

# **JIO BLACKROCK INVESTMENT ADVISERS PRIVATE LIMITED**

## **Investor Education – Prevention of Money Laundering**

This is an investor education initiative undertaken to make investors aware about the Anti - Money Laundering/Combating the Financing of Terrorism (“AML/CFT”) framework. As participants in the securities market, it would help investors to familiarize themselves with the contents of this communication.

### **What is meant by Money Laundering?**

- The process of hiding the source of money obtained from illegal sources and converting it to a clean source, thereby avoiding prosecution, conviction, and confiscation of the criminal funds.
- The Prevention of Money Laundering Act, 2002 forms the core of the legal framework put in place by India to combat money laundering.

### **Steps in Money Laundering**

It involves three independent steps:

- i. Placement: - Physical disposal of bulk cash proceeds derived from illegal activity.
- ii. Layering: - Separation of illicit proceeds from their source by creating complex layers of financial transactions. Layering conceals the audit trail and provides anonymity.
- iii. Integration: - Re-injection of the laundered proceeds back into the economy in such a way that they re-enter the financial system as normal business funds. Banks and financial intermediaries are vulnerable from the Money Laundering point of view since criminal proceeds can enter banks in the form of large cash deposits. The same funds may be used by the entity to invest in the Capital Market.

### **The Financial Action Task Force (FATF)**

The Financial Task force (FATF) was established by the G- 7 Summit that was held in Paris in 1989. This Intergovernmental body facilitates the development and promotion of policies, both at national and international levels to combat money laundering. India is a member of the FATF since June 2010.

### **Measures taken by Jio BlackRock Investment Advisers Private Limited (“JBIAPL”)**

- Regulatory authorities have issued circulars wherein intermediaries are instructed to adopt written procedures to implement the anti- money laundering provisions covering the following three parameters which is related to ‘Client Due Diligence Process.’
  - i. Policy for acceptance of clients
  - ii. Procedure for identifying the clients.  
Suspicious activity monitoring and reporting
- To avoid Money laundering, identification of customers and monitoring of suspicious activity is a critical process.
- Hence, JBIAPL, registered as an “Investment Adviser “has therefore implemented Know Your Customer (KYC) / Anti-Money Laundering (AML) / Combating of Financing of Terrorism (CFT) guidelines in accordance with the provisions under Prevention of Money Laundering Act, 2002 and based on the guidelines issued by the regulators from time to time.
- JBIAPL has put in place a robust system of complying with the PMLA requirements.
- Clients are required to update their income details, occupation/nature of business, mobile number, email ids and other details in their account, which will help us to monitor the transactions based on the updated profile and close the alert.
- Client is required to immediately inform us as and when there is a change in the information that was provided us previously, along with supporting documents wherever required.
- At least on periodic basis update your KYC information with us or co-operate with us whenever we remind the client that a KYC updation is due from their end.
- Adherence to AML Program policies and procedures is to enhance fraud prevention measures taken by JBIAPL to protect itself and its genuine investors and ensure governance.
- Clients are advised to co-operate by providing the additional information /documents, if asked for during the course of your dealings with us to ensure the compliance requirements under this Act.

Please visit the website of FIU (<https://fiuindia.gov.in/> ) SEBI ([www.sebi.gov.in](http://www.sebi.gov.in) ) for any further information on the subject.