Customer Due Diligence (CDD)
[Also known as ‘Know Your Client’-KYC]

CDD Obligations under Section 17 of the Financial Intelligence and Anti Money Laundering Act 2002 (FIAML A) and the Financial Intelligence and Anti Money Laundering Regulations 2018 (FIAMLR)

✓ Reporting Persons should adopt a risk-based approach and establish well documented CDD procedures in line with section 17C of FIAML A and Regulation 12 of FIAMLR.

✓ The Guidelines issued by FIU for the different supervised sectors (Real Estate Agents, Individual Legal Professionals and Dealers in Precious Stones and Metals) may be consulted in view of the implementation process of the CDD obligations. These Guidelines are accessible on the website of the FIU.

✓ FIAML A and FIAMLR requires Reporting Persons to apply CDD requirements to customers and beneficial owners, i.e, identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner of legal persons and legal arrangements, using relevant information or data obtained from a reliable source.

✓ Records should be kept of the actions taken to comply with CDD obligations as well as any difficulties encountered during the CDD verification process.

✓ As part of their CDD process, Reporting Persons should consult the Consolidated UN Sanctions List and carry out a screening to determine whether any match on same. The UN Sanctions list is available on the FIU’s website in PDF, xml and Excel formats for consultation by Reporting Persons including educational resources on Targeted Financial Sanctions in addressing their obligations with respect to TFS.

✓ Any person who knowingly provides any false or misleading information to a Reporting Person in connection with CDD requirements under FIAML A or any guidelines issued thereunder shall commit an offence and shall, on conviction, be liable to a fine not exceeding 500,000 rupees and to imprisonment for a term not exceeding 5 years.

✓ It is an offence for any Reporting Person not to comply with the FIAML A and FIAMLR provisions concerning CDD and Record Keeping and on conviction, shall be liable to a fine not exceeding 10 Million rupees and imprisonment for term not exceeding 5 years.

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