

Central Depository Services (India) Limited

Convenient Dependable Secure

COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/793

November 21, 2006

GUIDELINES ON ANTI-MONEY LAUNDERING MEASURES - REPORTING OF POTENTIALLY SUSPICIOUS TRANSACTIONS

DPs are advised to refer to our communiqué :

- ❑ No. CDSL/OPS/DP/762 dated October 06, 2006, along with Annexures A, B & C wherein DPs were informed that CDSL would be sending alerts at fortnightly intervals regarding transactions that are potentially suspicious.
- ❑ No. CDSL/OPS/DP/782 dated November 03, 2006 along with Annexure D, wherein a new report was introduced, **BLNG<DPID>_fiu4<date>.txt** which contains data/alerts for multiple off-market transactions.

DPs are now advised that the data for the period **November 01 to 15, 2006** has been compiled and has been uploaded to the Billing Directory in CDAS with the following naming conventions:

- | | | |
|--|---|--|
| ❑ BLNG<DPID>_fiu1_151106.txt | } | BLNG<DPID>_fiu_151106.tar |
| ❑ BLNG<DPID>_fiu1_bo_151106.txt | | |
| ❑ BLNG<DPID>_fiu2_151106.txt | | |
| ❑ BLNG<DPID>_fiu2_bo_151106.txt | | |
| ❑ BLNG<DPID>_fiu3_151106.txt | | |
| ❑ BLNG<DPID>_fiu3_bo_151106.txt | | |
| ❑ BLNG<DPID>_fiu4_151106.txt | | |
| ❑ BLNG<DPID>_fiu4_bo_151106.txt | | |

DPs may download the data and extract the file using WinZip.

DPs are advised to note the following:

- 1) For DPIDs that have no transactions that fall under the "alert" category, a **NIL Report** will be generated in the **.txt** file format and no **bo** file will be generated. DPs should note that they should not restrict themselves to scrutinizing the transactions appearing in the alerts given by CDSL and should evolve their own mechanism to monitor all transactions.
- 2) If DPs identify any transaction as suspicious in nature, they should submit the report directly to the Director, FIU-IND, New Delhi, in the prescribed format within 7 working days of establishment of suspicion. DPs are also reminded to maintain a **Register** where they

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should note the action taken on such report. DPs with NIL Reports are also required to maintain the above **Register**.

- 3) CDSL's DP Operating Instructions and various communiqués issued, clearly outline the documents required to be obtained for account opening. However, DPs are required to exercise due diligence while establishing the identity of the intending BO(s), thus ensuring the safety and integrity of the depository system, as the provisions of PMLA stipulates that the intermediaries are also required to be aware of the **nature of business** and **financial status** of the intending BO(s) at the time of account opening or executing any transactions thereafter.
- 4) DPs were advised vide communiqué no. CDSL/OPS/DP/649 dated January 23, 2006 along with SEBI Circular no. SEBI circular no. ISD/CIR/RR/AML/1/06 dated January 18, 2006, to ensure that a proper policy framework covering client identification programme, retention of records and monitoring and reporting of suspicious transactions as per the Guidelines on anti-money laundering measures is put into place. **DPs are now advised to send a copy of the Policy directly to FIU-IND, New Delhi, by hard copy or by email to pradeepk.goel@fiuindia.gov.in.**

Queries, if any, may be addressed to Mr. K H Iyer, AVP-Operations & Principal Officer on telephone no. (022) 3246-2559, (022)-2272-1262, (022)-2272-2008 email: iyerk@cdslindia.com.

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K H Iyer
Assistant Vice President - Operations
& Principal Officer

NOTE

1. Reference Communiqué No. CDSL/OPS/DP/657 dated February 07, 2006; CDSL/OPS/DP/666 dated March 08, 2006 and CDSL/OPS/DP/755 dated September 27, 2006 instructing DPs that **PAN Card** must be compulsorily obtained for all categories of BO Accounts. For accounts opened before March 31, 2006, PAN card must be compulsorily obtained before **December 31, 2006** or account holder(s) will not be able to operate their accounts from January 01, 2007.
2. Communiqué may be downloaded from the newly released Module: "REPORTS". However, DPs wishing to receive communiqué directly to their individual email IDs, should send us the following details: **DP ID, DP Name** and the **email address(es)** to: cdsops@cdslindia.com