

## **POLICY ON IDENTIFICATION OF BENEFICIAL OWNERSHIP**

**SEBI MASTER CIRCULAR NO. CIR/ISD/AML/3/2010 DATED DECEMBER 31, 2010** has mandated all registered intermediaries to obtain as part of their Client Due Diligence policy, sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. The beneficial owner has been defined in the circular as the natural person or persons who ultimately own, control or influence a client and /or persons on whose behalf transaction is being conducted, and includes a person who exercise ultimate effective control over a legal person or arrangement.

According to The Prevention of Money Laundering Rules, 2005 as an intermediary, we identify the beneficial owner and take all reasonable steps to verify his identity. A uniform approach is followed by us towards determination of beneficial ownership as prescribed by the regulators. It is further described as follows:

### **A. FOR CLIENTS OTHER THAN INDIVIDUAL OR TRUSTS:**

Where the client is a person other than an individual or trust, viz., company, partnership or unincorporated association/ body of individuals, we identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:

- a. The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

**Explanation:** Controlling ownership interest means ownership of /entitlement to:

- i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
  - ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
  - iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
- b. In cases where there exists doubt under clause (a) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

**Explanation:** Control through other means can be exercised through voting rights, agreement, arrangements or any other manner.

- c. Where no natural person is identified under clause (a) or (b) above, the identity of the relevant natural person who holds the position of senior managing official.

### **B. FOR CLIENTS WHICH IS A TRUST:**

Where the client is a trust, we identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust,

the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

**C. EXEMPTION IN CASE OF LISTED COMPANIES:**

Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, we do not identify and verify the identity of any shareholder or beneficial owner of such companies.

**D. APPLICABILITY FOR FOREIGN INVESTORS:**

For dealing with foreign investor's viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, Sub Accounts and Qualified Foreign Investors, SEBI circular CIR/MIRSD/112012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client is referred.

For R K Global Shares & Securities Limited

Sd/-  
Compliance Officer