



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India imposes monetary penalty on four banks

The Reserve Bank of India (RBI) has, by an order dated June 25, 2019, imposed monetary penalty on four banks for non-compliance with certain provisions of directions issued by RBI on Know Your Customer (KYC) norms / Anti Money Laundering (AML) Standards and Opening of Current Accounts, as detailed below:

SI. No.	Name of the bank	Amount of penalty (₹ in million)
1.	Allahabad Bank	5
2.	Corporation Bank	2.5
3.	Punjab National Bank	5
4.	UCO Bank	5

The penalties have been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account the failure of the banks to adhere to the aforesaid directions issued by RBI. This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the banks with their customers.

Background

Based on a complaint, examination of current accounts opened by four entities in the above-mentioned banks was carried out and it was observed that the banks had failed to comply with certain provisions of directions issued by RBI on Know Your Customer (KYC) norms / Anti Money Laundering (AML) Standards and Opening of Current Accounts. Based on the findings, Notices were issued to the banks advising them to show cause as to why penalty should not be imposed for non-compliance with the directions. After considering the replies received from the banks, and

submissions made during the personal hearings, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were sustained and warranted imposition of monetary penalty.

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Yogesh Dayal
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