

RBI/2023-24/107

DOR.AML.REC. 66 /14.01.001/2023-24

January 04, 2024

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/Madam,

Amendment to the Master Direction (MD) on KYC

Please refer to the [Master Direction \(MD\) on KYC dated February 25, 2016](#), as amended from time to time, in terms of which Regulated Entities (REs) have to undertake Customer Due Diligence (CDD), as per the process laid out therein, for their customers.

2. In the extant Direction, the definition of Politically Exposed Persons (PEPs) is provided in sub-clause (xvii) of clause (a) of Section 3 of the MD on KYC. However, in order to provide better clarity, it has been decided to include the definition of PEPs as an explanation to Section 41 of the Master Direction as under:

*“Explanation: For the purpose of this Section, “Politically Exposed Persons” (PEPs) are individuals who are or have been entrusted with prominent public functions **by a foreign country**, including the Heads of States/Governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials.”*

3. Consequently, the sub-clause (xvii) of clause (a) of Section 3 of the above quoted Master Direction has been removed. The relevant Sections of the [MD on KYC](#) are hereby amended to reflect the changes as mentioned above.

Yours faithfully,

(Saidutta Sangram Keshari Pradhan)
General Manager