



RBI/2016-17/173

DBR.AML.BC.No.44/14.01.001/2016-17

December 06, 2016

All Regulated Entities (REs)

Dear Sir/Madam,

Requirement of customer due diligence and need for maintenance of records

It has been reported that, of late, a lot of customers are approaching banks for re-activation of dormant accounts.

2. In this regard, we invite attention to paragraph 24.2 (ix) of the [Master Circular on 'Customer Services in Banks' dated July 1, 2015](#), requiring that operation in dormant accounts with banks may be allowed after due diligence as per risk category of the customer. As stated therein, 'due diligence' would mean ensuring genuineness of the transaction, verification of the signature and identity etc.

3. Attention is also invited to Chapters VI and VII of our [Master Direction on KYC dated February 25, 2016](#), addressed to all Regulated Entities (REs) in terms of which

- (a) as part of the Customer Due Diligence Procedure, certified copies of officially valid documents for proof of identity and address are to be obtained while establishing an account based relationship;
- (b) REs shall, among others, take steps for preserving the customer account information including preservation of records pertaining to the identification of the customers and their addresses obtained while opening the account, for at least five years after the business relationship is ended.

4. It is reiterated that REs shall ensure compliance, *inter alia*, with the above mentioned instructions as applicable on activation of dormant accounts, customer due diligence and record management, scrupulously.

(S.S.Barik)

Chief General Manager - in - Charge

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