



KSN CREDENCE COMMODITIES TRADING PVT. LTD.,

KAZMI CHAMBERS (SECOND FLOOR), SF-01, 9A/5 PARK ROAD, HAZRATGANJ, LUCKNOW-226001 (U.P.)
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CORPORATE MEMBER: MULTI COMMODITY EXCHANGE INDIA LTD./BOMBAY STOCK EXCHANGE

Anti Money Laundering Policy

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

SEBI vide circular dated 18th January 2006 required Market intermediaries to lay down policy framework for Anti-money laundering measures to be followed. KSN being a Stock Broker needs to adhere to the same. SEBI has also issued a Master circular dated 19th December 2008, which consolidates all the requirements/obligations issued with regard to AML/CFT until December 15, 2008.

OBJECTIVE-

The objective is to have a system in place for preventing any money laundering financial transaction through us and also to identify, monitor, report any such transaction to appropriate authorities.

“Know Your Customer “(KYC) is the guiding principle behind the Anti-Money Laundering (AML) measures. It incorporates the “Know Your Customer” Standards & “Anti Money Laundering” Measures, hereinafter to be referred as “KYC Standards” and “AML Measures ”. The objective of is to “have in place adequate policies, practices and procedures that promote high ethical and professional standards and prevent the Company from being used, intentionally or unintentionally, by criminal elements ”. KYC Standards and AML Measures would enable the Company to know/ understand its customers, the beneficial owners, the principals behind customers who are acting as agents and their financial dealings better which in turn will help the Company to manage its risks prudently.

In the process of globalization, businesses and capital lose their national identity and controls. Nations and citizens across the globe are the beneficiary of all such developments but at the same time are also concerned about ways of isolating the wealth created out of undesirable activities entering the main stream economic activities.

As per the global convention, every nation is required to introduce legislation in their country to prevent the illegal money to get invested in legal economic activities. Accordingly an act "PREVENTION OF MONEY LAUNDERING ACT, 2002 (PMLA)" was introduced in India which puts onus on designated financial intermediaries to draw attention of a special authority created for the purpose of looking into suspicious transaction.

THE REGULATORY AND STATUTORY REQUIREMENTS-

Principal Officer:

To ensure compliances as above **KSN CREDENCE COMMODITIES TRADING PVT. LTD.** has appointed **Mr. Jaswinder Singh** as a Principal Officer who may be contacted in case any client's transactions and accounts are found to be inconsistent with the organization's knowledge of the client profile and appear to be suspicious in nature. The Compliance Officer shall report such inconsistency and suspicion to the Financial Intelligence Unit (FIU).

The main aspect of this policy is the customer due diligence process which means:

- Obtaining sufficient information about to the client in order to identify who is the
- actual beneficial owner of the securities or on whose behalf transaction is conducted
- Verify the customers identity using reliable independent source document, data or information
- Conduct on-going due diligence and scrutiny of the account/ client to ensure that the transaction conducted are consistent with the clients' background/ financial status, its activities and risk profile.

The customer due diligence process includes three specific parameters:

- Policy for acceptance of clients : Each client should be met in person Complete KYC to be done for all clients No account to be opened in a fictitious/benami name or on an anonymous basis
- Clients Identification Procedure (Risk profiling) All clients to be classified as per the risk into 3 categories Low, Medium and High Risk.
- Suspicious Transaction identification and reporting Any unusual activity compared to past transactions Sudden activity in Dormant accounts Sudden High volume / high value transactions

- Central Depository Securities Limited (CDSL) communique no. CDSL/OPS/DP/POLCY/2017/176 dated April 05, 2017 and CDSL/OPS/DP/POLCY/2017/354 dated July 18, 2017, advises that the Beneficial Owners should submit/update their Aadhar Card copy with the Depository Participant. Please ensure that you update your Aadhar Number with KSN as per the mentioned notices.

The principal officer shall report the nature, amount, date and all related details of any and all suspicious transactions recorded.

In order to ensure compliance as above Act, **KSN CREDENCE COMMODITIES TRADING PVT. LTD.** conducts client due diligence on a regular basis by scrutinizing the client's transaction and accounts to ensure that the transactions being conducted are consistent with the Organization's knowledge of the client its business and risk profile, taking into account, where necessary, the customer source of funds. **KSN CREDENCE COMMODITIES TRADING PVT. LTD.** may at its discretion, call from the prospective/existing clients, such information and documents (which may not be a mandatory requirement). Further, no cash dealings are entertained by **KSN CREDENCE COMMODITIES TRADING PVT. LTD.** and payments to **KSN CREDENCE COMMODITIES TRADING PVT. LTD.** are accepted in the form of account payee cheque/Electronic Funds Transfer in the name of "**KSN CREDENCE COMMODITIES TRADING PVT. LTD.**" and only from the designated bank account of the client.