Transparency Report

wazirx

OCTOBER 2023 – MARCH 2024

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Report Highlights

The 6th Transparency Report focuses on WazirX's efforts to create a robust and user-friendly platform for engagement with virtual digital assets.

01

We continued to scale our user support system with automated chat bots, an in-house team, and cutting edge technology to ensure customer satisfaction.

02

We listed 16 New Tokens and 30 New Trading Pairs during this period.

03

WazirX saw a 217% increase in volume during this period as compared to April to September last year.

04

There was a 122% increase in sign ups as well.

05

WazirX also diligently coordinated with Indian and Foreign LEAs and assisted them to identify suspicious transactions, suspected frauds, and identity thefts. Besides that, with the help of third party transaction monitoring tools WazirX took deterrent action against transactions which appeared to be complex or other than in the normal course.

06

As its bounden duty and responsibility in the capacity of a reporting entity registered with the Financial Intelligence Unit, India (FIU-IND) WazirX diligently reported suspicious transactions to the FIU. WazirX also continues to actively engage with the FIU-IND and seeks their guidance to ensure compliance of the guidelines in letter and spirit.

07

Introduction

WazirX brings you the sixth version of the Transparency Report which covers an overview of initiatives that the company took during the months of October 2023 to March 2024.

During the above-mentioned time period, 1700 requests were received from Law Enforcement agencies (LEA). WazirX promptly provided all information as sought, and our compliance rate in record timeliness and accuracy was 100%.

The platform witnessed a 217% increase in trading volumes and 122% increase in sign ups during October to March as compared to the period between April 2023 and September 2023. March witnessed the highest trading volume of over $400M, whereas December saw the highest sign up rates.

WazirX, as a member of the Bharat Web3 Association, also participated in events, round table conferences, and continued collaboration with stakeholders to sustain awareness initiatives.

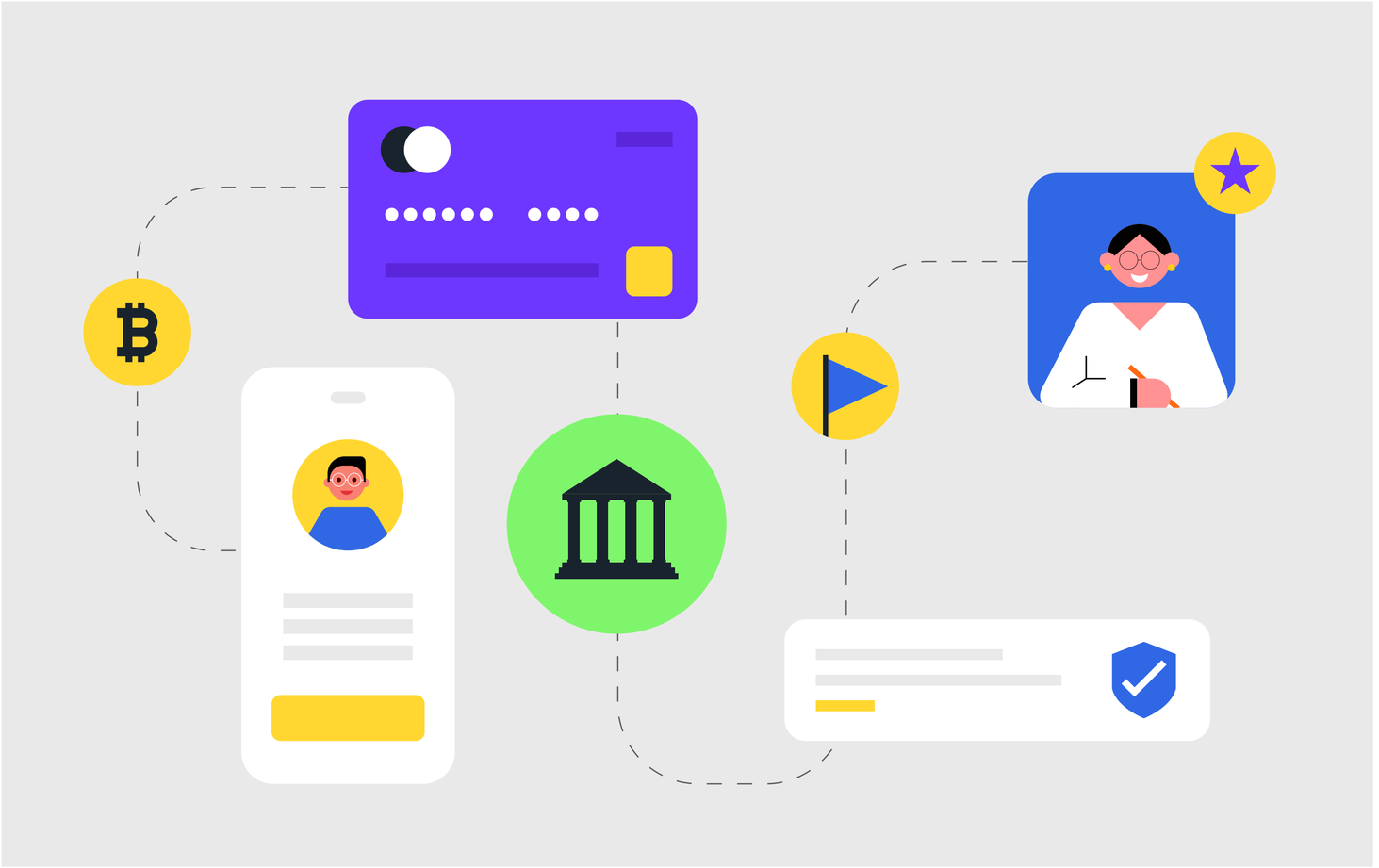
WazirX also engaged with the media to share their insights about developments in the industry.

Policy and Legal Composition

WazirX TRM Labs + Chainalysis efficient transaction monitoring, ease of investigation into possible suspicious activities, speedy response to LEAs

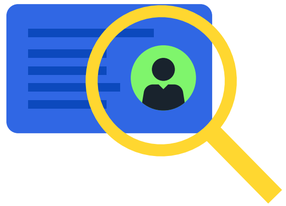
In addition to that, we continued to review and modify internal systems, processes, and protocols to keep the system updated according to developments in the regulatory landscape or changing nature of requests,

For a step further towards creating a safe trading environment, our user agreements/terms and conditions have always bound the user to provide any information as may be sought by us in connection with their account/transactions and share any information/details of their account/transactions with LEAs if demanded. This is done in order as per the law of the land to ensure optimum cooperation and assistance to the concerned LEA's



Investor Protection

What we continued to do



KYC Authentication

To ensure that only legitimate users access our platform, we only allow verified users who are identifiable with KYC documents. One customer can have only one account with us (using a particular KYC credential such as PAN, Aadhaar etc) and the system would not permit an already registered user to once again open an account.

Bank Verification

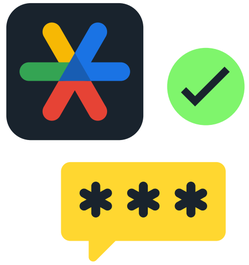
We use the 'Penny Drop' technique wherein a token amount (Rs. 1) is deposited in the User's bank account proposed to be registered with us, and depending on the output file of the bank, it is checked if the name credentials match with the respective user.

KYC History Feature

With this feature it will be possible to track all the moves that a user does before his/her KYC is verified/rejected. Every status change will be tracked, recorded and will be available to our KYC and compliance team to do an in-depth check.

KYC Verification

WazirX's KYC terms and processes are available on the platform publicly for prospective users to refer to. Because of this, for every transaction, WazirX is able to produce the KYC details of the relevant user.

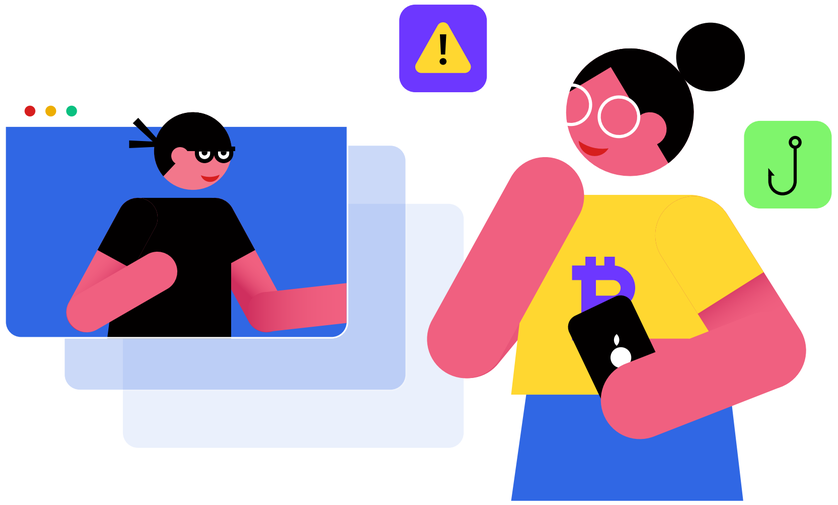


2 Factor Authentication

To ensure there is safety and no misuse, we have given our users 2 options for setting up a 2-factor authentication process:

- **2FA via SMS OTP**
- **2FA via Authenticator app - Google Authenticator, Authy**

Investor Protection



WazirX ensured to scan new user details to identify any individual listed as a threat by the United Nations Security Council Resolutions (UNSCR), UAPA and PEP. This was in line with regulatory requirements to identify and prevent fraudulent actors from using platforms that provide access to virtual digital assets.

WazirX ensured verification of user details with the National Securities Depository Limited (NSDL) (government) database based on the PAN to check the authenticity of the ID uploaded as address proof.

To know more details about the flow of transaction on WazirX, refer to the links below

https://support.wazirx.com/hc/en-us/articles/4411623348762-Deposit-INR-to-your-WazirX-account-Process-Time-Taken

https://support.wazirx.com/hc/en-us/articles/6280185639066-Instant-INR-Deposit-to-your-WazirX-account-via-NEFT-RTGS

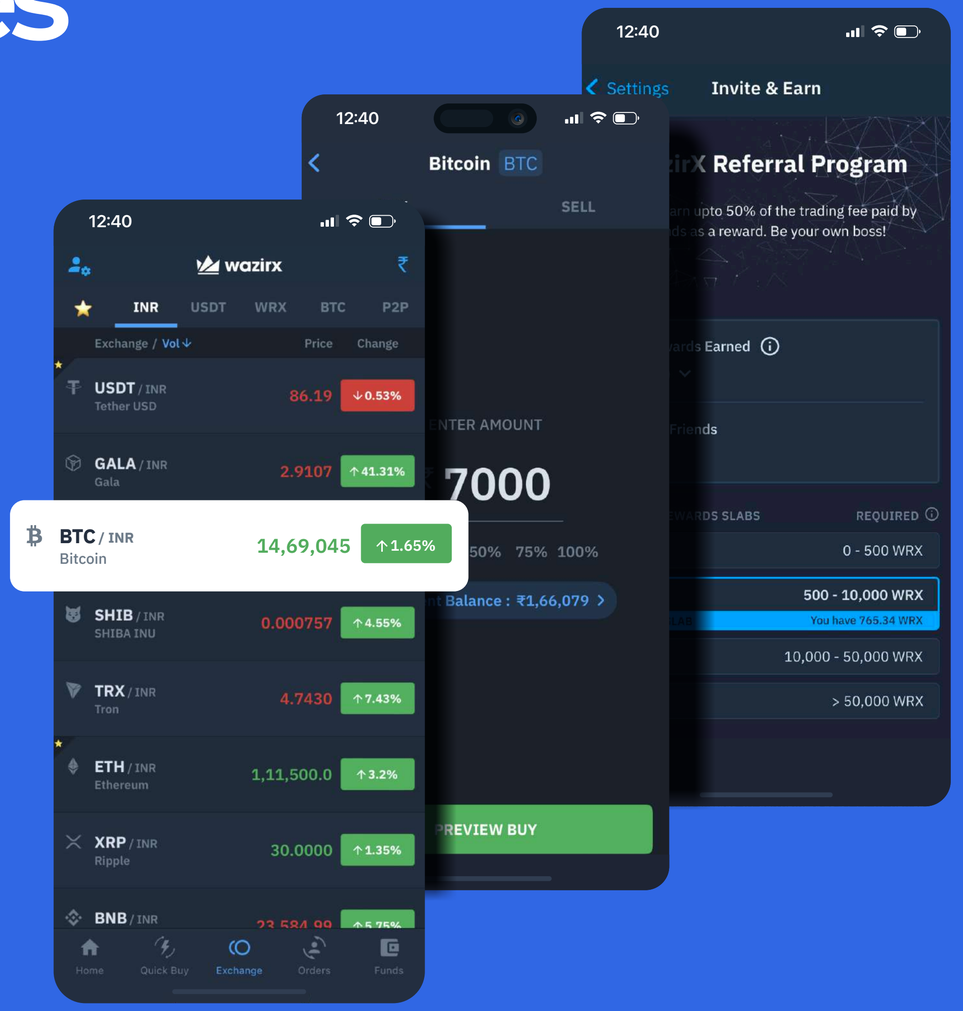
Customer Support

We continued to address user queries through multiple channels. These included chatbots and in-house customer support teams. Our integrated system and dedicated support team engaged in over 158900 user interactions from October 2023 to March 2024.

WazirX Application and Technical Updates

We introduced seamless sign-in options with Google and Apple, making it easier for users to begin their journey on WazirX.

WazirX revamped its interface to present a more contemporary look and also enhance the trading journey with speed and efficiency.



WazirX added the following:

- **16 New listings**

  12 tokens were listed in both USDT & INR markets
  4 tokens were listed in USDT markets only

- **30 new trading pairs**

  These tokens were previously listed in USDT markets only, now we have enabled them in the INR market as well.

Law Enforcement Request, Fraud Prevention

Protocols we continued to maintain

- Carrying out Enhanced Due Diligence to verify credentials and financials of the client.
- Suspension/Blocking of a user's account in case of violation of policies, deficient or suspicious KYC, or any suspicious behavior identified by our monitoring system
- A swift Turnaround Time for responding to Law Enforcement Requests - 22 mins for first cut reply
- Enabled every transaction's hash to pass through our third party API, including the sender and recipient addresses, and screened for risk indicators
- Used forensic tools to investigate any transaction that has been flagged by our screening system

Proactive Collaboration

In order to boost better engagement and collaboration with LEAs, WazirX continues to proactively report suspicious transactions to law enforcement. This reporting is done for both accounts deemed to be high-risk ones as well as regular users not abiding by protocol.

The team receives an alert from third party tools on every suspicious transaction, after which the account is blocked, and investigations related to fund sources, transfers, bank documents, and ID checks are carried out. Users are notified in case additional documentation is required to unblock the account. Up to 3 reminders are given before the account is blocked for a longer period.

In order to stay up to date with the latest compliance requirement, WazirX users need to submit Self Declaration details. This data is used in monitoring and reporting any suspicious transactions to FIU.

Cases Assisted

Our compliance team collaborated with the Joint Cyber Crime Coordination Teams (JCCT) North East, Assam Police and I4C MHA to conduct a training session on cryptocurrency technology, potential vulnerabilities, security challenges and best practices to identify and prevent frauds through virtual digital assets.

Law Enforcement Request, Fraud Prevention

06

Strategically embedding the use of data through digital monitoring capabilities

WazirX's transaction monitoring system with third party tools and data generation for regulatory authorities, has assisted law enforcement agencies to sustain a strong monitoring system besides the following:

- **Payments fraud intelligence**
- **Audit trail maintenance**
- **Improved TAT for compliance personnel**
- **Improved data quality and architecture**
- **Knowledge sharing capabilities.**

If you're a representative of a Law Enforcement Agency and wish to seek information about a specific user/ transaction details, follow the steps below

- Send an email to legal@wazirx.com from the official email ID of the law enforcement agency along with a duly authorized written request.
- The email will be scrutinized along with the details of the complaint, investigating officer, and seal of the agency.
- If convinced with the scrutiny, appropriate action, as requested, is initiated from WazirX.

Policy Outreach

WazirX proudly contributed to shaping Haryana’s Emerging Technology Policy alongside the Bharat Web3 Association, ushering in a new era for Web3 and blockchain technologies in India

BHARAT WEB3 ASSOCIATION

Collaborations and Outreach

- **Collaborating with TaxNodes and GoSats, WazirX empowered the youth at IIT Bombay's Techfest through a focused workshop on Crypto Trading, shaping the minds of future crypto enthusiasts and industry leaders in December 2023.**

- **WazirX participated in the International Startup Summit which focussed on discussions spanning government support and policies for startups and the transformative potential of AI, ML, and blockchain in the startup sphere.**

Learn and Earn Campaigns

- We collaborated with TOKEN for one of the campaigns. Participants engaged in a quiz, traded TOKEN, and stood a chance to win 150 $TOKEN. The campaign took place from November 21 to November 24, 2023.

- In collaboration with HTX DAO, we hosted a campaign in which participants could win from a $500 USDT prize pool by taking a quiz and trading HTX tokens. The campaign took place in February.

Position Papers and Advocacy Programs

WazirX has continued to share reading material on its blog frequently and also indulges in discussions on **X, Telegram, Instagram, YouTube**, and more platforms.

Tackling misinformation and busting misconceptions around VDA is just one of the ways in which we can help our users make informed VDA investment decisions. As pioneers in this space, we are committed to spreading the right information to our users. We are constantly making efforts to foster a conducive environment to help the crypto community make informed choices.

wazirx