



ASSOCIATION OF MUTUAL FUNDS IN INDIA

135/BP/ 73 /2018-19

Date: June 26, 2018

To,
All AMFI Members

Dear Members,

AMFI Best Practices Guidelines Circular No. 73 / 2018-19
Minimum Standards on AML/CFT and Revised STR Criteria

The criteria for Suspicious Transaction Reporting (STR) being currently followed by Asset Management Companies (AMCs) was last revised in May 2012 in consultation with FIU-IND. Hence, AMFI's Operations & Compliance Committee (AMFI OpCo) felt that it was expedient to review the same and revise / enhance the existing criteria wherever necessary. The committee also felt that it was expedient to have uniform processes that may be followed by all AMCs as a minimum standard in meeting the various obligations on Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) as stipulated under the Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering Rules, 2005.

Accordingly a sub-committee comprising of Mr. John Mathews (HDFC AMC); Dr. Pritesh Majmudar (DSP Blackrock AMC); Ms. Supriya Sapre (ICICI Pru AMC); Mr. B.Y.Joshi (Reliance Nippon AMC) and Mr. Gladston Somervel (UTI AMC) was constituted to review the existing guidelines and recommend requisite changes thereto.

The sub-committee, after extensive deliberations, submitted its recommendations on (1) Minimum Standards on AML / CFT & KYC Policy; (2) STR Alert Criteria; and (3) Risk Classification Matrix to AMFI OpCo., which after discussing and reviewing the recommendations, endorsed the same for being issued as AMFI Best Practice Guidelines, subject to the AMFI Board's concurrence.

The aforesaid recommendations were approved by the Board of Directors of AMFI at the AMFI Board Meeting held on June 14, 2018 for being adopted by all AMFI Members uniformly effective immediately.

Accordingly, please find attached herewith a copy of the recommended (1) Minimum Standards on AML / CFT & KYC Policy; (2) Revised STR Alert Criteria; and (3) Risk Classification Matrix to be uniformly adopted by all members as a best practice guideline.

Members are requested to confirm having noted the contents of this circular for compliance and to place the circular before their Trustees for information at their next meeting.

With best regards,

N. S. Venkatesh
Chief Executive

Encl. as above