

MONEYBEE SECURITIES PRIVATE LIMITED

Procedures with respect to implementation of Anti Money Laundering Measures under the Prevention of Money Laundering Act,2002.

1. Objective:

The objective of these measures is to discourage and identify any money laundering or terrorist financing activities. These measures are intended to place a system for identifying, monitoring and reporting suspected money laundering or terrorist financing transaction to the law enforcement authorities.

2. Appointment of Principle officer

The company shall appoint a Principle Officer, as required under the Prevention of Money Laundering Act, 2002. The Principle Officer is responsible to discharge the legal obligations to report suspicious transactions to the authorities. The Principle officer will act as a central reference point in facilitating onward reporting of suspicious transactions and assessment of potentially suspicious transactions.

3. Transactions to Record.

- All cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency.
- 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 transaction have taken place within a month.
- All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as demat accounts.
- Note: For recording all the suspicious transactions not only "transactions integrally connected" transactions remotely connected or related" should also be considered in records.

4. Information's to be recorded

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

5. Retention of Records

- All necessary records on transactions, both domestic and international, should be maintained at least for the minimum period of 10 years as prescribed in PMLA, 2002 and other legislations regulations or exchange bye-laws or circulars.

In situation where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they should be retained until it is confirmed that case has been closed.

6. Procedure and manner of maintaining information.

- The company shall maintain information in respect of above transactions with its client in hard and soft copies and in accordance with the procedure and manner as may be specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be, from time to time.
- The company shall maintain such information in form specified above and at such intervals as may be specified by the Reserve Bank of India, or the Securities and Exchange Board of India, as the case may be, from time to time.
- The company to observe the procedure and the manner of maintaining information as specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be.

7. Client Acceptance & Identification Policy:

- The company has very strong system in place for acceptance of new client. The main measures which company has implemented for acceptance of new client keeping in view the PMLA requirements are as follows:
- The Application forms for opening an account are issued only when the prospective client provides the valid reference & introducer for his account.
- All accounts are opened only when the prospective client is present in person before the company official. All sub brokers are also instructed to open only those accounts for which valid reference and introducer is available and client is present in person before the sub broker.
- The company collects the details of location (permanent address, correspondence address and registered office address), occupation details, nature of business activities, financial details etc. before new clients is registered.
- The company shall collect the various mandatory documents as required by law, including the proof of identity of the client.
- The company periodically reviews the trading volumes of the clients and their financial strength in terms of annual income, net worth etc.

- The company also monitors the financial transactions with clients for payin payout of funds and securities.
- The company has the policy not to deal in cash with any of the clients, all transactions, receipt or payment, are carried out only through account payee cheque and demand drafts only.
- The company transacts only in Indian Rupees and no other currencies are being used for trades with clients.
- All funds are released to the client by account payee cheques and with details of the bank account of the client written on the cheque so as to restrict the client to deposit cheques in only those bank accounts for which details are provided to us.

8. Risk Categorization & Identification of Client

- The operations of the company are on small scale and the company has a very strict system of analyzing the clients and only if the client meets the various parameters, then only an account is opened. To give better & personal service to the clients they are divided group wise so that particular dealer can serve a particular group of clients which helps dealer to understand client risk categorization and investment strategy in a better way & serve them accordingly.

➤ Following is the Group Categorization

Sr No	Allocation of Group	Risk Categorization	Remarks
1	AA- AZ	Low Risk	This Group is formed for HNI's and Investors which known to the MD personally.
2	BA-BZ	Medium Risk	This Group is formed for individual who have been referred by our clients.
3	CA-CZ	Medium Risk	This Group is formed for individual who have been referred by third party reference.
4	DA-DZ	Medium Risk	This Group is formed for staff and friends, relatives of our employee.
5	MA-MZ NA-NZ NM-NZ-SS	Medium Risk, Low Risk	This Group is formed for registered sub brokers of the company.

- Where the client is related to Politically Exposed Person (PEP) or Related to Politically Exposed Person (REP) then that client is categorized as highly risk oriented client and due care is taken in executing the trades. Also a separate code should be allotted to identify that the client is highly risk oriented.

9. Reporting of Transactions:

- The company shall immediately notify to the money laundering control officers or any other designated officer within the intermediary that may be appointed by the authorities. The transactions will be informed immediately in the format as may be prescribed by the Financial Intelligence Unit (FIU) from time to time. The proper documents and supportings will be maintained and forwarded to the regulators as may be asked for.

10. Awareness among clients, staff, Authorised person & Sub brokers

- Company during various intervals conducts programmes where the clients, staff, authorised person and sub broker are educated and trained with respect to Anti Money Laundering changes and procedures.
- The compliance officer is responsible to educate and study land mark instances where Money Laundering is taken place and make the clients and staff understand the same.
- Short one pager write ups on the Money Laundering and various new policy is prepared and circulated to the clients and staffs.