

Investors Education - Prevention of Money Laundering

1. The Prevention of Money Laundering Act, 2002 (PMLA) is enacted to prevent the financing of terrorism and to prevent the laundering of money.
2. It is an obligation of individual/entities to whom PMLA is applicable, to report certain kinds of transactions routed through them to Financial Intelligence Unit (FIU).
3. PMLA is, inter-alia, applicable to various SEBI/RBI regulated intermediaries.
4. Rockstud Capital LLP (hereinafter referred to as ‘Rockstud’ or ‘Investment Manager’ or ‘Portfolio Manager’) acts as an Investment Manager and Sponsor to Rockstud Capital Investment Fund a SEBI registered Category II Alternative Investment Fund bearing registration number IN/AIF2/18-19/0586 and Rockstud Capital Investment Fund - II, a SEBI registered Category I Alternative Investment Fund Venture Capital Fund (VCF) – Angel Fund bearing registration number IN/AIF1/22-23/1217. Rockstud Capital LLP is also a SEBI-registered Portfolio Manager bearing registration number INP000007924.
5. Regulatory authorities have issued circulars wherein intermediaries are instructed to adopt written procedures to implement the anti-money laundering provisions specifically covering the following three parameters which are related to the overall ‘Client Due Diligence Process’: a. Policy for acceptance of clients b. Procedure for identifying the clients c. Transaction monitoring and reporting especially Suspicious Transactions Reporting (STR).
6. Rockstud has adopted the Anti-Money Laundering and Combating of Financing of Terrorism Policy (“Policy”). As per the Policy, Rockstud has put in place a robust system of complying with the PMLA requirements. Rockstud would do an extensive due diligence for certain categories of clients like clients based in high-risk jurisdictions, unusual transactions by Clients of Special Categories like Politically Exposed Persons, Trust, Charities, Non-Governmental Organizations (NGOs), and organizations receiving donations, and such other clients as defined extensively in the policy.
7. While opening new accounts, all the prescribed procedures of Client Due Diligence including KYC, Client Acceptance, and Client Identifications would need to be strictly followed in the context of ensuring compliance under PMLA by Rockstud, and clients are requested to cooperate for the same.
8. All the records of the transaction(s) would need to be preserved by Rockstud in a manner that can be retrieved promptly and reported to the authorities in the specified format as and when required.
9. Clients are advised to be fully conversant with the provisions of PMLA and any amendments thereto from time to time and to co-operate with Rockstud by providing the additional information(s)/document(s), if asked for, to ensure compliance requirements under PMLA.

10. Clients are advised to provide certain information that may be of personal nature or has hitherto never been called for such information can include documents evidencing the source of funds/income tax returns/bank records etc. Clients are advised to co-operate with Rockstud whenever such information is sought from a PMLA perspective.
11. Clients are advised to be vigilant and to refrain from the temptation of easy monetary gains, by knowingly or unknowingly supporting the people who are involved in the activities which are endangering freedom and causing damage to the nation. Clients are supposed to provide their active co-operation in due compliance with the law.
12. Please visit the website of FIU (www.fiuindia.gov.in), SEBI (www.sebi.gov.in) for any further information on the subject.