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## RBI's Recent simplified KYC Measures For Public Awareness

The Reserve Bank of India today released a note along with [a poster](#) and [a booklet](#) comprising a few common questions relating to Know Your Customer (KYC) norms for opening bank accounts. The objective of this is to bring awareness among the general public about the KYC simplification measures taken by the Reserve Bank in the recent times with a view to helping the common man in opening bank accounts.

### Measures taken for simplification:

#### 1. Single document for proof of identity and proof of address

There is now no requirement of submitting two separate documents for proof of identity and proof of address. If the officially valid document submitted for opening a bank account has both, identity and address of the person, there is no need for submitting any other documentary proof.

Officially valid documents (OVDs) for KYC purpose include: Passport, driving licence, voters' ID card, PAN card, Aadhaar letter issued by UIDAI and Job Card issued by NREGA signed by a State Government official.

To further ease the process, the information containing personal details like name, address, age, gender, etc., and photographs made available from UIDAI as a result of e-KYC process can also be treated as an 'Officially Valid Document'.

#### 2. No separate proof of address is required for current address

Since migrant workers, transferred employees, etc., often face difficulties while submitting a proof of current address for opening a bank account, such customers can submit only one proof of address (either current or permanent) while opening a bank account or while undergoing periodic updation. If the current address is different from the address mentioned on the proof of address submitted by the customer, a simple declaration by her/him about her/his current address would be sufficient.

#### 3. No separate KYC documentation is required while transferring accounts from one branch to another of the same bank

Once KYC is done by one branch of the bank, it is valid for transfer of the account to any other branch of the same bank. The customer would be allowed to transfer her/his account from one branch to another branch without restrictions and on the basis of declaration of his/her local address for communication.

#### **4. Small Accounts**

Those persons who do not have any of the 'officially valid documents' can open 'small accounts' with banks. A 'small account' can be opened on the basis of a self-attested photograph and putting her/his signature or thumb print in the presence of an official of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lakh in a year), aggregate withdrawals (not more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point in time). These small accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document, within twelve months of opening the small account.

#### **5. Relaxation regarding officially valid documents (OVDs) for low risk customers**

If a person does not have any of the 'officially valid documents' mentioned above, but if is categorised as 'low risk' by the banks, then she/he can open a bank account by submitting any one of the following documents:

- (a) identity card with applicant's photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;
- (b) letter issued by a gazetted officer, with a duly attested photograph of the person.

#### **6. Periodic updation of KYC**

Time intervals for periodic updation of KYC for existing low/medium and high risk customers have been increased from 5/2 years to 10/8/2 years, respectively.

#### **7. Other relaxations**

- (i) KYC verification of all the members of Self Help Groups (SHGs) is not required while opening the savings bank account of the SHG and KYC verification of only the officials of the SHGs would suffice. No separate KYC verification is needed at the time of credit linking the SHG.
- (ii) Foreign students have been allowed a time of one month for furnishing the proof of local address.
- (iii) In case a customer categorised as low risk is unable to submit the KYC documents due to genuine reasons, she/he may submit the documents to the bank within a period of six months from the date of opening account.