ANTI MONEY LAUNDERING POLICY

KFin Technologies Pvt. Ltd. – Mutual Fund Registry

[Updated as per SEBI Circular Ref No:ISD/AML/CIR-3/2010 dated 31/12/2010]

1. Preamble

The prevention of Money Laundering Act, 2002 (PMLA) was enacted in 2003 and brought in to force with effect from 1st July 2005 to prevent money laundering and to provide for attachment, seizure and confiscation of property obtained or derived, directly or indirectly, from or involved in money laundering and for matters connected therewith or incidental thereto . Necessary Notifications/Rules under the said Act were published in the Gazette of India on July 01, 2005.

Pursuant to the recommendations made the Financial Action Task Force on anti- money laundering standards, SEBI has issued a master circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 on anti money laundering/ Combating the Financing of Terrorism(CFT) in line with the FATF recommendations and PMLA Act, 2002. As per the Guidelines on Anti Money Laundering standards notified by SEBI, All registered intermediaries have been advised to ensure that proper policy frameworks are put in place. The objective is to ensure that we identify and discourage any money laundering or terrorist financing activities and that the measures taken by us are adequate enough to follow the spirit of the Act and guidelines

As per the provisions of the PMLA, Intermediary includes a stockbroker, sub-broker, share transfer Agent, banker to an issue, trustee to a trust deed, registrar to an issue, asset management company, depository participant, merchant banker, underwriter, portfolio manager, investment adviser and any other intermediary associated with the Securities market and registered under section 12 of the Securities and Exchange Board of India Act,1992(SEBI Act) shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the PMLA and Rules notified there under.

SEBI has issued necessary directives vide circulars from time to time, covering issues related to Know your Client (KYC) norms, Anti- Money Laundering(AML), Client Due Diligence(CDD) and combating Financing of Terrorism (CFT). The directives lay down the minimum requirements and it is emphasized that the intermediaries may , according to their requirements, specify additional disclosures to be made by clients to address concerns of money laundering and suspicious transactions undertaken by clients.

2. Definition of money laundering

2.1 Section 3 of the Prevention of Money Laundering (PML) Act 2002 has defined the
"Offence of money laundering" as under:

> *"Whosever directly or indirectly attempts to indulge or knowingly assists or knowingly is 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"*

2.2 Money launders use the Mutual Fund/banking system for cleansing 'dirty money' obtained from criminal activities with the objective of hiding/disguising its source. The process of money laundering involves creating a web of financial transactions so as to hide the origin and true nature of these funds.

2.3 For the purpose of this document, the term 'money laundering' would also covers financial transactions where the end use of funds goes for terrorist financing irrespective of the source of the funds.

2.4 Money Laundering Cycle: The process of Money Laundering regardless of its degree of complexity, is accomplished in three stages, namely, (a) the placement stage, (b) Layering stage and (c) Integration Stage.

a) **Placement**: Physical disposal of criminal proceeds (large amount of cash) and initial introduction of illicit funds in to a financial services institution.

b) **Layering**: Movement of Funds(e.g. through multiple transactions) from institution to institution to hide the source and ownership of funds and to separate the criminal proceeds from their source by the creation of layers of transactions designed to disguise the audit trail and provide the appearance of legitimacy.

c) **Integration**: The placing of laundered proceeds back into the economy in such a way that they re-enter the market appearing as normal and legitimate funds.

3. Obligations under Prevention of Money Laundering [PML] Act 2002

Section 12 of PML Act 2002 places certain obligations on every Financial Institution/Intermediary/ banking company which include:

(i) Maintaining a record of prescribed transactions
(ii) Furnishing information of prescribed transactions to the specified Authority
(iii) Verifying and maintaining records of the identity of the investors/customers
(iv) Preserving records in respect of (i), (ii), (iii) above for a period of 10 years from the date of cessation of transactions i.e, the date of termination of account or business relationship between the client/ investor and the intermediary.

4. Policy Objectives

4.1 To prevent criminal elements from using the Mutual Fund System for money laundering activities.

4.2 To enable KFintech as intermediary to keep track of the financial transactions of the investors and report them to AMC.

4.3 To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.

4.4 To comply and assist AMC in complying with applicable laws and regulatory guidelines.

4.5 To take necessary steps to ensure that the concerned staff is adequately trained in KYC/AML procedures.

5. Money Laundering – Risk Perception

5.1 Money laundering activities expose the Intermediary / Financial Institution to various risks such as:

a. **Reputation Risk**:

Risk of loss due to severe impact on the reputation of the Financial Institution/AMC/Intermediary. This may be of particular concern given the nature of the business in Mutual Fund industry, which requires the confidence of investor public.

b. **Compliance Risk**:

Risk of loss due to failure of compliance with key regulations governing the Mutual Fund Registry activities.

c. **Operational Risk** :

Risk of loss resulting from inadequate or failed internal processes, people and Systems or from external events.

d. **Legal Risk**:

Risk of loss due to any legal action, the Registrar / AMC or its staff may face due to failure to comply with the law.

6. Scope

This policy is applicable to all Branches of KFintech handling MFS activities and is read in conjunction with related operational guidelines/regulations issued by SEBI/AMFI/AMC from time to time.

7. Implementation of Anti Money Laundering Activities at KFintech-MFS

7.1 *Mr.Ch.Viswanath, General Manager-Legal & Compliance* is presently appointed as the Principal Officer for KFintech for complying with the SEBI Anti Money Laundering Guidelines, 2006. The Principal Officer will define / implement appropriate criterion for identifying the suspicious transactions and reporting of the same to Financial Intelligence Unit (FIU), New Delhi.

7.2 The main object of this policy is the Customer Due Diligence Process (CDD) which means :

a) Obtaining sufficient information about the client / customer/investor in order to identify who is the actual beneficial owner of the securities or on whose behalf transaction is made.
b) Verify the customer's/investor's identity using reliable, independent source, document, data or information.
c) 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, its activities and risk profile

7.3. The CDD Process includes Five specific parameters :

- Policy for Acceptance of Clients/Customers/Investors
- Suspicious Transactions identification & reporting
- Risk Based Approach
- Clients of special category (CSC)
- Client Identification procedure

KFintech is acting as a 'transfer agent' to the AMCs which it services. The relationship between the AMCs and KFintech is that of 'principal-agent'. The customers/investors are procured by the AMCs and KFintech, as an R & T Agent does not have any role to play in the same. However, KFintech performs a supportive rule in providing the required information to the AMC. Hence, the responsibility of applying the KYC procedures, as required under the Prevention of Anti Money Laundering Act and SEBI guidelines, primarily lies with the respective AMCs.

For reference, SEBI /AMFI has prescribed KYC norms to all the Mutual Funds, as shown in Annex.1 to this document.

7.4 New KYC Norms:

Effective January 1, 2011 KYC compliance was made mandatory for all categories of investors irrespective of the amount invested.

With a view to bring uniformity in the KYC requirements for the securities markets, SEBI has introduced usage of uniform KYC by all SEBI registered intermediaries. In this regard, SEBI, vide a gazette notification dated 2nd December-2011, notified SEBI {KYC(Know Your Client) REGISTRATION AGENCY} REGULATIONS, 2011. In terms of these Regulations, the processing of KYC and the maintenance of data and records thereto is done by a KYC Registration Agency (KRA) licensed by SEBI.

By virtue of the above Regulations, an investor (client) who is desirous of opening an account/trade/deal with the SEBI registered Intermediary shall submit the KYC details through the KYC Registration form and supporting documents. The Intermediary shall perform the initial KYC and upload the details on the system of the KRA. This KYC information can be accessed by all the SEBI Registered Intermediaries while dealing with the same client. As a result, once the client has done KYC with a SEBI registered intermediary, he need not undergo the same process again with another intermediary.

Apart from carrying out the KYC as explained above, it is mandatory for intermediaries including mutual funds to carry out In- Person verification(IPV) of all its new investors.

8. Suspicious Transaction Monitoring & Reporting

8.1 Once an investor invests in any of the Schemes of AMCs handle by KCPL, it is necessary to keep track of their transactions in order to ensure that they are not indulging in any of the activities prohibited under law. It is incumbent on the part of KFintech to identify the Suspicious Transaction and report the same to the FIU, New Delhi, through AMC.

8.2 Though the primary responsibility of identifying suspicious transactions vests with the AMC, as an R & T Agent and record keeper, KFintech has to provide details sought by the AMCs for proper compliance of AML Regulations

8.3 The criterion for identifying the Suspicious Transactions is reviewed by FIU, AMFI and AMCs from time to time so as to ensure the objective of the Anti Money Laundering Act including the amendments thereto if any, is achieved. The prevailing criterion (as reviewed and revised by FIU/AMFI as on 14/05/2012) and which is effective from 01st September, 2012 is shown in **Annexure 2** to this policy.

8.3 The Unit Account Manager at KFintech is responsible for incorporating necessary controls in the processing through Information Technology Team for extracting the data of Suspicious Transactions as per the criterion and provide the same to the respective AMCs in the approved format and within the timelines specified by FIU/AMC.

9. Reporting of Suspicious Transaction

9.1 The transactions as per the specified criterion shall be reported to AMC in the format prescribed by FIU Once the AMCs identify a transaction as suspicious, we have to prepare a Suspicious Transaction Report, in the FIU prescribed format and provide the same to the AMCs, for onward reporting to FIU, N.Delhi.

9.2 The reporting is to be done as per the procedure and within the time specified in the rules mentioned in the PML Act, 2002 and/or the circulars issued by SEBI/AMFI from time to time.

a) The Cash transaction report(CTR) where ever applicable) for each month should be submitted to AMC by 15th of the succeeding month.

b)The Suspicious Transaction Report (STR) should be submitted with in 7days of arriving at a conclusion that any transaction, whether cash or non cash, or a series of transaction integrally connected are of suspicious nature.

c) The Unit Account Manager at KFintech shall ensure that strict and uncompromising confidentiality is maintained in respect of the transactions reported to AMC as per the criterion and no information shall be passed on to the investor concerned unless specifically and expressly approved by AMC. Any deviation in this regard shall be viewed against the concerned Unit Account Manager.

10.Maintenance of Records

10.1 The Unit Account Managers shall ensure that the records related to Suspicious Transactions are preserved and maintained, for a period of 10 (ten) years, from the date of transaction/reporting whichever is earlier. The information that also needs to be maintained is :

- nature of the transactions
- amount of the transaction.
- date on which the transaction was conducted
- parties to the transaction
- all suspicious transactions, whether or not made in cash.

- all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of valuable security or a document has taken place facilitating the transactions
- All cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency or the transaction the value of which is determined by FIU/AMFI from time to time.
- All series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or of any limit specified by FIU/AMFI from time to time or its equivalent in foreign currency where such series of transactions have taken place with in a month and the aggregate value of such transactions exceeds the threshold limits fixed by FIU/AMFI from time to time.
- Reconstruction of financial profile of the suspect account, registered intermediaries should retain the following information for the accounts of their customers.

(a) The beneficial owner of the account
(b) The volume of the funds flowing through the account ;and
(c) For selected transactions:
  - the origin of the funds
  - the form in which the funds were offered or withdrawn,e.g. Cash, cheques, etc.;
  - the identity of the person undertaking the transaction;
  - the destination of the funds
  - the form of instruction and authority.

11.0 Retention of Records

11.1 The records mentioned in Rule 3 of PMLA Rules including the corresponding/relevant records have to be maintained and preserved for a period of ten years from the date of cessation of the transactions between the client/investor and the intermediary.

11.2 Records on customer identification (e.g. copies or records of official identification documents like passports, identity cards including PAN Cards, driving licenses or similar documents), account files and business correspondence should also be kept for the same period.

11.3 In situations where the records relate to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, they should be retained until it is confirmed that the case is closed/decided/adjudicated.

12. Review of the Policy

The Principle Officer along with the Internal Audit Head or any other authority responsible for over-all monitoring of the level of compliance activities by KFintech and/or its group Companies shall review this policy as and when any changes/amendments take place either in the AML Act and/or the regulations issued by SEBI.

13. Training

The Unit Account Managers, in consultation with the Principal Officer, shall ensure that adequate training is imparted to all the concerned Officers handling R & T activities of Mutual Fund business so as to ensure that the contents of the guidelines are understood and to develop awareness and vigilance to guard against money laundering and terrorist financing.

Annexure 1

KYC procedures prescribed by AMFI to all the Mutual Funds

1. **Client identification procedure:**

Clients will be classified into the following broad categories:

i. Individual
ii. Non individual i.e. Company, Partnership firm, Trust, Unincorporated association or body of Individuals

1.1 <u>Proof of address and identity - Individuals</u>

(a) The list of documents that can be accepted as proof of identity and address are specified in Appendix A.
(b) In respect of a purchase transaction (including additional purchases but excluding switches and dividend reinvestment) of value Rs.50,000/- and above, copy of the (i) proof of identity of all applicants (including joint applicants) and (ii) proof for the address provided in the application form, (iii) photographs of all applicants shall be obtained.
(c) Applications under a Power of Attorney must be accompanied by the original Power of Attorney or a duly notarized copy thereof. A copy of the proof of identity and address of the POA holder must be obtained in addition to the proof of identity and address of the applicant/s.
(d) Such applications that are not accompanied by a legible copy of proof of identity and address of the applicant/s, POA holder, guardian shall be rejected.
(e) Any change of address in future will be carried out only on submission of proof of new address.
(f) The existing requirement of obtaining proof of PAN or Form 60 / 61, from clients (including joint unit holders) for transactions of value Rs 50,000 or more, in accordance with the Income Tax laws will continue. However, a copy of the photo PAN card will serve as a common document to fulfill the Income Tax requirements as also proof of identity requirement.
(g) In case of application from minor, the photograph of the guardian to be submitted. In addition, all related documentation and information of the guardian as applicable to an applicant would have to be provided
(h) KYC compliance will be mandatory for holders entering the Register of Members by virtue of operation of law for e.g. transmission cases. The same will also be applicable for Nominees on the death of the unit holder.

(i) All the above documents shall be self certified and verified with original documents or true copies attested by a Notary Public/ Gazetted Officer/ Manger of a scheduled Commercial Bank (Designation Seal should be affixed)
(j) Aadhaar letter issued by Unique Identification Authority of India is now admissible as proof of address

1.2 Proof of address and identity – Non Individuals

(a) Applications from non-individuals (viz. company, body corporate, eligible institution, partnership firm, registered society, trust fund, association of persons, body of individuals or any other non-individual investor eligible to invest in mutual funds) must be accompanied by documents specified in the attached Appendix A.

(b) Applications that are not accompanied by legible documents as mentioned above shall be rejected.

1.3 Additional Mandatory Client information

Mutual funds shall also obtain the following additional information relating to all applicants:
(a) Nationality
(b) Occupation - Private Sector Service, Public Sector/Government Service, Politically Exposed Person, Retired, Business, Professional, Housewife, Student, Agriculturist, Current/Former Head of State, Forex Dealer
(c) Financial information under broad income brackets – Annual Income (summation of all the joint applicants) – Rs 0-5 lacs, 5-25 lacs, 25 lacs –1 crore, 1-5 crores, and 5 crores & above
(d) Date of Birth

In case of application from minor, the above information of the guardian will have to be provided.

1.4 Treatment of Deficient and incomplete Applications

As the Client Identification process involves collecting and verifying of proof of identity / address as well as checking of some details disclosed in the Application Form, it may not be possible to complete the process across the counter while accepting transactions and allotting units. There could therefore, be instances of detecting deficiencies in the documentation after accepting of the transactions and allotment of units. In such cases, the application may have to be rejected and allotment reversed by redeeming the units so allotted at the prevailing NAV. Such redemption of units will be done within a maximum period of 21 days from the date of acceptance of application. In the case of New Fund Offer, the 21 days should be reckoned from the date of allotment. Adequate disclosures in this respect should be made both in the Offer Document and the Application Form.

1.5 Maintenance of records of the identity of clients:

Mutual funds shall preserve the records relating to client identification for a period of ten years from the date of cessation of transaction with the client.

2. Method of Implementation of Client identification procedure and preservation of records:

Client identification procedures will be implemented by the Asset management Company or by its authorized representative including authorized ARN Holders.

3. Implementation Schedule:

The mutual funds and their authorized service providers will have to put in place the revised system and procedure as well as equip themselves to implement the new Client Identification procedure. Admittedly, this would involve some time and the funds should initiate action immediately and start implementing it in respect of purchase applications (including additional purchases but excluding switches and dividend reinvestment) of Rs.50,000/- and above. The same should be in place by November 1, 2006.

With regard to existing unitholders, the funds will have to initiate appropriate action to call for relevant documents in respect of Client Identification.Redemptions and switches by existing unitholders will be processed as and when received.

Individuals / Sole Proprietorship

Features	Documents
Proof of identity	One copy of any one of the following: (i) Passport (ii) Photo PAN card (iii) Voter's Identity Card (iv) Driving license (v) UIN / DIN card (vi) Photo debit card issued by Banks. (vii) Ration card with photograph of the investor **OR** Photo identification issued by Bank Managers of Scheduled Commercial Banks, Gazetted Officers or Elected representatives to the Legislative Assembly or Parliament.
Proof of address (if the address on the above documents is different from the address on the application)	One copy of any one of the following containing address: (i) Telephone / Mobile bill (ii) Electricity bill (iii) Passport copy (iv) Latest Bank Passbook/ bank account statement / Demat Account statement (v) Voter Id (vi) Driving license (vii) Ration Card (viii) Rent Agreement Proof of identity and address can also be established by any document containing the photograph, address and signature, duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer.
Foreign Address (in case given by NRIs / FIIs)	(i) copy of Bank account statement / Passbook (for foreign address) (ii) Any other document duly certified by local authority in the country of residence

	Incase the documents are in foreign language the same to be translated to English and certified by government authority in country of residence or the Indian Embassy. In case investors provide more than one address, proof of only one of the addresses needs to be provided

The above documents would be accepted in any language specified in the Eighth Schedule of the Constitution of India. Documents in any language other than a scheduled language must be translated into English, and duly attested by a notary public or gazetted officer. Signatures by way of a thumb impression are to be duly attested by a notary public or gazetted officer. In the case of a minor, the ID proof should be that of the guardian and the address proof that is submitted should match with the address on the application form.

HUF

Features	**Documents**
	Units can only be held in the name of the Karta on behalf of the HUF
Proof of identity (HUF)	One copy of any one of the following: Copy of PAN Card of the HUF / Deed of declaration of HUF
Proof of address (HUF)	Latest Bank Passbook/ bank account statement Alternately, the proof of address can be any of the documents listed for an Individual to be provided by the Karta

Non Individuals

Features	Documents
Companies / bodies corporate	One certified copy of each of the following : (i) Certificate of incorporation (ii) Memorandum & Articles of Association (iii) Resolution of the Board of Directors to invest in mutual funds (iv) Power of Attorney granted to its managers, officers or employees to transact business on its behalf (Authorised Signatories List)
Partnership firms	One certified copy of each of the following : (i) Certificate of registration, if registered (ii) Partnership deed (iii) Any officially valid document in respect of holding a power of attorney to transact (ASL and resolution / authority to invest)
Trusts, foundations, NGOs, Charitable Bodies, Clubs / Mutual Fund Schemes	One certified copy of each of the following : (i) Certificate of registration, if registered (ii) Trust deed (iii) Any officially valid document in respect of holding a power of attorney to transact (ASL and resolution / authority to invest) (iv) Offer Document of the Mutual Fund Scheme
Unincorporated association or a body of individuals	One certified copy of each of the following : (i) Resolution of the managing body of such association or body of individuals (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document in respect of holding power of attorney to transact (ASL and resolution to invest (iv) Such information as may be required to establish existence
Scheduled Commercial Banks and Registered Financial Institutions not incorporated under	Authorized Signatory List and self certification on letterhead

the Companies Act, 1956	
Regulatory Bodies	Authorized Signatory List and self certification on letterhead
Army / Government Bodies	Authorized Signatory List and self certification on letterhead
Any other bodies created / incorporated / registered under state or central legislation being eligible to invest in Mutual Funds	Copy of Constitution / registration documents Documents evidencing authority to invest List of authorized signatories

Annexure 2

SUSPICIOUS TRANSACTION IDENTIFICATION CRITERION PRESCRIBED BY FIU/AMFI TO THE MUTUAL FUNDS

Sr No.	Suspicious Transactions – Criteria and Parameters
1	**Multiple Accounts**: (a) Large number of folios (20 or more) regardless of his/her status as a I/II/ and III unitholder, having the following: For Individual a) Same address(address line 1), where demand drafts have been used for investing 5 or more times in a rolling period of 1 year and b) More than 5 different bank accounts have been used for investments and c) Subject to a threshold of amount of non-SIP investments being Rs 20 lac. For Non- Individual a) Same Address(address line 1), where demand drafts have been used for investing 5 or more times in a rolling period of 1 year and b) More than 10 different bank accounts have been used for investments and c) Subject to a threshold of amount of non- SIP Investments being Rs 40 lac.
2	**Activity in Accounts** - Unusual activity compared to past transactions : a) where one single subscription transaction is twenty or more times greater than the average of all PRIOR subscription transactions by one investor b) within his life-time as investor or during the last one year, whichever is lesser- (excluding systematic transactions). c) The threshold is an amount of Rs. 10 lac and above for such a single transaction. d) Dividend Reinvestment and systematic transaction values should be excluded.
3	**Activity in Accounts** - Use of different accounts by client alternatively : **Individuals:** a) Individuals investing via more than five bank accounts within his/her life-time as investor or the last one year whichever is lesser or b) Registers more than 5 bank accounts within his /her life-time as an investor. c)The threshold of such investments is an amount of Rs 20 lac and above.

	Non- Individuals: a) Non Individual investors investing in any scheme via more than ten bank accounts within its lifetime as investor or the last one year whichever is lesser. or b) Registers more than 10 bank account within his /her life-time as and investor. c) The threshold of such investments is an amount of Rs 40 lac and above Registers more than 5 bank accounts within his/her life-time as an investor.
4	**Non Financial Activity in Accounts** : 1. Change of address or change in bank mandate during a rolling 12 month period, where: a. Changes to bank mandate are executed by individual investors(including HUF) involving more than three different bank accounts (account numbers are different) Or b) Changes to bank mandate are executed by non-individual investors involving more than five different bank accounts (account numbers are different). Or c) Changes to address are executed by any investor (individual and non-individual) involving more than three different addresses. 2. **KYC failure** Where KYC has failed 2 times or more and has not been regularized over a rolling period of 3 months.
5	**Nature of Transactions** - Source of funds are doubtful *(Investment of value greater than or equal to an aggregation of :* *(a) Rs.20 lac or more for an individual/HUF during his/her /its lifetime or during the last one year (whichever is lesser)* *(b) Rs.40 lac or more for a non individual during its lifetime or during the last one year (whichever is lesser).* *For (a) and (b) above, where investments covered are those from a bank account/source other than the registered bank mandate of the investor(including all past bank mandates registered), as per RTA records.*
6	**Value of Transactions** – Large sums being transferred from overseas for making payments towards investments of value greater than or equal to Rs **25 lac** by a Non Resident Indian vide a payment mode which is **other than** a NRE/NRO/FCNR account.
7	**Short period of Redemptions**: **Individuals:** Two opposite transactions in a folio within a scheme in a rolling period of 14 calendar days where the amount of at least one of the transactions is minimum of Rs 25 lac. Purchases, redemptions and switches are to be considered.

	Non-Individual: Two opposite transactions in a folio within a scheme in a rolling period of 14 calendar days where the amount of at least one of the transactions is minimum of Rs 50 lac. Purchases, redemptions and switches are to be considered.
8	**Multiple transactions**: (a) 10 or more purchase transactions within a folio for an amount between Rs. 1,75,000 and Rs. 1,99,999 in a rolling period of 1 month.
9	Investment vis-à-vis the declared income as per last available/ any revised KYC application form: Single purchase transaction by: 1. Individual- an amount of 10 or more times (of the upper band of annual income) specified by the investor in the KYC form. 2. Non-resident Indian- an amount of 40 or more times (of the upper band of annual income) specified by the investor in the KYC form. For example, if the declared income is between Rs. 1 lac to Rs. 5 lac, the investment amount to be considered is => Rs. 2 crore 3. Single purchase transaction by a non- individual of an amount of 100 or more times (of the upper band of annual income) specified by the investor in the KYC form. Follow the same method of example as above. (Special emphasis must be laid by Fund Houses on investors who have occupation as students/housewives/retired persons/forex dealers i.e.,- persons who have categorized themselves as "others" and/or mentioned their occupation as above).
10	**Change in bank mandate used for debits of SIP investments**: Where an investor uses multiple bank accounts to debit for SIP investments i.e., more than 3 in one rolling year and the amount of investment exceeds Rs 50,000 in such a period.
11	**Multiple Joint Holders**: Where one investor (identified by PAN) is using the name of 5 or more minors for investments at any point in time. Or Where one investor(identified by PAN) is investing as a joint holder (2^{nd} or 3^{rd}) with 5 or more different first unit holders(also identified by PAN) at any point in time.

**The above parameters relating to transaction activity or value shall be determined at investor level as a first holder. Investors having multiple folios across schemes within a Mutual Fund shall be grouped and identified as a unique investor on the basis of Income tax Permanent Account Number (PAN) or any other unique Identification Number. All listed companies, banks, Financial Institutions and Government bodies shall be excluded from the above criteria and white listed.

Where an investor has multiple folio without a PAN, AMCs must filter to check if the investor is the same by signature verification. It is quite normal for a person to have another account with another bank and one can establish the genuinity by checking for signature/names of accountholders as printed on cheque leaf, signature on PAN card copy etc, if any

In RTA databases, there could be inconsistency in the way the names of the banks were written by the investors in the applications and manner some bank names are captured. For example Hong Kong and Shanghai Banking Corporation could be captured as HSBC, HSBC LTD, H.S..B.C or Hong Kong and Shanghai Banking Corporation. They should be all seen as one bank during scrutiny. RTAs should capture NRE account as NRE only and not as NRE Savings/NRE.