

Know Your Customer & Anti Money Laundering

- CUSTOMER AWARENESS

Introduction

Credit Suisse AG is a Commercial Bank Branch* licensed by RBI (Reserve Bank of India)

1. What are Money Laundering and Terrorist Financing?

Money laundering involves disguising financial assets so that they can be used without detection of the illegal activity that produced them. Through money laundering, the launderer transforms the monetary proceeds derived from criminal activity into funds with an apparently legal source. Financing of terrorism is the financial support, in any form, of terrorism or those who encourage plan or engage in terrorism. Sources of terrorism may or may not be legitimate. The two activities are linked because the techniques used to launder money are essentially the same as those employed to conceal the sources and uses of terrorist financing. Governments around the world recognize the corrosive dangers that unchecked money laundering poses to their economic and political systems and has prescribed acts, rules and regulation for prevention of money laundering.

2. What is a Money Laundering offence?

Under the Prevention of Money Laundering Act 2002 (PMLA), 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 proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.

3. What is the International standard against AML & CTF activities?

The Financial Action Task Force (FATF) is an inter-governmental body which sets standards, and develops and promotes policies to combat money laundering and terrorist financing.

The Forty Recommendations and Nine Special Recommendations of FATF provide a complete set of countermeasures against money laundering covering the criminal justice system and law enforcement, the financial system and its regulation, and international co-operation. These Recommendations have been recognised, endorsed, or adopted by many international bodies as the international standards for combating money laundering.

Website of FATF – www.fatf-gafi.org

4. What is KYC?

KYC is an acronym for “Know your Client/Customer”, a term commonly used for the Client Identification Process. KYC enables banks to know / understand their customers and their financial dealings to be able to both manage its risks and also serve the customers better.

5. What is the existing Anti-money laundering & Counter Terrorist financing legislations in India?

The Prevention of Money Laundering Act, 2002 (PMLA) was enacted with effect from July 1, 2005. The PMLA forms the core of the legal framework to combat money laundering and terrorist financing in India. The PMLA and Prevention of Money-laundering (Maintenance of Records of

the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (PMLA Rules) impose obligation on banking companies, financial institution and intermediary to verify the identity of investors & maintain records of transactions with each investor. Rule 3 of PMLA Rules inter-alia requires maintains of records relating to following transactions:

- All cash transactions of the value of more than Rs.10 lakh or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs.10 lakh or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- All transactions involving receipts by non-profit organisations of value more than Rs.10 lakh, or its equivalent in foreign currency.
- All suspicious transactions whether or not made in cash and including, inter-alia, credits or debits into from any non monetary account such as demat account, security account maintained by the registered intermediary.
- All cash transactions where 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.

6. What are the features to be verified and documents required to be obtained from customers?

The features to be verified and documents that may be obtained vary depending upon the type of Customers. The same are furnished below:

Features	Documents**
<p>Accounts of individuals</p> <ul style="list-style-type: none"> - Legal name and any other names used - Correct permanent address 	<p>ONE recent photograph</p> <p>Copy of ONE item -</p> <ul style="list-style-type: none"> (i) Passport; (ii) PAN ID; (iii) Voter's ID; (iv) Driving Licence; (v) Identity Card; (vi) Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) <p>Copy of ONE item which is not more than 3 months old -</p> <ul style="list-style-type: none"> (i) Telephone bill; (ii) Bank account statement; (iii) Letter from any recognized public authority (subject to the satisfaction of CS AG Mumbai Branch); (iv) Electricity bill; (v) Ration card; (vi) Letter from employer (subject to the satisfaction of CS AG, Mumbai Branch)
<p>Accounts of Companies</p> <ul style="list-style-type: none"> - Name of the Company - Principal place of business - Mailing address of the company - Telephone/Fax Number - Controllers/Shareholders (where applicable) 	<ul style="list-style-type: none"> (i) Certificate of Incorporation; (ii) Memorandum and Articles of Association; (iii) Official shareholders register; (iv) Official directors register; (v) Audited financial statements/ Annual Report; (vi) Copy of ONE item which is not more than 3 months old containing address and telephone/fax number of the company - (telephone bill/ bank account statement/ electricity bill/ certificate/licence issued by the Municipal authorities under Shop & Establishment Act/ certificate/ registration document issued by Sales Tax/ Service Tax/ Professional Tax authorities); (vii) For directors and individual shareholders (subject to the satisfaction of CS AG, Mumbai Branch) - Copy of ONE item from

	<p>Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG Mumbai Branch) and Copy of ONE item from Telephone bill/ Bank account statement/ Letter from any recognized public authority (subject to the satisfaction of CS AG Mumbai Branch) / Electricity bill/ Ration card/ Letter from employer (subject to the satisfaction of CS AG, Mumbai Branch) and ONE recent photograph;</p> <p>(viii) Verify the identity of shareholders (% subjected to the satisfaction of CS AG, Mumbai Branch) in accordance with requirements for the entity type (if not individuals);</p> <p>(ix) A board resolution from the Board of Directors and/or power of attorney granted to person to transact on its behalf;</p> <p>(x) ONE recent photograph and ONE officially valid document from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) which contains details of the identity and address in respect of person holding an attorney to transact on its behalf.</p>
<p>Accounts of partnership firms</p> <ul style="list-style-type: none"> - Legal name - Address - Names of all partners and their addresses - Telephone numbers of the firm and partners 	<p>(i) Certificate of registration (if registered);</p> <p>(ii) Partnership deed/ agreement;</p> <p>(iii) Copy of ONE item which is not more than 3 months old containing address and telephone/fax number of the partnership firm - (telephone bill/ bank account statement/ electricity bill/ certificate/ licence issued by the Municipal authorities under Shop & Establishment Act/ certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities;</p> <p>(iv) Verify the identity of partners - Copy of ONE item from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the partner (subject to the satisfaction of CS AG, Mumbai Branch) and Copy of ONE item from Telephone bill/ Bank account statement/ Letter from any recognized public authority (subject to the satisfaction of CS AG, Mumbai Branch) / Electricity bill/ Ration card/ Letter from employer (subject to the satisfaction of CS AG Mumbai Branch) and ONE recent photograph;</p> <p>(v) A mandate from the partners of the partnership and/or power of attorney granted to person to transact on its behalf;</p> <p>(vi) ONE recent photograph and ONE officially valid document from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) which contains details of the identity and address in respect of person holding an attorney to transact on its behalf.</p>
<p>Accounts of trusts/ society/ association/ club & foundations</p> <ul style="list-style-type: none"> - Names of trustees, settlors, beneficiaries and signatories - Name and addresses of the founder, the managers/ directors and the beneficiaries - Telephone/Fax numbers 	<p>(i) Certificate of registration;</p> <p>(ii) Trust deed/ agreement;</p> <p>(iii) Copy of ONE item which is not more than 3 months old containing address and telephone/fax number of the trust/foundation - (telephone bill/ bank account statement/ electricity bill/ certificate/ licence issued by the Municipal authorities under Shop & Establishment Act/ certificate/registration document issued by Sales Tax/ Service Tax/Professional Tax authorities);</p> <p>(iv) List of directors founders/ trustees/ settlors/ committee members/ signatories certified by the chairman or secretary</p> <p>(v) Identification of trustee or person exercising effective control over the trust, settlors, beneficiaries to the trust deed/ agreement;</p> <p>(vi) Verify the identity of trustees, settlors, beneficiaries - Copy of ONE item from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) and Copy of ONE item from Telephone bill/ Bank account statement/ Letter from any recognized public authority (subject to the satisfaction of CS AG, Mumbai Branch) / Electricity bill/ Ration card/ Letter from employer (subject to the satisfaction of</p>

	<p>(vii) CS AG, Mumbai Branch) and ONE recent photograph; Resolution of the managing body of the trust/foundation and/or power of attorney granted to person to transact on its behalf;</p> <p>(viii) ONE recent photograph and ONE officially valid document from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) which contains details of the identity and address in respect of person holding an attorney to transact on its behalf.</p>
<p>Accounts of Proprietorship concerns</p> <p>- Proof of the name, address and activity of the concern</p>	<p>Copy of any TWO items (issued in the name of the proprietary concern) from (i) to (vi) -</p> <p>(i) Certificate of registration (if registered)</p> <p>(ii) Certificate/licence issued by the Municipal authorities under Shop & Establishment Act;</p> <p>(iii) IEC (Importer Exporter Code)</p> <p>(iv) Sales and income tax returns;</p> <p>(v) CST/VAT certificate;</p> <p>(vi) Certificate/registration document issued by Sales Tax/Service Tax/ Professional Tax authorities;</p> <p>(vii) Licence issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, etc.</p> <p>(viii) Verify the identity of proprietors - Copy of ONE item from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch) and Copy of ONE item from Telephone bill/ Bank account statement/ Letter from any recognized public authority (subject to the satisfaction of CS AG Mumbai Branch) / Electricity bill/ Ration card (subject to the satisfaction of CS AG, Mumbai Branch) and ONE recent photograph;</p> <p>(ix) Power of attorney granted to in respect of person holding an attorney to transact on its behalf. to transact on its behalf;</p> <p>(x) ONE recent photograph and ONE officially valid document from Passport/ PAN ID/ Voter's ID/ Driving Licence/ Identity Card/ Letter from a recognized public authority or public servant verifying the identity and residence of the POA/ mandate holder (subject to the satisfaction of CS AG, Mumbai Branch) which contains details of the identity and address in respect of person holding an attorney to transact on its behalf.</p>
<p>HUF (required for each member of the family)</p> <p>- Legal name and any other names used</p> <p>- Correct permanent address</p>	<p>ONE recent photograph</p> <p>Copy of ONE item -</p> <p>(i) Passport;</p> <p>(ii) PAN ID;</p> <p>(iii) Voter's ID;</p> <p>(iv) Driving Licence;</p> <p>(v) Identity Card;</p> <p>(vi) Letter from a recognized public authority or public servant verifying the identity and residence of the customer (subject to the satisfaction of CS AG, Mumbai Branch)</p> <p>Copy of ONE item which is not more than 3 months old -</p> <p>(i) Telephone bill;</p> <p>(ii) Bank account statement;</p> <p>(iii) Letter from any recognized public authority (subject to the satisfaction of CS AG Mumbai Branch);</p> <p>(iv) Electricity bill;</p> <p>(v) Ration card;</p> <p>(vi) Letter from employer (subject to the satisfaction of CS AG, Mumbai Branch)</p> <p>Declaration in a form as provided by CS</p>

****Please note that this is not an exhaustive list and is only indicative and additional documents may be required in order to satisfy CS AG, Mumbai Branch's risk categorisation. For further details please Contact**

your Relationship Manager/CS AG, Mumbai Branch. This is subject to change as and when required under the RBI Guidelines/statutory provisions.

7. Is KYC mandatory?

Yes. It is both a regulatory and legal requirement. RBI have issued separate Master circular requesting Financial Institutions, Banks and Intermediaries to put in place a comprehensive policy framework covering KYC Standards and AML Measures to ensure that certain minimum standards of KYC and AML as laid down in the Act and the Rules framed there under .

8. When do KYC requirements apply?

KYC is carried out at the following stages:

- Prior to establishing a new relationship.
- Opening of subsequent account where documents or KYC information has changed since opening the initial account.
- From time to time when Credit Suisse AG, Mumbai Branch feels it necessary to obtain additional information from existing customers based on conduct of the account or changes in the regulatory/ statutory frame work.
- When there are changes to signatories, mandate holders, beneficial owners etc

9. Who is my contact point in Credit Suisse AG, Mumbai Branch to comply with AML and CTF requirements?

Your contact point will be the Sales / Coverage Person/ Relationship Manager who opens your account and/or who is in touch with you for your transactions/relationship with Credit Suisse AG, Mumbai Branch.

Should you require more information on AML & CFT requirements, you may wish to refer to the Financial Intelligence Unit- India website - <http://fiindia.gov.in/faq-overview.htm>

* "A licence authorising Credit Suisse AG to carry out banking activities has been obtained from the RBI in terms of section 22 of the Banking Regulation Act, 1943. It must be distinctly understood, however, that in issuing the license, the RBI does not undertake any responsibility for the financial soundness of the bank or for the correctness of any of the statements made or opinions expressed in this connection."