



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RPCD.RRB.RCB.BC.No.84 /07.51.018/2013-14

July 25, 2013

The Chairmen / CEOs of all Regional Rural Banks /
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 (PMLA), 2002 - Simplifying norms for Periodical Updation
of KYC**

Please refer to paragraph 4 of our [circular RPCD.CO.RRB.No.BC. 50/03.05.33\(E\)/2007-08 dated February 27, 2008](#) and [RPCD.CO.RF.AML.BC.No. 51/07.40.00/2007-08 dated February 28, 2008](#) on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT) which states that “Banks should introduce a system of periodical updation of customer identification data (including photograph/s) after the account is opened. The periodicity of such updation should not be less than once in five years in the case of low risk category customers and not less than once in two years in case of high and medium risk categories”.

2. The issue has been reviewed in the light of practical difficulties/constraints expressed by bankers/customers in obtaining/submitting fresh KYC documents at frequent intervals as the relative documents submitted earlier specially by low-risk customers have remained unchanged in most of the accounts. Accordingly, based on the suggestions received, it has been decided to amend the instructions as under:

a) Banks would need to continue to carry out on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and, wherever necessary, the source of funds.

b) Full KYC exercise will be required to be done at least every two years for high risk individuals and entities.

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चेतावनी : रिज़र्व बैंक द्वारा 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.

c) Full KYC exercise will be required to be done at least every ten years for low risk and at least every eight years for medium risk individuals and entities.

d) Positive confirmation (obtaining KYC related updates through e-mail/letter/telephonic conversation/forms/interviews/visits, etc.), will be required to be completed at least every two years for medium risk and at least every three years for low risk individuals and entities.

e) Fresh photographs will be required to be obtained from minor customer on becoming major.

3. Banks 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