

Shah Investor's Home Ltd

# Document on Anti-Money Laundering Policy

Version 1.2

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## Anti-Money Laundering Measures

Fundamental reason of these detailed guideline on AML is to follow the Prevention of Money Laundering Act, 2002 which is being introduced for finance companies also.

Circular issued by SEBI dated January 18, 2006 on Prevention of Money Laundering Act, 2002 laying down broad guidelines on Anti Money Laundering Standards.

As per the circular, all the intermediaries of financial market, registered with SEBI/RBI under Section 12 of the SEBI Act are advised to ensure that a proper policy framework on anti-money laundering measures is put into place within one month from the date of the circular. Requirement of PMLA is as follows:

- Maintain record of all the prescribed transactions, whether comprising of a single transaction or a series of transactions, integrally connected to each other taking place within a month
- Furnish information of the transactions referred above, to the Financial Intelligence Unit, India –within a prescribed period
- Verify and Maintain the records of the identity of all the clients in the prescribed manner

On one hand, there is expansion of a client base, branches and networks and on the other hand scanning of information of client vis a vis KYC, and Client Due Diligence become inevitable for the organization and hence there is urgent need of sound and efficient procedures to create AML environment.

**AMLP is made to follow the regulation, guide personnel, and create common environment of vigilantly identify suspicious client so that the same can be reported as per the requirement.**

Our Scope of AMLP covers total process of Client Account Opening till recovery of funds and thereafter continuous flow and activity generated by him. The same include all the financial instruments and is for identifying, monitoring and reporting suspected money laundering to FIU. It is also been clarified that, for the purpose of suspicious transactions reporting, apart from 'transactions integrally connected', 'transactions remotely connected or related' should also be considered.

**The Principal Officer** should record his reasons for treating any transaction or a series of transactions as suspicious. It should be ensured that there is no undue delay in arriving at such a conclusion. It is been clarified that Intermediaries should not put any restrictions on operations in the accounts where an STR has been made. Further, it should be ensured that there is **no tipping off to the client at any level**. Staff awareness program need to be organized for continuous updation and focus of AML action plan.

**Use of Third-Party Software Solutions to aid with AML Tasks:**

SIHL uses C-SAFE and SOSAML solutions from AnalyzeNControl for pre-account opening screening and live monitoring of existing accounts.

New account related details are checked with C-SAFE solution and accounts are opened only if there are no existing alerts of such potential leads.

SOSAML solution provides daily alerts for existing accounts. Such alerts are analyzed and disposed off after necessary due diligence. STRs are filed after fully analyzing the underlying details.