RSPL Policy for risk categorization

Categorization at the time of registration

All clients will be by default designated as low risk clients at the time of registration with the following exceptions

1. The following clients of Special Category (other than HNIs) will be designated as medium risk clients
    - Trust, Charities, NGOs and organizations receiving donations
    - Politically exposed persons (PEP) of foreign origin
    - Current / Former Head of State, Current or Former Senior High profile politicians and connected persons (immediate family, Close advisors and companies in which such individuals have interest or significant influence)
    - Companies offering foreign exchange offerings
    - Clients in high risk countries (where existence / effectiveness of money laundering controls is suspect, where there is unusual banking secrecy, Countries active in narcotics production, Countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centers, tax havens, countries where fraud is highly prevalent.
    - Clients with dubious reputation as per public information available etc.
2. Clients who show reluctance (inspite of requests and provision of education literature) to share PMLA information will be designated as high risk

Categorization at the time of trading

1. In case of clients who continually trades in illiquid securities and/or shows trading patterns without economic rationale, the dealers will refer the matter to Principal Officer for recategorization of the risk level of the client

Implications of Categorization

1. Officer (Risk Management) shall ensure extra eod of day scrutiny of the trades of the clients and report and patterns to the Principal Officer of Medium Risk clients
2. Officer (Risk Management) shall ensure real time monitoring of the trades of the clients and report and patterns to the Principal Officer of High Risk clients