



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2013-14/441

RPCD.RRB.RCB.AML.BC.No. 75 /07.51.018/2013-14

January 09, 2014

The Chairmen / CEOs of all Regional Rural Banks /
State and Central Co-operative Banks

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 – Amendment to Section 13(2)**

Please refer to our [circulars RPCD.No.RRB.BC.81/03.05.33\(E\)/2004-05](#) and [RPCD.AML.BC.No.80/07.40.00/2004-05](#) both dated February 18, 2005 and the circulars issued from time to time on 'Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002.

2. With the enactment of Prevention of Money Laundering (Amendment) Act, 2012 and amendment to Section 13 of the Act which provides for “Powers of Director to impose fine”, the section 13(2) now reads as under:

"If the Director, in the course of any inquiry, finds that a reporting entity or its designated director on the Board or any of its employees has failed to comply with the obligations under this Chapter, then, without prejudice to any other action that may be taken under any other provisions of this Act, he may –

- (a) *issue a warning in writing; or*
- (b) *direct such reporting entity or its designated director on the Board or any of its employees, to comply with specific instructions; or*

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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.

(c) direct such reporting entity or its designated director on the Board or any of its employees, to send reports at such interval as may be prescribed on the measures it is taking; or

(d) by an order, levy a fine on such reporting entity or its designated director on the Board or any of its employees, which shall not be less than ten thousand rupees but may extend to one lakh rupees for each failure."

3. In view of the above amendment, Regional Rural Banks and State/Central Cooperative Banks may nominate a Director on their Boards as "designated Director" to ensure compliance with the obligations under the Prevention of Money Laundering (Amendment) Act, 2012.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager