



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RPCD.RRB.RCB.AML.BC.No.31/07.51.018/2014-15

September 9, 2014

Regional Rural Banks (RRBs) /
State / Central Cooperative Banks (StCBs/CCBs)

Madam / 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 (PMLA), 2002 – Client Due Diligence measures

Please refer to [paragraph 2](#) of our Master Circular RPCD.RRB.RCB.AML.BC.No.02/07.51.018/2014-15 dated July 1, 2014, as per which banks are required to:

- (i) Undertake client due diligence measures while commencing an account-based relationship. Such measures include identifying and verifying the customer and beneficial owner on the basis of reliable and independent information and data or documentation.
- (ii) Apply client due diligence measures to existing clients at an interval of two/eight/ten years in respect of high/medium/low risk clients respectively.
- (iii) Carry out ongoing due diligence of existing clients in order to ensure that their transactions are consistent with the bank's knowledge of the client, his business and risk profile and where necessary, the source of funds.
- (iv) Obtain 'positive confirmation' at two/three years in respect of medium and low risk customers respectively.

2. Taking into account the feedback received in this regard and keeping in view the provisions of the PML Rules, the matter has been reviewed. Accordingly, it is advised that while the requirements of client due diligence measures applied when establishing an account-based relationship and on-going due diligence would continue as indicated at paragraph 1(i) to 1(iii) above, it has been decided to dispense with the requirement of 'positive confirmation' as indicated at paragraph 1(iv) above.

ग्रामीण आयोजना और ऋण विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, पो.बा.सं.10014, मुंबई 400 001

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चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



3. Further, the requirement of applying client due diligence measures to existing clients at an interval of two/eight/ten years in respect of high/medium/low risk clients respectively, would also continue taking into account whether and when client due diligence measures have previously been undertaken and the adequacy of data obtained. Physical presence of the clients may, however, not be insisted upon at the time of such periodic updations.

4. RRBs and StCBs/CCBs may revise their KYC policy in the light of the above instructions and ensure strict adherence to the same.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager