

# INVESTOR EDUCATION ON ANTI-MONEY LAUNDERING MEASURES

## 1. Anti-money Laundering measures

- Prevention of Money Laundering Act – 2002 was brought into force w.e.f. 1st July, 2005 by an act of Parliament. Act is made applicable to banks, financial institutions and all intermediaries associated with the securities market and are registered with SEBI under section 12 of SEBI act, 1992. Angel Broking also falls under the above category and hence required to follow the guidelines of SEBI on the matter.
- Money Laundering refers to conversion of illegally acquired money to make it appear as if it originated from legitimate source. Money Laundering is the process of concealing criminal activity associated with it such as financial terrorism, drug trafficking or other offences.
- SEBI has issued detailed guidelines/ instructions to be complied by all Stock Brokers as a part of the Anti Money Laundering Program vide SEBI circular CIR/ISD/AML/3/2010 dated 31.12.2010 available in SEBI site. (<http://www.sebi.gov.in/sebiweb/>)

## 2. Obligations related to Anti-Money Laundering

- Identification of customer is a very critical process. In order to protect the customer interests by preventing fraudsters from entering into the system using false identity and address, we are required to have a robust client acceptance policy and procedure, risk based approach and rigid client due diligence process at the time of initial registration as well as on a periodical on-going basis.
- Monitoring of transactions is equally critical process. In order to ensure that our systems are not misused for market manipulation, we are required to regularly monitor the transactions carried out by the clients vis a vis the financial status and nature of business intimated by the clients at the time of registration.
- SEBI guidelines mandates that we have a dedicated surveillance and AML team for monitoring the transactions of unusual nature as well as transactional alerts received from the Exchanges and Depositories.
- In order to comply with the above we are required to seek fresh/ additional information/ documents periodically from the clients for the purpose of due diligence and updation of client profile and required to seek clarifications wherever necessary in order to analyse the transactions.
- The intention behind such requirement is not personal or to inconvenience the clients but for ensuring a healthy compliant system and have uninterrupted access to the system by the clients and cordial & healthy business relationship.
- Clients are requested to get the income details, occupation/nature of business, mobile number, email ids and other details updated in their account by submitting a request to our office which will help us to monitor the transactions based on the updated profile and close the alert.