



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI /2010-11/300

RPCD.CO.RCB.AML.BC. No.32/07.40.00/ 2010-11

December 7, 2010

The Chief Executives of
all State and Central Co-operative Banks

Dear Sir,

Know Your Customer (KYC) norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under Prevention of Money Laundering Act, 2002 (PMLA) - Level of Compliance

Please refer to our circulars [RPCD.AML.BC.No.80/07.40.00/ 2004-05 dated February 18, 2005](#), [RPCD.CO.RF.AML.BC.No.28/07.40.00/ 2009-10 dated September 30, 2009](#) and [RPCD.CO.RF.AML.BC. No. 88/07.40.00/ 2009-10 dated June 25, 2010](#) on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT) /Obligation of banks under Prevention of Money Laundering Act (PMLA), 2002.

2. The PMLA, 2002 and the rules made therein imposed obligations on banks to furnish various Reports viz. Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs) and Counterfeit Currency Reports (CCRs) to Financial Intelligence Unit-India (FIU-IND) within the stipulated period as provided therein. FIU-IND has observed that the level of compliance with the KYC/AML/CFT measures under PMLA, 2002 is still very poor and some banks have not even taken a policy decision to appoint the Principal Officer of a sufficiently high level who could wield required authority in the bank to implement the KYC/AML/CFT measures sincerely.

3. In view of above, it is advised that banks should take steps to ensure strict compliance with PMLA, 2002 and to appoint officer of the rank of at least Deputy General Manager as Principal Officer and he should be assisted by a team of experienced officers well-versed in KYC/AML/CFT issues.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(B.P.Vijayendra)
Chief General Manager