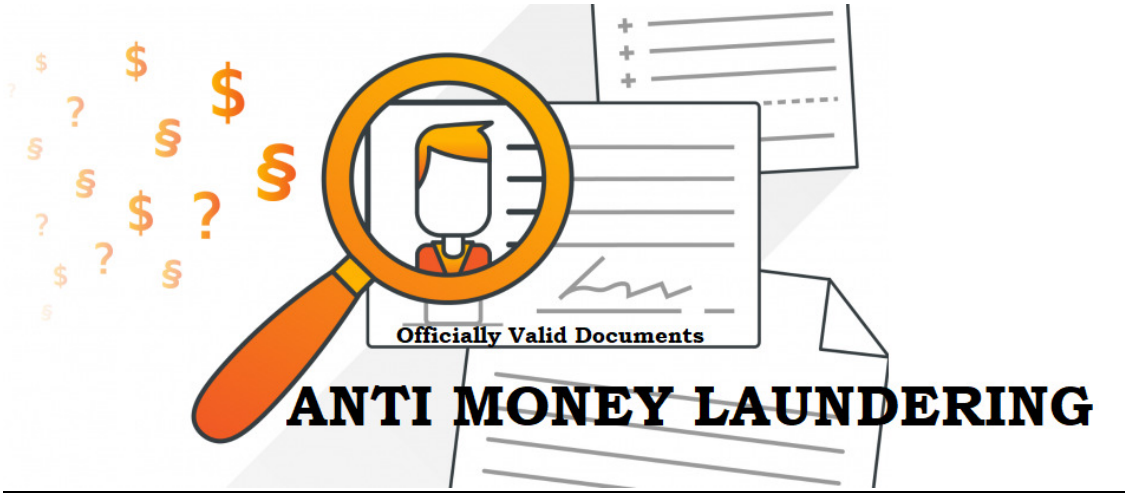
ANTI MONEY LAUNDERING POLICY & PROCEDURES



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Objectives

In response to the international community's growing concern about the problem of money laundering and potential terrorist financing, many countries around the world are enacting or strengthening their laws and regulations regarding this subject.

Anti Money Laundering Act, 2002 was passed by Indian Parliament in the year 2002 and the Act became effective from 1st July, 2005.

The Act specifies statutory duties for Banking companies, Financial Institutions and Intermediaries. The compliance with these duties is intended to supplement the law enforcement authorities' activities, to detect proceeds derived from serious crimes and help to effectively prevent money laundering, terrorist financing, and recycling of illegally obtained money.

The purpose of this policy is to establish the general framework for the fight against money laundering, terrorism, financial crimes and corruption.

Member is committed to examining its Anti - Money Laundering strategies, goals and objectives on an ongoing basis and maintaining an effective Anti - Money Laundering program for its business that reflects the best practices for a diversified, retail financial services firm.

The objective of having an Anti Money Laundering Policy & Procedures is to have in place adequate system and internal control that help to generate suspicious alert, scrutinize the matter, Report the alerts to proper authority and to prevent money-laundering activities.

This policy aims to cover Stock & Commodity Broking and Depository Participant Business of the company.

Background of the Anti Money Laundering Act, 2002 (AMLA)

Global Framework:

In response to mounting concern over money laundering world wide the G-7 Summit held in Paris in 1989 established a policy making body, having secretariat at Organisation for Economic Co-operation and Development (OECD), which works to generate the necessary political will to bring about national legislative and regulatory reforms to combat money laundering and terrorist financing.

The World Bank and the IMF have also established a collaborative framework with the FATF for conducting comprehensive AML/CFT assessments of countries' compliance with the FATF 40+8 Recommendations, using a single global methodology.

India has been accorded 'Observer' status

Indian Framework:

The Prevention of Money Laundering Act, 2002 came into effect from 1st July 2005. Necessary notifications/ rules under the said Act were published in the Gazette of India on 1st July 2005 by the Dept of Revenue, Ministry of Finance, Government of India.

Subsequently, SEBI issued necessary guidelines vide circular no. ISD/CIR/RR/AML/1/06 dated 18th January 2006 to all securities market intermediaries registered under section 12 of the SEBI Act, 1992. Also SEBI issued *Master Circulars from time to time on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under*

Guidelines were issued in the context of recommendations made by the Financial Action Task Force (FATF) on anti-money laundering standards.

Applicability of PMLA Act

- Banking company
- Financial institution

- Intermediary (which includes a stock broker , Commodity Broker, DP, sub-broker, share transfer agent, portfolio manager, other intermediaries associated with securities market and registered under section 12 of the SEBI Act,1992)

All financial Intermediaries shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules under the PMLA. Such transactions include:

- All cash transactions > Rs 10 lacs or its equivalent in foreign currency.
- All integrally connected series of cash transactions < Rs 10 lacs or its equivalent in foreign currency within one calendar month.
- All suspicious transactions

What is Money Laundering?

Money Laundering involves disguising financial assets so that they can be used without detection of the illegal activity that produced them. Through money laundering, the launderer transforms the monetary proceeds derived from criminal activity into funds with an apparent legal source. Money laundering is the process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities.

The term "Money Laundering" is also used in relation to the financing of terrorist activity (where the funds may, or may not, originate from crime). Money Laundering is a process of making dirty money look clean.

Money is moved around the financial system again and again in such manner that its origin gets hidden.

Need for Anti Money Laundering:

It has become more evident that the next generation of identity thieves will deploy sophisticated fraud automation tools

The increased integration of the world's financial systems and the removal of barriers to the free movement of capital have enhanced the ease with which criminal money can be laundered

Every year, huge amounts of funds are generated from illegal activities. These funds are mostly in the form of cash

The criminals who generate these funds try to bring them into the legitimate financial system Over $1.5 trillion of illegal funds are laundered each year

Successful money laundering activity spawning yet more crime, exists at a scale that can and does have a distorting and disruptive effect on economies, marketplaces, the integrity of jurisdictions, market forces, democracies etc.

Consequences of Money Laundering

Finances Terrorism:

Money laundering provides terrorists with funds to carry out their activities

Undermines rule of law and governance:

Rule of Law is a precondition for economic development – Clear and certain rules applicable for all.

Affects macro economy:

Money launderers put money into unproductive assets to avoid detection.

Affects the integrity of the financial system:

Financial system advancing criminal purposes undermines the function and integrity of the financial system

Reduces Revenue and Control:

Money laundering diminishes government tax revenue and weakens government control over the economy

Suspicious Transaction

Suspicious Transaction means a transaction whether or not made in cash which, to a person acting in good faith:

- Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime
- Appears to be made in circumstances of unusual or unjustified complexity
- Appears to have no economic rationale or bonafide purpose
- Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism
- Identity verification or address details seems difficult or found to be forged / false
- Asset management services where the source of the funds is not clear or not in keeping with apparent standing /business activity
- Substantial increases in business without apparent cause
- Unusual & Unexplained large value of transaction
- Transfer of large sums of money to or from overseas locations

- Unusual & Unexplained activity in dormant accounts

Stages of Money Laundering

Although money laundering is a complex process, it generally follows three stages:

- **Placement** is the initial stage in which money from criminal activities is placed in financial institutions. One of the most common methods of placement is structuring—breaking up currency transactions into portions that fall below the reporting threshold for the specific purpose of avoiding reporting or recordkeeping requirements.
- **Layering** is the process of conducting a complex series of financial transactions, with the purpose of hiding the origin of money from criminal activity and hindering any attempt to trace the funds. This stage can consist of multiple securities trades, purchases of financial products such as life insurance or annuities, cash transfers, currency exchanges, or purchases of legitimate businesses.
- **Integration** is the final stage in the re-injection of the laundered proceeds back into the economy in such a way that they re-enter the financial system as normal business funds. Banks and financial intermediaries are vulnerable from the Money Laundering point of view since criminal proceeds can enter banks in the form of large cash deposits.

FINANCIAL INTELLIGENCE UNIT (FIU) INDIA

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

FIU –India has been established as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspicious financial transactions. FIU India is also responsible for coordination and stretching efforts of national and international intelligence and enforcement agencies in pursuing the global efforts against money laundering and related crimes.

Anti Money Laundering – KYC Standards

a) The objective of the KYC guidelines is to prevent Stock Broker, Commodity Broker & DP from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures enable Stock Broker, Commodity Broker & DP to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently. The KYC policy of the Stock Broker, Commodity Broker & DP incorporates the following four elements:

i. Customer Acceptance Policy (CAP)
ii. Customer Identification Procedures (CIP)
iii. Monitoring of Transactions; and
iv. Risk Management

b) A customer for the purpose of KYC Policy is defined as:

- ⇒ A person or entity that maintains an account and/or has a business relationship with the Stock Broker, Commodity Broker & DP
- ⇒ One on whose behalf the account is maintained (i.e., the beneficial owner)
- ⇒ Any person or entity connected with a trading transaction which can pose significant reputational or other risks to the Stock Broker, Commodity Broker & DP, say, a circular trading, off market transactions,

I Customer Acceptance Policy (CAP)

a) The following Customer Acceptance Policy indicating the criteria for acceptance of customers shall be followed.

The **Member** shall accept customer strictly in accordance with the said policy and independent verification of each client must be done:

i. No account shall be opened in anonymous or fictitious/benami name(s)

ii. Parameters of risk perception shall be clearly defined 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., to enable categorization of customers into low, medium and high risk called Level I, Level II and Level III respectively; Customers requiring very high level of monitoring e.g., Politically Exposed Persons (PEPs) may be categorized as Level III

iii. The Member shall collect documents and other information from the customer depending on perceived risk and keeping in mind the requirements of AML Act, 2002 and guidelines issued by SEBI/Exchange from time to time

iv. The Member shall close an existing account or shall not open a new account where it is unable to apply appropriate customer due diligence measures i.e., Member is unable to verify the identity and/or obtain documents required as per the risk categorization due to noncooperation of the customer or non-reliability of data/information furnished to the Member. The Member shall, however, ensure that these measures do not lead to the harassment of the customer. Further, the customer should be given a prior notice of at least 30 days wherein reasons for closure of his account should also be mentioned.

vi. The Member shall make necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc. RBI/SEBI/Exchange has been circulating lists of terrorist entities notified by the Government of India so that Stock Broker, Commodity Broker & DP exercise caution against any transaction detected with such entities.
The Member shall invariably consult such lists to ensure that prospective person/s or organizations, desirous to establish relationship, are not in any way involved in any unlawful activity and that they do not appear in such lists.

b) The Member shall prepare a profile for each new customer based on risk categorization.
The nature and extent of due diligence shall depend on the risk perceived by the Member. The KYC Staff should continue to follow strictly the instructions regarding secrecy of customer information. KYC Staff should bear in mind that the adoption of customer acceptance policy and its implementation does not become too restrictive and should not result in denial of broking services to general public, especially to those, who are financially or socially disadvantaged.

c) The risk to the customer shall be assigned on the following basis:

i. Low Risk (Level I):

Individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile may be categorized as low risk. The illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government Departments and Government owned companies, regulators and statutory bodies etc. In such cases, only the basic requirements of verifying the identity and location of the customer shall be met.

ii. Medium Risk (Level II):

Customers that are likely to pose a higher than average risk to the Stock Broker, Commodity Broker & DP may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile etc; such as:

a) Persons in business/industry or trading activity where the area of his residence or place of business has a scope or history of unlawful trading/business activity.
b) Where the client profile of the person/s opening the account, according to the perception of the Member is uncertain and/or doubtful/dubious.

iii. High Risk (Level III):
The Member may apply enhanced 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.

Clients of special category (CSC)

Such clients include the following

a. Nonresident clients

b**. High net worth clients,** (High Net worth clients (i.e the clients having Net worth exceeding 2 Crore and doing the intraday trading volume of more than 5Crore and daily delivery volume more than Rs 2 Crore and in case of DP; Holding stock of more than 2 Crore)

c. Trust, Charities, NGOs and organizations receiving donations

d. Companies having close family shareholdings or beneficial ownership

e. Politically exposed persons (PEP) of foreign origin

f. 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)

g. Companies offering foreign exchange offerings

h. Clients in 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.

i. Non face to face clients

j. Clients with dubious reputation as per public information available etc. (dubious reputation means client having name in CIBIL, watchoutinvestor.com, defaulter list, etc.)

The above mentioned list is only illustrative and the Staff along with senior official should exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

The persons requiring very high level of monitoring may be categorized as Level IV.

Periodicity of updating of documents taken during the client due diligence (CDD) process :

Documents taken during the CDD Process shall be updated in case of inactive clients at the time of reactivation. Inactive client means client having no transaction since last 2 years. Further, in case of active clients, documents are updated on annual basis in case of change in details only other wise oral confirmation from client regarding no change can also be obtained.

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

We may rely on a third party 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.

Provided 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.
ii. 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 SEBI from time to time.

We shall be ultimate responsible even though we rely on third party for CDD Process.

II. Customer Identification Procedure (CIP)

a) Customer identification means identifying the person and verifying his/her identity by using reliable, independent source documents, data or information. The Member need to obtain sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of broking relationship. Being satisfied means that the Member is able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance of the extant guidelines in place. Besides risk perception, the nature of information/documents required would also depend on the type of customer (individual, corporate, etc). For customers that are natural persons, the Member shall obtain sufficient identification data to verify the identity of the customer, his address/location, in person verification and also his recent photograph. For customers that are legal persons or entities, the Member shall (i) verify the legal status of the legal person/entity through proper and relevant documents (ii) verify that any person

purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person (iii) understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

b) If the Member decides to accept such accounts in terms of the Customer Acceptance Policy, the Member shall take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows who the beneficial owner(s) is/are.

Further, SEBI Vide its circular no. CIR/MIRSD/2/2013 dated 24/01/2013 has provided guidelines for identification of Beneficial Ownership. Accordingly following guidelines shall be adhered while opening account of non-individual clients.

A FOR CLIENTS OTHER THAN INDIVIDUALS OR TRUSTS:

I.e. Company, partnership or unincorporated association/body of individuals

In this type of category, Member should identify beneficial ownership and verify the identity of such person through following information.

1. Identification of Natural persons who has a controlling ownership interest

a. In Case of Company -à Ownership/Entitlement of more than **25% of** Shares or Capital or Profits

b. In case of Partnership à Ownership/Entitlement of more than **15% of** Capital or Profits

c. In case of Unincorporated association or body of individual - Ownership/Entitlement of more than **15% of property** or Capital or Profits

2. In case where there exist **doubt under above identification point 1**, regarding controlling ownership, member shall identify control through means viz

a. Voting Rights

b. Agreements

c. Arrangements or any other manner

3. If, No person is identified under above identification Point 1 & 2, the identity of the relevant natural person who holds the position of senior managing official.

B. FOR CLIENT WHICH IS A TRUST:

In case of Trust, Member shall identify beneficial ownership through

- The identity of settler of Trust
- The Trustee
- The Protector
- The Beneficiaries with 15% or more interest in trust
- Any other person having ultimate control over trust through chain of control or ownership.

C. EXEMPTION IN CASE OF LISTED COMPANIES:

Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

D. APPLICABILITY FOR FOREIGN INVESTORS:

In case of foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client which clarifies that;
A. Though it is not mandatory, the intermediaries shall carry out due diligence as per the PMLA and SEBI Master Circular on AML about the financial position of the Foreign Investors.
B. List of beneficial owners with shareholding or beneficial interest in the client equal to or above 25% to be obtained. If Global Custodian /Local Custodian provide an undertaking to submit these details, then intermediary may take such undertaking only. Any change in the list to be obtained based on risk profile of the client.

III Officially Valid Documents (OVDs) – Vis-à-vis Digital KYC

SEBI, from time to time has issued various circulars to simplify, harmonize the process of KYC by investors / RI. Constant technology evolution has taken place in the market and innovative platforms are being created to allow investors to complete KYC process online.

In terms of PML Rule 2 (1) (cb) "equivalent e-document" means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature, including documents issued to the Digital Locker account of the investor as per Rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016.

Investor's KYC can be completed through online / App based KYC, in-person verification through video, online submission of Officially Valid Document (OVD) / other documents under eSign.

In terms of Rule 2 (d) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules) "Officially Valid Documents" means the following:

a. the passport,
b. the driving licence,
c. proof of possession of Aadhaar number,
d. the Voter's Identity Card issued by Election Commission of India,
e. job card issued by NREGA duly signed by an officer of the State Government and

f. the letter issued by the National Population Register containing details of name, address, or any other document as notified by the Central Government in consultation with the Regulator

Further, Rule 9(18) of PML Rules states that in case OVD furnished by the investor does not contain updated address, the document as prescribed therein viz e.g. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill) Or Property etc., shall be deemed to be the OVD for the limited purpose of proof of address, provided that the client shall submit updated officially valid document or their equivalent e-documents thereof with current address within a **period of three months** of submitting the above documents.

PML Rules allows an investor to submit other OVD instead of PAN, however, in terms of SEBI circular No. MRD/DoP/Cir- 05/2007 dated April 27, 2007 the requirement of mandatory submission of PAN by the investors for transaction in the securities market shall continue to apply.

IV Monitoring of Transactions

a) Continuous monitoring is an essential ingredient of effective KYC procedures and the extent of monitoring should be according to the risk sensitivity of the account. Member shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. Transactions that involve large amount of trading activity inconsistent with the size of the balance maintained may indicate that the funds are being 'washed' through the account. High risk accounts shall be subjected to intensive monitoring.
b) No Cash Transaction should be allowed. Demand Draft shall be accepted only in exceptional cases and a declaration regarding legitimate income source shall be taken from the client giving payment through Demand Draft. A register detailing date of DD, Client Code, Name, PAN, DD amount and reason for giving DD shall be maintained and reviewed to prevent frequent DD transaction from the particular client. Further, If prefunded instruments amount is more than or equal to 50,000 per day per client, proofs as required by SEBI are to be taken on record before acceptance of instrument. The Member shall continue to follow strictly the instructions regarding suspicious transactions issued threshold limit of Rs.10 lakh and required to maintain proper record of the same.

c) The KYC Department shall ensure adherence to the KYC policies and procedures. All staff members shall be provided training on Anti Money Laundering. The focus of training shall be different for front office staff, back office staff, compliance staff, senior level staff and staff dealing with new customers.

V Risk Management

a) KYC policies and procedures cover management oversight, systems and controls, segregation of duties, training and other related matters. For ensuring effective

implementation of the KYC polices and procedures, the Member shall prepare risk profiles of all their existing and new customers and apply Anti Money Laundering measures keeping in view the risks involved in a transaction, account or broking/business relationship.
b) Training encompassing applicable money laundering laws and recent trends in money laundering activity as well as the Stock Broker, Commodity Broker and DP's policies and procedures to combat money laundering shall be provided to all the staff members periodically in phases.
c) A threshold limits for particular group of accounts shall be prescribed and staff shall pay particular attention to the transactions which exceed these limits. The threshold limits shall be reviewed annually and changes, if any, conveyed to Staff for monitoring.
d) The Stock Broker, Commodity Broker and DP's internal audit and compliance functions have an important role in evaluating and ensuring adherence to the KYC policies and procedures. The compliance function shall provide an independent evaluation of the Stock Broker, Commodity Broker & DP's own polices and procedures, including legal and regulatory requirements. Concurrent/Internal Auditors shall specifically check and verify the application of KYC procedures at the Member's end and comment on the lapses observed in this regard. The compliance in this regard shall be put up before the board on half yearly intervals.

Internet Trading Facility

After proper customer acceptance & identification procedures for opening of trading account, if client requires IBT/Wireless facility, a written request shall be taken if he has not opted for said facility through KYC.

We make sure that such clients are literate and have understood the rights and obligation with regard to Internet/wireless Trading.

Employee Hiring & Training

All the proposed application for employment shall be taken only from the person who have valid reference of our existing staff and /or have relations with the present staff and directors.
It is prudent to also verify education and employment information which uniquely qualifies candidates for the position. In addition, it is strongly recommended that reference checks be completed prior to making the hiring decision. Further, if employee is for the post of dealer, NCFM/BCSM certification shall also be verified as a condition of employment. It is strongly recommended that employment verification be completed within one week of making an offer of employment to any individual. It is strongly recommended that educational and NCFM/BCSM verifications be completed within one week of making an offer of employment to any individual. After completing all the above procedures and formalities of employee screening, the company shall appoint the employee with the negotiated terms and conditions.
Further, Employees are trained with regard to compliance & Operational requirement of broking & DP entities. Also regulatory knowledge w.r.t Depositories, Stock & Commodity Exchanges, Money Laundering, etc are also imparted so that compliance & Business risk of Broker & DP are minimized.

Tipping off

No restriction is made on operations in the accounts where an STR has been made. Company and Our Directors, Officers and Employees are prohibited from disclosing (tipping off) the fact that a STR or related information is being reported or provided to the FIU-IND.
The prohibition of Tipping Off extends not only to the filling of the STR and/or related information but even before, during and after the submission of an STR. Thus, it is insured that there is no Tipping Off to the client at any level.

Customer Education

Implementation of KYC procedures requires Member to demand certain information from the customers that may be of personal in nature or which have hitherto never been called for. This can sometimes lead to a lot of questioning by the customer as to the motive and purpose of collecting such information. Therefore, the front desk staff needs to handle such situations tactfully while dealing with customers and educate the customer of the objectives of the KYC programme. The Member shall also be provided specific literature/pamphlets to educate customers in this regard.

Record Keeping

As per Rule 3 of the Rules notified by Notification No. 9/2005 , Intermediary shall maintain a record of, -
A. all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
B. all series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
C. all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;
D. all suspicious transactions whether or not made in cash

- Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved **for a period of Five years** after the business relationship between a client and intermediary has ended **or** the account has been closed**, whichever is later.**"

- Member shall maintain and preserve the record of documents evidencing the identity of its clients and beneficial owners (e.g., copies or records of official identification documents like passports, identity cards, driving licenses or similar documents) as well as account files and business correspondence for a period of Five years after the business relationship

between a client and intermediary has ended or the account has been closed, whichever is later."

- Periodicity for maintenance of records in case of DP, As per SEBI (Depository and Participants) Regulation, 2018 dated 03rd October, 2018, DP has to maintain and ***preserve all records and information for a period of 08 Years in a manner that allows easy and quick retrieval of data.***

Appointment of Principal Officer & Designated Director

To designate an officer as "Principal Officer" and intimate the details to the Financial Intelligence Unit-India on an immediate basis. The Principal Officer shall have timely access to customer identification data and other CDD information, transaction records and other relevant information. The Principal Officer shall also have access to and be able to report to senior management above his next reporting level or the board of directors.

In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also require to designate a person as a 'Designated Director'. In terms of Section 13 (2) of the PML Act (as amended by the Prevention of Money-laundering (Amendment) Act, 2012), the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its AML/CFT obligations.

Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967

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 Security Council Committee established pursuant to various United Nations' Security Council Resolutions (UNSCRs) can be accessed in the United Nations website at **http://www.un.org/sc/committees/1267/consolist.shtml.**

Member shall continuously scan all existing accounts to ensure that no account is held by or linked to any of the entities. Full details of accounts bearing resemblance with any of the individuals/entities in the list are required to be intimated to SEBI and FIU-IND.

The Unlawful Activities (Prevention) Act, 1967 (UAPA) was enacted for the prevention of certain unlawful activities of individuals and associations and for matters connected therewith. UAPA has been amended by the Unlawful Activities (Prevention) Amendment Act, 2008. The Government has, since issued an Order dated August 27, 2009 detailing the procedure for implementation of Section 51A of the UAPA, relating to the purpose of prevention of, and for coping with terrorist activities. In terms of Section 51A, 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 and 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.

It is directed that stock & Commodity exchanges, depositories and registered intermediaries shall ensure expeditious and effective implementation of the procedure laid down in the UAPA Order dated August 27, 2009.

Further, GOI vide Notification dated 02/02/2021 revised earlier procedure and issued revised procedure in supersession of earlier orders and guidelines.

Policy Review

This policy must be reviewed as and when there are regulatory amendments and in absence of any amendment, on yearly basis.

Anti Money Laundering – Procedures

CUSTOMER ACCEPTANCE PROCEDURES

- ***For new clients:***

⇒ Each client should be met in person, before accepting the KYC. The client should be met at the Head Office or any of the branch offices as per mutual convenience of the client and ourselves.

⇒ Verify the PAN details on the Income Tax website.

⇒ All documentary proofs given by the client should be verified with original.

⇒ 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.

⇒ 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 HO for account opening.

⇒ Ensure that the details mentioned in the KYC matches with the documentary proofs provided and with the general verification done by us.

⇒ If the client does not provide the required information, then we should not open the account of such clients.

⇒ 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 through Interview and additional financial documents viz Demat Holding, Bank Statements, Networth, Balance Sheet, etc.

⇒ 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. KYC and KRA Procedures of Such POA/Mandate Holder must be done.

⇒ We should not open accounts where we are unable to apply appropriate KYC procedures I.E benami/fictitious names

- ***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. For scrutiny / back ground check of the clients / HNI, websites such as www.watchoutinvestors.com should be referred. Also, Prosecution Database / List of Vanishing Companies available on www.sebi.gov.in and RBI Defaulters Database available on www.cibil.com should be checked.

⇒Scrutinize minutely the records / documents pertaining to clients of special category (like Non-resident clients, High Net worth Clients, Trusts, Charities, NGOs, Companies having close family shareholding, Politically exposed persons, persons of foreign origin, Current/Former Head of State, Current/Former senior high profile politician, Companies offering foreign exchange offerings, etc.) or clients from high-risk countries (like Libya, Pakistan, Afghanistan, etc.) or clients belonging to countries where corruption / fraud is highly prevalent.

⇒Review the above details on an going basis to ensure that the transactions being conducted are consistent with our knowledge of customers, its business and risk profile, taking into account, where necessary, the customer's source of funds.

CLIENT IDENTIFICATION PROCEDURS

1. 'Know your Client' (KYC) form, which clearly spells out the client identification procedure;
2. PAN Card is made mandatory of clients and also verified online on Income Tax site.
3. The client is identified by using reliable sources including self attested documents / information;
4. All Documents are to be verified against the Originals.
5. Failure by prospective client to provide satisfactory evidence of identity are noted and discarded.
6. Registered intermediaries shall also take reasonable measures to verify the sources of funds as well as the wealth of clients and beneficial owners identified as PEP".

Digital KYC Process

A. The reporting entities shall develop an application for digital KYC process which shall be made available at customer touch points for undertaking KYC of their customers and the KYC process shall be undertaken only through this authenticated Application of the Reporting Entities.
B. The access of the Application shall be controlled by the Reporting Entities and it should be ensured that the same is not used by unauthorized persons. The Application shall be accessed only through login-id and password or Live OTP or Time OTP controlled mechanism given by Reporting Entities to its authorized officials.
C. The client, for the purpose of KYC, shall visit the location of the authorized official of the Reporting Entity or vice-versa. The original Officially Valid Document (OVD) shall be in possession of the client.

D. The Reporting Entity must ensure that the Live photograph of the client is taken by the authorized officer and the same photograph is embedded in the Customer Application Form (CAF).

Further, the system Application of the Reporting Entity shall put a water-mark in readable form having CAF number, GPS coordinates, authorized official's name, unique employee Code (assigned by Reporting Entities) and Date (DD:MM:YYYY) and time stamp (HH:MM:SS) on the captured live photograph of the client.

E. The Application of the Reporting Entities shall have the feature that only live photograph of the client is captured and no printed or video-graphed photograph of the client is captured. The background behind the client while capturing live photograph should be of white colour and no other person shall come into the frame while capturing the live photograph of the client.

F. Similarly, the live photograph of the original officially valid document or proof of possession of Aadhaar where offline verification cannot be carried out (placed horizontally), shall be captured vertically from above and water-marking in readable form as mentioned above shall be done. No skew or tilt in the mobile device shall be there while capturing the live photograph of the original documents.

G. The live photograph of the client and his original documents shall be captured in proper light so that they are clearly readable and identifiable.

H. Thereafter, all the entries in the CAF shall be filled as per the documents and information furnished by the client. In those documents where Quick Response (QR) code is available, such details can be auto-populated by scanning the QR code instead of manual filing the details. For example, in case of physical Aadhaar/e-Aadhaar downloaded from UIDAI where QR code is available, the details like name, gender, date of birth and address can be auto-populated by scanning the QR available on Aadhaar/e-Aadhaar.

I. Once the above mentioned process is completed, a One Time Password (OTP) message containing the text that 'Please verify the details filled in form before sharing OTP' shall be sent to client's own mobile number. Upon successful validation of the OTP, it will be treated as client signature on CAF. However, if the client does not have his/her own mobile number, then mobile number of his/her family/relatives/known persons may be used for this purpose and be clearly mentioned in CAF. In any case, the mobile number of authorized officer registered with the Reporting Entity shall not be used for client signature. The Reporting Entity must check that the mobile number used in client signature shall not be the mobile number of the authorized officer.

J. The authorized officer shall provide a declaration about the capturing of the live photograph of client and the original document. For this purpose, the authorized official shall be verified with One Time Password (OTP) which will be sent to his mobile number registered with the Reporting Entity.

Upon successful OTP validation, it shall be treated as authorized officer's signature on the declaration. The live photograph of the authorized official shall also be captured in this authorized officer's declaration.

K. Subsequent to all these activities, the Application shall give information about the completion of the process and submission of activation request to activation officer of the Reporting Entity, and also generate the transaction-id/reference-id number of the process. The authorized officer shall intimate the details regarding transaction-id/reference-id number to client for future reference.

L. The authorized officer of the Reporting Entity shall check and verify that:

(i) information available in the picture of document is matching with the information entered by authorized officer in CAF.

(ii) live photograph of the client matches with the photo available in the document.; and

(iii) all of the necessary details in CAF including mandatory field are filled properly.;

M. On Successful verification, the CAF shall be digitally signed by authorized representative of the Reporting Entity who will take a print of CAF, get signatures/thumb-impression of customer at appropriate place, then scan and upload the same in system. Original hard copy may be returned to the customer

Risk Categorization /PROFILING

RISK CATEGORISATION FOR ACCOUNTS IN THE NAME OF INDIVIDUALS

Type	Recommended Risk Categorization	Risk Perception
Salaried	Low risk	Source on income is fixed and pattern of entries in the account can be correlated with known sources of income/ expenditure.
Senior citizens	Medium / High Risk	Source of income for trading related purposes not known clearly. May be operated by third parties. Will be considered high risk in case operating in F&O. If dealing only in CM Segment for IPOs then Low Risk.
House-wife	Medium / High Risk	Source of income for trading related purposes not known clearly. May be operated by third parties. Will be considered high risk in case operating in F&O. If dealing only in CM Segment for IPOs then Low Risk.
Self Employed-Professionals/ Businessmen	Low risk (except professionals associated with the film industry who will be categorized as "Medium" risk).	Accounts maintained by Chartered Accountants, Architects, Doctors, Lawyers, Sports men, etc.
Non Resident Individuals	Low / Medium risk	Transactions are regulated through AD and the accounts are opened only after IPV. In case an IPV is not performed and we have relied on documentation submitted by the client, the account would be categorized as medium risk.

Politically Exposed Persons resident outside India	High Risk	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. Branches should 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. Front end staff should verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. Such accounts should be subjected to enhanced monitoring on an ongoing basis. The above norms should also be applied to the accounts of the family members and close relatives of PEPs. Further company may maintain a list of additional accounts as "Designated PEP" The accounts of Politically Exposed Persons resident outside India shall be opened only after obtaining the approval of Business Head. Further, in the event of an existing customer or the beneficial owner of an account subsequently becoming PEP, Business head approval would be required to continue the business relationship and such accounts would be subjected to Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis. In such events Company shall be guided by the information provided by the clients or front end teams.

NOTE: If any of the above accounts are operated by Power of Attorney (POA) holder/mandate holder, then the account will be categorized as "High Risk".

Further, Compliance Officer after consultation with Director has right to lowering of Risk categorization , however such lower classification shall be reviewed after 3 months from the date of account opening or date of first trade.

RISK CATEGORISATION FOR ACCOUNTS IN THE NAME OF NON-INDIVIDUALS

Risk categorization of Non Individual customers can be done basis:

A. Type of Entity

Type	Recommended Risk Categorisation	Risk Perception
Private Ltd/Public Ltd Companies	Low / Medium / High risk	Depending on the clarity of the shareholding structure and the nature of operations, such companies would be classified. Such classifications shall be decided post the review of the compliance officer
Local Authorities or Public Bodies	Low Risk	They are constituted under Special Acts. Operations are governed by such Acts /Rules
Public Sector Undertakings, Government Departments/ Undertakings, Statutory Corporations	Low Risk	These types of entities are governed by specific Acts, Notifications etc framed by the Government of India or the State Govt and are controlled and run by the Govt.
Mutual Funds/Scheduled Commercial Banks/Insurance Companies/Financial Institutions	Low Risk	These entities are strictly regulated by their respective regulators.
Partnership Firm	Low / Medium / High risk	Depending on the clarity of the shareholding structure and the nature of operations, such entities would be classified. Such classifications shall be decided post the review of the compliance officer
Trusts – Public Charitable Trust	Medium / High Risk	Depending on the clarity of the beneficial ownership and the nature of operations, such entities would be classified. Such classifications shall be decided post the review of the compliance officer
Hindu Undivided Family	Low/Medium Risk	These are unregistered bodies and the pattern (HUF) of entries in the account may not be correlated with known sources of income/ expenditure but some HUFs are used as Investment Entities so it's Risk Category may be co-related to Risk Category of Karta.

Societies / Associations /Clubs	High Risk (except 'Housing Societies' which will be categorized as "Low" risk).	These are not highly regulated entities and the pattern of entries in the account may not be correlated with known sources of income/ expenditure.
Trusts – Private Trust	High Risk	These may be unregistered trusts and the pattern of entries in the account may not be correlated with known sources of income/ expenditure.
Co-operative Banks	High Risk	These are not highly regulated entities.

B. Basis Industry

Categorization	**Nature of Industry**
High	**The Risk categorisation is dependent on industries which are inherently High Risk or may exhibit high cash intensity, as below:** Arms Dealer Money Changer Exchange Houses Gems / Jewellery / Precious metals / Bullion dealers (including sub-dealers) Real Estate Agents Construction Offshore Corporation Art/antique dealers Restaurant/Bar/casino/night club Import/Export agents (traders; goods not used for own manufacturing/retailing) Share & Stock broker Finance Companies (NBFC) Transport Operators Auto dealers (used/ reconditioned vehicles/motorcycles) Scrap metal dealers Liquor distributorship Commodities middlemen Co-operative Banks Car/Boat/Plane dealerships/brokers Multi Level Marketing (MLM) Firms
Medium	None
Low	All other industries

Notes:

1 Higher Risk Categorization derived from either A or B or C shall be the applicable risk categorization for the account.

2 Lowering of risk classification shall be carried out by the Compliance officer in consultation with the either Principal Officer or Designated Director as reported to FIU.

3 Based on the above categorization the transaction review process will take place.

4 Additionally, in case an account is opened wherein a POA to operate the account is provided to another person who is not family member. Such accounts shall be placed under the High Risk category.

AN INDICATIVE LIST OF SUSPICIOUS ACTIVITIES

Whether a particular transaction is suspicious or not will depend upon the background details of the client, details of the transactions and other facts and circumstances. Followings are the circumstance, which may be in the nature of suspicious transactions:

- Negotiated trades /matched trades.
- Clients whose identity verification seems difficult or clients appears not to co-operate;
- Clients in high-risk jurisdictions or clients introduced by banks or affiliates or other clients based in high risk jurisdictions;
- Substantial increases in business volume without apparent cause;
- Unusually large cash deposits made by an individual or business in their bank accounts ;
- Clients transferring large sums of money to or from overseas locations with instructions for payment in cash which is reflected in Banks;
- Transfer of investment proceeds to apparently unrelated third parties;
- Off market transactions in the DP account of the clients;
- High trading activity in the relatively illiquid scrips;
- Major trading activity in the Z and T to T category scrips;
- Options trading / trading in illiquid scrips wherein client has booked unusual profit or loss which does not commensurate with the changes in the prices of underlying security in the cash segment.
- High exposures taken by client as compared to income levels informed by clients. **(ie. More than 5 to 10 Times Exposure at a given point of time as against the Income Levels)**
- Unusual transactions by "High risk status" and businesses undertaken by shell corporations offshore banks /financial services, businesses reported to be in the nature of export-import of small items.
- Unusually large transactions like, clients having traded in scrip/shares of a company over a threshold quantity /value in a single day and volume in that scrip of that client is above a threshold percentage of the total volume in that scrip of the Exchange. (1% of Total Holding or Rs. 20% of Scrip Turnover)
- Known Relation of the client with the company / directors / promoters.
- Large volume in proprietary account of Sub-Brokers/Affiliates
- Debit and Credit transactions due to Off-market or Inter-depository transfers, above a threshold quantity, in an ISIN, in a single transaction or series of transactions executed during the fortnight. (Current threshold Quantity : 1% of Holding)
- Details of debit and credit transactions due to demat, remat and pledge above a threshold quantity/value, in an ISIN, in a single transaction or series of transactions executed during the fortnight.

(Current threshold Quantity: 1% of Holding or Rs. 50 Lakh or 50% of Average Holding of client)
Details of debit and credit transactions above a threshold quantity/value whichever is smaller, in an ISIN, which exceed a threshold multiple of the average size of the transaction calculated for the previous months' transactions. (Current threshold Quantity: 1% of Holding or Rs. 50 Lakh or 50% of Average Holding of client)

- Details of Off-market transactions (within CDSL/NSDL or Inter-depository) where there are more than a threshold number of transactions in an account, for the past fortnight. (05 DIS Per Fortnight)
- Any debit transaction in a dormant account for exceeding a threshold quantity/value whichever is smaller, will be reported as an alert. An account having no 'Debit' Transaction' in the last 'n' months will be considered as 'Dormant' account for this purpose. **(Rs. 5 Lakh and 6 Months Older)**

- Based on Red Flags as provided by regulator.

NSE and BSE have issued a circular to monitor surveillance related alerts provided by the NSE/BSE from time to time. In this regard process to be followed is provided below –

1 All exchange alerts shall be reviewed by the surveillance team.

2 In case of any suspicious activity observed –
- Client would be required to provide explanation
- We may ask clients to provide KYC related information
- Further documentary evidence such as bank and depository account statements may be called for
- Post analyzing the documentation the results for the same would be recorded and in case of adverse remarks the same would be informed to the exchanges within 45 days from the alert date, unless suitable extension is taken from the exchange.

3 Quarterly MIS of the number of alerts received, reviewed, pending and escalated would be reported to the Board in the Board Meeting. Reason for pendency beyond the closure date would be explained.

4 Compliance department would be responsible for independent oversight of the compliance with these requirements.

Apart from above, alerts suggested, if any, by FIU shall be generated as per set parameters.

PROCEDURE FOR COMBATING FINANCING OF TERRORISM (CFT) UNDER UNLAWFUL ACTIVITIES (PREVENTION) ACT, 1967

On receipt of the updated list of individuals/ entities subject to UN sanction measures (hereinafter referred to as 'list of designated individuals/ entities) from the Ministry of External Affairs'; SEBI will forward the same to stock exchanges, depositories and registered intermediaries for the following purposes:

- To maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to verify whether individuals or entities listed in the schedule to the Order (referred to as designated individuals/entities) are holding any funds, financial assets or economic resources or related services held in the form of securities with them.
- In the event, particulars of any of customer/s match the particulars of designated individuals/entities, stock exchanges, depositories and intermediaries shall immediately, **not later than 24 hours from the time of finding out such 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 ***Central [designated) Nodal Officer for UAPA at Fax No.011-23092551 and also convey over telephone on 011- 23092548***. The particulars apart from being sent by post should necessarily be conveyed through e-mail at ***jsctcr-mha@gov.in*****.**
- Stock exchanges, depositories and registered intermediaries shall send the particulars of the communication mentioned in (ii) above through post/fax and through e-mail (***sebi_uapa@sebi.gov.in***) to the ***UAPA nodal officer of SEBI, Officer on Special Duty, Integrated Surveillance Department, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051*** as well as the UAPA nodal officer of the state/UT where the account is held, as the case may be, and to FIU-IND.
- In case the aforementioned details of any of the customers match the particulars of designated individuals/entities ***Beyond Doubt,*** stock exchanges, depositories and registered intermediaries would prevent designated persons from conducting financial transactions, under intimation to ***Central [designated) Nodal Officer for UAPA at Fax No.011-23092551 and also convey over telephone on 011- 23092548***.

- The particulars apart from being sent by post should necessarily be conveyed through e-mail at ***jsctcr-mha@gov.in*..**
- Stock exchanges, depositories and registered intermediaries shall also file a Suspicious Transaction Report (STR) with FIU-IND covering all transactions in the accounts covered by paragraph (ii) above carried through or attempted, as per the prescribed format.

Freezing of financial assets:

- ***Central [designated) Nodal Officer for UAPA*** would cause a verification to be conducted by the State Police and /or the Central Agencies so as to ensure that the individuals/ entities identified by the stock exchanges,depositories, registered intermediaries are the ones listed as designated individuals/entities and the funds, financial assets or economic resources or related services, reported by stock exchanges, depositories, registered intermediaries are held by the designated individuals/entities. **This verification would be completed expeditiously from the date of receipt of such particulars.**
- In case, the results of the verification indicate that the properties are owned by or held for the benefit of the designated individuals/entities, an order to freeze these assets under section 51A of the UAPA would be issued by ***Central [designated) Nodal Officer for UAPA*** **without delay** such verification and conveyed electronically to the concerned depository under intimation to SEBI and FIU-IND.
- The order shall take place without prior notice to the designated individuals/entities

Procedure for unfreezing

- Any individual or entity, if it has evidence to prove that the freezing of funds, financial assets or economic resources or related services, owned/held by them has been inadvertently frozen, shall move an application giving the requisite evidence, in writing, to the concerned stock exchanges/depositories and registered intermediaries.
- The stock exchanges/depositories and registered intermediaries shall inform and forward a copy of the application together with full details of the asset frozen given by any individual or entity informing of the funds, financial assets or economic resources or related services have been frozen inadvertently, to the ***Central [designated) Nodal Officer for UAPA*** **within two working days**.
- The ***Central [designated) Nodal Officer for UAPA***, shall cause such verification as may be required on the basis of the evidence furnished by the individual/entity and if he is satisfied, he shall pass an order, unfreezing the funds, financial assets or economic resources or related services, owned/held by such applicant under intimation to the concerned stock exchanges, depositories and registered intermediaries. However, if it is not possible for any reason to pass an order unfreezing the assets within five

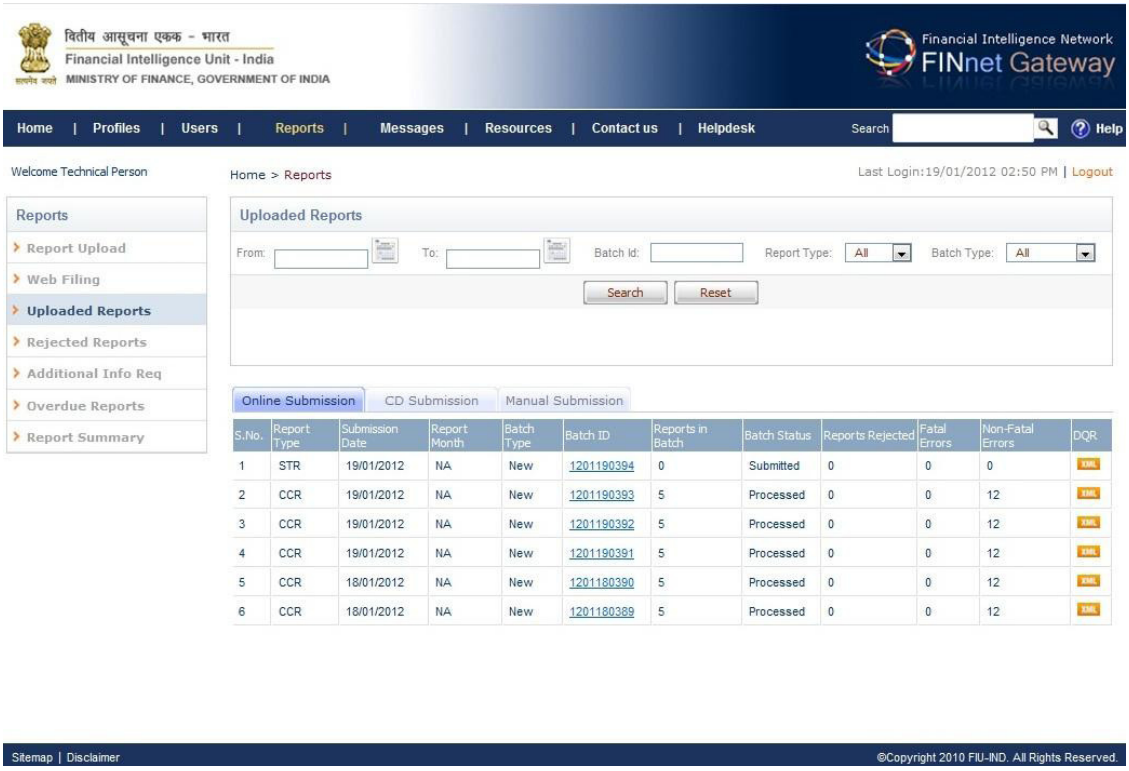
working days, ***Central [designated) Nodal Officer for UAPA*** shall inform the applicant.

REPORTING

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

Reporting and Reports are to be done to FIU as per Procedures laid down in User Manual of Fin NET Portal. The same is as under;

Reports module has the functionality for web filing of reports; report upload and view upload history, rejected reports, reports where additional information is required and overdue reports. A summary of reports submitted by the reporting entity is also provided.



FINnet Gateway Reports

The authorized users can upload the reports using this module of the FINnet Gateway Portal. Before uploading the XML report file, the users of reporting entities should ensure that all errors detected by the utilities are rectified. On successful upload, the portal shall generate and display a unique Batch ID. The principal officer can attach the digital signature using the Report Validation Utility before uploading the file. If the submitted batch is signed with digital signature, the submission of the report will be treated as complete and the status of the batch will be 'Validated'. The date of submission of the batch will be the date of upload.

If the file uploaded is without digital signature, the portal would generate a single page report upload confirmation (RUC) form. The principal officer would be required to print the RUC form and send it to FIU-IND after signing. The signed copy of the RUC form should be received by FIU-IND within 10 days of upload. After confirmation, the date of upload would be taken as date of submission. If the RUC form is not received at FIU-IND within 10 days, it will be treated as non compliance with the reporting obligation. All reporting entities are encouraged to upload digitally signed reports.

1. Click on Reports to navigate to Report Upload page.

2. Click on Browse. It displays File Upload dialog box.
3. Select the file, click Open and Upload the file.
4. On successful validation, a batch id gets generated and displays the message *Uploaded*. Alternatively, if it displays Rejected, then rectify the schema related errors and re-upload.

Web Filing

Web filing of reports by authorized users involves data entry of details on an online web page for submitting reports to FIU-IND. Web filing has been enabled to upload Suspicious Transaction Report (STR) in both Account based Reporting Format (ARF) and Transaction based Reporting Format (TRF).
1. Click on Home > Reports > Web Filing.
2. Select the reporting format and click Enter.
3. Enter data related to the STR in the relevant online form.
4. Click on 'Submit' .after completion of data entry.
   (The system performs data and rule based validations and displays error messages on the screen).
5. Correct the errors and
6. Click on 'Submit'

Uploaded Reports

Uploaded reports section displays summary details of uploaded batches and provides detailed information about batch and data quality validation result.

Uploaded reports section displays summary details of uploaded batches.
1. Click Reports > Uploaded Reports to view summary details of uploaded batches.

Rejected Reports

If the batch of report submitted by the reporting entities had reports with fatal errors, such reports would be rejected. The reporting entity is required to resubmit the rejected reports after corrections. If the reporting entity submits a replacement batch after removing the errors, the details of rejected reports would be updated after processing.

If reporting entity intends to submit additional documents such as KYC document, copy of instrument etc to support grounds of suspicion, they are required to indicate 'Y' in the element 'AdditionalDocuments' in the element Batch/Report/SuspicionDetails. In such cases, an information request will be generated in XML format and communicated to the reporting entity using the FINnet Gateway under this section. The

reporting entity would submit documents in a manner similar to request based submission of additional documents.

Report Summary

Report Summary page helps to view the statistics related to number of reports submitted in a period of time over last three consecutive years.

For Report filling Formats, User Manual and Utilities, follow below link;
http://fiuindia.gov.in/files/downloads/Filing_Information.html