



**BOMBAY MERCANTILE
CO-OPERATIVE BANK LTD.**
(SCHEDULED BANK)

**Anti Money Laundering
&
KYC Policy**

2019-2022

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**BOMBAY MERCANTILE
CO-OPERATIVE BANK LTD.
(SCHEDULED BANK)**

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Ref. No. 81/AGM/KYC/2019-2022

Date : 08.03.2019

Anti-Money Laundering Policy

Policy On Know Your Customer (KYC) and Anti Money Laundering Measurers
from 1st April 2019 to 31st March 2022

The Board in their meeting held on 08.3.2019, has approved this policy of the bank on 'Know Your Customer (KYC) and Anti Money Laundering Measurers' for implementation by the Bank. We enclosed herewith the copy of this policy along with the modalities to be followed by the staff at supervisory and functional level. This policy represents the basic standards of the requirement of the Anti-Money laundering and Combating Terrorism Financing (hereinafter collectively referred to as AML) procedures within the Bombay Mercantile Cooperative Bank Ltd. All Branch Managers are advised to circulate this instruction to the Officers / Staff of the bank and to study the instruction contained therein. As you are aware that the KYC Policy of the bank was approved by the Board on 14.8.2016. There has been modification / changes by RBI in the KYC requirements of the Bank in terms of their Master direction updated July 2018 and subsequent changes if any, issued by RBI from time to time.

It is therefore become necessary to incorporate the changes as per the directions of RBI. Branches are therefore advised to ensure strict adherence to the KYC/AML guidelines as per the policy of the bank and all other instruction issued by RBI from time to time.

MOHAMEDARIFAMIRI
PRINCIPAL OFFICER

BOMBAY MERCANTILE COOPERATIVE BANK LTD.
SCHEDULED BANK.

ANTI MONEY LAUNDERING & KNOW YOUR CUSTOMER POLICY OF YEAR
2019 – 2022.

The Policy on KYC standards and AML measures

PREAMBLE

GENERAL

The Prevention of Money Laundering Act, 2002 (PMLA) brought into force with effect from 1st July, 2005, is applicable to all the Reporting Entities (RE) as defined in the said Act. Section 12 of the PMLA places certain obligations on the reporting entities which are as follows:

- a. Maintain a record of all transactions, including information relating to transactions covered under clause (b), in such manner as to enable it to reconstruct individual transactions;
- b. Furnish to Director within such time as may be prescribed, information relating to such transactions, whether attempted or executed, the nature and value as may be prescribed.
- c. Verify the identity of its clients in such manner and subject to such conditions as may be prescribed.
- d. Identify the beneficial owner, in any, of such of its clients, as may be prescribed;
- e. Maintain record of documents evidencing identity of its clients and beneficial owners as well as account files and business correspondence relating to its clients.

The Prevention of Money Laundering Rules (PML Rules) has been framed under the PMLA. Rule 3 of the PML Rules specifies the transactions, the records of which are to be maintained. Rule 7 of the PML Rules prescribes the procedure and manner of furnishing information, including an obligation to evolve an internal mechanism for detecting the prescribed transactions. Rule 8 of the PML Rules prescribes the time of furnishing such information and Rule 9 of the said Rules prescribes the procedure and manner of verification of records of identity of clients.

The Bank, its Designated Directors on the Board, Principal Officer and employees are responsible for omissions and commissions in relation to the reporting obligations under Chapter IV of the PMLA.

Rule 7 (1) of the PML, Rules requires that every RE should communicate to Director, FIU-IND, the name, designation and address of the Designated Director and the Principal Officer. Rule (2) (1) (ba) of the PML Rules defines "Designated Director" to mean a person designated by the reporting entity to ensure overall compliance with the obligations imposed under Chapter IV of the Act and the Rules and includes:-

- i. the managing Director or a whole time Director duly authorized by the Board of Directors if the reporting entity is a company,
- ii. the managing partner if the reporting entity is a partnership firm,
- iii. the proprietor if the reporting entity is a proprietorship concern,
- iv. the managing trustee if the reporting entity is a trust
- v. a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
- vi. Such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.

The role of the Designated Director is to ensure overall compliance with the obligations imposed under Chapter IV of the PMLA and to keep the Board informed of the AML/CFT issues. The role of the Principal Officer is to furnish all information to director, FIU-IND under Rule 7 and 8 of the PML Rules. Thus the role of the Designated Director is larger and includes all obligations under Chapter IV of the PMLA.

KYC STANDARDS

The objective of the KYC Guidelines is to prevent Bank from being used intentionally or un-intentionally by criminal elements for Money Laundering Activities. KYC procedures and its compliance enable Banks to know and understand their customers and their financial dealings better which enables the Bank to manage Risk prudently. Our Bank in the year 2014 has once again taken initiative to comply with the KYC Norms by Data Entry and follow ups of customers for related documents in accordance with the laid down guidelines.

AML

Concealing the existence or source of income from a crime disguising the income so that it appears legitimate. Whosoever directly or indirectly attempts assisting or knowingly is a party or is actually involved in any process of moving money, property, that constitutes the proceed of criminal activity shall be guilty of offence of Money Laundering.

Money Laundering mainly refers to washing of the proceeds of the profit generated from drugs, bribery, trafficking criminal and corruption activity, smuggling, gambling, prostitution, counterfeiting terrorist act and forgery.

