# AML ALERTS GENERATION POLICY

The frequency for screening alerts is on fortnightly basis.

**Process for screening alerts:**

a) Identify the reasons for Suspicion:

1. Identity of client
- False identification documents.
- Identification documents which could not be verified within reasonable time.
- Non-face to face client.
- Clients in high-risk jurisdiction.
- Doubt over the real beneficiary of the account.
- Accounts opened with names very close to other established business entities.
- Receipt back of well -come kit undelivered at the address given by the client.

2. Suspicious Background
- Suspicious background or links with criminals.

3. Multiple Accounts
- Large number of accounts having a common parameters such as common partners / directors / promoters / address/ email
address / telephone numbers introducer or authorized signatory.
- Unexplained transfers between such multiple accounts.
- Activity inconsistent with what would be expected from declared business.

4. Activity in Accounts
- Unusual activity compared to past transactions.
- Use of different accounts by client alternatively.
- Sudden activity in dormant accounts.
- Activity inconsistent with what would be expected from declared business.
- Account used for circular trading.

5. Nature of Transactions
- Unusual or unjustified complexity.

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**MAVERICK**

THE BOND OF SECURITY

- No economic rationale or bonafide purpose.
- Source of funds are doubtful.
- Appears to be case of insider trading.
- Purchases made on own account transferred to a third party through an off market transactions through DP account.
- Transactions which reflect likely market manipulations.
- Suspicious off market transactions.

6. Value Of Transactions
- Value just under the reporting threshold amount in an apparent attempt to avoid reporting.
- Large sums being transferred from overseas for making payments.
- Inconsistent with the clients apparent financial standing.
- Inconsistency in the payment pattern by client.
- Block deal which is not at market price or prices appear to be artificially inflated/deflated.

b) If any suspicious activity is determined, reporting is required to be done. In view of the same, the Compliance Officer is required to collect information from the Branches/Departments/Authorised Person under their control/ jurisdiction and submit report on Cash transactions on monthly basis by the 10th day of the following month and suspicious transactions to the Principle Officer within seven working days of establishment of such transaction to enable the Principal Officer to report the same to the Director, Financial Intelligence Unit-India (FIU-IND) within the stipulated time.

The following details are required to be reported.

- 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.

## Evaluation of alerts generated by us

Whenever alerts are generated, we evaluate the alerts on the basis of following Red Flag Indicators as prescribed by FIU as a part of internal processing.

Red Flag Indicators:

If the client:
• Is secretive or evasive about who they are, the reason for the transaction, or the source of funds.
• Avoids personal contact without good reason.
• Refuses to provide information or documentation or the documentation provided is suspicious.
• Has criminal associations.
• Has unusual level of knowledge about money laundering processes.

If the source of funds or source of wealth are unusual, such as:
• Large cash payments.
• Unexplained payments from a third party.
• Loans from non-institutional lenders.
• Use of multiple accounts or foreign accounts.

If the transaction has unusual features, such as:
• Size, nature, frequency or manner of transaction.
• An excessively high value is placed on assets/securities.
• It is potentially loss making.
• Repetitive instructions involving common features/parties or back to back transactions with property rapidly changing value.
• The transaction is unusual for the client's profile.
• Unexplained urgency, requests for short cuts or changes to the transaction particularly at last minute. • Use of a Power of Attorney in unusual circumstances.
• Instructions to retain documents or to hold money in your client account.
• Abandoning transaction and/or requests to make payments to third parties or back to source.

If the instructions are unusual for your business such as:
• Outside your or your practice's area of expertise or normal business.

• The client is not local to you and there is no reasonable explanation as to why your practice has been chosen.
• Willingness of client to pay high fees.
• Unexplained changes of legal advisers.
• The client appears unconcerned or lacks knowledge about the transaction.

If there are geographical concerns such as:
• Unexplained connections with and movement of monies between other jurisdictions.
• The client's bank is not local to the property.