



RBI/2010-2011/150

DBOD. AML.No.1930/14.01.036/2010-11

August 2, 2010

The Chairmen/CEOs of all Scheduled Commercial Banks(Excluding RRBs)/ Local Area Banks / All India Financial Institutions

Dear Sir,

Know Your Customer (KYC) Norms/ Anti- Money Laundering (AML) Standards/ Combating of Financing of Terrorism (CFT)

Please refer to our letter [DBOD. AML.No.16477 /14.01.034/2009-10 dated March 26, 2010](#) on risks arising from the deficiencies in AML/CFT regime of Iran, Angola, Democratic People's Republic of Korea (DPRK), Ecuador, Ethiopia, Pakistan, Turkmenistan and Sao Tome and Principe.

2. Financial Action Task Force (FATF) has issued a further Statement on June 25, 2010 on the subject ([copy enclosed](#)). It may be observed that the statement divides the strategic AML/CFT deficient jurisdictions into two groups as under:

- a) Jurisdictions subject to FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/FT) risks emanating from the jurisdiction : Iran
- b) Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of June 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction: Democratic People's Republic of Korea (DPRK), Sao Tome and Principe.



3. All banks and All India Financial Institutions are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal persons and other financial institutions) from or in these countries/ jurisdictions.

4. Please advise Principal Officer of your bank to acknowledge receipt of this circular letter.

Yours faithfully,

(Vinay Baijal)
Chief General Manager

Encl: As above