

KeshavVDA Labs

Anti-Money Laundering & Counter-Terrorism Financing (AML/CFT) Policy.

Version 1.0 | Effective Date: [11/07/2025]

Compliant with Indian AML/CFT Regulations

1. Introduction

KeshavVDA Labs is committed to complying with all applicable Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) laws and regulations in India, including:

- Prevention of Money Laundering Act (PMLA), 2002 (as amended)
- Rules issued by the Financial Intelligence Unit – India (FIU-IND)

- Reserve Bank of India (RBI) guidelines (if applicable)
- Securities and Exchange Board of India (SEBI) regulations (if applicable)
- Guidelines from the Ministry of Finance

This policy outlines the framework for detecting, preventing, and reporting suspicious transactions to mitigate money laundering (ML) and terrorist financing (TF) risks.

2. Objectives

- Prevent KeshavVDA Labs from being used for ML/TF activities.
- Establish robust customer due diligence (CDD) procedures.

- Monitor transactions and report suspicious activities to FIU-IND.
- Train employees on AML/CFT compliance.
- Maintain records as required by law.

3. Risk Assessment & Compliance Officer

3.1 AML/CFT Risk Assessment

- KeshavVDA Labs will conduct periodic risk assessments to identify vulnerabilities related to:
 - Customer profiles (e.g., high-risk jurisdictions, politically exposed persons (PEPs)).
 - Nature of transactions (e.g., large cash dealings, virtual digital assets (VDAs)).
 - Business partnerships (e.g., intermediaries, vendors).

3.2 Appointment of Compliance Officer

- A Designated Director/Principal Officer (PO) will be appointed to ensure AML/CFT compliance.
- Responsibilities include:
 - Implementing AML/CFT controls.
 - Filing Suspicious Transaction Reports (STRs) with FIU-IND.
 - Liaising with regulators and law enforcement.

4. Customer Due Diligence (CDD) & KYC Procedures

4.1 Customer Identification & Verification

- For Individuals:

- Full name, address, date of birth.

- Government-issued ID (Aadhaar, PAN, Passport, Voter ID).

- Proof of address (utility bill, bank statement).

- For Companies/LLPs:

- Certificate of incorporation, PAN, GSTIN.

- List of directors/beneficial owners (BOs) with KYC documents.

4.2 Enhanced Due Diligence (EDD) for High-Risk Customers

- Additional verification for:

- PEPs (Politically Exposed Persons).
- Customers from high-risk jurisdictions (FATF black/grey lists).
- Unusual transaction patterns.

4.3 Ongoing Monitoring

- Regularly review customer transactions for inconsistencies.
- Update KYC records periodically (every 2 years or as needed).

5. Suspicious Transaction Monitoring & Reporting

5.1 Red Flags for Suspicious Activity

- Unusually large transactions without economic rationale.
- Rapid movement of funds (layering).
- Use of anonymous accounts or shell companies.
- Transactions linked to sanctioned entities.

5.2 Reporting Obligations

- Suspicious Transaction Reports (STRs) must be filed with FIU-IND within 7 days of suspicion.
- Cash Transaction Reports (CTRs) for cash transactions exceeding ₹10 lakhs (if applicable).

6. Record Keeping

- Maintain KYC records, transaction data, and STRs for 5 years from the date of cessation of the business relationship.
- Ensure records are accessible for regulatory inspections.

7. Employee Training & Awareness

- Conduct annual AML/CFT training for employees.
- Cover topics like:
 - Recognizing suspicious transactions.
 - Legal obligations under PMLA.
 - Reporting procedures.

8. Penalties for Non-Compliance

Failure to comply with AML/CFT regulations may result in:

- Fines under PMLA (up to ₹5 lakhs or imprisonment).
- Regulatory action by RBI/SEBI/FIU-IND.
- Reputational damage.

9. Policy Review & Updates

- This policy will be reviewed annually or as per regulatory changes.
- Updates will be approved by the Board/Compliance Officer.

Approval & Acknowledgment

Approved by: Yug(Partner)

Date: 11/07/2025

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This policy ensures KeshavVDA Labs operates in compliance with Indian AML/CFT laws while mitigating financial crime risks.