Circular no.: MCX/COMP/302/2013 September 05, 2013

The Prevention of Money-Laundering (Amendment) Act, 2012

This is in terms of the provisions of the Rules, Bye laws & Business Rules of the Exchange and in continuation to the Circular No. MCX/COMP/488/2009 dated November 27, 2009 (Annexure I) and MCX/COMP/313/2010 dated September 3, 2010 (Annexure II). Members were directed to follow and adopt the Prevention of Money-Laundering Act, 2002 (*the Act)* and the Prevention of Money-Laundering Rules, 2005 which included among others – Appointment of Principal Officer, submission of Cash Transaction Reports and Suspicious Transaction Reports to FIU-IND, New Delhi etc.

The Forward Markets Commission has notified vide its letter dated April 10, 2013 that Prevention of Money Laundering (Amendment) Bill 2011 has been passed in the Houses of Parliament in 2012. The amended Act has come into effect from 15th February 2013.

It may be noted that in pursuance to the said amendment, the Members of the Commodity Exchanges, *inter alia,* have been brought under the ambit of the Act and any violation or the non- compliance with the provisions of said Act will be a legal offence and attract such legal consequences as stipulated in the said Act.

Members of the Exchange are, therefore, advised to ensure continued compliance with the Guidelines on Anti Money Laundering Norms, Know Your Customer (KYC) norms as stated in our aforesaid Circulars and the provisions of the Act, as amended.

Members are further advised:

1. To ensure that they have appointed a Principle Officer and informed the name of such Principal Officer to "The Office of the Director- Financial Intelligence Unit, Ministry of Finance (FIU)". Further, all the Members of the Exchange are hereby directed to inform the Exchange the name of such Principal Officer appointed by them along with the Annual Returns for the Financial Year 2012-13. Henceforth, while informing the change in Principal Officer to FIU, Members are required to mark a copy of the letter to the Membership Department also (additionally, a scan copy of the letter may be mailed at membership@mcxindia.com),

2. to ensure compliance with the Due Diligence requirements relating to Customer Acceptance Policy, Customer Identification Policy, Monitoring of transaction,

3. to comply with the reporting framework (Cash Transaction Reports and Suspicious Transaction Reports) as prescribed in Exchange circulars referred above.

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Members are again requested to adhere to the above stated compliance.

J. B. Ram
Sr. Vice President
Membership & Inspection

Kindly contact Compliance Team on 022 – 6649 4090 or send an email at compliance@mcxindia.com for further clarification

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