



# RAR FINCARE LIMITED

KYC & AML Policy

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## Introduction

RBI has announced comprehensive KYC policies for Financial Institutions in the context of Prevention of Money-Laundering Act, 2002, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time by the Government of India and Aadhaar and other Laws (amendment) Ordinance, 2019 as notified by the Government of India.

In view of the RBI Master Direction – RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16, RAR Fincare Limited has adopted a comprehensive KYC policy with suitable modifications depending on the business activity undertaken by it. The policy has been put in place after being duly approved by its Board of Directors.

## Definitions

### **Terms bearing meaning assigned in terms of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005:**

- i. "Aadhaar number", as defined in the Aadhaar and Other Law (Amendment) Ordinance, 2019, means an identification number issued to an individual under sub-section (3) of section 3 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016), and includes any alternative virtual identity generated under sub-section (4) of that section
- ii. "Act" and "Rules" means the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto
- iii. "Authentication", in the context of Aadhaar authentication, means the process as defined under sub-section (c) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016
- iv. Beneficial Owner (BO): In case of a company, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical persons, has/have a controlling ownership interest or who exercise control through other means  
*Explanation: For the purpose of this sub-clause-*
  1. "Controlling ownership interest" means ownership of/entitlement to more than 25 per cent of the shares or capital or profits of the company
  2. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements
- v. "Certified Copy of OVD" - Obtaining a certified copy by RAR Fincare Limited shall mean comparing the copy of officially valid document so produced by the customer with the original and recording the same on the copy by the authorized officer of RAR Fincare Limited. Provided that in case of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), as defined in Foreign Exchange Management (Deposit) Regulations, 2016 {FEMA 5(R)}, alternatively, the original certified copy of OVD, certified by any one of the following, may be obtained:

- Authorized officials of overseas branches of Scheduled Commercial Banks registered in India,
  - Branches of overseas banks with whom Indian banks have relationships,
  - Notary Public abroad,
  - Court Magistrate,
  - Judge,
  - Indian Embassy/Consulate General in the country where the non-resident customer resides
- vi. "Central KYC Records Registry" (CKYCR) means an entity defined under Rule 2(1) (aa) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer
- vii. "Designated Director" means a person designated by RAR Fincare Limited to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and shall include:
- a. the Managing Director or a whole-time Director, duly authorized by the Board of Directors, if the RE is a company,
- Explanation - For the purpose of this clause, the terms "Managing Director" and "Whole-time Director" shall have the meaning assigned to them in the Companies Act, 2013.*
- viii. "Officially Valid Document" (OVD) means the passport, the driving license, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address
- Provided that,
- a. Where the customer submits his proof of possession of Aadhaar number as an OVD, he may submit it in such form as are issued by the Unique Identification Authority of India
  - b. Where the OVD furnished by the customer does not have updated address, the following documents shall be deemed to be OVDs for the limited purpose of proof of address: -
    - i. Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
    - ii. Property or Municipal tax receipt;
    - iii. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
    - iv. Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation;
  - c. The customer shall submit OVD with current address within a period of three months of submitting the documents specified at 'b' above
  - d. Where the OVD presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign

jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address

*Explanation: For the purpose of this clause, a document shall be deemed to be an OVD even if there is a change in the name subsequent to its issuance provided it is supported by a marriage certificate issued by the State Government or Gazette notification, indicating such a change of name.*

- ix. "Offline Verification", as defined in the Aadhaar and Other Law (Amendment) Ordinance, 2019, means the process of verifying the identity of the Aadhaar number holder without authentication, through such offline modes as may be specified by the Aadhaar regulations
- x. "Person" has the same meaning assigned in the Act and includes:
- a. an individual,
  - b. a Hindu undivided family,
  - c. a company,
  - d. a firm,
  - e. an association of persons or a body of individuals, whether incorporated or not,
  - f. every artificial juridical person, not falling within any one of the above persons (a to e), and
  - g. any agency, office or branch owned or controlled by any of the above persons (a to f)
- xi. "Principal Officer" means an officer nominated by RAR Fincare Limited, responsible for furnishing information as per rule 8 of the Rules
- xii. "Suspicious transaction" means a "transaction" as defined below, including an attempted transaction, whether made in cash, which, to a person acting in good faith:
- a. Gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or
  - b. Appears to be made in circumstances of unusual or unjustified complexity; or
  - c. Appears to not have economic rationale or bona-fide purpose; or
  - d. Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism
- Explanation: Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist acts or by a terrorist, terrorist organization or those who finance or are attempting to finance terrorism.*
- xiii. "Transaction" means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes:
- a. Opening of an account;
  - b. Deposit, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;
  - c. The use of a safety deposit box or any other form of safe deposit;
  - d. Entering any fiduciary relationship.
  - e. Any payment made or received, in whole or in part, for any contractual or other legal obligation; or
  - f. Establishing or creating a legal person or legal arrangement

**Terms bearing meaning assigned in this Directions, unless the context otherwise requires, shall bear the meanings assigned to them below:**

- i. "Common Reporting Standards" (CRS) means reporting standards set for implementation of multilateral agreement signed to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters
- ii. "Customer" means a person who is engaged in a financial transaction or activity with RAR Fincare Limited and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting
- iii. "Walk-in Customer" means a person who does not have an account-based relationship with RAR Fincare Limited, but undertakes transactions with RAR Fincare Limited
- iv. "Customer Due Diligence (CDD)" means identifying and verifying the customer and the beneficial owner
- v. "Customer identification" means undertaking the process of CDD
- vi. "FATCA" means Foreign Account Tax Compliance Act of the United States of America (USA) which, inter alia, requires foreign financial institutions to report about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest
- vii. "IGA" means Inter Governmental Agreement between the Governments of India and the USA to improve international tax compliance and to implement FATCA of the USA
- viii. "KYC Templates" means templates prepared to facilitate collating and reporting the KYC data to the CKYCR, for individuals and legal entities
- ix. "Non-face-to-face customers" means customers who open accounts without visiting the branch/offices of RAR Fincare Limited or meeting the officials of RAR Fincare Limited
- x. "On-going Due Diligence" means regular monitoring of transactions in accounts to ensure that they are consistent with the customers' profile and source of funds
- xi. "Periodic Updation" means steps taken to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records at periodicity prescribed by the Reserve Bank
- xii. "Politically Exposed Persons" (PEPs) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States/Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.
- xiii. "Wire transfer" means a transaction carried out, directly or through a chain of transfers, on behalf of an originator person (both natural and legal) through a bank by electronic means with a view to making an amount of money available to a beneficiary person at a bank
- xiv. "Domestic and cross-border wire transfer": When the originator bank and the beneficiary bank is the same person or different person located in the same country, such a transaction is a domestic wire transfer, and if the 'originator bank' or 'beneficiary bank' is in different countries such a transaction is cross-border wire transfer
- xv. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1935, the Prevention of Money Laundering Act, 2002, the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, the 8Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and

Services) Act, 2016 and regulations made thereunder and 'Aadhaar and other Laws (amendment) Ordinance, 2019', any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be

## General

As per RBI/DBR/2015-16/18 Master Direction DBR.AML.BC. No.81/14.01.001/2015-16, every NBFC should have KYC policy with the following four key elements: -

- a. Customer Acceptance Policy
- b. Risk Management
- c. Customer Identification Procedures (CIP)
- d. Monitoring of transactions

## Money Laundering and Terrorist Financing Risk Assessment

- (a) RAR Fincare shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc.

The assessment process should consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. While preparing the internal risk assessment, RAR Fincare shall take cognizance of the overall sector-specific vulnerabilities, if any, that the regulator/supervisor may share with NBFCs from time to time.

- (b) The risk assessment by RAR Fincare shall be properly documented and be proportionate to the nature, size, geographical presence, complexity of activities/structure, etc. of the company. Further, the periodicity of risk assessment exercise shall be determined by the Board of RAR Fincare, in alignment with the outcome of the risk assessment exercise. However, it should be reviewed at least annually
- (c) The outcome of the exercise shall be put up to the Board or any committee of the Board to which power in this regard has been delegated, and should be available to competent authorities and self-regulating bodies
- (d) RAR Fincare shall apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. Further, RAR Fincare shall monitor the implementation of the controls and enhance them if necessary

## Designated Director

- a. A "Designated Director" means a person designated by the NBFC to ensure overall compliance with the obligations imposed under Chapter IV of the PML Act and the Rules and shall be nominated by the Board
- b. The name, designation and address of the Designated Director shall be communicated to the FIU-IND
- c. In no case, the Principal Officer shall be nominated as the 'Designated Director'

- d. He/She must be the Managing Director or a whole-time Director, duly authorized by the Board of Director

### Principal Officer

- a. The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations
- b. The name, designation and address of the Principal Officer shall be communicated to the FIU-IND

### Compliance of KYC Policy

- a. RAR FINCARE LIMITED shall ensure compliance with KYC Policy through:
  - I. Specifying as to who constitute 'Senior Management' for the purpose of KYC compliance
  - II. Allocation of responsibility for effective implementation of policies and procedures
  - III. Independent evaluation of the compliance functions of RAR Fincare Limited's policies and procedures, including legal and regulatory requirements
  - IV. Concurrent/internal audit system to verify the compliance with KYC/AML policies and procedures
  - V. Submission of quarterly audit notes and compliance to the Audit Committee
- b. RAR Fincare Limited shall ensure that decision-making functions of determining compliance with KYC norms are not outsourced

### Customer Acceptance Policy

- a. No account is to be opened in anonymous or fictitious/benami name(s)/entity(ies)
- b. No account is opened where RAR Fincare Limited is unable to apply appropriate CDD measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer
- c. CDD Procedure is followed for all the joint account holders, while opening a joint account
- d. No transaction or account-based relationship is undertaken without following the CDD procedure
- e. The mandatory information to be sought for KYC purpose while opening an account and during the periodic updating, is specified
- f. Optional/additional information is obtained with the explicit consent of the customer after the account is opened
- g. RAR Fincare Limited shall apply the CDD procedure at the UCIC (Unique Customer Identification Code) level. Thus, if an existing KYC compliant customer desires to open another account, there shall be no need for a fresh CDD exercise
- h. Suitable system is put in place to ensure that the identity of the Customer does not match with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India
- i. Where Permanent Account Number (PAN) is obtained, the same shall be verified from the verification facility of the issuing authority
- j. Where an equivalent e-document is obtained from the customer, RE shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000)

- k. Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out in conformity with the established law and practice of banking as there shall be occasions when an account is operated by a mandate holder or where an account shall be opened by an intermediary in the fiduciary capacity

Customer Acceptance Policy shall not result in denial of banking/financial facility to members of the public, especially those, who are financially or socially disadvantaged.

## Risk Management

For Risk Management, RAR Fincare Limited shall have a risk-based approach which includes the following: -

- a. The company shall prepare a profile for each new customer based on risk categorization. The customer profile may contain information relating to customer's identity, social / financial status, nature of business activity, information about his client's business and their location etc. The nature and extend of due diligence shall depend on the risk perceived by the company. However, while preparing customer profile the company shall take care to seek only such information from the customer which is relevant to the risk category and is not intrusive. The customer profile shall be a confidential document and details contained therein shall not be divulged for cross selling or any other purposes
- b. For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, shall be categorized as low risk. Illustrative examples of low risk customers would be salaries employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small business and low turnover, Government departments and government owned companies, regulators and statutory bodies etc. In such cases, the police may require that only the basic requirements of verifying the identity and location of the customer are to be met. Customers who are likely to pose a higher than average risk to the company maybe categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sourced of funds and his client profile etc. The company may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive due diligence for higher risk customers, especially those for whom the sources of funds are not clear
- c. Examples of customers requiring higher due diligence may include: -
  - o Non-resident customers
  - o High net worth individuals
  - o Trusts, charities, NGOs and organizations receiving donations
  - o Companies having close family shareholding or beneficial ownership
  - o Firms with sleeping partners
  - o Politically exposes persons (PEP) with foreign origin
  - o Non-face to face customers
  - o Those with dubious reputation as per public information available

The Board of directors of the company shall ensure that an effective KYC program is put in place by establishing appropriate procedures and ensuring their effective implementation. It shall cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility would be explicitly allocated within the company for ensuring that the company's policies and procedures are implemented effectively. The company shall, in consultation with the Board, devise procedures for creating risk profiles of their existing and new customers and apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship.

The company has an ongoing employee training program so that staffs are adequately trained in KYC procedures.

### **Combating financing of terrorism**

In terms of PMLA Rules, suspicious transactions shall include inter alia transactions which give rise to a reasonable ground of suspicion that these may involve financing of activities related to terrorism. The company, therefore, shall develop suitable mechanism through appropriate policy framework for enhanced monitoring of accounts suspected of having terrorist links and swift identification of transactions and making suitable reports to the Financial Intelligence Unit – India (FIU-IND) on priority.

As and when list of individuals and entities, approved by Security Council Committee established pursuant to various United Nation's Security Council Resolutions (UNSCRs), is circulated by RBI, the Company shall ensure to update the consolidated list of individuals and entities as circulated by RBI. The company shall, before opening new accounts, ensure that names of proposed customers does not appear in the list. Further, the company shall scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list. Full details of accounts bearing resemblance with any of the individuals / entities in the list shall be immediately be intimated to RBI and FIU-IND. KYC norms / AML standards / CFT measures have been prescribed to ensure that criminals are not allowed to misuse the financial channels. Adequate screening mechanism shall be put in place by the company as an integral part of recruitment/hiring process of personnel.

### **Cash and suspicious transaction reports**

#### **A. Cash Transaction Report (CTR)**

All individual cash transactions in an account during a calendar month, where either debits or credit summation, computed separately, exceeding Rupees Ten Lakhs or its equivalent in foreign currency, during the month should be reported to FIU-IND. However, while filing CTR, details of individual cash transactions below Rupees Fifty Thousand may not be indicated.

The Principal Officer should ensure submission of CTR for every month to FIU-IND before 15th of the succeeding month. CTR should contain only the transactions carried out by the Company on behalf of their clients/customers excluding transactions between the internal accounts of the Company.

## B. Suspicious Transaction Reports (STR)

The Suspicious Transaction Reports (STR) should be furnished within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious in nature. The principal officer of the RAR Fincare shall record his / her reasons for treating any transactions or a series of transactions as suspicious. It should be ensured that there is no undue delay in arriving at such a conclusion once suspicious transaction report is received from the Company or any other branch office. Such report will be made available to the competent authorities on request.

Further the company shall not put any restrictions on operations in the accounts where a STR has been made. The company and its employees shall keep the fact of furnishing of STR strictly confidential, as required under PML rules. It should be ensured that there is no tipping off to the customer at any level.

## Customer Identification Procedure (CIP)

RAR Fincare Limited shall undertake identification of customers in the following cases:

- a. Commencement of an account-based relationship with the customer
- b. Carrying out any international money transfer operations for a person who is not an account holder of the company
- c. When there is a doubt about the authenticity or adequacy of the customer identification data
- d. Selling third party products as agents, selling their own products, payment of dues of credit cards/sale and reloading of prepaid/travel cards and any other product for more than rupees fifty thousand
- e. Carrying out transactions for a non-account-based customer, that is a walk-in customer, where the amount involved is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected
- f. When RAR Fincare Limited has reason to believe that a customer (account- based or walk-in) is intentionally structuring a transaction into a series of transactions below the threshold of rupees fifty thousand

To verify the identity of customers at the time of commencement of an account-based relationship, RAR Fincare Limited, shall at its option, may rely on customer due diligence done by a third party, subject to the following conditions:

- a. Records or the information of the customer due diligence carried out by the third party is obtained within two days from the third party or from the Central KYC Records Registry
- b. Adequate steps are taken by RAR Fincare Limited to satisfy themselves that copies of identification data and other relevant documentation relating to the customer due diligence requirements shall be made available from the third party upon request without delay
- c. The third party is regulated, supervised or monitored for, and has measures in place for, compliance with customer due diligence and record-keeping requirements in line with the requirements and obligations under the PML Act
- d. The third party shall not be based in a country or jurisdiction assessed as high risk

- e. The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with RAR Fincare Limited. Enhanced Due diligence measures are indicated in **Section 6, Customer Due Diligence Procedure**

## Guarantor

The company may insist on “Guarantee” by a known person (who become guarantor to a particular credit facility). Obtaining Guarantee from a known person is a process of ascertaining the identity of a person and his acceptability for establishing business relationship and verifying the true identify of intending customer before opening a credit account. Further, Guarantor also acts as an introducer of the customer to the Company for credit facilities.

### Liabilities of Guarantor

Guarantor is legally responsible to the Company for the repayment of credit facilities by the customer and is expected to be in a position to identify/trace the account holder in case needed.

### Procedure for Providing Guarantee

Guarantor will be required to sign on the loan agreement entered into with the customer. The Guarantor will be normally required to visit RAR Fincare’ branch for signing the agreement (however, this is not compulsory).

## Customer Due Diligence Procedure (CDD)

### Section 1: CDD Procedure in case of Individuals

For undertaking CDD, RAR Fincare Limited shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorized signatory or the power of attorney holder related to any legal entity:

- A certified copy of any OVD containing details of his identity and address
- One recent photograph
- The Permanent Account Number or Form No. 60 as defined in Income-tax Rules, 1962, and
- Such other documents pertaining to the nature of business or financial status as required by RAR Fincare Limited

RAR Fincare Limited may carry out offline / online verification of a customer.

In cases where successful authentication has been carried out, other OVD and photograph need not be submitted by the customer.

*Explanation 1: RAR FINCARE LIMITED shall, where its customer submits his Aadhaar number, ensure such customer to redact or blackout his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required under section 7 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act.*

*Explanation 2: Biometric based e-KYC authentication can be done by RAR Fincare Limited officials/business correspondents/business facilitators.*

*Explanation 3: The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, the Aadhaar and Other Law (Amendment) Ordinance, 2019 and the regulations made thereunder.*

Accounts opened using OTP based e-KYC, in non-face-to-face mode are subject to the following conditions:

- There must be a specific consent from the customer for authentication through OTP
- As regards borrowed accounts, only term loans shall be sanctioned. The aggregate amount of term loans sanctioned shall not exceed rupees sixty thousand in a year
- Borrowed accounts, opened using OTP based e-KYC shall not be allowed for more than one year within which identification as per Section 1 is to be carried out
- If the CDD procedure as mentioned above is not completed within a year, no further debits shall be allowed
- Declaration shall be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC in non-face-to-face mode with any other REs. Further, while uploading KYC information to CKYCR, RAR Fincare Limited shall clearly indicate that such accounts are opened using OTP based e-KYC and other REs shall not open accounts based on the KYC information of accounts opened with OTP based e-KYC procedure in non-face-to-face mode.
- RAR Fincare Limited shall have strict monitoring procedures including systems to generate alerts in case of any non-compliance/violation, to ensure compliance with the above-mentioned conditions.

**Simplified procedure for opening accounts:** In case a person who desires to open an account is not able to produce any of the OVDs, RAR Fincare Limited may at its discretion open accounts subject to the following conditions:

- a. A self-attested photograph from the customer shall be obtained
- b. The designated officer of RAR Fincare Limited certifies under his signature that the person opening the account has affixed his signature or thumb impression in his presence
- c. The account shall remain operational initially for a period of twelve months, within which CDD as per Section 1 shall be carried out
- d. Balances in all their accounts taken together shall not exceed rupees fifty thousand at any point of time.
- e. The total credit in all the accounts taken together shall not exceed rupees one lakh in a year.
- f. The customer shall be made aware that no further transactions will be permitted until the full KYC procedure is completed in case Directions (d) and (e) above are breached by him.
- g. The customer shall be notified when the balance reaches rupees forty thousand or the total credit in a year reaches rupees eighty thousand that appropriate documents for conducting the KYC must be submitted otherwise the operations in the account shall be stopped when the total balance in all the accounts taken together exceeds the limits prescribed in direction (d) and (e) above.

KYC verification once done by one branch/office of RAR Fincare Limited shall be valid for transfer of the account to any other branch/office of RAR Fincare Limited, provided full KYC verification has already been done for the concerned account and the same is not due for periodic updating.

## Section 2: CDD Measures for Sole Proprietary firms

For opening an account in the name of a sole proprietary firm, CDD of the individual (proprietor) shall be carried out.

In addition to the above, any two of the following documents as a proof of business/ activity in the name of the proprietary firm shall also be obtained:

- i. Registration certificate
- ii. Certificate/license issued by the municipal authorities under Shop and Establishment Act
- iii. Sales and income tax returns
- iv. CST/VAT/ GST certificate (provisional/final)
- v. Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities
- vi. IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT or license/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute
- vii. Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax authorities
- viii. Utility bills such as electricity, water, landline telephone bills, etc.

In cases where RAR Fincare Limited is satisfied that it is not possible to furnish two such documents, RAR Fincare Limited may, at its discretion, accept only one of those documents as proof of business/activity.

Provided RAR Fincare Limited undertake contact point verification and collect such other information and clarification as would be required to establish the existence of such firm and shall confirm and satisfy itself that the business activity has been verified from the address of the proprietary concern.

## Section 3: CDD Measures for Sole Legal Entities

For opening an account of a company, certified copies of each of the following documents shall be obtained:

- a. Certificate of incorporation
- b. Memorandum and Articles of Association
- c. Permanent Account Number of the company
- d. A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf
- e. Documents, as specified in Section 1, of the managers, officers, or employees holding an attorney to transact on the company's behalf

For opening an account of a partnership firm, the certified copies of each of the following documents shall be obtained:

- a. Registration certificate
- b. Partnership deed
- c. Permanent Account Number of the partnership firm
- d. Documents, as specified in Section 1, of the person holding an attorney to transact on its behalf

For opening an account of a trust, certified copies of each of the following documents shall be obtained:

- a) Registration certificate
- b) Trust deed
- c) Permanent Account Number or Form No.60 of the trust
- d) Documents, as specified in Section 1, of the person holding an attorney to transact on its behalf

For opening an account of an unincorporated association or a body of individuals, certified copies of each of the following documents shall be obtained:

- a) Resolution of the managing body of such association or body of individuals
- b) Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals
- c) Power of attorney granted to transact on its behalf
- d) Documents, as specified in Section 1, of the person holding an attorney to transact on its behalf and
- e) Such information as may be required by RAR Fincare Limited to collectively establish the legal existence of such an association or body of individuals

*Explanation: Unregistered trusts/partnership firms shall be included under the term 'unincorporated association'.*

*Explanation: Term 'body of individuals' includes societies*

For opening accounts of juridical persons not specifically covered in the earlier part, such as Government or its Departments, societies, universities and local bodies like village panchayats, certified copies of the following documents shall be obtained:

- a) Document showing name of the person authorized to act on behalf of the entity
- b) Documents, as specified in Section 1, of the person holding an attorney to transact on its behalf and
- c) Such documents as may be required by RAR Fincare Limited to establish the legal existence of such an entity/juridical person.

#### Section 4: Identification of Beneficial Owner

For opening an account of a Legal Person who is not a natural person, the beneficial owner(s) shall be identified and all reasonable steps in terms of Rule 9(3) of the PML Rules 2005 to verify his/her identity shall be undertaken keeping in view the following:

- a) Where the customer or the owner of the controlling interest is a company listed on a stock exchange, or is a subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies

- b) In cases of trust/nominee or fiduciary accounts whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary is determined. In such cases, satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also details of the nature of the trust or other arrangements in place shall be obtained

## Section 5: On-going Due Diligence

RAR Fincare Limited shall undertake on-going due diligence of customers to ensure that their transactions are consistent with their knowledge about the customers, customers' business, and risk profile.

The extent of monitoring shall be aligned with the risk category of the customer.

*Explanation: High risk accounts must be subjected to more intensified monitoring.*

- a. A system of periodic review of risk categorization of accounts, with such periodicity being at least once in six months, and the need for applying enhanced due diligence measures shall be put in place
- b. The transactions in accounts of marketing firms, especially accounts of Multi-level Marketing (MLM) Companies shall be closely monitored

### Periodic Updation

RAR Fincare shall adopt a risk-based approach for periodic updation of KYC. However, periodic updation shall be carried out at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low risk customers from the date of opening of the account / last KYC updation. Policy in this regard shall be documented as part of RAR Fincare's internal KYC policy duly approved by the Board of Directors

### Individual Customers

- i. **No change in KYC information:** In case of no change in the KYC information, a self-declaration from the customer in this regard shall be obtained through customer's email-id registered with RAR Fincare, customer's mobile number registered with RAR Fincare, digital channels (such as online banking, mobile application of RAR Fincare), letter etc.
- ii. **Change in address:** In case of a change only in the address details of the customer, a self-declaration of the new address shall be obtained from the customer through customer's email-id registered with RAR Fincare, customer's mobile number registered with RAR Fincare, digital channels (such as online banking, mobile application of RAR Fincare), letter etc., and the declared address shall be verified through positive confirmation within two months, by means such as address verification letter, contact point verification, deliverables etc.

Further, RAR Fincare to obtain a copy of OVD or deemed OVD or the equivalent e-documents thereof for the purpose of proof of address, declared by the customer at the time of periodic updation.

### Customers other than individuals

- i. **No change in KYC information:** In case of no change in the KYC information of a Legal Entity (LE) customer, a self-declaration in this regard shall be obtained from the LE customer through its email id registered with RAR Fincare, digital channels (such as online banking, mobile application of RAR Fincare), letter from an official authorized by the LE in this regard, board resolution etc. Further, RAR Fincare shall ensure during this process that Beneficial Ownership (BO) information available is accurate and shall update the same, if required, to keep it as up-to-date as possible
- ii. **Change in KYC information:** In case of change in KYC information, RAR Fincare shall undertake the KYC process equivalent to that applicable for on-boarding a new LE customer.

### Additional Measures

In addition to the above, RAR Fincare shall ensure that,

- i. The KYC documents of the customer as per the current CDD standards are available with RAR Fincare. This is applicable even if there is no change in customer information but the documents available with RAR Fincare are not as per the current CDD standards. Further, in case the validity of the CDD documents available with RAR Fincare has expired at the time of periodic updation of KYC, the company shall undertake the KYC process equivalent to that applicable for on-boarding a new customer
- ii. Customer's PAN details, if available with RAR Fincare, is verified from the database of the issuing authority at the time of periodic updation of KYC
- iii. Acknowledgment is provided to the customer mentioning the date of receipt of the relevant document(s), including self-declaration from the customer, for carrying out periodic updation. Further, it shall be ensured that the information / documents obtained from the customers at the time of periodic updation of KYC are promptly updated in the records / database of RAR Fincare and an intimation, mentioning the date of updation of KYC details, is provided to the customer.
- iv. In order to ensure customer convenience, RAR Fincare may consider making available the facility of periodic updation of KYC at any branch
- v. RAR Fincare shall ensure that their internal KYC policy and processes on updation / periodic updation of KYC are transparent and adverse actions against the customers should be avoided, unless warranted by specific regulatory requirements.

In case of existing customers, RAR Fincare Limited shall obtain the Permanent Account Number or Form No.60, by such date as may be notified by the Central Government, failing which RAR Fincare Limited shall temporarily cease operations in the account till the time the Permanent Account Number or Form No. 60 is submitted by the customer.

Provided that before temporarily ceasing operations for an account, RAR Fincare Limited shall give the client an accessible notice and a reasonable opportunity to be heard. RAR Fincare Limited shall include appropriate relaxation(s) for continued operation of accounts for customers who are unable to provide Permanent Account Number or Form No. 60 owing to injury, illness, or infirmity on account of old age or otherwise, and such like causes. Such accounts shall, however, be subject to enhanced monitoring.

Provided further that if a customer having an existing account-based relationship with RAR Fincare Limited gives in writing to the RAR Fincare Limited that he/she does not want to submit his Permanent Account Number or Form No.60, RAR Fincare Limited shall close the account and all obligations due in relation to the account shall be appropriately settled after establishing the identity of the customer by obtaining the identification documents as applicable to the customer.

Explanation – For the purpose of this Section, “temporary ceasing of operations” in relation to loan accounts means that only credits shall be allowed.

## Section 6: Enhanced Due Diligence Procedure

### **Accounts of non-face-to-face customers:**

RAR Fincare Limited shall ensure that the first payment is to be affected through the customer's KYC-complied account with another Regulated Entity, for enhanced due diligence of non-face to face customers.

### **Accounts of Politically Exposed Persons (PEPs)**

- A. RAR Fincare Limited shall have the option of establishing a relationship with PEPs provided that:
  - a. Sufficient information including information about the sources of funds, accounts of family members and close relatives is gathered on the PEP
  - b. The identity of the person shall have been verified before accepting the PEP as a customer
  - c. The decision to open an account for a PEP is taken at a senior level in accordance with the RAR Fincare Limited's Customer Acceptance Policy
  - d. All such accounts are subjected to enhanced monitoring on an on-going basis
  - e. In the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, senior management's approval is obtained to continue the business relationship
  - f. The CDD measures as applicable to PEPs including enhanced monitoring on an on-going basis are applicable
- B. These instructions shall also be applicable to accounts where a PEP is the beneficial owner

### **Client accounts opened by professional intermediaries:**

RAR Fincare Limited shall ensure while opening client accounts through professional intermediaries, that:

- a. Clients shall be identified when client account is opened by a professional intermediary on behalf of a single client
- b. RAR Fincare Limited shall not open accounts of such professional intermediaries who are bound by any client confidentiality that prohibits disclosure of the client details to RAR Fincare Limited
- c. All the beneficial owners shall be identified where funds held by the intermediaries are not co-mingled at the level of RAR Fincare Limited, and there are 'sub-accounts', each of them attributable to a beneficial owner, or where such funds are co-mingled at the level of RAR Fincare Limited, it shall look for the beneficial owners

- d. RAR Fincare Limited shall, at their discretion, rely on the 'customer due diligence' (CDD) done by an intermediary, provided that the intermediary is a regulated and supervised entity and has adequate systems in place to comply with the KYC requirements of the customers
- e. The ultimate responsibility for knowing the customer lies with RAR Fincare Limited

## Monitoring of Transactions

***As per Income Tax Act, 1961, Cash cannot be accepted by any person (Branch / collection staff) over and above Rs. 2,00,000/- (Two Lacs only) for a particular transaction or series of integrally connected transactions. The Company does not accept cash deposits in foreign currency.***

***As per Income Tax Act, 1961, for any Cash or its equivalent payment over and above Rs. 10,000/-, a 'source of funds' declaration for such cash should be obtained from the Customer / person depositing / repaying the loan.***

***Note: Source of funds in cash is through 'sale of immovable property', then Cash or its equivalent for more than Rs. 20,000/- should not be accepted.***

Ongoing monitoring is an essential element of effective KYC procedures. RAR Fincare can effectively control and reduce the risk only if it understands the normal and reasonable activity of the customer so that it has the means of identifying transactions that fall outside the regular pattern of activity. However, the extent of monitoring shall depend on the risk sensitivity attached with the client. The company shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.

The company shall prescribe threshold limits for a particular category of clients and pay particular attention to the transactions which exceeds these limits. Transactions that involve large amount of cash inconsistent with the normal and expected activity of the customer would particularly attract the attention of the company. Further, there are no operative accounts wherein the need for fixing the threshold limit for individual transactions and aggregate is more relevant and necessary. Transactions with the company are purely restricted to the debt service payable over the tenor of the loan. While threshold limits of transactional basis is restricted to the debt service payable, the threshold for turnover shall be restricted to the aggregate debt service payable year after year.

Transactions that involve cash over and above Rs. 1 lac should particularly attract the attention of RAR Fincare Limited. Higher risk accounts shall be subjected to intense monitoring.

The permanent correct address shall mean the address at which a person usually resides and can be taken as the address as mentioned in a utility bill or any other document accepted by the Company for verification of the address of the customer. In case utility bill is not in the name of customer but his / her close relative (wife, son, daughter, parents etc.) who lives with customer, the company shall obtain a identify document and a utility bill of the relative with whom the prospective customer is living along with a declaration from the relative that the said person is a relative and is staying with him / her. The company shall use any supplementary evidence such as a letter received through post for further verification of the address. While issuing operational instructions to the branch on the subject, the

company shall keep in mind the spirit of instructions issued by the RBI and avoid hardships to individuals who are classified as low risk customers.

The company shall put in place a system of periodic review of the risk categorization of accounts and the need for applying enhanced due diligence measures in case of higher risk perception on a customer. Review of risk categorization of customers shall be carried out at a periodicity of not less than once in six months. The company shall also introduce a system of periodical updating of customer identification data (including photograph/s) after the account is opened. The periodicity of such updating shall not be less than once in five years in case of low risk category customers and not less than once in two years in case of high and medium risk categories.

## Record Management

Government of India, Ministry of Finance, Department of Revenue, vide its notification dated July 1, 2005 in the Gazette of India, has notified the Rules under the Prevention of Money Laundering Act (PMLA), 2002. In terms of the said Rules, the provisions of PMLA, 2002 came into effect from July 1, 2005. Section 12 of the PMLA, 2002 casts certain obligations on the banking companies in regard to preservation and reporting of customer account information.

### (i) Maintenance of records of transactions

The company shall maintain a proper record of transactions prescribed under Rule 3 of PML Rules, 2005, as mentioned below:

- a) All cash transactions of value more than INR 10 Lakhs or its equivalent in foreign currency
- b) All series of cash transactions integrally connected to each other which have been valued below INR 10 Lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds INR 10 Lakhs
- c) All transactions involving receipts by non-profit organizations of value more than INR 10 Lakhs or its equivalent in foreign currency
- d) All cash transactions, where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating transactions
- e) All suspicious transactions whether or not made in cash and by way of as mentioned in the Rules

### (ii) Information to be preserved

The company will maintain all necessary information in respect of transactions referred to in Rule 3 to permit reconstruction of individual transaction, including the following information:

- a) The nature of transactions
- b) The amount of transaction and the currency in which it was denominated
- c) The date on which the transaction was conducted
- d) The parties to the transaction

(iii) Maintenance and preservation of records

The company will maintain records containing information of all transactions including the records of transactions detailed in Rule 3 above. The company should also take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authority.

Further, in terms of PML Amendment Act 2012 notified on February 15, 2013, the Company should maintain for at least five years from the date of transaction between the Company and the client, all necessary records of transactions, both domestic and or international, which will permit reconstruction of individual transactions (including the amount and type of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

The company should ensure that records pertaining to the identification of customer and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN cards, utility bills etc.) obtained while opening the account and during the course of business relationship, are properly preserved for at least five years after the business relationship is ended as required under Rule 10 of the Rules. The identification records and transaction data should be made available to the competent authorities upon request.

(iv) Reporting to Financial Intelligence Unit – India

In terms of PMLA Rules, the Company will report information relating to cash and suspicious transactions and all transactions involving receipts by non-profit organizations of value more than INR 10 lakhs or its equivalent in foreign currency to the Director, Financial Intelligence Unit – India (FIU-IND) in respect of transactions referred to in Rule 3 at the following address: -

Director, FIU-IND,

Financial Intelligence Unit – India, 6<sup>th</sup> Floor,

Hotel Samrat, Chanakyapuri,

New Delhi – 110021

Website – <http://fiuindia.gov.in/>

## Requirements/obligations under International Agreements

RAR FINCARE LIMITED shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC). The details of the two lists are as under:

- a) The “ISIL (Da’esh) & Al-Qaida Sanctions List”, which includes names of individuals and entities associated with the Al-Qaida. The updated ISIL & Al-Qaida Sanctions List is available at

<https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/al-qaida-r.xsl>

- b) The “1988 Sanctions List”, consisting of individuals (Section A of the consolidated list) and entities (Section B) associated with the Taliban which is available at <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/taliban-r.xsl>

Details of accounts resembling any of the individuals/entities in the lists shall be reported to FIU-IND apart from advising Ministry of Home Affairs as required under UAPA notification dated August 27, 2009.

In addition to the above, other UNSCRs circulated by the Reserve Bank in respect of any other jurisdictions/ entities from time to time shall also be taken note of.

#### **Freezing of Assets under Section 51A of Unlawful Activities (Prevention) Act, 1967**

The procedure laid down in the UAPA Order dated August 27, 2009 shall be strictly followed and meticulous compliance with the Order issued by the Government shall be ensured.

#### **Jurisdictions that do not or insufficiently apply the FATF Recommendations**

- a) FATF Statements circulated by Reserve Bank of India from time to time, and publicly available information, for identifying countries, which do not or insufficiently apply the FATF Recommendations, shall be considered. Risks arising from the deficiencies in AML/CFT regime of the jurisdictions included in the FATF Statement shall be considered
- b) Special attention shall be given to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries that do not or insufficiently apply the FATF Recommendations and jurisdictions included in FATF Statements
- c) The background and purpose of transactions with persons (including legal persons and other financial institutions) from jurisdictions included in FATF Statements and countries that do not or insufficiently apply the FATF Recommendations shall be examined, and written findings together with all documents shall be retained and shall be made available to Reserve Bank/other relevant authorities, on request

## **Other Instructions**

#### **Secrecy Obligations and Sharing Information**

RAR Fincare Limited shall maintain confidentiality of information as provided in Section 45NB of RBI Act 1934.

#### **CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)**

- a. Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR vide Gazette Notification No. S.O. 3183(E) dated November 26, 2015.

- b. In terms of provision of Rule 9(1A) of PML Rules, RAR Fincare shall capture customer's KYC records and upload onto CKYCR within 10 days of commencement of an account-based relationship with the customer.
- c. Operational Guidelines for uploading the KYC data have been released by CERSAI.
- d. RAR Fincare shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as per the KYC templates prepared for 'Individuals' and 'Legal Entities' (LEs), as the case may be. The templates may be revised from time to time, as may be required and released by CERSAI.
- e. RAR Fincare shall upload KYC records pertaining to accounts of LEs opened on or after April 1, 2021, with CKYCR in terms of the provisions of the Rules ibid. The KYC records have to be uploaded as per the LE Template released by CERSAI.
- f. Once KYC Identifier is generated by CKYCR, RAR Fincare shall ensure that the same is communicated to the individual/LE as the case may be
- g. In order to ensure that all KYC records are incrementally uploaded on to CKYCR, RAR Fincare shall upload/update the KYC data pertaining to accounts of individual customers and LEs at the time of periodic updation, or earlier, when the updated KYC information is obtained/received from the customer.
- h. RAR Fincare shall ensure that during periodic updation, the customers are migrated to the current CDD standard
- i. Where a customer, for the purposes of establishing an account based relationship, submits a KYC Identifier to RAR Fincare, with an explicit consent to download records from CKYCR, then RAR Fincare shall retrieve the KYC records online from the CKYCR using the KYC Identifier and the customer shall not be required to submit the same KYC records or information or any other additional identification documents or details, unless –
  - i. there is a change in the information of the customer as existing in the records of CKYCR;
  - ii. the current address of the customer is required to be verified;
  - iii. the RE considers it necessary in order to verify the identity or address of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the client.

### **Collection of Account Payee Cheques**

Account payee cheques for any person other than the payee constituent shall not be collected.

- a) A Unique Customer Identification Code (UCIC) shall be allotted while entering new relationships with individual customers as also the existing customers
- b) RAR Fincare Limited shall not issue UCIC to all walk-in/occasional customers such as buyers of pre-paid instruments/purchasers of third-party products provided it is ensured that there is adequate mechanism to identify such walk-in customers who have frequent transactions with the company and ensure that they are allotted UCIC

### **Introduction of New Technologies –Smart Cards/Gift Cards/Mobile Wallet/ Net Banking/ Mobile Banking etc.**

Adequate attention shall be paid by RAR Fincare Limited to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and it shall be ensured that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

### **Issue and Payment of Demand Drafts, etc.**

Any remittance of funds by way of demand draft, mail/telegraphic transfer/NEFT/IMPS or any other mode for value of rupees fifty thousand and above shall be effected by debit to the customer's account or against cheques and not against cash payment.

### **Quoting of PAN**

Permanent account number (PAN) of customers shall be obtained and verified while undertaking transactions as per the provisions of Income Tax Rule 114B applicable to banking companies, as amended from time to time. Form 60 shall be obtained from persons who do not have PAN.

### **Selling Third Party Products**

RAR Fincare Limited acting as agents while selling third party products as per regulations in force from time to time shall comply with the following aspects for the purpose of these directions:

- a) The identity and address of the walk-in customer shall be verified for transactions above rupees fifty thousand as required under "Customer Identification Procedure" of this policy
- b) Transaction details of sale of third-party products and related records shall be maintained as prescribed in "Record Management" of this policy
- c) AML software capable of capturing, generating, and analyzing alerts for the purpose of filing CTR/STR in respect of transactions relating to third party products with customers including walk-in customers shall be available
- d) Transactions involving rupees fifty thousand and above shall be undertaken only by:
  - Debit to customers' account or against cheques; and
  - Obtaining and verifying the PAN given by the account based as well as walk-in customers

### **Hiring of Employees and Employee training**

- a) Adequate screening mechanism as an integral part of their personnel recruitment/hiring process shall be put in place
- b) On-going employee training programme shall be put in place so that the members of staff are adequately trained in AML/CFT policy. The focus of the training shall be different for frontline staff, compliance staff and staff dealing with new customers. The front desk staff shall be specially trained to handle issues arising from lack of customer education. Proper staffing of the audit function with persons adequately trained and well-versed in AML/CFT policies of the company, regulation and related issues shall be ensured

### **Adherence to Know Your Customer (KYC) guidelines by RAR Fincare Limited and persons authorized by RAR Fincare Limited including brokers/agents etc.**

- a) Persons authorized by the company for collecting loan repayments and their brokers/agents or the like, shall be fully compliant with the KYC guidelines applicable to the company

- b) All information shall be made available to the Reserve Bank of India to verify the compliance with the KYC guidelines and accept full consequences of any violation by the persons authorized by the company including brokers/agents etc. who are operating on their behalf
- c) The books of accounts of persons authorized by the company including brokers/agents or the like, so far as they relate to brokerage functions of the company, shall be made available for audit and inspection whenever required