



O3 Securities Private Limited (O3 Securities)

Registered Office:

No.5 Crescent Road, High Grounds

Bangalore – 560001, India

Prevention of Money Laundering Policy

Version Control Matrix

Name of the Document	Prevention of Money Laundering Policy
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Version Tracking

Version	Date of Creation / Updation	Maker	Checker / Reviewer	Approved By	Summary of changes	Board Approval on
V1	20-Feb-2022	Compliance officer	Principal Officer	BOD	Review & Update	24-Feb-2022
V2	05-June-2023	Compliance officer	Principal Officer	BOD	Review & Update	07-June-2023

Introduction and Applicability

o3 Securities Private Limited (o3/Company) is a SEBI registered Stock Broker, Depository Participant and Portfolio Manager. The Prevention of Money Laundering Act, 2002 including rules framed thereunder and SEBI Circulars (Collectively referred as 'Act') and Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 has cast an obligation on the market intermediaries to comply with the requirements of the Act. This Policy aligns with the requirements of the Act.

The Policy shall apply to employees involved in Products and Marketing team, Accounts and Operations team, Principal Officer and Compliance Officer. All shall carefully read the contents of the Policy and comply with the requirements at all time.

OBJECTIVE OF THESE GUIDELINES

The purpose of this document is to guide all the employees of o3 on the steps that they are required to take and implement to prevent and identify any money laundering or terrorist financing activities. It shall be the responsibility of each of the concerned employees that they should be able to satisfy themselves that the measures taken by them are adequate, appropriate and follow the spirit of these measures and the requirements as enshrined in the Act. Some of these suggested measures may not be applicable to every circumstance. However, type of Client and transaction should be considered carefully to ensure that the measures taken by the employees are adequate and appropriate to follow the spirit of these guidelines.

A. DEFINITIONS

- a) “**Beneficial Owner**” refers to the natural person(s) who ultimately owns or controls a Client and/ or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement (Refer Annexure 1).
- b) “**Client**” means a person that engages in a financial transaction or activity with o3 and includes a person on whose behalf the person that engages in the transaction or activity is acting.
- c) “**Client Due Diligence (CDD)**” means identifying and verifying the Client and the beneficial owner using ‘proof of identity’ and ‘proof of address’.
- d) “**Designated Director**” means a person designated by o3 to ensure overall compliance with the obligations imposed under the Act and shall include Managing Director or a Wholetime director, duly authorized by the Board of Directors of the Company.
- e) “**Group**” includes a parent entity and all the entities in respect of which, for the reason of ownership or control, a consolidated financial statement for financial reporting purposes –
 - (i) is required to be prepared under any law for the time being in force or the accounting standards of the country or territory of which the parent entity is resident; or
 - (ii) would have been required to be prepared had the equity shares of any of the enterprises were listed on a stock exchange in the country or territory of which the parent entity is resident.
- f) “**Non-profit organization**” means any entity or organization, constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of 1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013).
- g) “**Office of Foreign Assets Control (OFAC)**” of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against

targeted foreign countries and regimes, terrorists, international narcotics, traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC publishes lists of individuals and companies owned or controlled by or acting for on behalf of targeted countries. It also lists individuals, groups and entities, such as terrorists and narcotics traffickers designated under programs that are not country specific.

- h) **“United Nations Security Council (UNSC)”** establishes sanctions committee which publishes the names of individuals and entities listed in relation to that committee as well as information concerning the specific measures that apply to each listed name, and the consolidated sanctions list includes all individuals and entities subject to sanctions measures imposed by the UNSC.
- i) **“Politically Exposed Persons (PEPs)”** are individuals who have been entrusted with prominent public functions by a foreign country, including the heads of States or Governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials.
- j) **“Principal Officer”** means an officer designated by o3 under PMLA.
- k) **“Weapons of mass destruction”** means any biological, chemical, or nuclear weapons.

B. CLIENT DUE DILIGENCE PROCESS

➤ Clients Acceptance Policy

Criteria for acceptance of Client are as follows:

1. Role of Client Registration Dept. / Relationship Manager

The RM/concerned official shall:

- (i) have an introductory meeting with each the Client or his representatives in person to ascertain the general background of the Client and explain the nature of services offered by o3 Securities. Either the Client should visit the office/branch or concerned official may visit the Client at his residence / office address.
- (ii) collect the KYC documents from each Client including for joint holders and Beneficial Owner
- (iii) ensure that the Client Registration Form has been duly filled up and signed by each Client. Scrutinize the forms and details submitted by the Client thoroughly and cross check the details with various documents obtained like identity of the Client, source of income. If required, ask for any additional details like income tax returns, salary slips, etc. to assure whenever there is a doubt.
- (iv) Failure by the Client to provide satisfactory evidence of identity should be noted and reported to the senior management and Principal Officer.

2. In Person Verification

- (i) Once the documents are received, the RM or his/her team shall conduct an IPV of the prospective Client. IPV of the Client is mandatory.
- (ii) RM or his/her team verify the originals of the photocopy documents submitted by the Client as part of KYC documentation without any exception by affixing “verified with original” stamp as proof of verification

3. Screening

(i) Ensure that no account is being opened/kept in a fictitious / benami name or on an anonymous basis or account on behalf of other persons whose identity has not been disclosed or cannot be verified.

(ii) Check whether the Client's identity matches with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement/regulatory agency worldwide.

(iii) Accounts should be opened only on receipt of mandatory information along with authentic supporting documents as per the guidelines. Any reluctance by the Client to provide information should be a sufficient reason to reject the Client.

(iv) As PAN is mandatory, verify its genuineness with IT website and cross verify the PAN card copy with the original.

(v) Scrutinize minutely the records / documents pertaining to Clients of special category (like Walk in Clients, Nonresident Clients, High Net worth Clients, Trusts, Charities, NGOs, Companies having close family shareholding, Politically exposed persons, persons of foreign origin, Current/Former Head of State, Current/Former senior high profile politician, Companies offering foreign exchange, etc.) or Clients from high - risk countries (like Libya, Pakistan, Afghanistan, etc.) or Clients belonging to countries where corruption/fraud level is high. Provided Senior Management approval shall be required for establishing business relationship with PEPs

(vi) For scrutiny / background check of the Clients / HNI, the following list:
<https://press.un.org/en/content/press-release>; <https://www.un.org/securitycouncil/sanctions/1267/press-releases>; www.un.org/securitycouncil/sanctions/1718/press-releases of UNSC, Individuals/entities designated as 'Terrorists' published by Ministry of Home Affairs, <https://www.treasury.gov/resource-center/sanctions/pages/default.aspx> of OFAC, orders under section 35(1) and 51A of Unlawful Activities (Prevention) Act, 1967 ("UAPA") relating to funds, financial assets or economic resources or related activities circulated by SEBI should be referred. While dealing with Clients the list of high risk countries published by the FATF on its website www.fatf-gafi.org should be referred. Also, apart Prosecution Database / List of Vanishing Companies available on www.sebi.gov.in and RBI Defaulters Database available on www.cibil.com, www.watchoutinvestors.com should be checked.

(vii) Keep watch on the welcome kits or other documents / letters received back undelivered at the address given by the Client.

(viii) Client authentication process through a voice recording process

(ix) Authenticity and credibility of Mass affluent Clients should be verified by conducting onsite visit.

(x) Employee of o3 should not preferably sign as witness on the Client Registration Form.

(xi) If Employee of o3 Securities introduces the Client, exact relation of the Client with such employee should be documented.

(xii) If the Client acceptance process rejects a Client or the Client does not respond to requests for additional information/documents, all documents collected from the Client may be refunded and a clause to this effect be incorporated in the KYC Form.

➤ Client Identification Procedure

Client identification means identifying the Client and verifying his/ her/ its identity by using reliable, independent source documents, data or information.

Client Identification Procedure to be carried out at different stages as under:

(i) Commencement of an account-based relationship with the Client by verifying the accuracy of the identity of the Client from the Annexure 1.

(ii) When o3 has a doubt about the authenticity or adequacy of the Client identification data obtained by it.

o3 must be able to satisfactorily identify the Client and must be able to provide Client details to the authorities as and when required.

1. Filing of KYC records

(i) o3 shall file electronic copy of Clients KYC records with the Central KYC Registry within 10days after opening the account/modification of existing records.

(ii) Provided if the Client submits KYC identifier, then the records shall be retrieved online and the Client shall not be required to submit the documents except in case of change, or current address is required to be verified or o3 considers necessary in order to verify the identity or address of the Client or to perform enhanced due-diligence or to build an appropriate risk profile of the Client.

2. Risk Categorization and assessment

Clients be subdivided into High, Medium and Low risk categories. For the purpose of risk categorization, individuals (other than High Net Worth individuals) 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, maybe categorized as low risk. Illustrative examples of low-risk Clients could be salaried employees whose salary structures are well defined, Government departments & Government owned companies, regulators and statutory bodies etc. In such cases, only the basic requirements of verifying the identity and location of the Client are to be met.

Client that are likely to pose a higher-than-average risk shall be categorized as medium or high risk depending on Client's background, nature and location of activity, country of origin, sources of funds and Client profile etc.

Such clients ("Clients of Special Category"/" CSC") shall include but not limited to the following:

- Non-resident clients
- High net-worth clients
- Trust, Charities, Non-Governmental Organizations (NGOs)and organizations receiving donations.
- Companies having close family shareholdings or beneficial ownership.
- Politically Exposed Persons (PEP)
- Companies offering foreign exchange offerings.
- Clients in high-risk countries including as guided by FATF statements.
- Non face to face clients who open accounts without visiting the branch/offices of o3 or meeting officials of o3. Video based customer identification process is treated as face-to-face on-boarding of clients.
- Clients with dubious reputation as per public information available etc

The above-mentioned list is only illustrative, and the Company shall exercise independent judgment to ascertain whether new clients should be classified as CSC or not.

o3 shall apply enhanced due diligence measures based on the risk assessment, there by requiring intensive Due Diligence for higher risk Clients, especially those for whom the sources of funds are not clear.

The documents, data or information of High risk and Clients of Special Category shall be updated once in three years and for the Clients in medium and Low risk categories the records shall be updated once in five years. For corporate Clients, revised annual data (Financial / Shareholding) shall be collected periodically at end of each financial year or will be downloaded from the MCA website.

o3 shall carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to its clients, countries or geographical areas, nature and volume of o. AMC can internally decide. The transactions, payment methods used by clients, etc.

The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. The assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies, as and when required.

3. Role of Relationship Manager / Dealer / Settlement / Accounts Team

- Ensure that there is no cash / currency receipt/payment to the Client.
- Ensure that there are no third party receipt into / payment from the Client account.
- Ensure that there are no unusual activities by the Client like transaction indicative of insider trading and / or market manipulation

Guard against “willful blindness” and “tipping off” offence

- a. Willful blindness happens when the staff is very interested in the Client’s business and cons himself/herself into believing any superficial response to questions by the Client
- b. The tipping off offence happens when the staff tips off the Client to an existing / a possible internal investigation on the Clients account. This can potentially also be committed by sharing o3 details of due diligence process/ documents.

Flag for scrutiny / reprofiling should be raised if there is a change in Client’s sources of wealth/funds or the ability to accumulate assets or any other significant changes in the Client’s background or financial standing.

Ensure that any information relating Money Laundering gathered during formal or informal conversation with Clients is passed on to the Principal Officer

Proper records should be maintained and should be in a position to be retrieved within a short time.

C. AUDIT TRAIL

To enable any competent investigating authorities to trace through the chain of events, the following information for the accounts of Client is required to be maintained:

- The beneficial owner of the account.
- Inflow/outflow of funds routed through the account / and for the selected transactions:
- The origin of the funds
- The form in which the funds were offered or withdrawn, e.g. cash, cheques, bank drafts / pay order etc.
- The identity of the person undertaking the transaction
- The destination of the funds
- The form of instruction and authority
- The identity of official who made in person verification.
- The identity of official who verified copies documents obtained from Client with originals

The internal audit shall verify the compliance with the Policy on periodic basis.

D. RELIANCE ON THIRD PARTY FOR CARRYING OUT CLIENT DUE DILIGENCE

o3 may rely on a third party for the purpose identification and verification of the identity of a client / beneficial owner and determination of whether the Client is acting on behalf of a beneficial owner in accordance with the Act. o3 shall also undertake enhanced due diligence measures, as applicable.

E. MONITORING OF TRANSACTIONS/ON-GOING DUE DILIGENCE

o3 may rely on a third party for the purpose identification and verification of the identity of a client/beneficial owner and determination of whether the Client is acting on behalf of a beneficial owner subject to the conditions that:

- o3 shall pay special attention to all large and complex transactions and those with unusual patterns, consistent with normal and expected activity of the Client, which have no apparent economic rationale or legitimate purpose.
- o3 shall prescribe threshold limits for specific categories of accounts and pay particular attention to the transactions which exceed prescribed thresholds, based on income and/or net worth of the Client.
- Currently no cash transactions are done by o3, since all disbursements and repayments are made through normal banking channels only.
- High-risk accounts shall be subjected to intensify monitoring and enhanced due diligence. o3 shall set key indicators for such accounts, taking note of the background of the Client, such as the country of origin, sources of funds, the type of transactions involved and other risk factors.
- The compliance team shall randomly examine a selection of transactions undertaken by clients to comment on their nature i.e. whether they are in the nature of suspicious transactions or not.

F. SUSPICIOUS TRANSACTION MONITORING

Suspicious transaction means a transaction whether or not made in cash, which to a person acting in good faith.

- a. Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime;
- b. Appears to be made in circumstance of unusual or unjustified complexity;
- c. Appears to have no economic rationale or bonafide purpose

Suspicious transactions to include 'transactions integrally connected' as well as transaction remotely connected or related. Proceeds of crime include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence.

G. REASONS FOR SUSPICION

Identity of Client

- False identification documents
- Non co-operation of Client in providing full information
- Source of the funds is not clear or not in keeping with Clients' apparent standing /business activity;
- Identification documents which could not be verified within reasonable time
- Non face to face Client
- Clients in high risk jurisdiction
- Clients introduced by banks or affiliates or other Clients based in high risk jurisdictions
- Doubt over the real beneficiary of the account
- Accounts opened with names very close to other established business entities
- Receipt back of welcome kit undelivered at the address given by the Client

Suspicious Background

- Suspicious background or links with criminals

Activity in Accounts

- Activity inconsistent with what would be expected from declared business
- Substantial increases in business without apparent cause

Nature of Transactions

- Unusual or unjustified complexity
- Source of funds are doubtful
- Third Party paying on behalf of Client
- Appears to be case of insider trading
- Transfer of investment proceeds to apparently unrelated third parties
- Clients transferring large sums of money to or from overseas locations with instructions for payment in cash

Value of Transactions

- Large sums being transferred from overseas for making payments
- Inconsistent with the Clients apparent financial standing
- Inconsistency in the payment pattern by Client

H. DETAILS OF SUSPICIOUS TRANSACTION REPORT

- The nature of the transaction
- The amount of the transaction and the currency in which it was denominated
- The date on which the transaction was conducted
- The parties to the transaction.
- The reason of suspicion.

I. OTHER IMPORTANT POINTS

- Reasons for treating any transaction or a series of transactions as suspicious should be recorded. It should be ensured that there is no undue delay in arriving at such a conclusion.
- Utmost confidentiality should be maintained in submitting the information.
- The reports may be transmitted by email/speed/registered post/fax at the Head Office addressed to the Principal Officer.
- No restriction may be put on operations in the accounts where a Suspicious Transaction Report has been made.
- It should be ensured that there is no tipping off to the Client at any level.

J. CASH TRANSACTIONS

o3 Securities shall not accept cash from the Clients for the purpose of investment under PMS. All payments shall be received from the Clients strictly by "Account Payee" crossed cheques drawn in favour of o3 Securities Private Limited.

In case an Account Payee cheque has been received from a bank account other than that captured in records, the same may be accepted after ascertaining that the Client is the first holder of the account after obtaining such other information as may be considered appropriate. Relevant copies of the supporting documents should be sent to HO and details of such accounts should be captured in the Client Master records.

K. REPORTING

o3 shall report information relating suspicious transactions, cross border wire transfer report and/or other transaction as specified under the Act to the Director, Financial Intelligence Unit India (FIU-IND) 6th floor, Tower-2, Jeevan Bharati Building, Connaught Place, New Delhi-110001 as per the schedule given below:

Report	Description	Frequency	Due date
STR	All suspicious transactions whether or not made in cash	Event based	Within seven working days on being satisfied that the transaction is suspicious
CBWT	All cross border wire transfers of the value of more than five lakh rupees or its equivalent in foreign currency where either the origin or destination of fund is in India	Monthly	Every month within by 15 th of the succeeding month
NTR	All transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency	Event based	By 15 th of the succeeding month

In view of the same, concerned employees are requested to report suspicious transactions to the Compliance Officer within 3 working days of establishment of such transaction to enable the Compliance Officer to co-ordinate with the Principal Officer to report the same to the Director, Financial Intelligence Unit India (FIUIND) within the stipulated time.

Provided No nil reporting needs to be made to FIU-IND in case there are no suspicious transactions to be reported.

However, it should be ensured that there is continuity in dealing with the Client as normal until told otherwise and the Client should not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken.

The above-mentioned reporting to FIU shall contain the following information:

- a. Nature of the transaction;
- b. Amount of the transaction and the currency in which it was denominated;
- c. Date on which the transaction was concluded; and
- d. Parties to the transaction.

Further, o3 shall report full details of accounts bearing resemblance with any of the individuals/entities in the list under section 35(1) and 51A of UAPA shall immediately be intimated to the Central [designated] Nodal Officer for the UAPA, at Fax No.011-23092551 and also conveyed over telephone No. 011-23092548. The particulars apart from being sent by post shall necessarily be conveyed on email id: jsctcr-mha@gov.in

o3 shall also send a copy of the communication mentioned above to the UAPA Nodal Officer of the State/UT where the account is held and to SEBI and FIU-IND, without delay. The communication shall be sent to SEBI through post and through email(sebi_uapa@sebi.gov.in) to the UAPA nodal officer of SEBI, Deputy General Manager, Division of FATF, Market Intermediaries Regulation and Supervision Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot No.C7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

L. PROCEDURE FOR FREEZING OF FUNDS / SECURITIES

In the event, particulars of any of the Clients match the particulars of designated individuals/entities in the list forwarded by SEBI / Stock Exchange / Depositories, the details of such as funds / securities held by such Client have to be communicated to FIU-IND. The suspicious transaction report (STR) should also be filed with FIU-IND covering all transactions in such Client account.

On verification and receipt of orders to freeze these assets under section 51A of the UAPA such Client account funds / securities will be frozen.

M. MAINTENANCE OF RECORDS BY CLIENT REGISTRATION, ACCOUNTS AND RMS

All records should be preserved as required by law and by the regulatory authorities.

Additionally, the following records shall be preserved:

The records of the identity of Clients and their beneficial owners well as account files and business correspondence shall be preserved for a period of five years after the business relationship between a Client and intermediary has ended or the account has been closed, whichever is later.

The records of all suspicious transactions whether or not made in cash and including inter-alia, credits or debits into or from any non-monetary account such as demat account, security account maintained by o3, cross border wire transfers transactions of the value of more than five lakh rupees and/or other transactions including reporting to FIU shall be preserved for a period of five years from the date of transaction.

All transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency.

In situations where the records relate to ongoing investigations or transactions which have been the subject of a suspicious transaction reporting, or where there is litigation, they should be retained until it is confirmed that the case has been closed.

N. HIGH STANDARDS IN HIRING POLICIES

Role of Human Resource Department

The Human Resource Department and other Department Heads involved in hiring new employees should have adequate screening procedure in place to ensure high standards in hiring new employees.

Bona fides of employees be checked to ensure that the employees do not have any link with terrorist or other antisocial organizations.

Not only "Know Your Client" (KYC) documentations but also "Know Your Employee" documents should be in place.

O. FORMULATE/REVIEW/TRAINING ON THE INTERNAL POLICY AND PROCEDURE TO ALL EMPLOYEES

This internal policy and procedure on "The Prevention of Money Laundering Act, 2002" should be brought to the notice of all employees by HRD at the time of induction programme.

HRD shall formulate program for Staff Training and implementing specific procedures for Client identification and retaining internal records of transactions.

P. INVESTORS EDUCATION

The literature prepared will form an integral part of the KYC so as to educate the Client regarding the objectives of the AML / CFT framework.

Q. OBLIGATIONS UNDER SECTION 12A OF THE WEAPONS OF MASS DESTRUCTION AND THEIR DELIVERY SYSTEMS (PROHIBITION OF UNLAWFUL ACTIVITIES) ACT, 2005. (“WMD Act”):

1. o3 shall maintain the list of individuals/entities (“Designated List”) and update it, without delay. The updated Designated List shall be available with SEBI and at the FIU-India Portal.
2. o3 shall verify if the particulars of the entities/individual, party to the financial transactions, match with the particulars of the Designated List and in case of match, it shall not carry out such transaction and immediately inform the transaction details with full particulars of the funds, financial assets or economic resources involved to the Chief Nodal Officer (“CNO”), without delay. The details of the CNO are as under:

**The Director
FIU-INDIA
Tel.No.:011-23314458, 011-2331445 (FAX)
Email: dir@fiuindia.gov.in**

1. o3 shall run a check, on the given parameters, at the time of establishing a relation with a client and on a periodic basis to verify whether individuals and entities in the Designated List are holding any funds, financial assets or economic resources or related services, in the form of bank accounts, stocks, insurance policies etc. In case, the clients’ particulars match with the particulars of Designated List, o3 shall immediately inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or insurance policies etc., held on their books to the CNO, without delay.
2. o3 shall send a copy of the communication, mentioned in paragraphs 1 and 2 above, without delay, to the Nodal Officer of SEBI. The communication shall be sent to SEBI through post and through email (sebi_uapa@sebi.gov.in) to the Nodal Officer of SEBI, Deputy General Manager, Division of FATF, Market Intermediaries Regulation and Supervision Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C7, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.
3. o3 shall prevent such individual/entity from conducting financial transactions, under intimation to the CNO, without delay, in case there are reasons to believe beyond doubt that funds or assets held by a client would fall under the purview of Section 12A (2)(a) * or Section 12A(2)(b)* of the WMD Act.
4. o3 shall file a Suspicious Transaction Report (STR) with the FIU-IND covered all transactions in the accounts, covered under paragraphs 1 and 2 above, carried through or attempted through.
5. Upon the receipt of the information above, the CNO would cause a verification to be conducted by the appropriate authorities to ensure that the individuals/entities identified are the ones in the Designated List and the funds, financial assets or economic resources or related services, reported are in respect of the designated individuals/entities. In case, the results of the verification indicate that the assets are owned by, or are held for the benefit of, the designated individuals/entities, an order to freeze these assets under section 12A would be issued by the CNO and be conveyed to the concerned reporting entity so that any individual or entity may be prohibited from making any funds, financial assets or economic resources or related services available for the benefit of the designated individuals/entities.
6. o3 shall also comply with the provisions regarding exemptions from the above orders of the CNO and inadvertent freezing of accounts, as may be applicable.

Note:

** Section 12A (2) - For prevention of financing by any person of any activity which is prohibited under the WMD Act, or under the United Nations (Security Council) Act, 1947 or any other relevant Act for the time being in force, or by an order issued under any such Act, in relation to weapons of mass destruction and their delivery systems, the Central Government shall have power to*

- a) *Freeze, seize or attach funds or other financial assets or economic resources:*
 - i. *owned or controlled, wholly or jointly, directly or indirectly, by such person; or*
 - ii. *held by or on behalf of, or at the direction of, such person; or*
 - iii. *derived or generated from the funds or other assets owned or controlled, directly or indirectly, by such person.*

b) prohibit any person from making funds, financial assets or economic resources or related services available for the benefit of persons related to any activity which is prohibited under the WMD Act, or under the United Nations (Security Council) Act, 1947 or any other relevant Act for the time being in force, or by an order issued under any such Act, in relation to weapons of mass destruction and their delivery systems.

I. REVIEW OF POLICY

The Policy should be placed before the management and if any changes in the policy are warranted, the revised policy should be placed before the management for review and approval. Views of concerned Business Heads and chief of Internal Audit, if any, may be taken into account where the management finds it necessary. The policy will be reviewed once a year by the Principal Officer and one of the Director(s).

J. DESIGNATED DIRECTOR / PRINCIPAL OFFICER

o3 Securities shall report details of appointment/changes in appointment of Principal Officer and Designated Director to FIU IND

In case any further information /clarification is required in this regard, the 'Principal Officer' may be contacted.

Mr. Sudeep Srikantaswamy
o3 Securities Private Limited
#5 Crescent Road, High Grounds,
Bangalore 560 001

Email: compliance@o3securities.com

Annexure I

Features to be verified and documents that may be obtained from Clients

Features	Documents
<p>Individuals</p> <ul style="list-style-type: none"> - Legal name and any other names used -Correct permanent address 	<p>PAN card</p> <p>Address Proof (any one of the following)</p> <ul style="list-style-type: none"> • UID (Aadhaar) • Passport • Driving License • Voter's ID Card • Utility Bill – Telephone / Electricity Bill/post paid mobile phone/piped gas/water (Not more than 2 months old) • Property or Municipal tax receipt • Latest Bank Statement or Bank Passbook (Not more than 2 months old) • Letter from a recognized public authority or public servant verifying the identity and residence of the Client to the satisfaction of bank • Ration card • Letter from employer (subject to satisfaction of the bank) (any one document which provides Client information to the satisfaction of the bank will suffice) <p>Provided that in case the document 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.</p>
<p>Companies</p> <ul style="list-style-type: none"> -Name of the company -Principal place of business -Mailing address of the company -Telephone/Fax Number 	<ul style="list-style-type: none"> (i) Certificate of incorporation (ii) Memorandum & Articles of Association (iii) Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account (iv) PAN card of Company (v) Proof of Address of Company (vi) KYC documents of beneficial owner, managers, officers or employees as the case may be, holding attorney to transact on its behalf

Partnership firms -Legal name -Address -Names of all partners and their addresses -Telephone numbers of the firm and partners	(i) Registration certificate, if registered (ii) Partnership deed (iii) PAN card of the Firm (v) Proof of Address of Firm (vi) Resolution of the Firm to open an account and identification of those who have authority to operate the account (vii) KYC documents of beneficial owner, managers, officers or employees as the case may be, holding attorney to transact on its behalf
Trusts & foundations - Names of trustees, settlers, beneficiaries and signatories -Names and addresses of the founder, the managers/directors and the beneficiaries -Telephone/fax numbers	(i) Certificate of registration, if registered (ii) Trust deed (iii) PAN card of Trust (iv) Proof of Address of Trust (v) Resolution of the Trust to open an account and identification of those who have authority to operate the account (vi) KYC documents of beneficial owner, managers, officers or employees as the case may be, holding attorney to transact on its behalf
Unincorporated association or body of individuals - Names of individuals, beneficiaries and signatories -Names and addresses of the founder, the managers and the beneficiaries -Telephone/fax numbers	(i) PAN card of the unincorporated association or a body of individuals (iv) Proof of Address of such association (v) Resolution of the association to open an account and identification of those who have authority to operate the account (vi) KYC documents of beneficial owner, managers, officers or employees as the case may be, holding attorney to transact on its behalf

Provided when Client has submitted Aadhaar number, o3 shall carry out authentication using e-KYC authentication facility.

Where the client purports to act on behalf of juridical person or individual or trust, the reporting entity shall verify that any person purporting to act on behalf of such client is so authorized and verify the identity of that person.

Further, o3 shall register the details of a client, in case of client being a non-profit organization, on the DARPAN Portal of NITI Aayog, if not already registered, and maintain such registration records for a period of five years after the business relationship between a client and a reporting entity has ended or the account has been closed, whichever is later.

Further, where the client has submitted any KYC documents, shall submit to o3 any update of such documents, for the purpose of updating the records, within 30 days of such updation.

Further, if any record received from the place outside India shall be deemed to be authenticated if such record is received:

- from an authority designated under an agreement or treaty entered into by the Central Government with the Government of any country for exchange of information or investigations of cases relating to any offence under the Act, or

- which is purporting to have affixed, impressed or submitted thereon or thereto the seal and signature of any person who is authorised by section 3 of the Diplomatic and Consular Officers (Oaths and Fees) Act, 1948 (41 of 1948) to do any notarial acts shall be deemed to be duly authenticated.

Beneficial Owner

Features	Identification of beneficial owner
Companies	Natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means. Explanation. - For the purpose of this sub-clause- 1. "Controlling ownership interest" means ownership of or entitlement to more than ten percent (10%) of 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
Partnership firms	Natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of/entitlement to more than fifteen percent (15%) of capital or profits of the partnership;
Unincorporated association or body of individuals	Natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent (15%) of the property or capital or profits of such association or body of individuals;
Trusts & foundations	Include identification of the author of the trust, the trustee, the beneficiaries with ten percent (10%) or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership;

In cases where there exists doubt above as to whether the person with controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means. Control though other means can be exercised through voting rights, agreement, arrangements or in any other manner.

Provided where no natural person is identified, the identity of the relevant natural person who holds the position of senior managing official.

Provided where the Client or the owner of the controlling interest is an entity listed on a stock exchange in India, or it is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions notified by the Central Government, or it is a subsidiary of such listed entities, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such entities.

In case of foreign Clients, o3 shall identify the Beneficial Owner as per SEBI Master Circular No. SEBI/HO/AFD-2/CIR/P/2022/175 Dated: December 19, 2022 as may be amended from time to time.