



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2010-11/366

RPCD.CO RRB.AML.BC.No. 46 / 03.05.33(E)/2010-11

January 12, 2011

**The Chairmen
All Regional Rural Banks (RRBs)**

Dear Sir,

**Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/
Combating of Financing of Terrorism (CFT)/obligation of banks under PMLA 2002**

Please refer to our [circular RPCD. No. RRB.BC.81/ 03.05.33 \(E\) / 2004-05 dated February 18, 2005](#) on 'Know Your Customer' (KYC) Guidelines - Anti Money Laundering Standards.

2. In terms of Para 2(vi) of the guidelines on 'Know Your Customer' norms and Anti-Money Laundering Measures annexed to the aforesaid circular, RRBs are required to apply enhanced due diligence measures on higher risk customers. Some illustrative examples of customers requiring higher due diligence have also been given in the paragraph under reference. It is further advised that in view of the risks involved in cash intensive businesses, accounts of bullion dealers (including sub-dealers) & jewellers should also be categorised by banks as 'high risk' requiring enhanced due diligence.

3. Accordingly, in terms of paragraph 4 of the guidelines annexed to the circular cited above, RRBs are also required to subject these ' high risk accounts ' to intensified transaction monitoring. High risk associated with such accounts should be taken into account by banks to identify suspicious transactions for filing Suspicious Transaction Reports (STRs) to FIU-IND.

4. These guidelines are issued under Section 35A of the Banking Regulation Act, 1949 read with Rule 7 of Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005. Any contravention thereof or non-compliance shall attract penalties under the relevant Act/Rules.

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हिन्दी आसान है, इसका प्रयोग बढ़ाइये।

5. Compliance Officer/Principal Officer should acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully

(B.P.Vijayendra)
Chief General Manager