



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2009-10/221

UBD. CO. BPD. PCB.Cir. No. 20/ 12.05.001 / 2009-10

November 13, 2009

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

Madam/Dear Sir

Prevention of Money Laundering Act, 2002 – Obligation of banks in terms of Rules notified there under - Urban Co-operative Banks (UCBs)

Please refer to our [circular UBD.CO. BPD. \(PCB\) No. 1/12.05.001/2008-09](#) dated July 02, 2008 on the captioned subject wherein banks have been advised to submit Counterfeit Currency Reports (CCR) along with Cash Transaction Reports (CTR) and Suspicious Transaction Reports (STR) to Financial Intelligence Unit - India (FIU-IND). UCBs we also advised that the cash transactions where forgery of valuable security or documents has taken place may also be reported to FIU-IND.

2. It has been reported by FIU-IND that many UCBs are yet to file STRs and CCRs despite availability of utilities for preparing electronic CTRs/STRs/CCRs, user friendly website, extending faculty support for the training by FIU-IND, etc. In view of the concerns raised by FIU-IND, UCBs are advised to take prompt action on the following:

- i) To strengthen the system for detection of suspicious transactions and reporting the same to FIU-IND. UCBs may also examine the possibility of installing AML software for alert generation on STRs,
- ii) To strictly adhere to the KYC guidelines issued by Reserve Bank of India from time to time,

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बैंक हिन्दी में पत्राचार का स्वागत करता है ।

- iii) To invariably include 'integrally connected cash transactions' as explained in [Annex I of circular UBD.CO. BPD. \(PCB\) No. 1/12.05.001/2008-09](#) dated July 02, 2008 in CTRs,
- iv) To monitor transactions through credit cards, domestic as well as cross border wire transfer, accounts of charitable organisations etc. meticulously and to report suspicious transactions amongst them, if any,
- v) To cover maximum number of operating staff in the sensitization programmes on AML/CFT issues, particularly on filing of STRs and CCRs, and
- vi) To ensure that error free reports are submitted to FIU-IND.

3. UCBs are advised to note that any contravention / non-compliance of the guidelines issued under Section 35A of the Banking Regulation Act, 1949 (AACS) and Prevention of Money Laundering Rules, 2005 shall attract penalties.

Yours faithfully,

(S. S. Barik)
General Manager