

## **ANTI-MONEY LAUNDERING POLICY & PROCEDURE**

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### **Prevention of Money Laundering Act (PMLA), 2002:**

This is the core legislation, defining money laundering offenses and outlining obligations for various entities.

#### **Section 3 of PAML 2002 (Offence of money-laundering)**

Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the <sup>1</sup>[proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming] it as untainted property shall be guilty of offence of money-laundering.

<sup>2</sup>[*Explanation.* --For the removal of doubts, it is hereby clarified that, --

(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely: --

- a) concealment; or
- b) possession; or
- c) acquisition; or
- d) use; or
- e) projecting as untainted property; or
- f) claiming as untainted property,

in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever.]

### **In addition to PMLA, other relevant laws include:**

#### **a) Unlawful Activities (Prevention) Act, 1967:**

This act deals with unlawful activities and can be relevant in AML/CFT contexts.

#### **b) Benami Transactions (Prohibition) Act, 1988:**

This act prohibits benami transactions, which can be used for money laundering.

## **Main element of PAML 2002**

### **Reporting Entities:**

These are the entities required to comply with AML regulations, including banks, financial institutions, intermediaries, and professionals dealing with money.

### **Customer Due Diligence (CDD):**

Reporting entities must verify the identity of their clients and conduct ongoing monitoring of transactions.

**Suspicious Transaction Reporting (STR):**

Entities must report any transactions they suspect are related to money laundering or terrorist financing to the Financial Intelligence Unit-India (FIU-IND).

**Record Keeping:**

Reporting entities must maintain records of transactions for a specified period (at least 10 years).

**Regulatory Bodies:**

The Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and Insurance Regulatory and Development Authority of India (IRDAI) are key regulators overseeing AML compliance within their respective sectors.

**Enforcement:**

The Enforcement Directorate (ED) and FIU-IND are responsible for investigating and prosecuting money laundering offenses.

**International Cooperation:**

India is committed to global efforts to combat money laundering and terrorist financing and actively participates in international collaborations.

## **Gallant Policy & Procedure for PAML 2002 Act Provisions**

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This Policy represents the basic standards of Anti-Money Laundering policy of **Gallant Jewelry Jaipur**. This policy is in effective and copies of this Policy will be distributed to all suppliers and all relevant employees; they must be thoroughly familiar with this policy and make use of the matter contained in this Policy.

**Definitions & Procedures****Money Laundering**

Money laundering is a generic term used to describe any process that conceals the origin or derivation of the proceeds of crime so that the proceeds appear to be derived from a legitimate source.

Money laundering is sometimes wrongly regarded as an activity that is associated only with organized crime and drug trafficking. It is not. It occurs whenever any person deals with another person's direct or indirect benefit from crime.

Money laundering is a crime that is most often associated with banking and money remittance services. Whilst banks are often an essential part of successful laundering schemes, the financial and related services that Licensees offer are also vulnerable to abuse by money launderers.

**Additional Due Diligence measures for financial institutions**

We are undertaking following additional due diligence measures while establishing and maintaining correspondent relationships:

- ❖ Obtaining sufficient information about a respondent company to avoid any relationships with “shell-banks”;
- ❖ Determining from publicly available sources of information the reputation of a respondent company including whether it has been subject to a money laundering or terrorist financing investigation or other regulatory action;
- ❖ Assessing the respondent institution’s anti-money laundering and terrorist financing controls on a periodic basis.

**Goals and objectives**

The main purpose of the Policy is to establish the essential standards designed to prevent the money laundering activities. Other objectives pursued by this Policy are as follows:

- ❖ We are Promoting a “Know Your Customer” policy as a cornerstone principle for the business ethics and practices;
- ❖ Conducting self-assessments of compliance with AML policy and procedures.

Adherence to this policy is absolutely fundamental for ensuring fully comply with applicable antimoney laundering legislation.

The company will not have any relationship with any shell banks.

The company is committed to examining its anti-money laundering strategies, goals and objectives on an ongoing basis and maintaining an effective AML Policy.

**Monitoring and reporting of suspicious transactions/activity**

All personnel must be diligent in monitoring for any unusual and potentially suspicious transactions/activity basing on the relevant criteria applicable in the national or international jurisdiction.

The reporting of suspicious transactions/activity must comply with the international laws/regulations

**Record keeping**

Records shall be kept of all documents obtained for the purpose of identification and all transaction data as well as other information related to money laundering matters in accordance with the applicable anti-money laundering laws/regulations of the country;

All records must be kept for at least 6 years;

**Training**

Training on anti-money laundering will be provided to those new employees who work directly with

customers and to those employees who work in other areas that may be exposed to money laundering and terrorist financing threats which includes;

Identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering and internal policies to prevent money laundering against targeted foreign countries and shall cooperate fully with government agencies, self- regulatory organizations and law enforcement officials.

#### **GRIEVANCE MECHANISM: -**

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**Gallant Jewelry** has established this grievance procedure to hear concerns about violation in AML policy & provisions.

**Mr. Deep Manheswari** shall be responsible for implementing and reviewing this procedure.

Concerns can be raised by interested parties via email or telephone to:

Mobile No. **9352743090**

Email: - [accounts@jv@gallantjewelry.net](mailto:accounts@jv@gallantjewelry.net)

#### **PROCEDURE FOR GRIEVANCE HANDLING**

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On receiving a complaint, we will aim to:

- ❖ Get an accurate report of the complaint.
- ❖ Explain our complaint procedure.
- ❖ Find out how the complainant would like it addressed/ resolved.
- ❖ Assess the eligibility of the complaint and, where applicable, decide who should handle it internally. In cases where we are unable to address the complaint internally (e.g. where our company is too far removed from the origin of the issue raised in the complaint), we may redirect it to a more appropriate entity or institution, such as the relevant supplier or industry body.
- ❖ Where the issue can be handled internally, seek further information where possible and appropriate.
- ❖ Identify any actions we should take including hearing from all parties concerned, and monitoring the situation.
- ❖ Advise the complainant of our decisions or outcomes.
- ❖ Keep records on complaints received and the internal process followed, for at least five years.

#### **Responsibility**

**Mr. Sachin Jain is endorsed this policy. He is looking this policy within transactions & new suppliers' registrations.**