



Prevention & Precaution Money Laundering

The prevention of **Money Laundering Act 2002 (PMLA)** was put in place by the Government of India to combat Money Laundering. Section 3 of the Act has defined the same as “Whoever directly or indirectly attempts to indulge or knowingly assist or knowing is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering”.

As per **Section 12 of the PMLA Act 2002** all market intermediaries including **Stockbroker and Depository Participants (DP)** are required to take all necessary actions to implement the provision of the act including reporting, maintaining of records, verification and preservation of records for the transactions.

Money Laundering offences may result in freezing of accounts, seizure and confiscation of the proceeds of crime and also punishment extending to fines and or imprisonment.

Precautions



Open accounts in your name
in a genuine manner



Provide correct details at the
time of account opening
(KYC)



Money and shares transfer
should always be done from
the bank/demat accounts
which belong to you and
which are in your name



Any changes in residential
status address has to be
updated without any delay



Update your income,
financial details at least once
in a year or as and when
required



Do not share your user ID/
Aadhar to anyone



Do not share your
password/OTP to anyone