable to apply appropriate KYC procedures.

### **5.4 Reliance on third party for carrying out Client Due Diligence (CDD)**

1. We rely on a third party, subject to the conditions that are specified in Rule 9 (2), of the PML Rules for the purpose of
  - a) Identification and verification of the identity of a client and

b) Determination of whether the client is acting on behalf of a beneficial owner, identification of the beneficial owner and verification of the identity of the beneficial owner.

Such third party shall be regulated, supervised or monitored for, and have measures in place for compliance with CDD and record-keeping requirements in line with the obligations under the PML Act.

#### **5.5 For existing clients :**

- Keep updating the financial status of the client by obtaining the latest Income Tax Return, Networth Certificate, Annual Accounts etc.
- Update the details of the client like address, contact number, demat details, bank details etc. In case, at any point of time, we are not able to contact the client either at the address or on the phone number, contact the introducer and try to find out alternative contact details.
- Check whether the client's identity matches with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any local enforcement / regulatory agency.

#### **5.7 Role of Relationship Manager/Dealer/Corporate Settlement/Accounts Department**

- Ensure that there is no currency receipts/payment to the client.
- Ensure that there are no third party receipts into / payment from the clients account
- Ensure that any information gathered during formal or informal conversation with clients relating to Money Laundering is passed on to the Principal Officer through the Branch/Department Head

#### **5.8 Client Information & Identity:**

We should accept the client base on the risk they are likely to pose. The aim is to identify clients who are likely to pose a higher than average risk of money laundering or terrorist financing. For this purpose we need to classify the clients as low risk, medium risk and high risk clients. By classifying the clients, we will be in a better position to apply higher appropriate customer due diligence process. That is, for high risk client we have to apply higher degree of due diligence. The Factors of risk perception depend on client's location, nature of business activity, turnover, nature of transaction, manner of payment etc.

In order to achieve to achieve this objective, all clients of branch should be classified in the following category:

- Category A- Low Risk
- Category B- Medium Risk
- Category C- High Risk

**Category A** Clients are those pose low or nil risk. They are good corporate have a respectable social and financial standing. These are the clients who make payment on time and take delivery of shares.

**Category B** Clients are those who are intra-day clients or speculative clients. These are the clients who maintain running account with Acemoney Intermediaries Private Limited.

**Category C** Clients are those who have defaulted in the past or against of whom any order has been passed by any authority or who have suspicious background.

## 5.9 **Risk Based Approach**

- It is generally recognized that certain clients may be of a higher or lower risk category depending on the circumstances such as the client's background, type of business relationship or transaction etc. As such, the registered intermediaries shall apply each of the client due diligence measures on a risk sensitive basis. We have adopted an enhanced client due diligence process for higher risk categories of clients, containing verifying income details, in person interview by official, revised income pattern. Conversely, a simplified client due diligence process adopted for lower risk categories of clients. In line with the risk-based approach, the type and amount of identification information and documents that registered intermediaries shall obtain necessarily depend on the risk category of a particular client.
- In order to tackle debarred entities, We shall also implement the policy to our Back Office Software for debarred entities in respect of the whom the Central/ State Government or any authority or the Exchange/ CDSL has issued any advisory/notification.

## 5.10 **Risk Assessment:**

We shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of transactions, payment methods used by clients, etc. The risk assessment shall also take into account any country specific information that is circulated by the Government of India and SEBI from time to time, as well as, the updated list of individuals and entities who are subjected to sanction measures as required under the various United Nations' Security Council Resolutions (these can be accessed at [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml) and <http://www.un.org/sc/committees/1988/list.shtml>).

The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self regulating bodies, as and when required.

## 5.11 **Clients of special category (CSC):**

CSC clients include the following:

- (i). Non-resident clients (NRI);
- (ii). High Net worth clients



- (iii).** Trust, Charities, NGOs and organizations receiving donations.
- (iv).** Politically exposed persons (PEP) of foreign origin: Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. After gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain and verification the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should be taken at a senior level Management.
- (v).** Current /Former Head of State, Current or Former Senior High profile politicians and connected persons;
- (vi).** Companies having closed shareholding/ownership/ dealing in foreign currency/shell companies/overseas entities/client in high risk countries (like Libya, Pakistan, Afganistan etc).
- (vii).** Clients belonging to the countries where corruption/fraud level is high (like Nigeria, Burma etc)
- (viii).** Non-face to face clients;
- (ix).** Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and we should exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

## **6. RECORD KEEPING**

- The beneficial owner of the account;
- The volume of the funds flowing through the account; and
- For selected transactions.
- The origin of the funds;
- The form in which the funds were offered or withdrawn, e.g. cash, cheques, etc
- The identity of the person undertaking the transaction;
- The destination of the funds;
- The form of instruction and authority.

Organization should ensure that all client and transaction records and information are made available on a timely basis to the competent investigating authorities.

## **7. INFORMATION TO BE MAINTAINED**

Information to be maintained Intermediaries are required to maintain and preserve the following information in respect of transactions referred to in Rule 3 of PML Rules:

- I.** the nature of the transactions;
- II.** the amount of the transaction and the currency in which it is denominated;

- III. the date on which the transaction was conducted; and
- IV. the parties to the transaction.

## **8. RETENTION OF RECORDS:**

The following document retention terms should be observed:

**(i).** All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of five years (5) from the date of cessation of the transaction.

**(ii)** Records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence should also be kept for the ten years from the date of cessation of the transaction.

**(iii)** Records shall be maintained in hard and soft copies.

The following document retention terms should be observed:

**(i)** All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of ten years (10) from the date of cessation of the transaction.

However, it should be ensured that there is continuity in dealing with the client as normal until told other wise and the client should not be told of the report /suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions

**(ii)** Records on customer identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence should also be kept for the ten years from the date of cessation of the transaction.

**(iii)** Records shall be maintained in hard and soft copies.

**(iv)** We shall ensure a record of the transactions is preserved and maintained in terms of Section 12 of the PMLA and that transactions of a suspicious nature or any other transactions notified under Section 12 of the Act are reported to the Director, FIU-IND. Suspicious transactions shall also be regularly reported to the higher authorities within the intermediary.

**(v)** Further, the compliance cell of the intermediary shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

## **9. MONITORING OF TRANSACTIONS**

**9.1** Regular monitoring of transactions is vital for ensuring effectiveness of the AML procedures. This is possible only if the intermediary has an understanding of the normal activity of the client so that it can identify deviations in transactions/activities.

**9.2** Acemoney Intermediaries Private Limited shall pay special attention to all complex, unusually large transactions / patterns which appear to have no economic purpose. The intermediary may specify internal threshold limits for each class of client accounts and pay special attention to transactions which exceeds these limits. The background including all documents/office records memorandums/clarifications sought pertaining to

such transactions and purpose thereof shall also be examined carefully and findings shall be recorded in writing. Further such findings, records and related documents shall be made available to auditors and also to SEBI/stock exchanges/FIUIND/ other relevant Authorities, during audit, inspection or as and when required. These records are required to be preserved for ten years as is required under the PMLA.

**9.3** Further, the Compliance Department of the Acemoney Intermediaries Private Limited shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

## **10. SUSPICIOUS TRANSACTION MONITORING/REPORTING:**

Acemoney Intermediaries Private Limited shall ensure that appropriate steps are taken to enable suspicious transactions to be recognized and have appropriate procedures for reporting suspicious transactions.

While determining suspicious transactions, intermediaries shall be guided by the definition of a suspicious transaction contained in PML Rules as amended from time to time.

**10.1** A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

- a) Clients whose identity verification seems difficult or clients that appear not to cooperate
- b) Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing /business activity;
- c) Clients based in high risk jurisdictions;
- d) Substantial increases in business without apparent cause;
- e) Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- f) Attempted transfer of investment proceeds to apparently unrelated third parties;
- g) Unusual transactions by CSCs and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export- import of small items.

**10.2** Any suspicious transaction shall be immediately notified to the Principal Officer. However, it shall be ensured that there is continuity in dealing with the client as normal until told otherwise and the client shall not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The Principal Officer and other appropriate compliance, risk management and related staff members shall have timely access to client identification data and CDD information, transaction records and other relevant information.

**10.3** It is likely that in some cases transactions are abandoned or aborted by clients on being asked to give some details or to provide documents. It is clarified that intermediaries shall report all such attempted transactions in STRs, even if not

completed by clients, irrespective of the amount of the transaction. This Policy categorizes clients of high risk countries, including countries where existence and effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, as „CSC“. Intermediaries are directed that such clients shall also be subject to appropriate counter measures. These measures may include a further enhanced scrutiny of transactions, enhanced relevant reporting mechanisms or systematic reporting of financial transactions, and applying enhanced due diligence while expanding business relationships with the identified country or persons in that country etc.

## **11. LIST OF DESIGNATED INDIVIDUALS/ENTITIES**

List of Designated Individuals/Entities An updated list of individuals and entities which are subject to various sanction measures such as freezing of assets/accounts, denial of financial services etc., as approved by the Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed at its website at <http://www.un.org/sc/committees/1267/consolist.shtml>. Registered intermediaries are directed to ensure that accounts are not opened in the name of anyone whose name appears in said list. Registered intermediaries shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals/entities in the list shall immediately be intimated to SEBI and FIU-IND.

## **12. PROCEDURE FOR FREEZING OF FUNDS, FINANCIAL ASSETS OR ECONOMIC RESOURCES OR RELATED SERVICES**

Procedure for freezing of funds, financial assets or economic resources or related services Section 51A, of the Unlawful Activities (Prevention) Act, 1967 (UAPA), relating to the purpose of prevention of, and for coping with terrorist activities was brought into effect through UAPA Amendment Act, 2008. In this regard, the Central Government has issued an Order dated August 27, 2009 detailing the procedure for the implementation of Section 51A of the UAPA. Under the aforementioned Section, the Central Government is empowered to freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of, or at the direction of the individuals or entities listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism. The Government is also further empowered to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism. The obligations to be followed by intermediaries to ensure the effective and expeditious implementation of said Order has been issued vide SEBI Circular ref. no: ISD/AML/CIR-2/2009 dated October 23, 2009, which needs to be complied with scrupulously.

## **13. REPORTING TO FINANCIAL INTELLIGENCE UNIT-INDIA**

**13.1** In terms of the PML Rules, intermediaries are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) at the following address:

Director, FIU-IND,  
Financial Intelligence Unit-India,  
6th Floor, Hotel Samrat,  
Chanakyapuri,  
New Delhi-110021.  
Website: <http://fiuindia.gov.in>

**13.2** Intermediaries shall carefully go through all the reporting requirements and formats enclosed with this circular. These requirements and formats are divided into two parts- Manual Formats and Electronic Formats. Details of these formats are given in the documents (Cash Transaction Report- version 1.0 and Suspicious Transactions Report version 1.0) which are also enclosed with this circular. These documents contain detailed directives on the compilation and manner/procedure of submission of the manual/electronic reports to FIU-IND. The related hardware and technical requirement for preparing reports in manual/electronic format, the related data files and data structures thereof are also detailed in these documents. Intermediaries, which are not in a position to immediately file electronic reports, may file manual reports with FIU-IND as per the formats prescribed. While detailed instructions for filing all types of reports are given in the instructions part of the related formats, intermediaries shall adhere to the following:

- (a) The Cash Transaction Report (CTR) (wherever applicable) for each month shall be submitted to FIU-IND by 15th of the succeeding month.
- (b) The Suspicious Transaction Report (STR) shall be submitted within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature. The Principal Officer shall record his reasons for treating any transaction or a series of transactions as suspicious. It shall be ensured that there is no undue delay in arriving at such a conclusion.
- (c) The Principal Officer will be responsible for timely submission of CTR and STR to FIU-IND;
- (d) Utmost confidentiality shall be maintained in filing of CTR and STR to FIU-IND. The reports may be transmitted by speed/registered post/fax at the notified address.
- (e) No nil reporting needs to be made to FIU-IND in case there are no cash/suspicious transactions to be reported.

**13.3** Intermediaries shall not put any restrictions on operations in the accounts where an STR has been made. Intermediaries and their directors, officers and employees (permanent and temporary) shall be prohibited from disclosing ("tipping off") the fact that a STR or related information is being reported or provided to the FIU-IND.

This prohibition on tipping off extends not only to the filing of the STR and/or related information but even before, during and after the submission of an STR. Thus, it shall be ensured that there is no tipping off to the client at any level. It is clarified that the registered intermediaries, irrespective of the amount of transaction and/or the threshold limit envisaged for predicate offences specified in part B of Schedule of PMLA, 2002, shall file STR if they have reasonable grounds to believe that the transactions involve proceeds of crime.

#### **14. DESIGNATION OF AN OFFICER FOR REPORTING OF SUSPICIOUS TRANSACTIONS**

**14.1** To ensure that the registered intermediaries properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of „Principal Officer“ including any changes therein shall also be intimated to the Office of the Director-FIU.

As a matter of principle, it is advisable that the „Principal Officer“ is of a sufficiently senior position and is able to discharge the functions with independence and authority.

## **15. EMPLOYEES' HIRING/EMPLOYEE'S TRAINING/ INVESTOR EDUCATION**

**15.1** Hiring of Employees The registered intermediaries shall have adequate screening procedures in place to ensure high standards when hiring employees. They shall identify the key positions within their own organization structures having regard to the risk of money laundering and terrorist financing and the size of their business and ensure the employees taking up such key positions are suitable and competent to perform their duties.

**15.2** Employees" Training Intermediaries must have an ongoing employee training programme so that the members of the staff are adequately trained in AML and CFT procedures. Training requirements shall have specific focuses for frontline staff, back office staff, compliance staff, risk management staff and staff dealing with new clients. It is crucial that all those concerned fully understand the rationale behind these directives, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

**15.3** Investors Education Implementation of AML/CFT measures requires intermediaries to demand certain information from investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc. This can sometimes lead to raising of questions by the client with regard to the motive and purpose of collecting such information. There is, therefore, a need for intermediaries to sensitize their clients about these requirements as the ones emanating from AML and CFT framework. Intermediaries shall prepare specific literature/ pamphlets etc. so as to educate the client of the objectives of the AML/CFT programme.

## **16. OTHERS**

1. This policy is drafted by the Compliance Officer of the Acemoney Intermediaries Private Limited and reviewed and adopted by the Board of Directors in its meeting held on **13.06.2017**

2. The PMLA policy must be reviewed and contain appropriate changes on a periodic of one year from the date of adoption or whenever the Company thinks necessary to change within one year.

#### **17. DESIGNATED DIRECTOR AND PRINCIPAL OFFICER:**

Mr. Ravee Rraj Jain, Director of the Company has been designated to Principal Officer. Mr. Ravee Rraj Jain is also the Designated Director of the Company.

In the Case of any further Information/clarification is required in this regards, the “**Principal Officer**” may be contacted.

Mr. Ravee Rraj Jain  
Designated Director  
**Acemoney Intermediaries Private Limited**  
**UG-1 , Upper Ground Floor,**  
**Lusa Tower, Azadpur, Delhi- 110033**