



Brickwork Ratings **Anti Money Laundering Policy**

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Anti-Money Laundering Policy

1. Preface and Background

The Anti-Money Laundering (AML) Policy (the Policy) has been prepared in accordance with the Prevention of Money Laundering Act, 2002 (PMLA Act). This Policy also considers the provisions of the PMLA Act and other rules laid down by SEBI and Financial Intelligence Unit (FIU).

Brickwork Ratings Private Limited (herein after referred as “**BWR**”) is committed to the highest standards of moral and ethical integrity, transparency, and propriety in all its financial transactions.

2. Objective of the Policy

The objective of this policy is to ensure that all applicable laws and regulations are complied with by BWR in preventing money laundering; and, to substantially prevent, manage and mitigate the risk of BWR and its employees, becoming directly or indirectly involved in actual or potential money laundering activities, or terrorist financing activities.

3. Scope of the Policy

The scope of the policy includes the following types of transactions:

1. All cash transactions with value of more than Rs 10 lakhs or its equivalent in foreign currency.
2. All series of cash transactions within one calendar month that are integrally connected to each other, which have been valued below Rs 10 lakhs or its equivalent in foreign currency.
3. All suspicious transactions, whether made in cash or not, and including inter-alia, credits, or debits, into/from any non-monetary account such as demat account or security account maintained by the registered intermediary.
4. All transactions that are remotely connected or related to each other, whether made in cash or otherwise, which may, to a person acting in good faith –
 - i). give rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
 - ii). appears to be made in circumstances of unusual or unjustified complexity or
 - iii). appears to have no economic rationale or bonafide purpose.

4. Applicability of the Policy

This AML policy is applicable to all employees (whether permanent or temporary), consultants, contractors, or any other persons associated with BWR.

5. What is money laundering?

Money laundering refers to the process of moving illegally obtained cash through financial systems so that it appears to have come from a legitimate source. It involves putting the money through a series of commercial transactions to “clean” the money.

6. AML/CFT Governance Framework structure

As required by SEBI guidelines, BWR’s AML Framework is broadly divided into the following main components:

- AML/KYC Standards
- Appointment of Principal Officer and Designated Director
- Recruitment and training of employees
- Procedures for payments

6.1 AML/KYC Standard

BWR shall follow the Customer Due Diligence (CDD) Process as below:

- Obtain sufficient information about the client on whose behalf transactions are being conducted.
- Verify the customer’s identity using reliable, independent source document, data, or information.
- Conduct on-going due diligence and scrutiny of the account/client to ensure that the transaction conducted are consistent with the client’s background/financial status, their activities and risk profile.

6.2 Appointment of Principal Officer and Designated Director

The Principal Officer and other appropriate compliance, risk management and related staff members shall have timely access to customer identification data and other CDD information, transaction reports and other relevant information.

The Principal Officer shall have access to and be able to report to Senior Management above their next reporting level of the Board of Directors.

Principal Officer’s responsibilities:

- a) Liaise with the regulatory/ enforcement authorities on AML matters, submit monthly reports to the Managing Director including the adequacy of the systems and controls for managing ML risks and recommend any changes or improvements, as necessary.
- b) Review and vet all products/services offered by the BWR to ensure compliance with AML policies and procedures.
- c) Ensure that AML controls are put in place before any new product / service is launched. The controls shall include the ML risk rating of product/ service, checklist on ML indicators, definition of suspicious behaviour and compliance framework and systems for monitoring and mitigating the ML risks.

- d) Review all reports and suspicious transactions before submitting to regulatory/law enforcement authorities.
- e) Report the following to the Financial Intelligence Unit (FIU-IND)
 - *Suspicious Transaction Report
 - *Any other report as required by the PMLA, SEBI or regulators on Anti Money Laundering issued from time to time
- f) Ensure compliance of this policy and generate exception reports based on the procedures for identifying suspicious activity listed in this policy.

Designated Director:

BWR has appointed a 'Designated Director' to ensure overall compliance with the obligations imposed under Chapter IV of the Act. Designated Director is aware that the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated Director for failure of the intermediary to comply with any of its ML/CFT obligations.

BWR shall communicate the details of the Designated Director, such as, name, designation and address to the office of the Director, FIU-IND.

6.3 Recruitment and Training of Employees

BWR will conduct due diligence from an AML perspective before employing any personnel including temporary or outsourced manpower/ service providers by authenticating their KYC documents. For all employees, background verification checks will be conducted by a third-party agency.

BWR shall provide training to its staff on the requirements laid down in this policy. The training shall be provided by the Principal Officer of BWR or their delegated authority, based on the guidelines issued in this policy. Training will relate to employees' daily work and comprise examples from business including continuous training needs.

The AML training programmes shall include the following:

- AML Policy guidelines, CIP requirements
- Possible risks of not adhering to the AML requirements
- Requirements for adequate KYC procedures
- Methods for recognition of suspicious transactions or suspicious behaviour of a client

6.4 Procedure for payments

All payments shall be received / made by BWR from / to the clients strictly by account payee crossed cheques/ demand drafts or by way of direct credit into the bank account through electronic fund transfer, or any other mode permitted by the Reserve Bank of India. BWR shall accept cheques drawn only by the clients and also issue cheques in favour of the clients only, for their transactions. BWR shall not accept cash from their clients either directly or by way of cash deposit to the bank account of BWR.

7 Record Keeping

BWR shall maintain and preserve the record of documents evidencing the client's information and business correspondence 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.

BWR shall maintain all records in electronic format and co-operate with the relevant law enforcement authorities, including the timely disclosure of information.

8 Reporting to FIU

PMLA requires reporting of information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) 6th Floor, Hotel Samarat, Chanakyapuri, New Delhi -110021 as per the schedule given below:

Report	Description	Due Date
CTR	All cash transactions of the value of more than Rs.10 Lakhs or its equivalent in foreign currency	15th day of the succeeding month
	All series of cash transactions Integrally connected to each other which have been valued below Rs.10 Lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month.	15th day of the succeeding month
CCR	All cash transactions were forged, or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions*	Not later than seven working days from the date of occurrence of such transaction*
STR	All suspicious transactions whether or not made in cash.	Not later than seven working days on being satisfied that the transaction is suspicious*
NTR	Non-Profit Organization Transaction Report	Not later than seven working days on being satisfied that the transaction is suspicious*

BWR shall include the following in its reports:

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

9 Policy Review

This Policy in accordance with the existing SEBI / FIU guidelines relating to AML and any subsequent guidelines from the date of the Policy on AML will be implemented immediately, with subsequent ratification by the Board.

This Policy shall be reviewed by the Compliance department and Principal Officer as and when any changes are to be incorporated in the policy due to the relevant changes in the SEBI/FIU guidelines.