

<b>Department: Inspection</b>	<b>Segment: All</b>
<b>Circular No: MSE/INSP/9620/2020</b>	<b>Date :October 19, 2020</b>

**Subject: Internal Risk Assessment of Registered Intermediaries**

To All Members,

This is further to Exchange circular MSE/INSP/9491/2020 dated September 16, 2020 on “Internal Risk Assessment of Registered Intermediaries” which mentions about the communication received from Securities and Exchange Board of India (SEBI) to collate data / information from the members in a template consisting of Client Risk Categorisation & Due Diligence, ML/TF Risk Assessment, Alert Generation System, Conduct of AML / CFT related trainings, Beneficial Owner (BO) identification, Record Keeping, etc.

The procedure for submitting the aforesaid information through the web-based application is enclosed as **Annexure-1**.

All active Members as on the date of the circular, who have executed trades from April 2015 to March 2020 are required to submit the required data, consolidated across all Exchanges, by **October 26, 2020**.

Members are requested to ensure the following Guidelines / Procedures while submitting the data:

- The form consists of Twelve (XII) Sections covering various details regarding how each intermediary is complying with AML/CFT norms and various other aspects.
- The risk categorisation of all the clients in to Low/Medium/High category is mandatory and should be exactly 100%.
- Please ensure that all the fields are filled completely and relevant attachments, wherever required are duly uploaded in permissible format only.
- All the data / information / policies are to be submitted as per the procedure prescribed in **Annexure-1** on the Exchange portal only. No physical copies are required to be submitted to the Exchange.

Further, Members are advised to take note of the above and ensure strict compliance and expedite the submissions related to their Internal Risk Assessment.

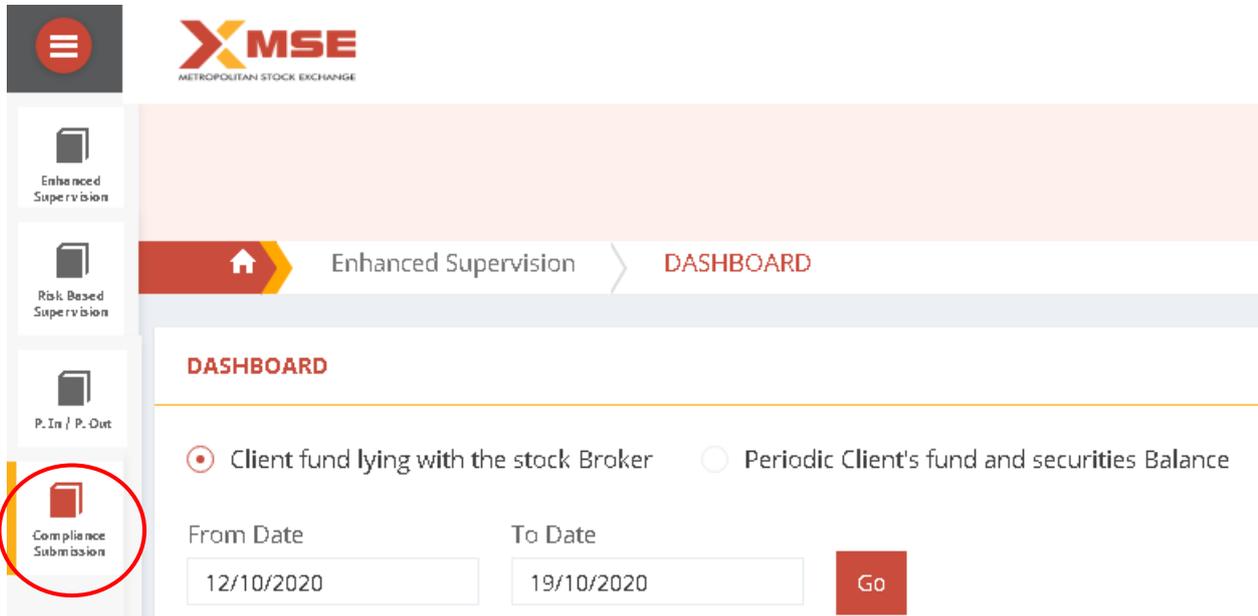
**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

**Hansen Cardoza  
Asst. Vice President – Membership & Inspection**

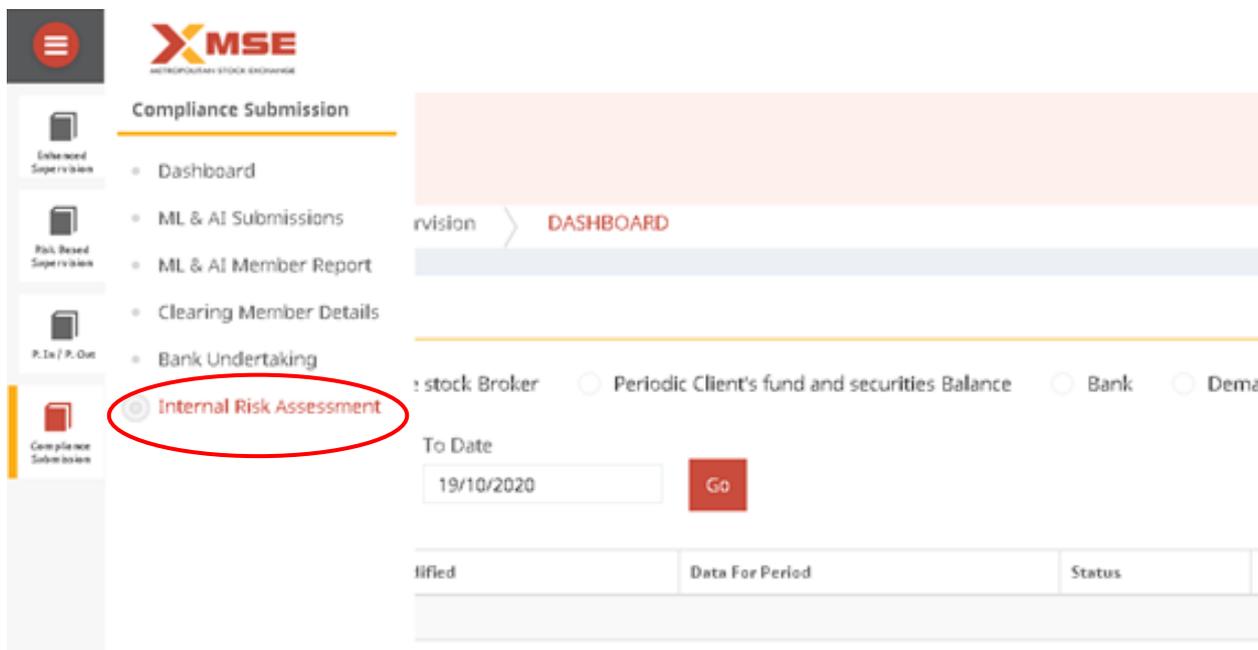
In-case of any query kindly contact Inspection Department on 6112 9000 or mail on [compliancemsx@msei.in](mailto:compliancemsx@msei.in)

**Procedure for upload of Data**

1. The Exchange has provided a facility to upload / submit the requisite data through a web based application at the link <https://mseconnect.msei.in/enhancedsupervision/> (best viewed with the latest version of Google Chrome or Mozilla Firefox browsers). Details of login Id and password for accessing the system are the same credentials as used for reporting under Enhanced Supervision
2. After login, following screen appears. Please click the tab “**Compliance Submission**”



3. After selecting tab “**Compliance Submission**”, member is required to click on the tab “**Internal Risk Assessment**”.



- After we click the tab “**Internal Risk Assessment**”, following screen appears. There are multiple fields are available where Member has to fill the data in all mandatory fields starting from “Risk Categorisation”. Wherein member has to ensure that value to be entered in Low/Medium/High cannot be greater than 100 and Total of each yearly column can only be “100”

**Risk categorisation and periodic update of KYC**

Data on risk categorisation of customers for the last five financial years:

**Note: Please add details for all Priority i.e. 'Low', 'Medium' & 'High'**

**Individual Customers:**

Priority\* As on 31-03-2016 As on 31-03-2017 As on 31-03-2018 As on 31-03-2019 As on 31-03-2020 Add

Low

PRIORITIES	31-03-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	
Medium	10	20	20	5	5	<span>Delete</span>
Total Percentage :	10.00	20.00	20.00	5.00	5.00	

**Legal Entity Customers:**

Priority\* As on 31-03-2016 As on 31-03-2017 As on 31-03-2018 As on 31-03-2019 As on 31-03-2020 Add

Low

- Member shall fill the all below mandatory fields.

Parameters being used for risk categorisation: (and whether ML/ TF threat is factored in risk categorisation):

No of FPI clients if any for the last 5 years (including EFE clients) \*:

No of clients if any, from Grey list countries of FATF and FATF Public Statement, in each of 5 FY \*:

No of clients, if any who are part of the UNSC List, in each of 5 FY \*:

Number of clients to whom you are providing any cross border services \*:

Number of clients against whom orders of SEBI have been passed in the last 2 years \*:

Number of clients against whom orders / actions have been passed by other Agencies and which are in news (scams) in the last 2 years \*:

No. of clients who have traded in small and micro cap stocks in each of 5 FY \*:

No. of clients who have traded in illiquid contracts / commodities, in each of 5 FY \*:

No. of clients who have traded in illiquid options etc, in each of 5 FY \*:

No of PEPs clients ,if any, in each of 5 FY \*:

- The upload of attachments is permissible in PDF (.pdf) and Excel (.xls) format only.

- After all the mandatory fields are filled and necessary attachments are attached, user has to click “Save” button.

**X MSE**  
METROPOLITAN STOCK EXCHANGE

No of NRIs clients, if any, in each of 5 FY \*:  
 Attach the AML Policy\*(only PDF file):  
 ML\_TF\_POLICY\*(only PDF file)  
 OTHER\_SUPPORTIVE\_DOC (only PDF file)  
 Internal Risk Assessment - Annexure A' \*(Only Excel file - .xls format)

/ We M/s CHIMANLAL POPATLAL BROKER PVT. LTD. (TMID : 21900) hereby confirm that the information provided herein is true, correct and complete .

**SAVE** **SUBMIT TO EXCHANGE**

8. After saving the data, member to click  on the self-declaration.

/ We M/s [REDACTED] (TMID : [REDACTED]) hereby confirm that the information provided herein is true, correct and complete .

9. Upon rectification of any field member is required to click 'Update'

TMID	TRADING_MEMBER_NAME	Attach the AML Policy	ML_TF_POLICY	OTHER_SUPPORTIVE_DOC	INTERNAL_RISK_ASSESSMENT	SUBMIT_DATE
[REDACTED]	[REDACTED]					10/19/2020 4:25:16 PM

**UPDATE** **SUBMIT TO EXCHANGE**

10. Before clicking the submit button, member is requested to revisit all the sections and assure themselves that all the fields in all the respective sections have been filled, attachments are successfully uploaded (wherever uploaded) and data has been saved or updated properly.

TMID	TRADING_MEMBER_NAME	Attach the AML Policy	ML_TF_POLICY	OTHER_SUPPORTIVE_DOC	INTERNAL_RISK_ASSESSMENT	SUBMIT_DATE
[REDACTED]	[REDACTED]					10/19/2020 4:25:16 PM

**UPDATE** **SUBMIT TO EXCHANGE**