



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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UBD.BPD (PCB) Cir. No. 11/14.01.062/2013-14

September 05, 2013

The Chief Executive Officer
All Primary (Urban) Co-operative Banks.

Madam / Dear Sir,

Know Your Customer (KYC)/Anti Money Laundering (AML) Standards/Combating Financing of Terrorism (CFT)/ Obligation of banks under Prevention of Money Laundering Act (PMLA), 2002 – Information sought by banks from customers - Primary (Urban) Co-operative Banks (UCBs)

Please refer to the [Master Circular UBD.BPD. \(PCB\).MC.No.16 /12.05.001/2013-14 dated July 1, 2013](#) on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Measures/Combating Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002. The objective of these guidelines is to prevent banks from being used, intentionally or otherwise, by criminal elements for money laundering or terrorist financing activities. The KYC procedures also enable banks to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently. However, it has come to the notice of Reserve Bank of India that banks are seeking personal information/ details like number of dependents, the names of sons and daughters, lifestyle, number of foreign visits undertaken during the last three years, details of family members/ relatives settled abroad, assets and liabilities, name and date of birth of spouse, wedding date, investments, etc from customers which are not mandatory and relevant to perceived risk of a prospective customer while complying with KYC/AML requirement during the process of opening an account or during periodic updation. This has led to customer complaints that banks are going overboard in seeking information for KYC compliance and thereby invading into their privacy.

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेंट हाऊस, पहली मंजिल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत
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बैंक हिन्दी में पत्राचार का स्वागत करता है —

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं माँगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार 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.



2. In this connection, attention of Primary (Urban) Co-operative Banks (UCBs) is drawn to paragraph 2.1 of the Master Circular that information sought from customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard. Any other information from the customer should be sought separately with his/her consent and after opening the account.

3. It is, therefore, reiterated that only 'mandatory' information required for KYC purpose which the customer is obliged to give while opening an account should be obtained at the time of opening the account/ during periodic updation.

4. Other 'optional' customer details/ additional information, if required, may be obtained separately only after the account is opened with the explicit consent of the customer. The customer has a right to know what is the information required for KYC that she/he is obliged to give and what is the additional information sought by the bank that is optional.

5. Further, it is reiterated that banks should keep in mind that the information (both 'mandatory' – before opening the account as well as 'optional'- after opening the account with the explicit consent of the customer) collected from the customer is to be treated as confidential and details thereof are not to be divulged for cross selling or any other like purposes.

6. UCBs are advised to ensure strict adherence to the same.

Yours faithfully,

(A.K. Bera)
Principal Chief General Manager