



**Synergy Dealcom (IFSC) Pvt Ltd.**

# **PMLA POLICY**

**Of**

**SYNERGY DEALCOM (IFSC) PRIVATE LIMITED**

**IFSCA registration number INZ000098335**

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## Preface

This is the Anti-Money Laundering and Counter Terrorist Financing Policy (the AML Policy) prepared in accordance with Prevention of Money Laundering Act, 2002 (PMLA). This Policy takes into account the provisions of the PMLA Act and other Rules laid down by IFSCA and FIU. In pursuance of IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 dated October 28, 2022 and the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) the policy is to prohibit and actively prevent money laundering and any activity that facilitates money laundering (ML) or terrorist financing. Money laundering is generally understood as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds or assets so that they appear to have derived from legitimate origins or constitute legitimate assets.

As per PMLA, every reporting entity shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules notified under the PMLA. For the purpose of PMLA, transactions include:

1. All cash transactions of the value of more than Rs 10 Lacs or its equivalent in foreign currency.
2. All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakhs or its equivalent in foreign currency, such series of transactions within one calendar month.
3. All transactions involving receipts by NPO of value more than Rs 10 lakhs or its equivalent in foreign currency.
4. All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of valuable security or a document has taken place facilitating the transactions.
5. All suspicious transactions whether or not made in cash and including, inter- alia, credits or debits into any non-monetary account such as Demat account, security account maintained by the registered intermediary.
6. All cross-border wire transfers of value of more than Rs 5 lakh or its equivalent in foreign currency or any other mode of collection in whatever name it is referred to.

For the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' need to be considered.

"Suspicious transactions" means a transaction, including an attempted transaction, whether or not made in cash, which to a person acting in good faith—

1. Gives rise to a reasonable ground of suspicion that it may involve the proceeds of offence regardless of the value involved; or
2. appears to be made in circumstances of unusual or unjustified complexity or

3. appears to have no economic rationale or Bonafide purpose.

### **Definitions and Terminologies**

All the words and phrases used in this policy documents, which have not been specifically defined under this policy shall derive their meaning as prescribed under the provisions of PML Act & its Rules/Regulations, IFSCA guidelines and so on.

#### **1. Initiatives & Philosophy**

We have prepared this policy as required under PML Act and IFSCA guidelines. This policy shall be regularly reviewed to ensure effectiveness of policies and procedures on prevention of money laundering or whenever any new updation is necessitated as per Central Government/ IFSCA circulars or guidelines. The review of the policy should be done by the official other than the person who has framed the policy. The basic purpose of this AML Policy is to establish a system for “Investor/Customer Due Diligence Process” to participate in the international efforts against ML and to duly comply with the detailed guidelines as described under above said guidelines of IFSCA and other legal provisions as well as to ensure that not used as a vehicle for ML. The AML framework of the would meet the extant regulatory requirements.

It is important that our management views “money-laundering prevention” and “knowing your customer” as part of the risk management strategies and not simply as standalone requirements that are being imposed by legislation/regulators.

Hence the objectives of the policy are

1. To have a proper Investor/Customer Due Diligence (CDD) process before registering clients.
2. To maintain records of all series of integrally connected cash transactions within one calendar month.
3. To monitor and report suspicious transactions.
4. To discourage and identify money laundering or terrorist financing activities.
5. To take adequate and appropriate measures to follow the spirit of the PMLA

#### **2. What is Money Laundering?**

Money laundering is moving illegally acquired cash through financial systems so that it appears to be legally acquired. It is a criminal practice of bringing proceeds of illegally acquired money back into the economy as if they are normal business funds. It is driven by criminal intentions and conceals the true source, ownership, or use of funds.

Section 3 of the PMLA Act defines money laundering in following words: “Whosoever directly or indirectly attempts to indulge or knowingly assists or

knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money-laundering and shall include:

a) A person shall be guilty of offence of money laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime namely:

- concealment; or
- possession
- acquisition
- use
- projecting as untainted property
- claiming as untainted property  
in any manner whatsoever

b) The process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever”.

### **3. Principal Officer – Designation and Duties**

We have appointed Compliance Officer as the Principal Officer for due compliance. He will 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. The duties of the Principal Officer will include monitoring compliance with AML obligations and overseeing maintenance of AML records, communication and training for employees. The Principal Officer will ensure filing of necessary reports with the Financial Intelligence Unit (FIU – IND). Principal Officer is authorized to issue additional circulars and advisories to seek information from the concerned officials for due compliance of this policy from time to time.

We have provided contact details of the Principal Officer to FIU and will promptly notify FIU of any change in this information.

### **4. Designated Director – Designation and Duties**

We have appointed Designated Director to ensure overall compliance with the obligations imposed under chapter IV of the Act and Rules.

### **5. Know Your Investor/Customer**

KYC procedures enable us to know/understand the Investors/customers and their financial

dealings in a better manner and manage the risk associated therein. One of the best methods of preventing and deterring money laundering is a sound knowledge of a Investor's/customer's business and pattern of financial transactions. The adoption of procedures by which financial institutions "know their customer" is not only a principle of good business but is also an essential tool to avoid involvement in money laundering. The term KYC wherever used in this document shall also include processes of e-KYC. We have the process to determine and document the true identity of the customers who establish relationships, open accounts or conduct significant business transactions and obtain basic background information on Investors/customers.

In this regard, such Investors/customers shall be marked as suspicious whether an individual or entity whose identity cannot be determined or who refuses to provide information, or who have provided information that contains significant inconsistencies which cannot be resolved after due investigation.

We ensure that it shall not use the KYC records of customers for the purposes other than verifying identity or address of the client and shall not transfer KYC records or any information contained therein to any third party unless authorized by the customer or Regulator.

## **6. Investor/Customer Acceptance Criteria**

No account shall be opened in anonymous or fictitious / benami name(s). Each Investor shall have one account only. In case the document provided by the foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and letter issued by the foreign Embassy or Mission in India shall be accepted as proof of address. The parameters of risk perception in terms of the nature of business activity, location of customer and his clients, mode of payments, volume of turnover, social and financial status etc. shall be captured at the account opening stage to enable categorization of customers into low, medium and high risk.

For the purpose of risk categorization, individuals/entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, shall be categorized as low risk. Illustrative examples of low-risk customers can be salaried employees whose salary structures are well defined; or people belonging to Government Departments and Government owned companies or Regulators and statutory bodies or those belonging to lower economic strata etc.

Investors/Customers that are likely to pose a higher-than-average risk to us shall be categorized as medium or high risk depending on investor's/customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc. We shall prepare profile for each new investor / customer based on the risk categorization and shall contain information relating to investor's/customer's identity, social/financial status, nature of business activity, information about the clients: business and their location etc. We shall apply Customer Due Diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. We ensure that it has suitable systems in place to ensure that the identity of the customer does not match with any person or entity whose name appears in the sanction lists circulated by the IFSCA/ Reserve Bank.

## **7. Investor/Customer Identification Procedures**

Customer identification procedure means verifying the identity of the customer by using reliable, independent source documents, data or information. We need to obtain sufficient information necessary to establish, to its satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of relationship. We must also be able to satisfy the regulators that due diligence was observed based on the risk profile of the investor/customer in compliance with the extant guidelines in place.

- I. We shall duly comply with the KYC /client identification procedures that may be specified and strengthened by IFSCA from time to time.
- II. The concerned officials should take extra caution in case of existing or potential Politically Exposed Persons (PEP)/PEP Family or close relatives of PEPs. They may seek additional information and also take the help of publicly available information.
- III. No business relationships can be established with PEP without prior approval of the senior management. Where a customer has been accepted and the customer or beneficial owner is subsequently found to be, or subsequently becomes a PEP, the approval from the above said officials is required to continue the business relationship.
- IV. The concerned officials of the Company should track the financial soundness of the investors/customers and shall take reasonable measures to verify sources of funds of clients identified as PEP.
- V. The information should be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by us in compliance with the Guidelines.
- VI. It may be noted that while risk-based approach may be adopted at the time of establishing business relationship with a investor/customer, no exception from obtaining the minimum information/documents from clients as provided in the PMLA Rules is available to any class of investors with regard to the verification of the records of the identity of clients.
- VII. There shall be no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by us.
- VIII. On failure by prospective investor/customer to provide satisfactory evidence of identity including address, financial status and the purpose of intended nature of relationship, new account shall not be opened, and the matter shall be reported to the higher authority. This shall also apply where it is not possible to ascertain the identity of the client, or the information provided to us is suspected to be non-genuine, or there is perceived non-co-operation of the client in providing full and complete information.
- IX. In the event, particulars of any of Investor/customer/s match the particulars

of designated individuals/entities, we as a intermediaries shall immediately, not later than 24 hours from the time of finding out such investor/customer, inform full particulars of the funds, financial assets or economic resources or related services held in the form of securities, held by such customer on their books to the Joint Secretary (IS.I), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed through e-mail at [jsis@nic.in](mailto:jsis@nic.in).

We shall send the particulars of the communication mentioned above through post/fax and through e-mail to IFSCA and/or to FIU-IND as applicable.

Without diluting the above requirements, the personnel opening a new account may obtain other independent information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.

## **8. Investor/Customer Due Diligence**

The Investor/Customer Due Diligence can be of two types i.e. due diligence at the time of acceptance of client and at the time of periodic updation.

### **A. Investor/Customer Acceptance**

We shall exercise Investor/Customer Due Diligence before accepting any Investor/Customer. We shall ensure to obtain certified copies of officially valid document/s containing details of identity, like name and address, date of birth, nationality, legal domicile, one recent photograph and such other documents pertaining to the nature of business and financial status of the investor / customer as may be required.

### **B. Periodic Updation**

We may carry out periodical updation of KYC information of every investor/customer at such interval and in such manner as prescribed by various circulars and Regulations issued by various authorities.

The periodic updation may include all measures for confirming the identity and address and other particulars of the customer based on the risk profile of the customer and after taking into account whether and when client due diligence measures were last taken. In case of no updation, a self- certification by the customer to that effect shall be sufficient.

We will exercise investor / Customer Due Diligence (CDD) in client acceptance and subsequently continuing relationship with the clients. It will include:

- (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 Company's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and
- (g) Periodically updating all documents, data or information of all clients and beneficial owners collected under the CDD process.
- (h) We shall verify the client's identity using reliable, independent source documents, data or information. Where the client purports to act on behalf of juridical person or individual or trust.
- (i) Where client's transactions relate to money laundering or terrorist financing, We shall not pursue the CDD process, and shall instead file a STR with FIUIND.

**Beneficial ownership:**

Beneficial ownership implies the ultimate individual beneficial owner of the entity. In case of non-individual shareholders/ owners/ partners/Beneficiaries as the case may, the ultimate individual beneficial owner should be identified in all cases except for listed companies.

Where the Investor is a person other than an individual or trust, viz., company, partnership or unincorporated association/body of individuals, the company shall identify the beneficial owners of the investor and take reasonable measures to verify the identity of such persons, through the following information:

The identity of the natural person, who, whether acting alone or together or through one or more judicial person, exercise control through ownership or who ultimately has controlling ownership interest.

Controlling ownership interest means:

- I. More than 10% of shares or capital or profits of the juridical person, where it is a company.

- II. More than 15% of the capital or profits of the juridical person, where it is a partnership.
- III. More than 15% of the property or capital or profits of the juridical person, where it is an unincorporated person or body of individuals.

Where the investor is a trust, we shall identify the beneficial owner of the investor through the identity of the settler of the trust, the trustee, the protector or the beneficiaries with 10% or more interest in the trust or any natural person exercising ultimate effective control over the trust.

While implementing CDD procedures in accepting a new investor / customer, shall:

- i. Adopt a Risk Based Approach.
- ii. Verify proofs of identity, address, date of birth, nationality and financial status of the client and persons acting on its behalf, ownership and control structure by scrupulously following the KYC norms of the relevant authority like exchange / Depositories / RBI. Adequate information to satisfactorily establish the identity of each new investor and the purpose of the intended nature of the relationship should be obtained. KYC norms shall be followed while establishing the investor relationship and may further be followed. Accounts should be opened only after receipt of all the required documents and after due verification with originals.
- iii. We may rely on a third party for the purpose of (a) identification and verification of the identity of investor and (b) determination of whether the investor 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. Such reliance shall be subject to the conditions that are specified in Rule 9 (2) of the PML Rules and shall be in accordance with the regulations and circulars/ guidelines issued by IFSCA from time to time.
- iv. Not open any account in a fictitious / benami name or on an anonymous basis. Ensure that the identity of the proposed investor does not match with any person having known criminal background and he is not banned in any other manner, whether in terms of UN sanction resolutions available or on website at <https://www.un.org/securitycouncil/content/un-sc-consolidated-list> or orders of any other enforcement agency.

While accepting and executing investor relationship we will adopt a Risk Based Approach as under:

Individual Investor, with clean image, not PEP, with investment of USD 150,000, whose identity and sources of wealth can be easily identified.	Investors over investment of USD 150,000 where the identity and sources of wealth are not supported by public documents like Income Returns, Registered conveyance Deeds etc.	HNI Investors with no known sources of Income
Listed Companies	Investors with sudden spurt in volumes or investment without apparent reasons	Investors subsequently becoming suspicious of ML/FT activities
Government owned companies, regulated bodies like banks and PMLA regulated Intermediaries	Persons in business/ industry or trading activity where scope or history of unlawful Trading / business activity dealings is more.	Single Share Companies Or Companies with bearer shares
Day traders and arbitrageurs	Where the client profile of the person/s opening the account, according to the perception of the branch is uncertain and/or doubtful/dubious.	All Investors of Special Category
		Politically Exposed Persons Systems should be there to find out whether a person is PEP. Take reasonable measures to establish sources of wealth and sources of funds on ongoing basis.

The clients shall be shifted from one category to another on real-time basis, if at any time they satisfy the above-mentioned criteria. The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

Clients of Special Category: Special care shall be taken while opening accounts of Clients of Special Category. Such clients include the following.

- a. Companies having close family shareholdings or beneficial ownership
- b. Politically exposed persons (PEP) of foreign origin
- c. Current / Former Head of State, Current or Former Senior High

profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)

- d. Investors from high-risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
- e. Non face to face Investors
- f. Clients with dubious reputation as per public information available etc.

The above-mentioned list is only illustrative and may exercise independent judgment to ascertain how the new Investors should be classified.

## **9. Monitoring of Transactions**

Ongoing monitoring is an essential element of effective KYC procedures. We can effectively control and reduce their risk only if they have an understanding of the normal and reasonable activity of the investor/customer so that they have the means of identifying transactions that fall outside the regular pattern of activity.

We shall have in place a comprehensive transaction monitoring process from a KYC/AML perspective. We shall put in place strong transaction alerts which will provide proactive signals on suspicious transactions and possible money laundering. We have created awareness at each level of department and principal officer along with other officials of we shall endeavor to update the list based on current understanding of the market scenario and trading patterns followed by investors. In addition to the alerts from internal sources, the Surveillance & Compliance team shall also monitor the alerts provided by the various agencies like Exchanges & Depositories.

On the basis of criticality of the breach, observation of account behavior, repetitive breaches, the Principal Officer shall send a query to the concerned business. Responses would be expected within 7 working days.

In case of any account wherein alerts are observed on a regular basis, risk categorization would be increased based on the consensus of the AML monitoring team and the compliance officer. Such a review would be done at least once every month. Special attention is required for all complex, unusually large transactions / patterns which appear to have no economic purpose. The background including all documents, office records and clarifications pertaining to such transactions and their purpose will be examined carefully and findings will be recorded. Such findings, records and related

FIU- IND/Depositories /other relevant authorities, during audit, inspection or as and when required. These records to be preserved for ten years as required under PMLA 2002.

It would be ensured that record of transaction is preserved and maintained in terms of section 12 of the PMLA 2002, Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 or any other notification issued in due course and that transaction of suspicious nature or any other transaction notified under section 12 of the act is reported to the appropriate law authority.

#### **10. Risk Assessment:**

1. We shall carry out risk assessment of the investors by undertaking the investor/customers Due Diligence process to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to investors/customers, 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 IFSCA/IFSCA 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>).

2. We will identify and evaluate ML/TF risks that may arise in connection with the development of new delivery mechanisms and the use of new or developing technologies for both new and existing investors/customers.

3. 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.

#### **11. Risk Management**

We have a Risk Based Approach (RBA) for mitigation and management of the identified risk. Further, we shall monitor the implementation of the controls and enhance them if necessary.

The Statutory / Internal Auditors shall specifically check and verify the application of KYC/AML procedures and comment on the lapses observed in this regard. The reports and compliance in this regard shall also put up before the our governing body.

#### **12. Combating Financing of Terrorism (CFT)**

We shall have a heightened awareness in the system & procedures to check for transactions which give rise to a reasonable ground of suspicion that these may involve financing of the activities relating to terrorism.

### **13. Freezing of funds, financial assets or related services**

On the directions of the Central Government/FIU//IFSCA or any regulatory authority, we shall 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.

We shall also evaluate whether there is any suspicious transaction and accordingly consult the regulatory authority, in determining whether to freeze or close the account and also follow the provisions of Section 51A of Unlawful Activities (Prevention) Act (UAPA), Government of India which has outlined a procedure through an order dated February 02, 2021, as amended from time to time for strict compliance.

### **14. List of Designated Individuals/Entities.**

We monitor a list of individuals/entities who have been designated as 'terrorists'. Which the Home Ministry announces from time to time as per Section 35(1) of UAPA. Further, we also verify and monitors investor details along with 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) & Al- Qaida Sanctions List", can be accessed at following websites/links/press release

[https://press.un.org/en/content/press-release.](https://press.un.org/en/content/press-release)  
[www.un.org/securitycouncil/sanctions/1718/press-releases.](http://www.un.org/securitycouncil/sanctions/1718/press-releases)

We ensure that accounts are not opened in the name of anyone whose name appears in above list. We will 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 above list.

### **15. Maintenance of Records**

The Principal Officer will ensure the maintenance of records of all suspicious transactions. Suspicious transaction means a transaction whether or not made in cash and including, inter-alia, credits or debits into or from any non-monetary account such as demat account, security account etc. which, to a person acting in good faith –

- gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- appears to be made in circumstances of unusual or unjustified complexity; or
- appears to have no economic rationale or bona fide purpose;

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) Investors whose identity verification seems difficult or investors that appear not to cooperate
- b) Asset management services for investors where the source of the funds is not clear or not in keeping with client's apparent standing /Business activity;
- c) Investors based in high-risk jurisdictions;
- d) Substantial increases in business without apparent cause;
- e) Investors 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 and businesses undertaken by offshore banks/financial services, businesses reported to be in the nature of export-import of small items.

The records shall contain the following information:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted; and
- the parties to the transaction.

We shall also endeavour to maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence to the investigating agencies for prosecution of criminal behavior. For this purpose, we shall retain the documents as to

- (a) the beneficial owner of the account;
- (b) the volume of the funds flowing through the account; and

(c) 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.

Principal Officer should ensure that all investor/customer and transaction records and information are available on a timely basis to the competent investigating authorities. Wherever it is appropriate, he may consider retaining certain records, e.g. customer identification, account files, and business correspondence, for periods which may exceed the period prescribed under Rules and Regulations framed under PMLA 2002, other relevant rules & legislations.

## **16. Retention of Records**

(a) We shall maintain necessary records on transactions, both domestic and international, at least for the minimum period prescribed under the IFSCA/PMLA Rules and Regulations or by any other authority from time to time.

(b) Records on investor identification (e.g. copies or records of official identification documents like passports, identity cards, driving licenses or similar documents), account files and business correspondence shall also be kept for the same period.

(c) In situations where the records relate to on-going investigations or transactions, whether attempted or executed, which are reported to the Director, FIU-IND, as required under Rules 7 & 8 for the PML Rules, shall maintain at least for a period of eight years from the date of the transaction or shall be retained until it is confirmed that the case has been closed.

(d) Further, in terms of Regulations 54 and 66 of the IFSCA (Depositories and Participants) Regulations, 2018 (herein referred to as D&P Regulations, 2018) notified on October 03, 2018, we shall preserve the records and documents for a minimum period of eight years

## **17. Reporting to Financial Intelligence Unit-India**

In terms of PMLA rules, Principal Officer is 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, Tower-2, Jeevan Bharati Building,  
Connaught Place, New Delhi-110001, INDIA

Telephone: 91-11-23314429, 23314459  
91-11-23319793(Helpdesk) Email: [helpdesk@fiuindia.gov.in](mailto:helpdesk@fiuindia.gov.in)

(For FINnet and general queries)  
[ctrcell@fiuindia.gov.in](mailto:ctrcell@fiuindia.gov.in)

(For Reporting Entity / Principal Officer registration related queries)  
[complaints@fiuindia.gov.in](mailto:complaints@fiuindia.gov.in)  
Website: <http://fiuindia.gov.in>

#### **For Suspicious Transactions Reporting (STR)**

We will make a note of Suspicious Transaction that have not been explained to the satisfaction of the Principal Officer and thereafter report the same to the FIU IND within the required deadlines.

Where a investor aborts/abandons a suspicious transaction on being asked some information by our officials, the matter should be reported to FIU in the STR irrespective of the amount.

We will not base its decision on whether to file a STR solely on whether the transaction falls above a set threshold. we will file a STR and notify law enforcement of all transactions that raise an identifiable suspicion of criminal or terrorist corrupt activities.

We will not notify any person involved in the transaction or any third person, that the transaction has been reported, except as permitted by the PML Act and Rules thereof.

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.

The Non-Profit Organization Transaction Reports (NTRs) for each shall be submitted to FIU-IND by 15th of the succeeding month.

The Principal Officer will be responsible for timely submission of STR and NTR to FIU-IND and will be able to report to senior management at the next reporting level.

The utmost confidentiality should be maintained in filing of STR & NTR to FIU- IND. The reports may be transmitted online or by speed/registered post/fax at the notified address.

No nil reporting needs to be made to FIU-IND in case there are no suspicious transactions to be reported. We shall ensure you do not put any restrictions on operations in the accounts where an STR has been made. We and our directors, officers and employees (permanent and temporary) will be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the FIU-IND. Thus, it should be ensured that there is no tipping off to the investor at any level. We will create and maintain STRs, NTRs and CTRs and relevant documentation on customer identity and verification. We will maintain STRs, NTRs and CTRs accompanying documentation for at least eight years and will also use the prescribed formats and related hardware and technical requirements for generating reports.

#### **18. Employee’s Hiring /Employee’s Training / Investor Education:**

We have adopted adequate screening procedures including background checks to ensure high standards while hiring employees. Having regard to the risk of money laundering and terrorist financing and size of the business, we will identify the key positions and will ensure that the employees taking up such key positions are suitable and competent to perform their duties.

We has been conducting, on ongoing basis, employee training under the leadership of the Principal Officer 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 investors. They shall be made to fully understand the rationale behind this policy, obligations and requirements, implement them consistently and are sensitive to the risks of their systems being misused by unscrupulous elements.

Implementation of AML/CFT measures requires us to demand certain information from investors which may be of personal nature or which have hitherto never been called for, such as documents evidencing source of funds/income tax returns/bank records etc., which can sometimes lead to raising of questions by the customer with regard to the motive and purpose of collecting such information. Therefore, we will sensitize its customers/investors about these requirements as the ones emanating from AML and CFT framework. we will prepare specific literature/ pamphlets etc./ hold conference so as to educate the customers of the objectives of the AML/CFT program.

#### **Monitoring Employee Conduct and Accounts:**

We will subject employee accounts to the same AML procedures as customer accounts, under the supervision of the Principal Officer. The Principal Officer’s accounts will be reviewed by the designated directors .

**Confidential Reporting of AML Non-Compliance:**

Employees will report any violations of the company's AML compliance program to the Principal Officer, unless the violations implicate the Principal Officer, in which case the employee shall report to the designated directors. Such reports will be confidential, and the employee will suffer no victimization for making them.

**Communication of this Policy:**

Principal Officer shall ensure that this policy is communicated to all management and relevant staff including directors, Head of the department (s), branches and group companies.

**19. Review and Modification:**

In case of any subsequent changes in the provisions of the PMLA Act and/or its Rules, which makes any of the provisions in the policy inconsistent with the provision of law, the provisions of the Act or Rules would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

**20. Approval of Governing Body**

We have approved this AML policy as reasonably designed to achieve and monitor our ongoing compliance with the requirements of the PMLA and the implementing regulations under it.