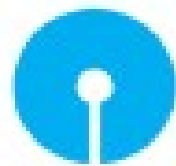


Anti Money Laundering and Combating Financing of Terrorism



sbicap securities

SBICAP Securities Ltd.

What is PMLA

- The Prevention of Money Laundering Act, 2002 (**PMLA**) was brought into force with effect from 1st July 2005. As per the provisions of the PMLA, intermediary (including a stockbroker, sub-broker) shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the PMLA and Rules notified there under.
- SEBI has issued necessary directives vide circulars, from time to time, covering issues related to Know Your Client (**KYC**) norms, Anti- Money Laundering (**AML**), Client Due Diligence (**CDD**) and Combating Financing of Terrorism (**CFT**).

What is Money Laundering ?

Money laundering involves disguising financial assets so that they can be used without detection of the illegal activity that produced them.

Through money laundering, the launderer transforms the monetary proceeds derived from illegal activities, including drug trafficking, fraud, terrorism, organized crime into funds with an apparently legal source.

Consequences of Money Laundering

- Damages the integrity of the financial system
- Aiding and abetting of corruption and crime
- Leads to economic distortions and instability
- Weakens law & order and poses serious national/ International security threats

Obligations of the Client

- To provide required documents/ information at the time of opening of account such as :
 - ✓ Proof of Address
 - ✓ Income proof,
 - ✓ Proof of Identity
 - ✓ Pan Card etc.
- To keep SBICAP Securities Ltd. (SSL) informed whenever there is a change in profile of the customer like change in occupation, address, contact details etc.
- To update the financial/income details with SSL on a periodic basis.
- To provide the updated information/documents as requested by SSL from time to time.

Confidentiality

As per the requirements of Securities and Exchange Board of India (SEBI), implementation of Anti Money Laundering (AML)/ Combating Financing of Terrorism (CFT) Program requires intermediaries to demand certain information from clients/investors which may be of personal nature or has hitherto never been called for. Such information can include documents evidencing source of funds/income tax returns/bank records etc.

All information shall be maintained in strict confidentiality and will be used to comply with regulatory requirements.