

FE SECURITIES PRIVATE LTD.
PMLA POLICY

POLICIES AND PROCEDURES FOR PREVENTION OF MONEY LAUNDERING
(Issued as per the requirements of the PML Act 2002)

The Policy is applicable to all activities and financial services as a Member of recognized Stock Exchanges (s) and as a Depository Participant.

PREAMBLE AND OVERVIEW

Prevention of Money Laundering Act, 2002 (PMLA 2002) is the legal core to combat money laundering in India. The Act and the Rules came into force w.e.f. 1st July 2005. As per the provisions of the Act, every intermediary (which includes a stock broker, sub broker, depository participant) shall have to verify identity of clients, maintain a record of all the transactions; the nature and value of which has been prescribed in the Act and Rules.

The Prevention of Money Laundering Act (PMLA) defines money laundering as: “directly or indirectly attempting to indulge or knowingly assisting or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering”.

Both money laundering (ML) and terrorist financing (TF) are criminal offenses under the Laws of India. We as intermediaries and our employees are obligated to be aware of and report any potentially suspicious activity relating to the underlying crime, as well as to the potential laundering of funds eg. as a securities trading firm and depository participant, all of us must be alert to potential insider trading, market manipulation, securities fraud, unjustified off market transfers and like matters.

The Financial Intelligence Unit (FIU-IND) was set up on 18.11.2004, as the central national agency, and reports to the Economic Intelligence Council (EIC) headed by the Finance Minister. The FIU is responsible for receiving, processing, analyzing, and disseminating information relating to suspect financial transactions. It is also responsible for coordinating efforts of national and international agencies in pursuing the global efforts against money laundering and related crimes.

Pursuant to the recommendations made by the Financial Task Force on anti money laundering standards, SEBI had issued guidelines on Anti Money Laundering Standards (AML) in 2006 and in 2014, and had issued the obligations of the intermediaries registered under Section 12 of SEBI Act 1992. These guidelines and policy frameworks are put in place as per the Guidelines on Anti Money Laundering Standards notified by SEBI



