

**WEST END HOUSING FINANCE LIMITED
(WEHFL)**

“KNOW YOUR CUSTOMER POLICY”

Summary of Version History

Approving Authority	Board of Directors
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1. Introduction and Applicability

(a) This policy shall apply to whole of WEHFL.

(b) This policy shall also apply to those branches and majority owned subsidiaries of WEHFL which are located abroad, to the extent they are not contradictory to the local laws in the host country, provided that:

- i. where applicable laws and regulations prohibit implementation of these guidelines, the same shall be brought to the notice of the Reserve Bank of India.
- ii. in case there is a variance in KYC/AML standards prescribed by the Reserve Bank of India and the host country regulators, branches/ subsidiaries of WEHFL are required to adopt the more stringent regulation of the two.

2. Definitions

Unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:

a) Terms bearing meaning assigned in terms of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005:

- i. **“Aadhaar number”** shall have the meaning assigned to it in clause (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).
- ii. **“Act”** and **“Rules”** means the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, respectively and amendments thereto.
- iii. **“Authentication”**, in the context of Aadhaar authentication, means the process as defined under sub-section (c) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016.

iv. **Beneficial Owner (BO)**

a. Where the **customer is a company**, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical persons, has/have a controlling ownership interest or who exercise control through other means.

Explanation- For the purpose of this sub-clause-

1. *“Controlling ownership interest” means ownership of/entitlement to more than 25 per cent of the shares or capital or profits of the company.*
2. *“Control” shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.*

b. Where the **customer is a partnership firm**, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of capital or profits of the partnership.

c. Where the **customer is an unincorporated association or body of individuals**, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 15 per cent of the property or capital or profits of the unincorporated association or body of individuals.

Explanation: Term ‘body of individuals’ includes societies. Where no natural person is identified under (a), (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official.

- d. Where the customer is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, 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.
- v. **“Certified Copy”** - Obtaining a certified copy by WEHFL shall mean comparing the copy of the proof of possession of Aadhaar number where offline verification cannot be carried out or officially valid document so produced by the customer with the original and recording the same on the copy by the authorised officer of WEHFL as per the provisions contained in the Act.
 Provided that in case of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), as defined in Foreign Exchange Management (Deposit) Regulations, 2016 {FEMA 5(R)}, alternatively, the original certified copy, certified by any one of the following, may be obtained:
- authorised officials of overseas branches of Scheduled Commercial Banks registered in India,
 - branches of overseas banks with whom Indian banks have relationships,
 - Notary Public abroad,
 - Court Magistrate,
 - Judge,
 - Indian Embassy/Consulate General in the country where the non-resident customer resides.
- vi. **“Central KYC Records Registry”** (CKYCR) means an entity defined under Rule 2(1) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.
- vii. **“Designated Director”** means a person designated by WEHFL to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and shall include:-
- a. the Managing Director or a whole-time Director, duly authorized by the Board of Directors, if WEHFL is a company,
 - b. the Managing Partner, if WEHFL is a partnership firm,
 - c. the Proprietor, if WEHFL is a proprietorship concern,
 - d. the Managing Trustee, if WEHFL is a trust,
 - e. a person or individual, as the case may be, who controls and manages the affairs of WEHFL, if WEHFL is an unincorporated association or a body of individuals, and
 - f. a person who holds the position of senior management or equivalent designated as a 'Designated Director' in respect of Cooperative WEHFL and Regional Rural WEHFL.
- Explanation. - For the purpose of this clause, the terms "Managing Director" and "Whole-time Director" shall have the meaning assigned to them in the Companies Act, 2013.*
- viii. **“Digital KYC”** means the capturing live photo of the customer and officially valid document or the proof of possession of Aadhaar, where offline verification cannot be carried out, along with the latitude and longitude of the location where such live photo is being taken by an authorized officer of WEHFL as per the provisions contained in the Act
- ix. **“Digital Signature”** shall have the same meaning as assigned to it in clause (p) of subsection (1) of section (2) of the Information Technology Act, 2000 (21 of 2000).
- x. **“Equivalent e-document”** means an electronic equivalent of a document, issued by the issuing authority of such document with its valid digital signature including documents issued to the digital locker account of the customer as per rule 9 of the Information Technology (Preservation and Retention of Information by Intermediaries Providing Digital Locker Facilities) Rules, 2016
- xi. **“Know Your Client (KYC) Identifier”** means the unique number or code assigned to a customer by the Central KYC Records Registry

xii. **“Non-profit organisations”** (NPO) means any entity or organisation that is registered as a trust or a society under the Societies Registration Act, 1860 or any similar State legislation or a company registered under Section 8 of the Companies Act, 2013.

xiii. **“Officially Valid Document”** (OVD) means the passport, the driving licence, proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, letter issued by the National Population Register containing details of name and address.

Provided that,

- a. where the customer submits his proof of possession of Aadhaar number as an OVD, he may submit it in such form as are issued by the Unique Identification Authority of India.
- b. where the OVD furnished by the customer does not have updated address, the following documents or the equivalent e-documents thereof shall be deemed to be OVDs for the limited purpose of proof of address:-
 - i. utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
 - ii. property or Municipal tax receipt;
 - iii. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
 - iv. letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation;
- c. the customer shall submit OVD with current address within a period of three months of submitting the documents specified at 'b' above.
- d. where the OVD presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address.
Explanation -For the purpose of this clause, a document shall be deemed to be an OVD even if there is a change in the name subsequent to its issuance provided it is supported by a marriage certificate issued by the State Government or Gazette notification, indicating such a change of name.

xiv. **“Offline verification”** shall have the same meaning as assigned to it in clause (pa) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).

xv. **“Person”** has the same meaning assigned in the Act and includes:

- a. an individual,
- b. a Hindu undivided family,
- c. a company,
- d. a firm,
- e. an association of persons or a body of individuals, whether incorporated or not,
- f. every artificial juridical person, not falling within any one of the above persons (a to e) and
- g. any agency, office or branch owned or controlled by any of the above persons (a to f).

xvi. **“Principal Officer”** means an officer nominated by WEHFL, responsible for furnishing information as per rule 8 of the Rules.

- xvii. **“Suspicious transaction”** means a “transaction” as defined below, including an attempted transaction, whether or not made in cash, which, to a person acting in good faith:
- gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or
 - appears to be made in circumstances of unusual or unjustified complexity; or
 - appears to not have economic rationale or *bona-fide* purpose; or
 - gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.

Explanation: Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist acts or by a terrorist, terrorist organization or those who finance or are attempting to finance terrorism.

- xviii. **“Transaction”** means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes:
- opening of an account;
 - deposit, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;
 - the use of a safety deposit box or any other form of safe deposit;
 - entering into any fiduciary relationship;
 - any payment made or received, in whole or in part, for any contractual or other legal obligation; or
 - establishing or creating a legal person or legal arrangement.

- xix. **“Video based Customer Identification Process (V-CIP)”**: a method of customer identification with facial recognition and customer due diligence by an authorised official of WEHFL by undertaking seamless, secure, live, informed-consent based audio-visual interaction with the customer to obtain identification information including the documents required for CDD purpose, and to ascertain the veracity of the information furnished by the customer through independent verification and maintaining audit trail of the process. Such process complying with prescribed standards and procedures shall be treated on par with face-to-face CIP for the purpose of this Policy.

- b) “Terms bearing meaning assigned in this Policy, unless the context otherwise requires, shall bear the meanings assigned to them below:
- “Common Reporting Standards”** (CRS) means reporting standards set for implementation of multilateral agreement signed to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters.
 - “Customer”** means a person who is engaged in a financial transaction or activity with a Regulated Entity (WEHFL) and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.
 - “Walk-in Customer”** means a person who does not have an account- based relationship with WEHFL, but undertakes transactions with WEHFL.
 - “Customer Due Diligence (CDD)”** means identifying and verifying the customer and the beneficial owner.
 - “Customer identification”** means undertaking the process of CDD.

- vi. **“FATCA”** means Foreign Account Tax Compliance Act of the United States of America (USA) which, inter alia, requires foreign financial institutions to report about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest.
 - vii. **“IGA”** means Inter Governmental Agreement between the Governments of India and the USA to improve international tax compliance and to implement FATCA of the USA.
 - viii. **“KYC Templates”** means templates prepared to facilitate collating and reporting the KYC data to the CKYCR, for individuals and legal entities.
 - ix. **“Non-face-to-face customers”** means customers who open accounts without visiting the branch/offices of WEHFL or meeting the officials of WEHFL.
 - x. **“On-going Due Diligence”** means regular monitoring of transactions in accounts to ensure that they are consistent with the customers’ profile and source of funds.
 - xi. **“Periodic Updation”** means steps taken to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records at periodicity prescribed by Reserve Bank.
 - xii. **“Politically Exposed Persons”** (PEPs) are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States/Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.
 - xiii. **“Shell bank”** means a bank which is incorporated in a country where it has no physical presence and is unaffiliated to any regulated financial group.
 - xiv. **“Wire transfer”** means a transaction carried out, directly or through a chain of transfers, on behalf of an originator person (both natural and legal) through a bank by electronic means with a view to making an amount of money available to a beneficiary person at a bank.
 - xv. **“Domestic and cross-border wire transfer”**: When the originator bank and the beneficiary bank is the same person or different person located in the same country, such a transaction is a domestic wire transfer, and if the ‘originator bank’ or ‘beneficiary bank’ is located in different countries such a transaction is cross-border wire transfer.
- c) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1935, the Prevention of Money Laundering Act, 2002, the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and regulations made thereunder, any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

3. This policy includes following four key elements:

- Customer Acceptance Policy;
- Risk Management;
- Customer Identification Procedures (CIP); and
- Monitoring of Transactions.

4. Money Laundering and Terrorist Financing Risk Assessment by WEHFL:

(a) WEHFL shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise at least annually to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc.

The assessment process shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied., WEHFL shall take cognizance of the overall sector-specific vulnerabilities, if any, that the regulator/supervisor may share from time to time.

(b) The risk assessment by WEHFL shall be properly documented and be proportionate to the nature, size, geographical presence, complexity of activities/structure, etc. of WEHFL. Further, the periodicity of risk assessment exercise shall be determined by the Board of WEHFL, in alignment with the outcome of the risk assessment exercise. However, it shall be reviewed at least annually.

(c) The outcome of the exercise shall be put up to the Audit Committee of the Board.

(d) WEHFL shall apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. Further, WEHFL shall monitor the implementation of the controls and enhance them if necessary.

5. Designated Director:

- A "Designated Director" means a person designated by WEHFL to ensure overall compliance with the obligations imposed under Chapter IV of the PML Act and the Rules and shall be nominated by the Board.
- The name, designation and address of the Designated Director shall be communicated to the FIU-IND.
- The Principal Officer shall not be nominated as the 'Designated Director'.

6. Principal Officer:

- The Principal Officer shall be responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/regulations.
- The name, designation and address of the Principal Officer shall be communicated to the FIU-IND.

7. Compliance of KYC policy

(a) WEHFL shall ensure compliance with KYC Policy through:

- (i) Its 'Senior Management', which shall mean and include the MD/ CEO or CFO, the Principal Officer and the Head of Credit for the purpose of KYC compliance.
- (ii) Allocation of responsibility to its senior management for effective implementation of policies and procedures.
- (iii) Independent evaluation of the compliance functions of WEHFL's policies and procedures, including legal and regulatory requirements.
- (iv) Concurrent/internal audit system to verify the compliance with KYC/ AML policies and procedures.
- (v) Submission of quarterly audit notes and compliance to the Audit Committee.

(b) WEHFL shall ensure that decision-making functions of determining compliance with KYC norms are not outsourced.

8. Customer Acceptance Policy

WEHFL shall ensure that:

- (a) No account is opened in anonymous or fictitious/benami name.
- (b) No account is opened where WEHFL is unable to apply appropriate Customer Due Diligence (CDD) measures, either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer.
- (c) No transaction or account - based relationship is undertaken without following the CDD procedure.
- (d) The mandatory information to be sought for KYC purpose while opening an account and during the periodic updating, is specified.
- (e) 'Optional'/additional information, is obtained with the explicit consent of the customer after the account is opened.
- (f) WEHFL shall apply the CDD procedure at the Unique Customer Identification Code (UCIC) level. Thus, if an existing KYC compliant customer of a WEHFL desires to open another account with WEHFL, there shall be no need for a fresh CDD exercise.
- (g) CDD Procedure shall be followed for all the joint account holders, while opening a joint account.
- (h) Circumstances in which, a customer is permitted to act on behalf of another person/entity, is clearly spelt out.
- (i) Suitable process is put in place to ensure that the identity of the customer does not match with any person or entity, whose name appears in the sanctions lists circulated by Reserve Bank of India.
- (j) Where Permanent Account Number (PAN) is obtained, the same shall be verified from the verification facility of the issuing authority.
- (k) Where an equivalent e-document is obtained from the customer, WEHFL shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000).

This Customer Acceptance Policy shall not result in denial of financial facility to members of the general public, especially those, who are financially or socially disadvantaged.

9. Risk Management

WEHFL has a risk- based approach, which includes the following:

- (a) Customers shall be categorised as low, medium and high-risk category, based on the assessment and risk perception of WEHFL.
- (b) Risk categorisation shall be undertaken based on parameters such as customer's identity, social/financial status, nature of business activity, and information about the clients' business and their location etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.

Provided that various other information collected from different categories of customers relating to the perceived risk, is non-intrusive and the same is specified in the KYC policy.

Explanation: FATF Public Statement, the reports and guidance notes on KYC/AML issued by the Indian Banks Association (IBA), guidance note circulated to all cooperative banks by the RBI etc., may also be used in risk assessment.

10. Customer Identification Procedure (CIP)

WEHFL shall undertake identification of customers in the following cases:

- (a) Commencement of an account-based relationship with the customer.
- (b) Carrying out any international money transfer operations for a person who is not an account holder of the bank.

- (c) When there is a doubt about the authenticity or adequacy of the customer identification data it has obtained.
- (d) Selling third party products as agents, selling their own products, payment of dues of credit cards/sale and reloading of prepaid/travel cards and any other product for more than rupees fifty thousand.
- (e) Carrying out transactions for a non-account-based customer, that is a walk-in customer, where the amount involved is equal to or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected.
- (f) When WEHFL has reason to believe that a customer (account- based or walk-in) is intentionally structuring a transaction into a series of transactions below the threshold of rupees fifty thousand.
- (g) WEHFL shall not seek introduction while opening accounts

For the purpose of verifying the identity of customers at the time of commencement of an account-based relationship, WEHFL, shall at their option, rely on customer due diligence done by a third party, subject to the following conditions:

- (a) Records or the information of the customer due diligence carried out by the third party is obtained within two days from the third party or from the Central KYC Records Registry.
- (b) Adequate steps are taken by WEHFL to satisfy themselves that copies of identification data and other relevant documentation relating to the customer due diligence requirements shall be made available from the third party upon request without delay.
- (c) The third party is regulated, supervised or monitored for, and has measures in place for, compliance with customer due diligence and record-keeping requirements in line with the requirements and obligations under the PML Act.
- (d) The third party shall not be based in a country or jurisdiction assessed as high risk.
- (e) The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with WEHFL.

11. Customer Due Diligence (CDD) Procedure

CDD Procedure in case of Individuals

WEHFL shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorised signatory or the power of attorney holder related to any legal entity:

- (a) the Aadhaar number where,
 - (i) he is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 (18 of 2016); or
 - (ii) he decides to submit his Aadhaar number voluntarily to WEHFL or
 - (aa) the proof of possession of Aadhaar number where offline verification can be carried out; or
 - (ab) the proof of possession of Aadhaar number where offline verification cannot be carried out or any OVD or the equivalent e-document thereof containing the details of his identity and address; and
- (b) the Permanent Account Number or the equivalent e-document thereof or Form No. 60 as defined in Income-tax Rules, 1962; and
- (c) such other documents including in respect of the nature of business and financial status of the customer, or the equivalent e-documents thereof as may be required by WEHFL:

Provided that where the customer has submitted,

i) Aadhaar number under clause (a) above to WEHFL, WEHFL shall carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique Identification Authority of India. Further, in such a case, if customer wants to provide a current address, different from the address as per the identity information available in the Central Identities Data Repository, he may give a self-declaration to that effect to WEHFL.

ii) proof of possession of Aadhaar under clause (aa) above where offline verification can be carried out, WEHFL shall carry out offline verification.

iii) an equivalent e-document of any OVD, WEHFL shall verify the digital signature as per the provisions of the Information Technology Act, 2000 (21 of 2000) and any rules issues thereunder and take a live photo as specified under RBI directions.

iv) any OVD or proof of possession of Aadhaar number under clause (ab) above where offline verification cannot be carried out, WEHFL shall carry out verification through digital KYC as specified under RBI directions.

Provided that for a period not beyond such date as may be notified by the Government, instead of carrying out digital KYC, WEHFL pertaining to such class may obtain a certified copy of the proof of possession of Aadhaar number or the OVD and a recent photograph where an equivalent e-document is not submitted.

Provided further that in case e-KYC authentication cannot be performed for an individual desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 owing to injury, illness or infirmity on account of old age or otherwise, and similar causes, WEHFL shall, apart from obtaining the Aadhaar number, perform identification preferably by carrying out offline verification or alternatively by obtaining the certified copy of any other OVD or the equivalent e-document thereof from the customer. CDD done in this manner shall invariably be carried out by an official of WEHFL and such exception handling shall also be a part of the concurrent audit as mandated in Section 8. WEHFL shall ensure to duly record the cases of exception handling in a centralised exception database. The database shall contain the details of grounds of granting exception, customer details, name of the designated official authorising the exception and additional details, if any. The database shall be subjected to periodic internal audit/inspection by WEHFL and shall be available for supervisory review.

Explanation 1: WEHFL shall, where its customer submits a proof of possession of Aadhaar Number containing Aadhaar Number, ensure that such customer redacts or blacks out his Aadhaar number through appropriate means where the authentication of Aadhaar number is not required as per proviso (i) above.

Explanation 2: Biometric based e-KYC authentication can be done by bank official/business correspondents/business facilitators.

Explanation 3: The use of Aadhaar, proof of possession of Aadhaar etc., shall be in accordance with the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 and the regulations made thereunder.

12.Accounts opened using OTP based e-KYC, in non-face-to-face mode, are subject to the following conditions:

- i. There must be a specific consent from the customer for authentication through OTP.
- ii. the aggregate balance of all the deposit accounts of the customer shall not exceed rupees one lakh. In case, the balance exceeds the threshold, the account shall cease to be operational, till CDD as mentioned at (v) below is complete.
- iii. the aggregate of all credits in a financial year, in all the deposit accounts taken together, shall not exceed rupees two lakh.
- iv. As regards borrowal accounts, only term loans shall be sanctioned. The aggregate amount of term loans sanctioned shall not exceed rupees sixty thousand in a year.
- v. Accounts, both deposit and borrowal, opened using OTP based e-KYC shall not be allowed for more than one year unless identification as per para 11 or as per para 13 (V-CIP) is carried out. If Aadhaar details are used under para 13, the process shall be followed in its entirety including fresh Aadhaar OTP authentication.
- vi. If the CDD procedure as mentioned above is not completed within a year, in respect of deposit accounts, the same shall be closed immediately. In respect of borrowal accounts no further debits shall be allowed.
- vii. A declaration shall be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC in non-face-to-face mode with any other RE. Further, while uploading KYC information to CKYCR, WEHFL shall clearly indicate that such accounts are opened using OTP based e-KYC and other WEHFL shall not open accounts based on the KYC information of accounts opened with OTP based e-KYC procedure in non-face-to-face mode.
- viii. WEHFL shall have strict monitoring procedures including systems to generate alerts in case of any non-compliance/violation, to ensure compliance with the above - mentioned conditions.

13. Once the Company commences digital onboarding of customers, the Company will implement and undertake V-CIP.

14. Simplified procedure for opening accounts by Non-Banking Finance Companies (NBFCs):

In case a person who desires to open an account is not able to produce documents, as specified in Para 11 of this policy, WEHFL may at their discretion open accounts subject to the following conditions:

- a. WEHFL shall obtain a self-attested photograph from the customer.
- b. The designated officer of WEHFL certifies under his signature that the person opening the account has affixed his signature or thumb impression in his presence.
- c. The account shall remain operational initially for a period of twelve months, within which CDD as per Para 11 of this policy shall be carried out.
- d. Balances in all their accounts taken together shall not exceed rupees fifty thousand at any point of time.
- e. The total credit in all the accounts taken together shall not exceed rupees one lakh in a year.
- f. The customer shall be made aware that no further transactions will be permitted until the full KYC procedure is completed in case Directions (d) and (e) above are breached by him.
- g. The customer shall be notified when the balance reaches rupees forty thousand or the total credit in a year reaches rupees eighty thousand that appropriate documents for conducting the KYC must be submitted otherwise the operations in the account shall be stopped when the total balance in all the accounts taken together exceeds the limits prescribed in direction (d) and (e) above.

KYC verification once done by one branch/office of WEHFL shall be valid for transfer of the account to any other branch/office of the same WEHFL, provided full KYC verification has already been done for the concerned account and the same is not due for periodic updation.

15. CDD Measures for Sole Proprietary firms

For opening an account in the name of a sole proprietary firm, CDD of the individual (proprietor) shall be carried out.

In addition to the above, any two of the following documents or the equivalent e-documents thereof as a proof of business/ activity in the name of the proprietary firm shall also be obtained:

- (a) Registration certificate.
- (b) Certificate/licence issued by the municipal authorities under Shop and Establishment Act.
- (c) Sales and income tax returns.
- (d) CST/VAT/ GST certificate (provisional/final).
- (e) Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities.
- (f) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT/ Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.
- (g) Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax authorities.
- (h) Utility bills such as electricity, water, and landline telephone bills.

In cases where WEHFL is satisfied that it is not possible to furnish two such documents, WEHFL may, at its discretion, accept only one of those documents as proof of business/activity.

Provided WEHFL undertake contact point verification and collect such other information and clarification as would be required to establish the existence of such firm, and shall confirm and satisfy itself that the business activity has been verified from the address of the proprietary concern.

16. CDD Measures for Legal Entities

For opening an account of a company, certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:

- (a) Certificate of Incorporation.
- (b) Memorandum and Articles of Association.
- (c) Permanent Account Number of the company
- (d) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf.
- (e) Documents, as specified in Para 11 of this policy, relating to beneficial owner, the managers, officers or employees, as the case may be, holding an attorney to transact on the company's behalf

For opening an account of a partnership firm, the certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:

- (a) Registration certificate.

- (b) Partnership deed.
- (c) Permanent Account Number of the partnership firm.
- (d) Documents, as specified in Para 11 of this policy, relating to beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf

For opening an account of a trust, certified copies of each of the following documents or the equivalent e-documents thereof shall be obtained:

- (a) Registration certificate.
- (b) Trust deed.
- (c) Permanent Account Number or Form No.60 of the trust.
- (d) Documents, as specified in Para 11 of this policy, relating to beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.

For opening an account of an unincorporated association or a body of individuals, certified copies of each of the following documents shall be obtained:

- (a) Resolution of the managing body of such association or body of individuals.
- (b) Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals.
- (c) Power of attorney granted to transact on its behalf.
- (d) Documents, as specified in Para 11 of this policy, relating to beneficial owner, managers, officers or employees, as the case may be, holding an attorney to transact on its behalf and Documents, as specified in Para 11 of this policy.
- (e) Such information as may be required by WEHFL to collectively establish the legal existence of such an association or body of individuals.

Explanation: Unregistered trusts/partnership firms shall be included under the term 'unincorporated association'.

Explanation: Term 'body of individuals' includes societies.

For opening accounts of juridical persons not specifically covered in the earlier part, such as Government or its Departments, societies, universities and local bodies like village panchayats, certified copies of the following documents shall be obtained:

- (a) Document showing name of the person authorised to act on behalf of the entity.
- (b) Documents, as specified in Para 11 of this policy, of the person holding an attorney to transact on its behalf.
- (c) Such documents as may be required by WEHFL to establish the legal existence of such an entity/juridical person.

17. Identification of Beneficial Owner

For opening an account of a Legal Person who is not a natural person, the beneficial owner(s) shall be identified and all reasonable steps in terms of Rule 9(3) of the Rules to verify his/her identity shall be undertaken keeping in view the following:

- (a) Where the customer or the owner of the controlling interest is a company listed on a stock exchange, or is a subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

- (b) In cases of trust/ nominee or fiduciary accounts whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary is determined. In such cases, satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also details of the nature of the trust or other arrangements in place shall be obtained.

18. On-going Due Diligence

WEHFL shall undertake on-going due diligence of customers to ensure that their transactions are consistent with their knowledge about the customers, customers' business and risk profile; and the source of funds.

Without prejudice to the generality of factors that call for close monitoring following types of transactions shall necessarily be monitored:

- a) Large and complex transactions including RTGS transactions, and those with unusual patterns, inconsistent with the normal and expected activity of the customer, which have no apparent economic rationale or legitimate purpose.
- b) Transactions which exceed the thresholds prescribed for specific categories of accounts.
- c) High account turnover inconsistent with the size of the balance maintained.
- d) Deposit of third - party cheques, drafts, etc. in the existing and newly opened accounts followed by cash withdrawals for large amounts.

The extent of monitoring shall be aligned with the risk category of the customer.

Explanation: High risk accounts have to be subjected to more intensified monitoring.

- (a) A system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months, and the need for applying enhanced due diligence measures shall be put in place.
- (b) The transactions in accounts of marketing firms, especially accounts of Multi-level Marketing (MLM) Companies shall be closely monitored.

Explanation: Cases where a large number of cheque books are sought by the company and/or multiple small deposits (generally in cash) across the country in one bank account and/or where a large number of cheques are issued bearing similar amounts/dates, shall be immediately reported to Reserve Bank of India and other appropriate authorities such as FIU-IND.

19. Periodic Updation

WEHFL shall adopt risk - based approach for periodic updation of KYC. However periodic updation shall be carried out at least once in every two years for high - risk customers, once in every eight years for medium risk customers and once in every ten years for low - risk customers from the date of opening of the account / last KYC updation as per the following procedure:

- a) **Individual Customers:**
 - i. **No change in KYC information:** In case of no change in the KYC information, a self-declaration from the customer in this regard shall be obtained through customer's email-id registered with WEHFL, customer's mobile number registered with WEHFL, ATMs, digital channels (such as online banking / internet banking, mobile application of WEHFL), letter etc.
 - ii. **Change in address:** In case of a change only in the address details of the customer, a self-declaration of the new address shall be obtained from the customer through customer's email-id registered with WEHFL, customer's mobile number registered with WEHFL, ATMs, digital channels (such as online

banking / internet banking, mobile application of WEHFL), letter etc., and the declared address shall be verified through positive confirmation within two months, by means such as address verification letter, contact point verification, deliverables etc.

Further, WEHFL, at their option, may obtain a copy of OVD or deemed OVD or the equivalent e-documents thereof, as defined in Para 2(a)(xiii), for the purpose of proof of address, declared by the customer at the time of periodic updation. Such requirement, however, shall be clearly specified by WEHFL in their internal KYC policy duly approved by the Board of Directors of WEHFL or any committee of the Board to which power has been delegated.

iii. **Accounts of customers, who were minor at the time of opening account, on their becoming major:** In case of customers for whom account was opened when they were minor, fresh photographs shall be obtained on their becoming a major and at that time it shall be ensured that CDD documents as per the current CDD standards are available with WEHFL. Wherever required, WEHFL may carry out fresh KYC of such customers i.e. customers for whom account was opened when they were minor, on their becoming a major.

b) Customers other than individuals:

i. **No change in KYC information:** In case of no change in the KYC information of the LE customer, a self-declaration in this regard shall be obtained from the LE customer through its email id registered with WEHFL, ATMs, digital channels (such as online banking / internet banking, mobile application of WEHFL), letter from an official authorized by the LE in this regard, board resolution etc. Further, WEHFL shall ensure during this process that Beneficial Ownership (BO) information available with them is accurate and shall update the same, if required, to keep it as up-to-date as possible.

ii. **Change in KYC information:** In case of change in KYC information, WEHFL shall undertake the KYC process equivalent to that applicable for on-boarding a new LE customer.

c) Additional measures: In addition to the above, WEHFL shall ensure that,

i. The KYC documents of the customer as per the current CDD standards are available with them. This is applicable even if there is no change in customer information but the documents available with WEHFL are not as per the current CDD standards. Further, in case the validity of the CDD documents available with WEHFL has expired at the time of periodic updation of KYC, WEHFL shall undertake the KYC process equivalent to that applicable for on-boarding a new customer.

ii. Customer's PAN details, if available with WEHFL, is verified from the database of the issuing authority at the time of periodic updation of KYC.

iii. Acknowledgment is provided to the customer mentioning the date of receipt of the relevant document(s), including self-declaration from the customer, for carrying out periodic updation. Further, it shall be ensured that the information / documents obtained from the customers at the time of periodic updation of KYC are promptly updated in the records / database of WEHFL and an intimation, mentioning the date of updation of KYC details, is provided to the customer.

iv. In order to ensure customer convenience, WEHFL may consider making available the facility of periodic updation of KYC at any branch, in terms of their internal KYC policy duly approved by the Board of Directors of WEHFL or any committee of the Board to which power has been delegated.

v. WEHFL shall adopt a risk-based approach with respect to periodic updation of KYC. Any additional and exceptional measures, which otherwise are not mandated under the above instructions, adopted by WEHFL such as requirement of obtaining recent photograph, requirement of physical presence of the customer, requirement of periodic updation of KYC only in the branch of WEHFL where account is maintained, a more frequent periodicity of KYC updation than the minimum

specified periodicity etc., shall be clearly specified in the internal KYC policy duly approved by the Board of Directors of WEHFL or any committee of the Board to which power has been delegated.

- vi. WEHFL shall ensure that their internal KYC policy and processes on updation / periodic updation of KYC are transparent and adverse actions against the customers should be avoided, unless warranted by specific regulatory requirements.

In case of existing customers, WEHFL shall obtain the Permanent Account Number or equivalent e-document thereof or Form No.60, by such date as may be notified by the Central Government, failing which WEHFL shall temporarily cease operations in the account till the time the Permanent Account Number or equivalent e-documents thereof or Form No. 60 is submitted by the customer.

Provided that before temporarily ceasing operations for an account, WEHFL shall give the customer an accessible notice and a reasonable opportunity to be heard.

Further, in case of, customers who are unable to provide Permanent Account Number or equivalent e-document thereof or Form No. 60 owing to injury, illness or infirmity on account of old age or otherwise, and such like causes, WEHFL shall allow continued operation of accounts for 30 days, post which, the customer will have to produce necessary documents. Such accounts shall, however, be subject to enhanced monitoring.

Provided further that if a customer having an existing account-based relationship with WEHFL gives in writing to WEHFL that he does not want to submit his Permanent Account Number or equivalent e-document thereof or Form No.60, WEHFL shall close the account and all obligations due in relation to the account shall be appropriately settled after establishing the identity of the customer by obtaining the identification documents as applicable to the customer.

Explanation – For the purpose of this Section, “temporary ceasing of operations” in relation an account shall mean the temporary suspension of all transactions or activities in relation to that account by WEHFL till such time the customer complies with the provisions of this Section. In case of asset accounts such as loan accounts, for the purpose of ceasing the operation in the account, only credits shall be allowed.

20.Enhanced and Simplified Due Diligence Procedure

A. Enhanced Due Diligence

Accounts of non-face-to-face customers (other than Aadhaar OTP based on-boarding) : WEHFL shall ensure that the first payment is to be effected through the customer's KYC-complied account with another Reporting Entity, for enhanced due diligence of non-face to face customers.

Accounts of Politically Exposed Persons (PEPs):

WEHFL shall have the option of establishing a relationship with PEPs provided that:

- (a) sufficient information including information about the sources of funds accounts of family members and close relatives is gathered on the PEP;
- (b) the identity of the person shall have been verified before accepting the PEP as a customer;
- (c) the decision to open an account for a PEP is taken at a senior level in accordance with WEHFL's Customer Acceptance Policy;
- (d) all such accounts are subjected to enhanced monitoring on an on-going basis;
- (e) in the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, senior management's approval is obtained to continue the business relationship;

- (f) the CDD measures as applicable to PEPs including enhanced monitoring on an on-going basis are applicable.
- B. These instructions shall also be applicable to accounts where a PEP is the beneficial owner

Client accounts opened by professional intermediaries:

WEHFL shall ensure while opening client accounts through professional intermediaries, that:

- a) Clients shall be identified when client account is opened by a professional intermediary on behalf of a single client.
- b) WEHFL shall have option to hold 'pooled' accounts managed by professional intermediaries on behalf of entities like mutual funds, pension funds or other types of funds.
- c) WEHFL shall not open accounts of such professional intermediaries who are bound by any client confidentiality that prohibits disclosure of the client details to WEHFL.
- d) All the beneficial owners shall be identified where funds held by the intermediaries are not co-mingled at the level of WEHFL, and there are 'sub-accounts', each of them attributable to a beneficial owner, or where such funds are co-mingled at the level of WEHFL, WEHFL shall look for the beneficial owners.
- e) WEHFL shall, at their discretion, rely on the 'customer due diligence' (CDD) done by an intermediary, provided that the intermediary is a regulated and supervised entity and has adequate systems in place to comply with the KYC requirements of the customers.
- f) The ultimate responsibility for knowing the customer lies with WEHFL.

B. Simplified Due Diligence

Simplified norms for Self Help Groups (SHGs)

- (a) CDD of all the members of SHG shall not be required while opening the savings bank account of the SHG.
- (b) CDD of all the office bearers shall suffice.
- (c) Customer Due Diligence (CDD) of all the members of SHG may be undertaken at the time of credit linking of SHGs.

Simplified KYC norms for Foreign Portfolio Investors (FPIs)

Accounts of FPIs which are eligible/ registered as per SEBI guidelines, for the purpose of investment under Portfolio Investment Scheme (PIS), shall be opened by accepting KYC documents as detailed in the RBI Directions subject to Income Tax (FATCA/CRS) Rules.

Provided that WEHFL shall obtain undertaking from FPIs or the Global Custodian acting on behalf of the FPI that as and when required, the exempted documents as detailed in the RBI Directions will be submitted.

21. Record Management

The following steps shall be taken regarding maintenance, preservation and reporting of customer account information, with reference to provisions of PML Act and Rules. WEHFL shall:

- (a) maintain all necessary records of transactions between WEHFL and the customer, both domestic and international, for at least five years from the date of transaction;
- (b) preserve the records pertaining to the identification of the customers and their addresses obtained while opening the account and during the course of business relationship, for at least five years after the business relationship is ended;
- (c) make available the identification records and transaction data to the competent authorities upon request;

- (d) introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005);
- (e) maintain all necessary information in respect of transactions prescribed under PML Rule 3 so as to permit reconstruction of individual transaction, including the following:
 - (i) the nature of the transactions;
 - (ii) the amount of the transaction and the currency in which it was denominated;
 - (iii) the date on which the transaction was conducted; and
 - (iv) the parties to the transaction.
- (f) evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities;
- (g) maintain records of the identity and address of their customer, and records in respect of transactions referred to in Rule 3 in hard or soft format.

22. Reporting Requirements to Financial Intelligence Unit - India

WEHFL shall furnish to the Director, Financial Intelligence Unit-India (FIU-IND), information referred to in Rule 3 of the PML (Maintenance of Records) Rules, 2005 in terms of Rule 7 thereof.

Explanation: In terms of Third Amendment Rules notified September 22, 2015 regarding amendment to sub rule 3 and 4 of rule 7, Director, FIU-IND shall have powers to issue guidelines to WEHFL for detecting transactions referred to in various clauses of sub-rule (1) of rule 3, to direct them about the form of furnishing information and to specify the procedure and the manner of furnishing information.

The reporting formats and comprehensive reporting format guide, prescribed/ released by FIU-IND and Report Generation Utility and Report Validation Utility developed to assist reporting entities in the preparation of prescribed reports shall be taken note of. The editable electronic utilities to file electronic Cash Transaction Reports (CTR) / Suspicious Transaction Reports (STR) which FIU-IND has placed on its website shall be made use of by WEHFL which are yet to install/adopt suitable technological tools for extracting CTR/STR from their live transaction data.

While furnishing information to the Director, FIU-IND, delay of each day in not reporting a transaction or delay of each day in rectifying a mis-represented transaction beyond the time limit as specified in the Rule shall be constituted as a separate violation. WEHFL shall not put any restriction on operations in the accounts where an STR has been filed. WEHFL shall keep the fact of furnishing of STR strictly confidential. It shall be ensured that there is no tipping off to the customer at any level.

Robust software, throwing alerts when the transactions are inconsistent with risk categorization and updated profile of the customers shall be put in to use as a part of effective identification and reporting of suspicious transactions.

23. Requirements/ obligations under International Agreements

Communications from International Agencies –

WEHFL shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC). The details of the two lists are as under:

- (a) The “**ISIL (Da’esh) & Al-Qaida Sanctions List**”, which includes names of individuals and entities associated with the Al-Qaida. The updated ISIL & Al-Qaida Sanctions List is available at <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/al-qaida-r.xsl>
- (b) The “**1988 Sanctions List**”, consisting of individuals (Section A of the consolidated list) and entities (Section B) associated with the Taliban which is available at <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/taliban-r.xsl>.

Details of accounts resembling any of the individuals/entities in the lists shall be reported to FIU-IND apart from advising Ministry of Home Affairs as required under UAPA notification dated February 2, 2021.

In addition to the above, other UNSCRs circulated by Reserve Bank in respect of any other jurisdictions/entities from time to time shall also be taken note of.

24. Freezing of Assets under Section 51A of Unlawful Activities (Prevention) Act, 1967

The procedure laid down in the Unlawful Activities (Prevention) Act, 1967 Order dated February 2, 2021 shall be strictly followed and meticulous compliance with the Order issued by the Government shall be ensured. The list of Nodal Officers for UAPA is available on the website of Ministry of Home Affairs.

25. Jurisdictions that do not or insufficiently apply the Financial Action Task Force (FATF) Recommendations

- (a) FATF Statements circulated by Reserve Bank of India from time to time, and publicly available information, for identifying countries, which do not or insufficiently apply the FATF Recommendations, shall be considered. Risks arising from the deficiencies in AML/CFT regime of the jurisdictions included in the FATF Statement shall be taken into account.
- (b) Special attention shall be given to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries that do not or insufficiently apply the FATF Recommendations and jurisdictions included in FATF Statements.

Explanation: The process referred to in Para 26 a & b do not preclude WEHFL from having legitimate trade and business transactions with the countries and jurisdictions mentioned in the FATF statement.
- (c) The background and purpose of transactions with persons (including legal persons and other financial institutions) from jurisdictions included in FATF Statements and countries that do not or insufficiently apply the FATF Recommendations shall be examined, and written findings together with all documents shall be retained and shall be made available to Reserve Bank/ other relevant authorities, on request.

26. Other Instructions**Secrecy Obligations and Sharing of Information:**

- (a) WEHFL shall maintain secrecy regarding the customer information which arises out of the contractual relationship between the banker and customer.
- (b) Information collected from customers for the purpose of opening of account shall be treated as confidential and details thereof shall not be divulged for the purpose of cross selling, or for any other purpose without the express permission of the customer.
- (c) While considering the requests for data/information from Government and other agencies, WEHFL shall satisfy itself that the information being sought is not of such a nature as will violate the provisions of the laws relating to secrecy in the transactions.
- (d) The exceptions to the said rule shall be as under:
 - i. Where disclosure is under compulsion of law,
 - ii. Where there is a duty to the public to disclose,
 - iii. the interest of bank requires disclosure and
 - iv. Where the disclosure is made with the express or implied consent of the customer.
- (e) WEHFL shall maintain confidentiality of information as provided in Section 45NB of RBI Act 1934.

27. CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)

- a) In terms of provision of Rule 9(1A) of PML Rules, WEHFL shall capture customer's KYC records and upload onto CKYCR within 10 days of commencement of an account-based relationship with the customer.
- b) WEHFL shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as per the KYC templates prepared for 'Individuals' and 'Legal Entities' (LEs), as the case may be. The templates may be revised from time to time, as may be required and released by CERSAI.
- c) Once KYC Identifier is generated by CKYCR, WEHFL shall ensure that the same is communicated to the individual/LE as the case may be.
- d) In order to ensure that all KYC records are incrementally uploaded on to CKYCR, WEHFL shall upload/update the KYC data pertaining to accounts of individual customers and LEs opened.
- e) WEHFL shall ensure that during periodic updating, the customers are migrated to the current CDD standard.
- f) Where a customer, for the purposes of establishing an account - based relationship, submits a KYC Identifier, with an explicit consent to download records from CKYCR, then WEHFL shall retrieve the KYC records online from the CKYCR using the KYC Identifier and the customer shall not be required to submit the same KYC records or information or any other additional identification documents or details, unless –
 - i. there is a change in the information of the customer as existing in the records of CKYCR;
 - ii. the current address of the customer is required to be verified;
 - iii. WEHFL considers it necessary in order to verify the identity or address of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the client.

28. Reporting requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

Under FATCA and CRS, WEHFL shall adhere to the provisions of Income Tax Rules [114F](#), [114G](#) and [114H](#) and determine whether they are a Reporting Financial Institution as defined in Income Tax Rule 114F. If so, shall take following steps for complying with the reporting requirements:

- (a) Register on the related e-filing portal of Income Tax Department as Reporting Financial Institutions at the link <https://incometaxindiaefiling.gov.in/> post login -> My Account --> Register as Reporting Financial Institution,
- (b) Submit online reports by using the digital signature of the 'Designated Director' by either uploading the Form 61B or 'NIL' report, for which, the schema prepared by Central Board of Direct Taxes (CBDT) shall be referred to.

Explanation: WEHFL shall refer to the spot reference rates published by Foreign Exchange Dealers' Association of India (FEDAI) on their website at <http://www.fedai.org.in/RevaluationRates.aspx> for carrying out the due diligence procedure for the purposes of identifying reportable accounts in terms of Rule 114H.

- (c) Develop Information Technology (IT) framework for carrying out due diligence procedure and for recording and maintaining the same, as provided in Rule 114H.
- (d) Develop a system of audit for the IT framework and compliance with Rules 114F, 114G and 114H of Income Tax Rules.
- (e) Constitute a "High Level Monitoring Committee" under the Designated Director or any other equivalent functionary to ensure compliance.
- (f) Ensure compliance with updated instructions/ rules/ guidance notes/ Press releases/ issued on the subject by Central Board of Direct Taxes (CBDT) from time to time. WEHFL may take note of the following:
 - a) updated [Guidance Note](#) on FATCA and CRS
 - b) a [press release](#) on 'Closure of Financial Accounts' under Rule 114H

29. Selling Third party products

WEHFL acting as agents while selling third party products as per regulations in force from time to time shall comply with the following aspects for the purpose of this policy:

- (a) the identity and address of the walk-in customer shall be verified for transactions above rupees fifty thousand as required under Para 10 (e) of this policy.
- (b) transaction details of sale of third-party products and related records shall be maintained as prescribed para 21.
- (c) AML software capable of capturing, generating and analysing alerts for the purpose of filing CTR/STR in respect of transactions relating to third party products with customers including walk-in customers shall be available.
- (d) transactions involving rupees fifty thousand and above shall be undertaken only by:
 - debit to customers' account or against cheques; and
 - obtaining and verifying the PAN given by the account based as well as walk-in customers.
- (e) Instruction at 'd' above shall also apply to sale of WEHFL' own products, payment of dues of credit cards/sale and reloading of prepaid/travel cards and any other product for rupees fifty thousand and above.