



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2010-11/531
A.P. (DIR Series) Circular No. 61

May 16, 2011

To,
All Authorized Persons

Madam/ Dear Sir,

Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT)/Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009- Money changing activities

Attention of Authorized persons is invited to Paragraph 4.4 (e) (i), 4.4 (e) (ii) and 4.13 (i) of F-Part-I of the Annex to [A.P. \(DIR Series\) Circular No.17 {A.P. \(FL/RL Series\) Circular No. 4 } dated November 27, 2009.](#)

2. On a review, it has been decided to amend the instructions contained in the said paragraphs. The amended instructions are given in the Annex.

3. All the other instructions contained in A.P.(DIR Series) Circular No.17 {A.P. (FL/RL Series) Circular no.4} dated November 27, 2009 shall remain unchanged.

4. Authorised Persons should bring the contents of this Circular to the notice of their constituents and customers concerned.

5. The directions contained in this Circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended by the Prevention of Money Laundering (Amendment) Act, 2009 and the Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the

Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended from time to time. Non-compliance with the guidelines would attract penal provisions of the Acts concerned or Rules made there under.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager-in-Charge

Annex (Revised)

[Annex to A. P. (DIR Series) Circular No. 61
dated May 16, 2011]

Paragraph No. [cf. F-Part-I [Annex to A.P. (DIR Series) Circular No.17 {A.P. (FL/RL Series) Circular No. 4 dated November 27, 2009]	Existing Instructions	Amended Instructions
4.4 e (i) Purchase of foreign exchange from customers	For purchase of foreign currency notes and/ or Travellers' Cheques from customers for any amount less than US \$ 200 or its equivalent, photocopies of the identification document need not be obtained. However, full details of the identification document should be maintained.	<p>For purchase of foreign currency notes and/ or Travellers' Cheques from customers for any amount less than Rs. 50,000/-, or its equivalent, photocopies of the identification document need not be obtained. However, full details of the identification document should be maintained.</p> <p>If the Authorised Person has reason to believe that a customer is intentionally structuring a transaction into a series of transactions below the threshold of Rs.50000/-, the A.P. should verify identity and address of the customer and also consider filing a suspicious transaction report to FIU-IND.</p>
4.4 e (ii)	For purchase of foreign currency notes and/ or Travellers' Cheques from customers for any amount in excess of US \$ 200 or its equivalent, the identification documents, as mentioned at (F-Part-II) annexed to this Circular, should be verified and a copy retained.	For purchase of foreign currency notes and/ or Travellers' Cheques from customers for any amount equal to or in excess of Rs.50,000/-, or its equivalent, the documents, as mentioned at (F-Part-II) annexed to the A.P. (DIR Series) Circular No.17 {A.P.(FL/RL Series) Circular No.4} dated November 27,

		2009, should be verified and copies retained.
4.4 e (vi)	In case of any suspicion of money laundering or terrorist financing, irrespective of the amount involved, enhanced Customer Due Diligence (CDD) should be applied.	<p>In case of any suspicion of money laundering or terrorist financing, irrespective of the amount involved, enhanced Customer Due Diligence (CDD) should be applied.</p> <p>Whenever there is suspicion of money laundering or terrorist financing or when other factors give rise to a belief that the customer does not, in fact, pose a low risk, APs should carry out full scale Customer Due Diligence (CDD) before undertaking any transaction for the customer.</p>

<p>4.13 (i) Maintenance of records of transactions</p>	<p>APs should introduce a system of maintaining proper record of transactions prescribed under Rule 3, as mentioned below:</p> <p>a) all cash transactions of the value of more than Rupees Ten Lakh or its equivalent in foreign currency;</p> <p>b) all series of cash transactions integrally connected to each other which have been valued below Rupees Ten Lakh or its equivalent in foreign currency where such series of transactions have taken place within a month; and</p> <p>c) all suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.</p>	<p>APs should introduce a system of maintaining proper record of transactions prescribed under Rule 3, as mentioned below:</p> <p>a) all cash transactions of the value of more than Rupees Ten Lakh or its equivalent in foreign currency;</p> <p>b) all series of cash transactions integrally connected to each other which have been valued below Rupees Ten Lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds Rupees Ten Lakh;</p> <p>c) all transactions involving receipts by non-profit organisations of value more than Rupees ten lakh or its equivalent in foreign currency [Ref: Government of India Notification dated November 12, 2009- Rule 3,sub-rule (1) clause (BA) of PML Rules];</p> <p>d) 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 transaction; and</p> <p>e) All suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.</p>
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