

**WESTERN CAPITAL ADVISORS PRIVATE LIMITED**  
**Know Your Customer and Anti-Money Laundering Policy**

**1. SCOPE AND BACKGROUND**

**1.1 Applicability**

This “Know Your Customer and Anti-Money Laundering Policy” (**the Policy**) will apply to **Western Capital Advisors Private Limited** (“the Company”), its employees and its agents/ representatives.

This Policy will require the Company’s employees and its agents/ representatives to:

- Protect the Company from being used for any type of money laundering or terrorist funding activities;
- Comply with the applicable Anti-Money Laundering (AML) Laws and the Company’s KYC & AML Policy & Procedures in letter and spirit;
- Be alert and escalate suspicious activity and not knowingly provide advice or other assistance to individuals who attempt to violate Anti Money Laundering Laws or this Policy. Knowledge includes the concept of ‘willful blindness’ (failure to make appropriate inquiries when faced with suspicion of wrongdoing) and ‘conscious avoidance of knowledge’;
- Conduct themselves in accordance with the highest ethical standards; and
- Co-operate with the regulatory authorities and the Financial Intelligence Unit as per the applicable laws.

**1.2 Effective Date**

This Policy shall be effective from the date of approval of this policy

**1.3 Review of Policy**

The Policy shall be reviewed as and when required by the applicable rules and regulations.

**1.4 Implementation & Monitoring of Policy**

The Risk Management Committee (RMC) will monitor and supervise implementation of the Policy.

**1.5 Policy Approval**

The Policy and any significant changes therein shall be approved by the Board of Directors or the Risk Management Committee of the Company.

The term ‘Money Laundering’ refers to act of concealing or disguising origin and ownership of proceeds from criminal activities including drug trafficking, public corruption, terrorism, fraud, human trafficking and organized crime activities. ‘Terrorist Financing’ is the use of legally or illegally obtained funds to facilitate terrorist activities. ‘Money Laundering’ and ‘Terrorist Financing’ may involve a wide variety of financial products, services and transactions including lending & investment products, financing of equipment or other property that could be used to facilitate terrorism and other criminal activity.

Almost every crime with a profit motive can create proceeds that can be laundered. For example, fraud, theft, illegal drug sales, organized crime, bribery, corruption of government officials and human trafficking can create illegal funds that a criminal seeks to convert into legitimate property without raising suspicion. Tax evasion and violations of fiscal laws can also lead to money laundering.

Generally, the process of Money Laundering involves three stages, viz. (i) Placement; (ii) Layering; and (iii) Integration. As illegal funds move from the placement stage to the integration stage, it becomes increasingly harder to detect and trace back to the illegal source.

- **Placement** is the point where illegal funds first enter the financial system. The deposit of illegal cash into an account or the purchase of money orders, cashier's checks or other financial product is made. Non-bank financial institutions, such as currency exchanges, money remitters, casinos, and check-cashing services can also be used for placement.
- **Layering** After illegal funds have entered the financial system, layers are created by closing and opening accounts, purchasing and selling various financial products, transferring funds among financial institutions and across national borders. The criminal's goal is to create layers of transactions to make it difficult to trace the illegal origin of the funds.
- **Integration** occurs when the criminal believes that there are sufficient number of layers hiding the origin of the illegal funds to safely invest the funds or apply them towards purchasing valuable property in the legitimate economy.

A financial institution or other business may be used at any point in the process of money laundering. The criminals and other anti-social elements keep coming-up with innovative means to launder money and no financial institution or business is immune from possible victimization.

To address issue of money laundering, the Government of India and other countries around the world have made money laundering a crime and prescribed regulatory requirements for compliance by the banks, financial companies/ institutions and other regulated/ reporting entities to prevent and detect money laundering.

To prevent money-laundering in India and to provide for confiscation of property derived from or involved in money-laundering and related matters, the Government of India enacted the Prevention of Money Laundering Act, 2002 (PMLA), as amended from time to time. Further, the PMLA and necessary Notifications/ Rules thereunder have been published and amended thereafter.

As per the Prevention of Money Laundering Act 2002, "**Offence of Money Laundering**" is defined as "*Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly 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.*"

Further, "**Proceeds of crime**" means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to scheduled offence or the value of any such property."

The PMLA and the Rules notified thereunder impose obligation on banking companies, financial institutions (which includes chit fund company, a co-operative bank, a non-banking financial company and a housing finance institution) and other defined intermediaries to verify identity of clients, maintain records and furnish requisite information to Financial Intelligence Unit- India (FIU-IND). The PMLA defines money laundering offence and provides for the freezing, seizure and confiscation of the proceeds of crime.

The Reserve Bank of India (RBI) has prescribed the Reserve Bank of India {Know Your Customer (KYC)} Directions, 2016 ("RBI KYC Directions") in order to ensure compliance by every entity regulated by RBI ("Regulated Entity") with the provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

In accordance with the RBI KYC Directions, the Company is required to have a Know Your Customer (KYC) Policy duly approved by its Board of Directors or any committee of the Board to which power may be delegated.

The KYC and AML Policy has been prepared considering the following key elements:

- a) To lay down the criteria for Customer Acceptance (CAP);
- b) Risk Management;
- c) To lay down criteria for Customer Identification Procedures (CIP);
- d) To establish procedures for monitoring of transactions as may be applicable;

## 2. DEFINITIONS:

2.1. In these Guidelines, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:-

2.1.1. "Aadhaar number" means an identification number as defined under sub-section (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, henceforth the 'Aadhaar Act';

2.1.2. "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;

2.1.3. "Authentication" means the process as defined under sub-section (c) of section 2 of the Aadhaar Act;

2.1.4. 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 person, has/have a controlling ownership interest or who exercise control through other means.

*Explanation - For the purpose of this sub-clause: -*

(i) "Controlling ownership interest" means ownership of/entitlement to more than 25 per cent of the shares or capital or profits of the company.

(ii) "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 off 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 off 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.

2.1.5. "Cash Transactions" means "Cash Transactions" as defined under rule 3 of the Rules.

2.1.6. "Central KYC Records Registry" (CKYCR) means an entity defined under Rule 2(1)(aa) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.

2.1.7. "Customer" means a 'person', as defined below under Para 2.1.17 below, who is engaged in a financial transaction or activity with WCAPL and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.

2.1.8. "Customer Due Diligence" (CDD) means "Client Due Diligence" as defined under rule 9 of the Rules

and the amendments thereto.

- 2.1.9. "Customer Identification" means undertaking the process of CDD.
- 2.1.10. "Designated Director" means a "Designated Director" as defined under rule 2(ba) of the Rules.
- 2.1.11. "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.
- 2.1.12. "KYC Templates" means templates prepared to facilitate collating and reporting the KYC data to the CKYCR, for individuals and legal entities.
- 2.1.13. "Non-face-to-face customers" means customers who open accounts without visiting the branch/offices of WCAPL or meeting the officials of WCAPL.
- 2.1.14. "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 and letter issued by the National Population Register containing details of name and address.
- Provided that 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.
- 2.1.15. "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.
- 2.1.16. "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 the Reserve Bank of India.
- 2.1.17. "Person" has the same meaning as defined 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 anyone 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).
- 2.1.18. "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.
- 2.1.19. "Principal Officer" means "Principal Officer" as defined under rule 2(f) the Rules.
- 2.1.20. "Suspicious Transaction" means "Suspicious Transaction" as defined under rule 2(g) of the Rules
- 2.1.21. "Transaction" means "Transaction" as defined under rule 2(h) of the Rules.

- 2.2. All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Prevention of Money Laundering Act and Prevention of Money Laundering (Maintenance of Records) Rules, any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

### **3. CUSTOMER ACCEPTANCE POLICY**

In line with the RBI Directions, the PMLA and the Rules thereunder, the Company has formulated Customer Acceptance Policy (CAP) which lays down the broad criteria for acceptance of customers.

The features of the CAP are detailed below:

- a) The Company will not open any account(s) in anonymous, fictitious or 'benami' name(s).
- b) No account is opened where the Company is unable to apply appropriate 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 will be undertaken without following the CDD procedure.
- d) The mandatory information to be sought for KYC purpose while opening an account and during the periodic updation will be specified
- e) Optional or additional information will be obtained with an explicit consent of the customer after the account is opened.
- f) CDD Procedure will be followed for all the joint account holders, while opening a joint account. However, if an existing KYC compliant customer desires to open another account, there shall be no need for a fresh CDD exercise
- g) Circumstances in which, a customer is permitted to act on behalf of another person/entity, will be clearly spelt out.
- h) The Company will ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc. For this purpose, the Company shall maintain lists of individuals or entities issued by RBI, United Nations Security Council, other regulatory & enforcement agencies, internal lists as the Company may decide from time to time. Full details of accounts/ customers bearing resemblance with any of the individuals/ entities in the list shall be treated as suspicious and reported.
- i) Adequate due diligence is a fundamental requirement for establishing the identity of the customer. Identity generally means a set of attributes which together uniquely identify a natural person or legal entity. In order to avoid fictitious and fraudulent applications of the customers and to achieve a reasonable degree of satisfaction as to the identity of the customer, the Company will conduct appropriate due diligence.
- j) The nature and extent of basic due diligence measures to be conducted at the time of establishment of account opening/ relationship, would depend upon the risk category of the customers and involve collection and recording of information by using reliable independent documents, data or any other information. This may include identification and verification of the applicant and wherever relevant, ascertaining of occupational details, legal status, ownership and control structure and any additional information in line with the assessment of the risks posed by the applicant and the applicant's expected use of the Company's products and services from an AML perspective.
- k) The Company may rely on third party verification subject to the conditions prescribed by the RBI, the PMLA and the Rules thereunder in this regard.
- l) For non-face-to-face customers, appropriate due diligence measures (including certification requirements of documents, if any) will be devised for identification and verification of such customers.
- m) Relationship/ opening of accounts shall be established and the beneficiary of the relationship/ account shall also be identified.
- n) The information collected from the customer shall be kept confidential.
- o) Appropriate Enhanced Due Diligence (EDD) measures shall be adopted for high risk customers from AML perspective, especially those for whom the sources of funds are not clear, transactions carried through correspondent accounts and customers who are Politically Exposed Persons (PEPs) and their family members/close relatives.
- p) In respect of unusual or suspicious transactions/applications or when the customer moves from a low risk to a high-risk profile, appropriate EDD measures shall be adopted.

- q) Where the Company is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, the Company may consider closing the account or terminating the business relationship. However, the decision to close an existing account shall be taken at a reasonably senior level, after giving due notice to the customer explaining the reasons for such a decision.

The aspects mentioned in the CAP would be reckoned while evolving the KYC/AML procedures for various types of customers and products. However, while developing the KYC/CDD procedures, the Company will ensure that its procedures do not become too restrictive or pose significant difficulties in availing its services by deserving general public, especially the financially and socially disadvantaged sections of society.

The adoption of the Customer Acceptance Policy and its implementation shall not result in denial of WCAPL's services to general public, especially to those, who are financially or socially disadvantaged.

#### **4. RISK MANAGEMENT**

For Risk Management, the Company shall have a risk-based approach which includes the following:

- a) Customers shall be categorized as low, medium and high-risk category, based on the assessment and risk perception of the RE;
- b) Risk categorization 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.
- c) The customers will be monitored on regular basis with built in mechanism for tracking irregular behavior for risk management and suitable timely corrective action.

**High and Medium Risk from AML perspective-** A customer that is likely to pose a higher than average risk may be categorized high or medium risk depending on background, nature & location of customer, his/ her profile, scale of customer's volume, his/ her financials and social status etc. Due diligence measures will be applied based on the risk assessment. The Company shall apply enhanced due diligence measures for higher risk customers, especially those for whom the sources of funds are not clear.

##### **a) Indicative list of High-Risk Customers**

- i) Individuals and entities in various United Nations' Security Council Resolutions (UNSCRs) such as UN 1267 etc.;
- ii) Individuals or entities listed in the schedule to the order under section 51A of the Unlawful Activities (Prevention) Act, 1967 relating to the purposes of prevention of, and for coping with terrorist activities;
- iii) Individuals and entities in watch lists issued by Interpol and other similar international organizations;
- iv) Customers with dubious reputation as per public information available or commercially available watch lists;
- v) Individuals and entities specifically identified by regulators, FIU and other competent authorities as high-risk;
- vi) Customers conducting their business relationship or transactions in unusual circumstances, such as significant and unexplained geographic distance between the institution and the location of the customer, frequent and unexplained movement of accounts to different institutions, etc.;
- vii) Politically exposed persons (PEPs), customers who are close relatives of PEPs and accounts of which a PEP is the ultimate beneficial owner;
- viii) Non-face-to-face customers;
- ix) High net worth individuals;
- x) Firms with 'sleeping partners';
- xi) Companies having close family shareholding or beneficial ownership;
- xii) Complex business ownership structures, which can make it easier to conceal underlying beneficiaries, where there is no legitimate commercial rationale;

- xiii) Shell companies which have no physical presence in branch locations. The existence simply of a local agent or low-level staff does not constitute physical presence;
- xiv) Accounts for "gatekeepers" such as accountants, lawyers, or other professionals for their clients where the identity of the underlying client is not disclosed;
- xv) Client Accounts managed by professional service providers such as law firms, accountants, agents, brokers, fund managers, trustees, custodians etc.;
- xvi) Trusts, charities, NGOs/ unregulated clubs and organizations receiving donations;
- xvii) Gambling/gaming including "Junket Operators" arranging gambling tours;
- xviii) Jewelers and Bullion Dealers;
- xix) Dealers in high value or precious goods (e.g. gem and precious metals dealers, art and antique dealers and auction houses, estate agents and real estate brokers);
- xx) Customers engaged in a business which is associated with higher levels of corruption (e.g., arms manufacturers, dealers and intermediaries);
- xxi) Customers engaged in industries that might relate to nuclear proliferation activities or explosives;
- xxii) Customers that may appear to be Multi-level marketing companies etc.

**b) Indicative list of Medium Risk Customers**

- i) Stock brokerage;
- ii) Import / Export;
- iii) Gas Station;
- iv) Car / Boat / Plane Dealership;
- v) Electronics (wholesale);
- vi) Travel agency;
- vii) Telemarketers;
- viii) Providers of telecommunications service, internet café, *International direct dialing* (IDD) call service.

**Low Risk from AML perspective-** All other customers (other than High and Medium Risk category) whose identities and sources of wealth can be easily identified and by and large conform to the known customer profile, may be categorized as low risk. In such cases, only the basic requirements of verifying the identity and location of the customer are to be met.

**5. CUSTOMER IDENTIFICATION PROCEDURE (CIP)**

WCAPL shall undertake identification of customers in the following cases:

- (a) Commencement of an account-based relationship with the customer.
- (b) When there is a doubt about the authenticity or adequacy of the customer identification data it has obtained.
- (c) Selling third party products as agents, selling their own products and any other product for more than rupees fifty thousand.
- (d) 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.
- (e) When the Company has a 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.
- (f) The Company shall ensure that introduction is not to be sought while opening accounts.
- (g) The Company shall obtain satisfactory evidence of the identity of the customer depending upon the perceived risks at the time of commencement of relationship/ opening of account. Such evidences shall be substantiated by reliable independent documents, data or information or other means like physical verification etc.
- (h) The Company will obtain and verify Permanent account number (PAN) of customers as per the applicable provisions of Income Tax Rule 114B. Form 60 shall be obtained from persons who do not have PAN.
- (i) For the customers that are legal person or entities:
  - i. the Company will verify the legal status for the legal person/ entity through proper and relevant documents;

- ii. the Company will understand the beneficial ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.
- (j) Additional documentation may be obtained from the customers with higher risk perception as may be deemed fit. This shall be done having regard but not limited to location (registered office address, correspondence address and other addresses as may be applicable), nature of business activity, profile, source of income etc.
- (k) An indicative list of the nature and type of documents/ information that may be relied upon for customer identification is provided in the 'Annexure A' of this Policy. The documents to be accepted by the Company for customer identification will be based on the regulatory prescriptions from time to time and may be implemented/ revised after approval from the Principal Officer and the Head of Risk/ Credit function.

For the purpose of verifying the identity of customers at the time of commencement of an account-based relationship, WCAPL, shall at their option, rely on CDD 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 WCAPL 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 Prevention of Money-Laundering Act.
- (d) The third party shall not be based in a country or jurisdiction assessed as high risk.
- (e) The ultimate responsibility for CDD, including done by a third party and undertaking enhanced due diligence measures, as applicable, shall rest with WCAPL.

While undertaking customer identification, the Company will ensure that:

- (a) Decision-making functions of determining compliance with KYC norms shall not be outsourced.
- (b) The customers shall not be required to furnish an additional OVD, if the OVD submitted for KYC contains proof of identity as well as proof of address.
- (c) The customers will not be required to furnish separate proof of address for permanent and current addresses, if these are different. In case the proof of address furnished by the customer is the address where the customer is currently residing, a declaration shall be taken from the customer about her/ his local address on which all correspondence will be made by the Company.
- (d) The local address for correspondence, for which their proof of address is not available, shall be verified through 'positive confirmation' such as cheque books, ATM cards, telephonic conversation, positive address verification etc.
- (e) In case of change in the address mentioned on the 'proof of address', fresh proof of address should be obtained within a period of six months.

## **6. CUSTOMER DUE DILIGENCE (CDD) PROCEDURE**

### **A. CDD Procedure in case of Individuals**

- a) While undertaking CDD, WCAPL shall obtain the following information from an individual while establishing an account-based relationship with an 'individual' or dealing with the individual who is a beneficial owner, authorised signatory or the power of attorney holder related to any legal entity:
  - (i) certified copy of an OVD containing details of identity and address, and one recent photograph; and
  - (ii) the Permanent Account Number (PAN) or Form No. 60 as defined in Income- tax Rules, 1962, as amended from time to time.

*Explanation 1- Obtaining a certified copy by WCAPL shall mean comparing the copy of OVD so produced by the client with the original and recording the same on the copy by the authorized officer of WCAPL.*



*Explanation 2: The submission of Aadhaar by an individual as a KYC document cannot be insisted upon by WCAPL. However, the individual, if so desires, may provide the same out of his own volition. Customers, at their option, shall submit one of the OVDs*

*Explanation 3: Where the customer is submitting Aadhaar, WCAPL shall be guided by directions issued by Unique Identification Authority of India from time to time.*

- b) In case the OVD furnished by the customer does not contain updated address, the following documents 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 public sector undertakings, statutory and regulatory bodies, public sector undertaking, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation;

Provided that in case the OVD submitted 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.

Provided further that the customer shall submit updated OVD with current address within a period of three months of submitting the above documents.

*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.*

- c) A customer already having an account-based relationship with WCAPL, shall submit his Permanent Account Number or Form No.60, on such date as may be notified by the Central Government, failing which the account shall temporarily cease to be operational till the time the Permanent Account Number or Form No. 60 is submitted by the customer:

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

*Explanation: - For the purpose of this clause, "temporary ceasing of operations" in relation an account means the temporary suspension of all transactions or activities in relation to that account by WCAPL till such time the customer complies with the provisions of this clause;*

*In case of asset accounts such as loan accounts, for the purpose of ceasing the operation in the account, only credits shall be allowed.*

- d) If a customer having an existing account based relationship with WCAPL gives in writing to the company that he/she does not want to submit his/her Permanent Account Number or Form No.60, as the case may be, the customer's account with WCAPL shall be closed and all obligations due in relation to the account shall be appropriately settled after establishing the identity of the customer. WCAPL shall duly inform the customer about this provision while

opening the account.

## **B. CDD Measures for Sole Proprietary Firms**

For opening an account in the name of a sole proprietary firm, identification information as mentioned under Section 6(A) in respect of the individual (proprietor) shall be obtained.

In addition to the above, any two of the following documents 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/V AT/CST 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 DCFT/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 WCAPL is satisfied that it is not possible to furnish two such documents, WCAPL may, at their discretion, accept only one of those documents as proof of business/activity.

Provided WCAPL shall 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.

## **C. CDD Measures for Legal Entities**

- i. For opening an account of a company, one certified copy of each of the following documents 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) one copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers of Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.
- ii. For opening an account of a partnership firm, one certified copy of each of the following documents shall be obtained:
  - (a) Registration certificate;
  - (b) Partnership deed;
  - (c) Permanent Account Number of the partnership firm;
  - (d) one copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers of Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf.
- iii. For opening an account of a trust, one certified copy of each of the following documents shall be obtained:
  - (a) Registration certificate;

- (b) Trust deed;
  - (c) Permanent Account Number or Form No.60 of the trust;
  - (d) one copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers of Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf-
- iv. For opening an account of an unincorporated association or a body of individuals, one certified copy 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) one copy of an OVD containing details of identity and address, one recent photograph and Permanent Account Numbers of Form 60 of the managers, officers or employees, as the case may be, holding an attorney to transact on its behalf identification information as mentioned under
  - (e) Such information as may be required by WCAPL 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' and the term 'body of individuals, includes societies.*

- v. 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, one certified copy of the following documents shall be obtained:
- (a) Document showing name of the person authorised to act on behalf of the entity;
  - (b) PAN/ OVD for proof of identity and address in respect of the person holding an attorney to transact on its behalf and
  - (c) Such documents as may be required by WCAPL to establish the legal existence of such an entity/juridical person.
- vi. **Selling Third party products-** The Company, if acting as agents while selling third party products as per regulations in force from time to time, will comply with the following aspects:
- a) The identity and address of the walk-in customer shall be verified for the transactions above rupees fifty thousand;
  - b) Transaction details of sale of third-party products and related records shall be maintained.
  - c) Monitoring of transactions for any suspicious activity will be done.
  - d) transactions involving rupees fifty thousand and above shall be undertaken only by:
    - i. debit to customers' account or against cheques; and
    - ii. obtaining and verifying the PAN given by the account based as well as walk-in customers.

#### **D. CDD Measures for 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.

#### **E. Simplified Due Diligence**

##### **For Self Help Groups (SHGs)**

- (a) KYC verification of all the members of SHG as per the CDD procedure mentioned in the Policy shall not be required while opening the savings bank account of the SHG.
- (b) KYC verification as per the CDD procedure mentioned in the Policy of all the office bearers shall suffice.
- (c) No separate KYC verification as per the CDD procedure mentioned in the Policy of the members or office bearers shall be necessary at the time of credit linking of SHGs

#### **F. Enhanced Due Diligence Measures**

**Accounts of Non-face-to-face customers:** The Company will include additional procedures i.e., certification of all the documents presented, calling for additional documents and the first payment to be affected through the customer's KYC-complied account with another regulated entity for enhanced due diligence of non-face to face customers.

##### **Accounts of Politically Exposed Persons (PEPs):**

- (i) WCAPL will 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
  - (c) the decision to open an account for a PEP is taken at a senior level in accordance with WCAPL'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.
- (ii) These instructions shall also be applicable to accounts where a PEP is the beneficial owner.

##### **Customer's accounts opened by Professional Intermediaries:**

WCAPL shall ensure while opening customer's accounts through professional intermediaries, that:

- (a) Customer shall be identified when client account is opened by a professional intermediary on behalf of a single client.
- (b) WCAPL 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) WCAPL shall not open accounts of such professional intermediaries who are bound by any client confidentiality that prohibits disclosure of the client details to WCAPL.
- (d) All the beneficial owners shall be identified where funds held by the intermediaries are not co-mingled at the level of Company (WCAPL), and there are 'subaccounts', each of them attributable to a beneficial owner, or where such funds are co-mingled at the level of the Company (WCAPL), WCAPL shall look for the beneficial owners.
- (e) WCAPL shall, at their discretion, rely on the 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 WCAPL.

### **3. ONGOING DUE DILIGENCE**

Ongoing monitoring is an essential element of effective KYC procedures. The Company shall 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. The Company shall identify transactions that fall outside the regular pattern of activity. However, the extent of monitoring will depend on the risk sensitivity of the account.

- a) WCAPL shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose.
- b) The Company will put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures in case of higher risk perception on a customer. The Company will carry such review of risk categorization of customers at a periodicity of not less than once in six months.
- c) For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, may be categorized as low risk. Illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government Departments & Government owned companies, regulators and statutory bodies, etc. In such cases, the policy may require that only the basic requirements of verifying the identity and location of the customer are to be met.
- d) Customers that are likely to pose a higher than average risk to WCAPL may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. WCAPL may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear.

Examples of customers requiring higher due diligence may include

- non-resident customers,
- high net worth individuals,
- trusts, charities, NGOs and organizations receiving donations,
- companies having close family shareholding or beneficial ownership,
- firms with 'sleeping partners',
- politically exposed persons (PEPs) of foreign origin,
- non-face to face customers, and
- those with dubious reputation as per public information available, etc.

#### **4. Periodic Updation**

Periodic KYC 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 as per the following procedure:

- a) WCAPL shall carry out
  - i) Certified copy of OVD containing identity and address shall be obtained at the time of periodic updation from individuals except those who are categorised as 'low risk'. In case of low risk customers when there is no change in status with respect to their identities and addresses, a self- certification to that effect shall be obtained.
  - ii) In case of Legal entities, WCAPL shall review the documents sought at the time of opening of account and obtain fresh certified copies.
- b) WCAPL may not insist on the physical presence of the customer for the purpose of furnishing OVD or furnishing consent for Aadhaar authentication unless there are sufficient reasons that physical presence of the account holder/holders is required to establish their bona-fides. Normally, OVD / Consent forwarded by the customer through mail/ post, etc., shall be acceptable.
- c) WCAPL shall ensure to provide acknowledgment with date of having performed KYC updation.

- d) The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.

## **7. MAINTENANCE OF RECORDS OF TRANSACTIONS:**

**Record-keeping requirements-** The Company shall introduce a system of maintaining proper record of transactions required under PMLA as mentioned below:

- a) all cash transactions of the value of more than Rs.10 lakh or its equivalent in foreign currency;
- b) all series of cash transactions integrally connected to each other which have been individually valued below Rs.10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds Rs.10 lakh or its equivalent in foreign
- c) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transactions;
- d) all suspicious transactions whether or not made in cash; and
- e) records pertaining to identification of the customer and his/her address; and
- f) should allow data to be retrieved easily and quickly whenever required or when requested by the competent authorities.

**Records to contain the specified information-** The records should contain the following information:

- a) the nature of the transactions;
- b) the amount of the transaction and the currency in which it was denominated;
- c) the date on which the transaction was conducted; and
- d) the parties to the transaction.

### **Maintenance and Preservation of records**

- a) maintain for at least 5 years from the date of transaction between the Company and the client, all necessary records of transactions referred in para above;
- b) maintain for at least 5 years from the date of transaction between the Company and the client, all necessary records of transactions which will permit reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity;
- c) records pertaining to the identification of the customer and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN card etc.) obtained while opening the account and during the course of business relationship would continue to be preserved for at least 5 years after the business relationship is ended;
- d) records may be maintained either in hard or soft format.

## **8. FURNISHING OF INFORMATION TO THE DIRECTOR, FINANCIAL INTELLIGENCE UNIT – INDIA (FIU- IND):**

In accordance with the requirements under PMLA, the Company will furnish the following reports, as and when required, to the Director, Financial Intelligence Unit-India (FIU-IND):

- a) **Cash Transaction Report (CTR)-** If any such transactions detected, Cash Transaction Report (CTR) for each month by 15<sup>th</sup> of the succeeding month.
- b) **Counterfeit Currency Report (CCR)-** All such cash transactions where forged or counterfeit Indian currency notes have been used as genuine as Counterfeit Currency Report (CCR) for each month by 15<sup>th</sup> of the succeeding month.
- c) **Suspicious Transactions Reporting (STR)-** The Company will endeavor to put in place automated systems for monitoring transactions to identify potentially suspicious activity. Such triggers will be investigated and any suspicious activity will be reported to FIU-IND.

The Company will file the Suspicious Transaction Report (STR) to FIU-IND within 7 days of arriving at a conclusion that any transaction, whether cash or non-cash, or a series of transactions integrally connected are of suspicious nature.

However, in accordance with the regulatory requirements, the Company will not put any restriction on operations in the accounts where an STR has been filed. An indicative list of suspicious transactions as given as Annexure B.

**Confidentiality and Prohibition against disclosing Suspicious Activity Investigations and Reports-** The Company will maintain utmost confidentiality in investigating suspicious activities and while reporting CTR/ CCR/ STR to the FIU-IND/ higher authorities. However, the Company may share the information pertaining to the customers with the statutory/ regulatory bodies and other organizations such as banks, credit bureaus, income tax authorities, local government authorities etc.

## **9. REPORTING REQUIREMENT UNDER FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARDS (CRS)**

If applicable to the Company, it will adhere to the provisions of Income Tax Rules 114F, 114G and 114H. If the Company becomes a Reporting Financial Institution as defined in Income Tax Rule 114F, it will take the following requisite steps for complying with the reporting requirements:

- i. Register on the related e-filing portal of Income Tax Department as a Reporting Financial Institution;
- ii. 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;
- iii. Develop Information Technology (IT) framework for carrying out due diligence procedure and for recording and maintaining the same, as provided in Rule 114H;
- iv. Develop a system of audit for the IT framework and compliance with Rules 114F, 114G and 114H of Income Tax Rules.;
- v. Constitute a "High Level Monitoring Committee" under the Designated Director or any other equivalent functionary to ensure compliance;
- vi. 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.

## **10. RESPONSIBILITIES OF THE SENIOR MANAGEMENT**

**a) Designated Director-** The Company shall nominate a "Designated Director" to ensure compliance with the obligations prescribed by the PMLA and the Rules thereunder. The "Designated Director" can be a person who holds the position of senior management or equivalent. However, it shall be ensured that the Principal Officer is not nominated as the "Designated Director".

**b) Principal Officer-** An official (having knowledge, sufficient independence, authority, time and resources to manage and mitigate the AML risks of the business) shall be designated as the Principal Officer of the Company. The Principal Officer will responsible for ensuring compliance, monitoring transactions, and sharing and reporting information as required under the law/ regulations.

### **c) Key Responsibilities of the senior management**

- i) Ensuring overall compliance with regulatory guidelines on KYC/ AML issued from time to time and obligations under PMLA.
- ii) Proper implementation of the company's KYC & AML policy and procedures.

## **11. OTHER MEASURES**

### **Independent Evaluation**

To provide reasonable assurance that its KYC and AML procedures are functioning effectively, an audit of its KYC and AML processes will covered under Internal Audit of the Company.

The audit findings and compliance thereof will be put up before the Audit Committee of the Board on quarterly intervals till closure of audit findings.

**Secrecy Obligations and Sharing of Information:**

- (i) WCAPL shall maintain secrecy regarding the customer information which arises out of the contractual relationship between the lender and customer.
- (ii) While considering the requests for data/information from Government and other agencies, WCAPL shall satisfy themselves that the information being sought is not of such a nature as will violate the provisions of the laws relating to secrecy in transactions.

**Sharing KYC information with Central KYC Records Registry(CKYCR)**

The Company will capture the KYC information for sharing with the CKYCR in the manner as prescribed in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, under the prescribed KYC templates for 'individuals' and 'Legal Entities' as applicable. Further, the Company will upload the KYC data pertaining to all types of prescribed accounts with CKYCR, as and when required, in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

**Hiring of Employees and Employee training**

- (a) Adequate screening mechanism as an integral part of their personnel recruitment/hiring process shall be put in place.
- (b) On-going employee training programme shall be put in place so that the members of staff are adequately trained in KYC/AML Measures policy. The focus of the training shall be different for frontline staff, compliance staff and staff dealing with new customers. The front desk staff shall be specially trained to handle issues arising from lack of customer education. Proper staffing of the audit function with persons adequately trained and well-versed in KYC/AML Measures policies of WCAPL, regulation and related issues shall be ensured.

**Selling Third party products:**

WCAPL acting as agents while selling third party products shall comply with the applicable laws/regulations, including system capabilities for capturing, generating and analysing alerts for the purpose of filing CTR/STR in respect of transactions relating to third party products with customers.

**Adherence to Know Your Customer (KYC) guidelines by WCAPL and persons authorised by WCAPL including brokers/agents etc.**

- (a) Persons authorized by WCAPL for selling loan related products, their brokers/ agents or the like, shall be fully compliant with the KYC guidelines applicable to WCAPL.
- (b) All information shall be made available to the Reserve Bank of India to verify the compliance with the KYC guidelines and accept full consequences of any violation by the persons authorised by WCAPL including brokers/ agents etc. who are operating on their behalf.

WCAPL shall ensure that the provisions of the PML Act, Rules framed thereunder and the Foreign Contribution (Regulation) Act, 2010, applicable, are adhered to strictly.

Where WCAPL is unable to apply appropriate KYC measures due to non-furnishing of information and / or non-cooperation by the customer, WCAPL may consider closing the account or terminating the business relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decisions need to be taken at a reasonably senior level.

The provision of this WCAPL KYC-AML Policy shall supersede all the versions of KYC- AML policy issued and circulated earlier



## Annexure-A

### **INDICATIVE LIST OF CUSTOMER IDENTIFICATION DOCUMENTS**

Features	Documents
Accounts of individuals Proof of Identity/ Address	<p>Copy of any one of the following along with PAN Card:</p> <ul style="list-style-type: none"> <li>i) Passport (Not Expired)</li> <li>ii) proof of possession of Aadhaar number</li> <li>iii) Voter's Identity Card issued by Election Commission</li> <li>iv) Driving License (Not Expired)</li> <li>v) Job Card issued by NREGA duly signed by an officer of the State Govt.</li> <li>vi) Letter issued by the National Population Register containing details of name and address.</li> </ul> <p>Where '<b>simplified measures</b>' are applied for verifying the identity of customers the following documents shall be deemed to be 'officially valid documents:</p> <ul style="list-style-type: none"> <li>i) identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;</li> <li>ii) letter issued by a gazetted officer, with a duly attested photograph of the person.</li> </ul> <p>Where 'simplified measures' are applied for verifying for the limited purpose of proof of address the following additional documents are deemed to be OVDs:</p> <ul style="list-style-type: none"> <li>i) Utility bill which is not more than two months old of any service provider (electricity, telephone, postpaid mobile phone, piped gas, water bill);</li> <li>ii) Property or Municipal Tax receipt;</li> <li>iii) Bank account or Post Office savings bank account statement;</li> <li>iv) Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;</li> <li>v) Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation; and</li> <li>vi) Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India</li> </ul>
<b>Accounts of Companies</b>	<ul style="list-style-type: none"> <li>i) Certificate of incorporation;</li> <li>ii) Memorandum and Articles of Association;</li> <li>iii) PAN Card</li> <li>iv) A resolution from the Board of Directors and power of attorney granted to managers, officers or employees to transact on its behalf; and</li> <li>v) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.</li> </ul>
<b>Accounts of Partnership firms</b>	<ul style="list-style-type: none"> <li>i) Registration certificate;</li> <li>ii) Partnership deed;</li> <li>iii) PAN Card and</li> <li>iv) An officially valid document in respect of the person holding an attorney to transact on its behalf.</li> </ul>
<b>Accounts of Trusts and foundations</b>	<ul style="list-style-type: none"> <li>i) Registration certificate;</li> <li>ii) Trust deed;</li> <li>iii) PAN Card and</li> <li>iv) An officially valid document in respect of the person holding a power of attorney to transact on its behalf</li> </ul>
<b>Accounts of unincorporated association or a body of individuals</b>	<ul style="list-style-type: none"> <li>i) Resolution of the managing body of such association or body of individuals;</li> <li>ii) Power of attorney granted to him to transact on its behalf;</li> <li>iii) PAN Card</li> </ul>

	<p>iv) An officially valid document in respect of the person holding an attorney to transact on its behalf; and</p> <p>v) Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals.</p>
<p><b>Accounts of Proprietorship Concerns</b></p> <p>Proof of the name, address and activity of the concern</p>	<p>Apart from Customer identification procedure as applicable to the proprietor any two of the following documents in the name of the proprietary concern would suffice:</p> <ul style="list-style-type: none"> <li>• Registration certificate (in the case of a registered concern)</li> <li>• Certificate/licence issued by the Municipal authorities under Shop &amp; Establishment Act,</li> <li>• Sales and income tax returns</li> <li>• CST/VAT certificate</li> <li>• Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities</li> <li>• Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. The 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.</li> </ul> <p>However, in cases where the Company is satisfied that, for any proposal, the proprietary concern is not possible to furnish two such documents, the Company will have the discretion to accept only one of those documents as activity proof. In such cases, the Company, however, will undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.</p>
<p><b>Juridical persons not specifically covered</b></p>	<p>i. Document showing name of the person authorised to act on behalf of the entity</p> <p>ii. An officially valid document in respect of the person holding a power of attorney to transact on its behalf</p>

## **Annexure-B**

### **ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS:**

- 1) Legal structure of client has been altered numerous times (name changes, transfer of ownership, change of corporate seat).
- 2) Unnecessarily complex client structure.
- 3) Individual or classes of transactions that take place outside the established business profile, and expected activities/ transaction unclear.
- 4) Customer is reluctant to provide information, data, documents;
- 5) Submission of false documents, data, purpose of loan, details of accounts;
- 6) Refuses to furnish details of source of funds by which initial contribution is made, sources of funds are doubtful etc.;
- 7) Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;
- 8) Approaches a branch/ office of WCAPL, which is away from the customer's residential or business address provided in the loan application, when there is a branch/ office nearer to the given address;
- 9) Unable to explain or satisfy the numerous transfers in account/ multiple accounts;
- 10)Initial contribution made through unrelated third-party accounts without proper justification;
- 11)Availing a top-up loan and/ or equity loan, without proper justification of the end use of the loan amount;
- 12)Suggesting dubious means for the sanction of loan;
- 13)Where transactions do not make economic sense;
- 14)Unusual financial transactions with unknown source.
- 15)Payments received from un-associated or unknown third parties and payments for fees in cash where this would not be a typical method of payment.
- 16)There are reasonable doubts over the real beneficiary of the loan;
- 17)Encashment of loan amount by opening a fictitious bank account;
- 18)Applying for a loan knowing fully well that the property/dwelling unit to be financed has been funded earlier and that the same is outstanding;
- 19)Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
- 20)Multiple funding of the same property/dwelling unit;
- 21)Request for payment made in favour of a third party who has no relation to the transaction;
- 22)Usage of loan amount by the customer in connivance with the vendor/builder/developer/broker/agent etc. and using the same for a purpose other than what has been stipulated.
- 23)Multiple funding / financing involving NCO / Charitable Organisation / Small/ Medium Establishments (SMEs) / Self Help Groups (SHCs) / Micro Finance Groups (MFCs)
- 24)Frequent requests for change of address;
- 25)Overpayment of instalments with a request to refund the overpaid amount.
- 26)Investment in real estate at a higher/lower price than expected.
- 27)Clients incorporated in countries that permit bearer shares.