



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2013-14/167

UBD.BPD (PCB) Cir. No. 2 /14.01.062/2013-14

July 31, 2013

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Dear Sir,

**Know Your Customer (KYC)/Anti Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT)/ Obligation of banks under Prevention of Money Laundering Act (PMLA), 2002 – Simplifying norms for Periodical Updation of KYC - Primary (Urban) Co-operative Banks (UCBs)**

Please refer to paragraph 2.4 (d) of our [Master circular UBD.BPD.\(PCB\).MC.No.16 /12.05.001/2013-14 dated July 1, 2013](#) on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT)/Obligations of banks under PMLA, 2002 which states that “Banks should introduce a system of periodical updation of customer identification data (including photograph/s) after the account is opened. The periodicity of such updation should not be less than once in five years in the case of low risk category customers and not less than once in two years in case of high and medium risk categories”.

2. The issue has been reviewed in the light of practical difficulties/constraints expressed by bankers/customers in obtaining/submitted fresh KYC documents at frequent intervals as the relative documents submitted earlier specially by low-risk customers have remained unchanged in most of the accounts. Accordingly, based on the suggestions received, it has been decided to amend the instructions as under:

a) Primary (Urban) Co-operative Banks (UCBs) would need to continue to carry out on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and, wherever necessary, the source of funds.

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: [cgmincubd@rbi.org.in](mailto:cgmincubd@rbi.org.in)

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: [cgmincubd@rbi.org.in](mailto:cgmincubd@rbi.org.in)

बैंक हिन्दी में पत्राचार का स्वागत करता है।

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं माँगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



b) Full KYC exercise will be required to be done at least every two years for high risk individuals and entities.

c) Full KYC exercise will be required to be done at least every eight years for medium risk and at least every ten years for low risk individuals and entities.

d) Positive confirmation (obtaining KYC related updates through e-mail/letter/telephonic conversation/forms/interviews/visits, etc.), will be required to be completed at least every two years for medium risk and at least every three years for low risk individuals and entities.

e) Fresh photographs will be required to be obtained from minor customers on their becoming major.

3. UCBs may revise their KYC policy in the light of the above instructions and ensure strict adherence to the same.

Yours faithfully,

(A.K. Bera)  
Principal Chief General Manager