

Circular No.: NDML/POLICY/2023-0006

August 16, 2023

Sub: Circular – Actions by SEBI Registered Intermediaries to ensure compliance

Intermediaries are required to initiate actions on orders, press releases & updates from Department of Revenue, Ministry of Finance, Ministry of Home affairs, Government of India, United Nations Security Council (UNSC) Sanctions, Financial Action Task Force (FATF), SEBI Master Circular Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under and Others to comply with applicable Laws, Acts and Regulations.

This circular is issued as a compendium of above compliances for implementation to be done by SEBI Registered Intermediaries (SRIs).

A) Implementation of Section 51A of the Unlawful Activities (Prevention) Act 1967 (UAPA)

Ministry of Home Affairs (MHA), Government of India (GOI) has vide order dated February 2, 2021 has advised the procedure for implementation of Section 51A of UAPA 1967. Intermediaries are requested to ensure that the said procedure is implemented as per the directions of the order. The copy of the said order is enclosed and marked as **Annexure A**.

B) Terrorist and Terrorist Organization identified under Section 35 of UAPA (Unlawful Activities Prevention Act)1967

Ministry of Home Affairs (MHA) intimates individuals identified as terrorist and entities identified as terrorist organisation via Gazette Notifications under provisions of this Act. Such gazette notifications are made available in public domain. Intermediaries are requested to keep regular track of such orders and ensure implementation of the directions in such orders alongwith the relevant reporting to be done to concerned authorities as per the directions in the said orders.

C) Orders regarding ‘designations and delisting under UNSC Resolutions 1718 and 2231 or its successor resolutions

Department of Revenue, Ministry of Finance, Government of India has issued below 2 orders which are enclosed and marked as Annexure B and Annexure C.

- i. Order no P-12011/14/2022-ES Cell-DOR dated March 22, 2023 (enclosed and marked as **Annexure B**) regarding Competent Authority for identifying and proposing names of persons / individuals or entities to the United Nations Security Council or its Committees related to UNSC Resolution 1718/2231 or its successor resolutions.
- ii. Order no P-12011/14/2022-ES Cell-DOR dated March 22, 2023 (enclosed and marked as **Annexure C**) regarding Competent Authority and procedure for submitting de-listing requests to relevant Sanctions Committee under UNSC Resolution 1730 or its successor resolutions,

listed in pursuance to UNSC resolution 1718/2231 or its successor resolutions, and mechanism for exemptions to be granted to designated persons / individuals or entities in accordance with UNSC resolution 1718/2231 or its successor resolutions.

Intermediaries are requested to take note of the above orders and ensure compliance with the directions provided in said orders.

D) Actions based on orders and updates from Financial Action Task Force (FATF) and United Nations Security Council (UNSC)

Intermediaries are requested to take note of below links available in public domains to check/ track for orders/updates and initiate necessary action and reporting to relevant authorities and ensure compliance.

- i. **<https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-october-2022.html>** consists of countries identified as High-Risk Jurisdictions by FATF.

Updates regarding Jurisdictions Subject to Call for Action are available on SEBI Website under Head Media in a separate tab FATF Public Statements

- ii. **<https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-october-2022.html>** consists of countries identified under Increased Monitoring.

Updates regarding Jurisdictions Under Increased Monitoring are available on SEBI Website under Head Media in a separate tab FATF Public Statements

- iii. <https://www.un.org/securitycouncil/content/un-sc-consolidated-list> consists of details of individuals and entities on whom measures are imposed by the United Nations Security Council.
- iv. <https://www.un.org/securitycouncil/sanctions/1718/press-releases> is the link where latest additions/ deletions/updates are provided wrt UNSC Resolution 1718.

Updates regarding amendments made to UNSC Sanctions list as received from Ministry of Home Affairs (MHA) are available on SEBI Website under Head Media in a separate tab UNSC Sanctions Committee List.

- v. Updates regarding Notifications under Unlawful Activities Prevention Act, 1967 are available on SEBI Website under Head Media in a separate tab Notifications under Unlawful Activities Prevention Act, 1967

E) Best Practices Guide for Implementation of Targeted Financial Sanctions related to Proliferation Financing

FIU-India has released Best Practices Guide for Implementation of Targeted Financial Sanctions related to Proliferation Financing with respect to DoR Notification F.No. 12011/14/2022-ES Cell-DOR dated Jan 30, 2023 regarding the implementation of Section 12A of the Weapons of Mass Destruction and Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 and notifications issued thereunder.

This document provides guidelines for implementing financial sanctions to counter proliferation financing. It covers various steps and best

practices for effective implementation of sanctions screening. The document is enclosed and marked as **Annexure D**.

Intermediaries are requested to take into consideration best practices as released by FIU-India and also consider for incorporation in respective AML/CFT/PF policies.

In case of any assistance, please write to us on info.kra@nsdl.com

For and on behalf of NSDL Database Management Limited

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Vijay Gupta
Senior Vice President