

Investor Education – Prevention of Money Laundering

1. Prevention of Money Laundering Act 2022 (PMLA) is enacted to prevent the financing of terrorism and to prevent laundering of money.
2. It is an obligation of individual / entities to whom PMLA is applicable to report certain kind of transactions routed through them to Financial Intelligence Unit (FIU)
3. PMLA is inter-alia , applicable to various SEBI / RBI regulated intermediaries which includes merchant bankers , portfolio managers, alternative investment funds, depository participants, investment advisors, stock brokers etc.
4. NRCHPL is registered portfolio manager and investment manager to alternative investment funds.
5. Regulatory authorities have issued circular wherein intermediaries are instructed to adopt written procedure to implement the anti- money laundering provision specifically covering the following three parameters which are related to the overall ***Client Due Diligence Process***.
 - a. Policy for acceptance of client
 - b. Procedure for identifying the clients
 - c. Transaction monitoring and reporting Suspicious Transaction Reporting (STR)
6. Hence NRCHPL has adopted the Anti -Money Laundering and Combating of Financing of Terrorism Policy
7. As per the policy NRCHPL has put in place a robust system of complying with PMLA requirement and NRCHPL would do extensive due diligence for certain categories of client like client based in high risk jurisdictions, unusual transactions by clients of special categories like Politically Exposed Person , Trust , Charities, Non-Governmental Organisations etc.
8. While opening new accounts all the prescribed procedures of KYC , client identifications and Client Due Diligence would need to be strictly followed in the

context of ensuring compliance under PMLA and clients are request to co-operate for the same.

9. Further all the records of transaction and client identification would need to be preserved by NRCHPL in a manner which can be retrieved promptly and reported to the authorities in the specified format as and when required.
10. Clients are advised to provide certain information can include document evidencing source of funds / Income tax returns / bank records etc and clients are requested to co-operate for whichever such information is sought for from PMLA perspective
11. Clients are advised to be vigilant and to refrain form temptation of easy monetary gains, by knowingly or unknowingly supporting the people who are involved in the activities which are endangering freedom and causing damage to the Nation
12. Please visit the website of FIU (www.fiuindia.gov.in) SEBI (www.sebi.gov.in) and RBI (www.rbi.org.in) for any further information on the subject.