



# R.L.P. Securities Private Limited.

Corporate Member – NSE, BSE, MCX. DP - CDSL.  
SEBI Regn. NO: INZ000166638. DP : IN-DP-224-2016.



## **Policy for identification of beneficial ownership of clients' accounts**

For Identification of Beneficial Ownership of Clients' Accounts, we undertake continuous on going Client Due Diligence ("CDD") measures to an extent that is sensitive to the risk of ML and TF depending on the type of client, business relationship or transactions done by the clients, which may differ from case to case.

### **The CDD measures comprise the following:**

- a) As part of our Client Acceptance Policy, We shall obtain sufficient information in order to identify persons who beneficially own or control the securities, Holdings, Commodities and Bank account. Whenever it is apparent that the Securities, Commodities 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.
- b) We shall verify the client's identity using reliable, independent source documents, data or information available in the public domain or through different ways including that of continuous interaction / Communication with the client, based on the transactions and nature of Business.
- c) Whenever there arises a reasonable ground of suspicion that the transactions of a client are unusual or of unjustified complexity, illegitimate compared to the Income Range, Net worth, Occupation etc.. we shall identify the beneficial ownership and control of the client by examining the Bank statements, Commodity holdings and Demat statements to ascertain and identify the sources of investments and to come to a conclusion that the client is acting on his own.
- d) We shall verifying the identity of the beneficial owner of the client and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c)
- e) Client Due Diligence and scrutiny is carried on an on going basis. 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 in consistence with their Income, Net worth, source of Funds, Trading pattern, risk profile and our knowledge of the clients.
- g) We shall be periodically reviewing the documents, data or information of the clients and beneficial owners collected under the CDD process which include PAN Details, Valid Mobile number, valid email ID, Income details, Bank & DP details, Such periodic review will be based on the risk profile of the client, regulatory updates, abnormal trades or any other cause of suspicion. The income review would be at least once annually. The same would also be updated to the Exchanges and Depositories. In case the client doesn't submit the Six KYC attributes, the account would be deactivated / Frozen for Debits till such time the said KYC details are updated.
- h) To identify the genuineness of the client, In person verification of the client will be done by the Staff and Authorised Persons of our company.

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- i) We would depend on the third party CDD, who is a SEBI registered Intermediary only to the extent of identification and verification of the identity of BO.
- j) However we have our own independent methods of analyzing the Clients, based on their trading pattern, Frequent Off market Debit Or Credit transactions Frequent Pledge / Un pledge, dealing in illiquid stocks, Futures, options, Commodities, single stock, Placing matching orders, trading beyond their Net worth, Financial ability etc... Such CDD will help us on the non reliance of third party CDD.
- k) For Corporates, Trusts, partnership firms, societies (All Non Individual Accounts), KYC of all the Directors / Promoters / Authorised Persons / Partners / trustees etc.. will be obtained to identify the ultimate Beneficiary ownership.
- l) All accounts where there is no single transaction in an year will be termed as Dormant or Inactive Accounts and such accounts shall be flagged and UCC will be deactivated and suspended for transactions. Such accounts are monitored very closely and can be activated only after ascertaining the Beneficiary Ownership of the client, after updating the required KYC Documents.

## For clients other than individuals or trusts:

Where the client is a person other than an individual or trust, viz., corporate Body, partnership firm, LLP, AOP, unincorporated association / body of individuals, we shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

1. The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

Controlling ownership interest means ownership of / entitlement to:

- i. more than **25% of shares or capital or profits** of the juridical person, where the juridical person is a **company**;
- ii. more than **15% of the capital or profits** of the juridical person, where the juridical person is a **partnership**; or
- iii. **more than 15% of the property or capital or profits** of the juridical person, where the **juridical person is an unincorporated association or body of individuals**.

2. In case where there exists doubt, as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through **ownership interests**, the identity of the natural person exercising control over the **juridical person through other means**.

Control through other means can be **verified through voting rights, agreement, arrangements** or in any other manner.

3. Where natural person is not identifiable as per the above scrutiny, the identity of the relevant natural person who **holds the position of senior managing officials**.

## For client which is a Trust:

Where the client is a trust, we shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with **15% or more interest in the trust** and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

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## **Exemption in case of listed companies:**

Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, **it is not necessary to identify and verify the identity of any shareholder or beneficial ownership** of such companies.

## **Applicability for foreign investors:**

While dealing with foreign investors' the guidelines and clarifications as issued vide **SEBI circulars CIR/MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/ 07/ 2013 dated September 12, 2013**, for the purpose of identification of beneficial ownership of the client and the notifications issued by regulators from time to time will be adhered.

4 Where the identity of the beneficial ownership of the client and / or the person on whose behalf transaction is being conducted is still un identifiable, We shall identify the same corroborating the information provided.

We shall analyse the ownership and control structure of the client by reviewing all the necessary documents to identify the ultimate beneficiary ownership on an ongoing process.

The Board of Directors shall monitor the compliance of the afore mentioned provision on identification of beneficial ownership and review the same periodically.

This Policy was placed before the board in its Board of Directors and meeting held on **18/08/2022**  
This policy is as approved by the Board of Directors on **18/08/2022**.