

PART – A: Customer Acceptance Policy (CAP)

- A. Accept only those clients whose identity is established by conducting due diligence appropriate to the risk profile of the client.
- B. Where the investor is a new investor, account must be opened only after ensuring that pre account opening KYC documentation and procedures are conducted.
- documentation as per standard norms to be collection
 - identity verification of the client to be made through support desk

JCSPL will follow the industry standard in implementing the procedure for KYC.

- C. Any transaction from a client may be accepted only after Customer acceptance procedure is completed. However, Customer acceptance procedure and Transaction acceptance procedure may be initiated simultaneously in case of low risk customers. If Customer acceptance procedure rejects a customer and customer does not respond to requests for additional information, the account opening will be rejected. A suitable condition may be incorporated in the account opening/transaction request form to this effect.
- D. The Customer Acceptance Norms specified herein below shall be applicable to clients sourced directly by employees of the company and also with regard to clients sourced through Business Associates, Feet on Street, Marketing agents etc. of the company.

All persons sourcing clients on behalf of shall be required to adhere to the requirements specified herein below that are aimed to identify the types of clients that are likely to pose a higher than the average risk of money laundering or terrorist financing:

1. **In-person verification:** In person verification shall be mandatory for all clients. Accounts shall be opened only for those persons whose in-person verification has been done as per the SEBI/Stock Exchange/Depository or other regulations in this regard. The client should visit the Branch or the authorised official may visit the client at the residence/office to complete the in-per verification procedures.

2. **KYC Procedures:** Accept only clients in respect of whom complete KYC procedures has been completed. Client account shall not be opened in case the client fails to submit any required documents:
 - a. Documents shall be accepted as per the checklists given from time to time
 - b. Photocopies submitted by the clients shall be compulsorily verified with original
 - c. All details in the form shall be filled in by the clients without fail
 - d. Do not compromise on submission of mandatory information – Accounts should not be opened here the client refuses to provide information/documents.

3. **Benami Accounts:** No account is opened in a fictitious / benami name or on an anonymous basis.

4. **Debarred Clients:** Before clients opens an account check whether the client's name matches with names in any of the following lists:
 - SEBI Debarred List
 - UNSC
 - PEP
 - such other list that may be specified by the Regulators/Compliance Department from time to time.

5. Do not open accounts with a known criminal background.
6. **Clients of Special Category:** Due care shall be taken while accepting clients of Special Category

Clients of Special Category include but shall not be limited to the following-

- i. Non- resident clients
- ii. High net-worth clients
- iii. Trust, Charities, Non-Governmental Organizations (NGOs) and organizations receiving donations
- iv. Companies having close family shareholdings or beneficial ownership
- v. Politically Exposed Persons (**PEP**)
(i.e. Individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. and family members or close relatives of PEPs)
- vi. Companies offering foreign exchange offerings
- vii. Clients in high risk countries
(i.e - where existence / effectiveness of money laundering controls is suspect
- where there is unusual banking secrecy,
- countries active in narcotics production
- countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent
- countries against which government sanctions are applied
- countries reputed to be Havens/ sponsors of international terrorism offshore financial centers, tax havens, countries where fraud is highly prevalent
- viii. Non face to face clients
- ix. Clients with dubious reputation as per public information available etc.

Treatment of Accounts of Clients of Special Category

- 1. NRI:** While opening NRI account utmost care should be exercised. While opening an NRI Repatriable or NRI Non Repatriable inter alia, collect the following documents from the clients:

NRI Repatriable/Non Repatriable

1. PAN Card Copy
2. Passport Copy
3. Indian Address Proof
4. Cancelled Cheque copy of NRE A/c
5. PIS Permission issued from RBI.
6. NRI Address Proof
7. Bank Statement Copy.
8. Client Master Copy for demat account.

2. High Networth Clients: High networth clients could be classified as such if at the account opening stage or during the course of the relationship, it is realized that the clients investments or the appetite for investment is high.

3. Trust, Charity and NGOs: Both public as well private, registered as well un registered trust will have to be classified in the special category. Any Charitable or Non governmental organization or a no Profit Organization will be also classified herein.

4 Close family shareholdings or Beneficial Ownership: In case of close family shareholdings the objective is to understand whether the beneficiaries of two or more accounts, which may also be opened at different times are same, then both need to be marked under this special category.

5. Politically Exposed Persons: In case of PEPs, the account should be opened only after consent of the senior management (Head Retail and Principal Officer) and all the required documents are collected and client should be marked as PEP in records. Where a client has been accepted and the client or beneficial owner is subsequently found to be, or subsequently becomes a PEP, registered intermediaries shall obtain senior management approval to continue the business relationship. Verify the sources of funds of the PEP.

6. Company offering foreign Exchanges: At the account opening stage if the individual or the entity is registered foreign exchange dealer, then the same may be categorized.

7. Client in High Risk Country: Do not open any account received from client who was residing in a high risk jurisdiction and may have investment proceeds which may have also originated from these countries. The list may be obtained from the Financial Action Task Force (FATF) statements that identify countries that do not or insufficiently apply the FATF Recommendations, published by the FATF on its website

8. Client with dubious Public Reputation: If a client's reputation during the opening of the account or post opening the account is known to be not good, then the same is marked in this special category.

PART – B: Know your client standards – identification of customer:

- A Identity generally means a set of attributes which together uniquely identify a natural or legal person. An individual's identity comprises his/her name recent photograph, signature, date of birth, and the residential address at which he/she can be located. In case of non-individuals, identification is established with the help of registration number, copies of incorporation documents, location, address of head office and identity of authorized signatories.
- B Identification evidence should be verified for:
- The named account holder(s)/the person in whose name an investment is registered;
 - Any principal beneficial owner of funds being invested who is not the account holder or named investor;
 - Power of Attorney Holders.
 - The failure or refusal by an applicant/customer falling under high-risk category to provide satisfactory identification evidence within 5 / requisite days of seeking information and/or without adequate explanation may lead to a suspicion that the investor is engaged in money laundering. In such circumstances, Principal officer may consider making a suspicious activity report.
- C. A risk-based approach will be adopted towards certification of Documents. For low risk clients, reliance will be placed on a self-certified copy of the documents required to prove identity and address along with in person verification by company representative. For high-risk clients, (where suspicion arises) the copies of identification documents have to be attested by government gazetted officers or notarised by a public notary or by any other person who has opened an account with JCSPL after adhering to KYC norms stipulated under this policy. Where the beneficial owner is a well established entity like religious trust/endowment board registered as such with any government authority,

educational trust having a standing of not less than 10 years and good reputation in the locality where it is situated, recognised Non-government organisation, companies listed on recognized stock exchanges, SEBI registered intermediary, IRDA registered insurance company or insurance intermediary, pension fund registered under appropriate authority, SEBI recognised stock exchange, scheduled commercial bank, government departments, government agencies, statutory bodies, public sector undertakings and such other entities of irrefutable reputation the documentation for establishing identification include certified true copies of Memorandum and Articles of Association and Certificate of Incorporation. However, identification of the authorised signatory shall be on the lines of low risk individual customers.

D. Customer Identification Procedure

Pre-account Opening: The submission of all documents required under this policy is a pre-requisite for account opening for all customers. Incomplete application (including incomplete documentation) is to be rejected. JCSPL will follow the industry standard for implementing customer identification procedure. However, proof of identity and proof address will be verified based on documentation. Identification of customer to be made with personal interaction with the clients. The same may also help in further identification of the client at the time of placing of the order. When personal interaction held with the client, risk of concealing identity if client does not arise. Further, where feasible, client meeting to be done atleast once in a quarter for all active clients. For clients who are trading occasionally, proper identification assurance for the client to be made.

E. The following Customer Identification Norms shall be adhered to in respect of all new clients to establish the identity of the client alongwith firm proof of address to prevent opening of account which is fictitious/benami/anonymous in nature.

SEBI/the Stock Exchanges/the Depositories and other regulatory authorities under which is governed from time to time specify various KYC norms/guidelines that have to be adhered to in order to be able to Identify Customers. Such Norms and guidelines should be followed scrupulously at the time of customer acceptance. Further given below are a list of Basic Requirements to be obtained from various types of clients at the time of account opening.

Proof Of Identity

Every client would be identified based on only photo identity as prescribed under applicable KYC norms. The PAN Card, which is compulsory, would also serve as a photo identity. Other Identity proofs which might be collected for verification are as under:

- I. Passport
- II. Voter ID Card
- III. Driving license
- IV. PAN card with photograph
- V. Unique Identification Number (UID) (Aadhar Card)
- VI. Identity card/document with applicant's Photo, issued by
 - a) Central/State Government and its Departments,
 - b) Statutory/Regulatory Authorities,
 - c) Public Sector Undertakings,
 - d) Scheduled Commercial Banks,
 - e) Public Financial Institutions,
 - f) Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**),
 - g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members, and
 - h) Credit cards/Debit cards issued by Banks.

Proof Of Address

The address of the Client would be verified from one of the following:

I. Ration card

II. Passport

III. Voter ID Card

IV. Driving license

V. Bank passbook / Bank Statement

VI. Unique Identification Number (UID) (Aadhar Card)

VII. Verified copies of

- a) Electricity bills (**not more than three months old**),
- b) Residence Telephone bills (**not more than three months old**) and
- c) Leave and License agreement / Agreement for sale.

VIII. Self-declaration by High Court & Supreme Court judges, giving the new address

in respect of their own accounts.

IX. Identity card/document with address, issued by

- a) Central/State Government and its Departments,
- b) Statutory/Regulatory Authorities,
- c) Public Sector Undertakings,
- d) Scheduled Commercial Banks,
- e) Public Financial Institutions,
- f) Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**) and
- g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.

Basic KYC Norms to be followed for verification / scrutiny

- a) The photograph in the PAN card and in any other address proof which contains a photograph must match. This should be followed to ensure that no account is opened in anonymous or fictitious names.
- b) As per SEBI, NSDL, NSE & BSE guidelines, all Address and Identification proofs, should be verified with the originals by any of the employee of . Care should be taken that the employee, who is verifying the copies of the proofs, should be competent to do the same.
- c) In-Person verification of Applicant (s) made compulsory as per Exchanges and NSDL norms should be done by an employee of only or as specified by the Regulators from time to time. The person conducting verification should visit the address provided by the applicant (s) and complete in person verification.
- d) Proof should be collected for both permanent address and correspondence address and the same should be verified with originals.
- e) Notwithstanding the above, the Company prohibits doing business with any individual or entity whose identity cannot be determined or who refuses to provide information or who have provided information that contains significant inconsistencies which cannot be resolved after due investigation.
- f) Verify whether any of the existing Client or new Applicant, falls within the UN sanction list and/ or is debarred by SEBI from dealing in securities. In this case, if any of the Existing Client falls in either of the categories, the said Client would be suspended from trading immediately & the matter would be reported to the concerned Regulatory Authority if required. In case of new applicant falling within the category, such account should not be opened. Clients name in the regulatory orders issued by the exchanges on a day to day basis should be barred from trading with immediate effective.

- g) In case of Non Resident clients, remittance only from approval banking channels will be accepted. In case of FIIs, the investment must be from the current account maintained with the Reserve Bank of India.
- h) Clients should not be activated to trade in derivative segment unless the clients submit a valid proof of financial information.

The above constitutes our KYC norms and will be strictly followed so that the Company has no doubt about the Client identity. The account of any existing Client not able to satisfy his/her identity will be frozen till identity is established

These norms may be changed by Compliance Department from time to time to adhere regulatory requirements and to have stringent anti money laundering measures.

PART – C: Ongoing Customer Due Diligence

- Any communication in respect of the Client shall be with the Client only
- Trade Orders/Instructions shall be accepted from the Client only.
- In case the client wishes to authorise a third party to give trade orders/instructions to the company in the clients account, a duly notarized Power of Attorney shall be provided by the Client and KYC documents like Proof of Identity, Proof of Address and Relationship with the client of such authorised person shall be obtained.
- The Employees of the Company and the Clients shall adhere to the guidelines issued by the Company on this regard from time to time.
- Obtaining sufficient information in order to identify persons who beneficially own or control the securities account. Whenever it is apparent that the securities acquired or maintained through an account are beneficially owned by a party other than the client, that party shall be identified using client identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.
- Understand the ownership and control structure of the client;
- Conduct ongoing due diligence and scrutiny, i.e. Perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the registered intermediary's knowledge of the client, its business and risk profile, taking into account, where necessary, the client's source of funds; and
- The CDD process shall necessarily be revisited when there are suspicions of money laundering or financing of terrorism (ML/FT).

PART – D: Risk Categorisation

All clients should be categorized on the basis of the risk of money laundering or terrorist financing that they are likely to pose. The clients can be classified into the medium or high risk category depending on various like Client wise Large Turnovers, particular Script exposure / trading , client’s income range , trading pattern, client is of special category. If any of the client would satisfy the above criteria, depending on the criteria satisfied the same would be classified into medium or high risk.

Clients should broadly be classified in the following categories

Low Risk	Clients who pose low or nil risk. They are corporates/HNIs who have a respectable social and financial standing. Clients who fulfill obligations on time.
Medium Risk	Intraday clients or speculative client.
High Risk	Clients who have defaulted in the past. Clients who have a suspicious background. Clients of Special Category

The above categorization shall be done initially at the time of opening of the Clients account and shall be reviewed on an ongoing basis depending of the trading pattern etc. of the clients.

Initial Risk categorization of all the clients would be done by the CCR Team depending on the financials details/ networth declarations and KYC declaration so of the clients given by the clients at time of account opening and regular updates received from the clients. Branch Officials shall inform CCR team in the event they feel the client belongs to the Medium or High Risk Category and specify reasons for the same. Risk categorization would also be modified depending on the trading patterns of the clients.

Any change in the risk profile of the client/mandate holder, has to be ascertained by the concerned branch officials, and reported to the Business Head immediately.

High degree of due diligence shall be applied in respect of clients of special category.

Instructions on risk parameters may be given by the Principal Officer/Compliance Team from time to time.

The internal Auditors shall conduct the audit based on the Risk parameters assigned by the Management from time to time.