

**KYC & AML POLICY**

# *Objective

The objective of KYC process is to prevent financial intermediaries being used, intentionally or unintentionally by criminal elements for money laundering to fund various illegal activities including global terrorism. The KYC process has become the utmost need of the hour for all financial intermediaries in wake of fast spreading money-laundering menace across the globe.

# *Definitions

In these Directions, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:

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

1. "**Aadhaar number**" means an identification number as defined under sub section (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, henceforth the 'Aadhaar Act' as amended from time to time, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force;
2. "**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 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force;
3. "**Authentication**" means the process as defined under sub-section (c) of section 2 of the Aadhaar Act;
4. **“Certified Copy”** - Obtaining a certified copy by the FOX shall mean comparing the copy of the proof of possession of Aadhaar number where offline verification cannot be carried out or officially valid document so produced by the customer with the original and recording the same on the copy by the authorized officer of the company as per the provisions contained in the Act.
5. **“Customer”:** For the purpose of KYC policy, a “Customer” will be defined as:
* A person or entity that maintains an account and/or has a business relationship with the Company.
* Any person or entity connected with a financial transaction which can pose significant reputation or other risks to the Company, say a wire transfer or issue of a high value demand draft as a single transaction.
1. **“Customer Due Diligence (CDD)”** means identifying and verifying the customer and the beneficial owner.
2. **“Customer identification”** means undertaking the process of CDD.
3. **"Designated Director"** means a person designated by FOX to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and shall include person designated by FOX to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and shall include: the Managing Director or a whole-time Director, duly authorized by the Board of Directors
4. **“Digital KYC”** means the capturing live photo of the customer and officially valid document or the proof of possession of Aadhaar, where offline verification cannot be carried out, along with the latitude and longitude of the location where such live photo is being taken by an authorised officer of FOX as per the provisions contained in the Act.
5. **“Digital Signature”** shall have the same meaning as assigned to it in clause (p) of subsection

(1) of section (2) of the Information Technology Act, 2000(as amended from time to time, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

1. **“Offline verification”** shall have the same meaning as assigned to it in clause (pa) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).

1. **"Principal Officer"** means "Principal Officer" nominated by FOX, responsible for furnishing information as per rule 8 of the Rules.

# Principal Officer:

1. FOX shall appoint a "Principal Officer"
2. The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
3. The name, designation and address of the Principal Officer, including changes from time to time, shall be communicated to the Director, Financial Intelligence Unit - India (FIU-IND)

# Compliance of KYC policy:

FOX shall ensure compliance with KYC Policy through:

* 1. specifying as to 'Senior Management' for the purpose of KYC compliance;
	2. allocation of responsibility for effective implementation of policies and procedures;
	3. independent evaluation of the compliance functions of FOX policies and procedures, including legal and regulatory requirements;
	4. Concurrent/internal audit system to verify the compliance with KYC/Anti-Money Laundering (AML) policies and procedures;
	5. submission of quarterly audit notes and compliance to the Audit Committee;

# RISK MANAGEMENT

For Risk Management, FOX shall have a risk based approach which includes the following:

1. customers shall be categorised as low, medium and high risk category, based on the assessment and Risk perception of the company.
2. the Risk categorisation has been undertaken based on parameters such as customer's identity, social/ financial status, nature of business activity and information about the clients' business and their location etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.