

*Know Your Customer*

*(KYC)*

*Dear Customers,*

*Provide Information we seek*

*&*

*Help us in preventing Money Laundering*

*and*

*Combating Financing of Terrorism*

*Make your account KYC compliant*

<b>1.</b>	<b>What is “Know Your Customer” (KYC)?</b>
	Know Your Customer - KYC enables banks to know/ understand their customers and their financial dealings to be able to serve them better and manage risks more prudently.
<b>2.</b>	<b>Who is a Customer?</b>
	<ul style="list-style-type: none"> <li>• A person or entity that maintains an account and/or has a business relationship with the bank;</li> <li>• One on whose behalf the account is maintained (i.e. the beneficial owner);</li> <li>• Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law, and</li> <li>• Any person or entity connected with a financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.</li> </ul>
<b>3.</b>	<b>What is the purpose of KYC Policy of the bank?</b>
	<ul style="list-style-type: none"> <li>• To prevent the bank from being used, intentionally or unintentionally, by criminal elements for money laundering activities.</li> <li>• To know / understand the customers and their financial dealings better.</li> <li>• To manage risks more prudently, minimize frauds and help in Bank's image building further, as well.</li> <li>• To frame / lay down Policies, Standards and Procedural Guidelines for implementation/compliance of various laws and regulations, national as well as international, Govt. of India and Reserve Bank of India directives / instructions &amp; guidelines.</li> <li>• To evolve a Customer Acceptance policy, i.e. application of Customer Due Diligence (CDD) measures before accepting any customer for banking relations.</li> </ul>
<b>4.</b>	<b>What is money laundering?</b>
	Money Laundering refers to conversion of money illegally obtained to make it appear as if it originated from a legitimate source. Money laundering is being employed by launderers worldwide to conceal criminal activity associated with it such as Tax evasion, Corruption, Smuggling & Drug trafficking, Financial crimes etc.
<b>5.</b>	<b>What has this got to do with opening bank accounts?</b>
	The money laundering by criminals begins by depositing their ill gotten money into an account with a Bank, often opened using a false identity and address. The funds so deposited are transferred to other accounts locally or abroad or used for buying goods or services. These transactions would appear legitimate and becomes difficult to trace it back to its criminal

	<p>past. Banks under law should not only prevent this, but should stop criminals who wish to use the banking channel to wash the ill-gotten money from illegal / criminal activities.</p>
<b>6.</b>	<b>Is it mandatory to follow KYC norms?</b>
	<p><b>Yes.</b> It is a regulatory and legal requirement.  In terms of guidelines issued by RBI Circular dated 29.11.2004 all Banks are required to formulate a proper policy framework on '<b>Know Your Customer</b>' and <b>Anti-Money Laundering</b> measures with the approval of the Board.</p> <p>Reserve Bank of India has issued detailed guidelines under Section 35A of the Banking Regulation Act, 1949 and Rule 7 of Prevention of Money-Laundering Rules, 2005. Any contravention thereof or non-compliance shall attract penalties under Banking Regulation Act.</p>
<b>7.</b>	<b>What do KYC guidelines stipulate?</b>
	<p>No account shall be opened in anonymous or fictitious names or when the identity of the customer matches with any person with known criminal background. The New customers should be accepted for banking relationship only after application of Customer Due Diligence (CDD) measures such as verification of identity, address, nature and location of business activity, profession, purpose of intended bank account, social and financial status, source of funds etc.</p>
<b>8.</b>	<b>Why does the bank ask for so many documents?</b>
	<p>The PMLA and the RBI guidelines require the Bank to establish the identity of the customer on the basis of documentary proof at the time entering into any business relationship. By submitting the required information, you help the Bank in discharging its statutory / regulatory obligation.</p> <p>Moreover, criminals try to appear to be normal law-abiding customers. They may try to open a number of accounts using small amounts of money. It is, therefore, necessary to identify all prospective customers. Anybody could falsely use identity of any other person, if the identity documents are not obtained. Therefore, anyone wishing to open an account is asked for proof of their identity and address. These documents are to be obtained irrespective of the type/purpose of account to be opened.</p>
<b>9.</b>	<b>What documents/Information does bank require as a proof of identification/address?</b>
	<p><b>I ) Documents for establishing identity of a person may include (at least one of the following)</b></p>

	<p>valid a)Passport, b)PAN Card, c) Driving License, d) Voters ID Card, e) Armed Forces ID Card, f) Ration Card with Photograph of Primary Holder in whose name the account is being opened, g) Identity Card of any accredited institution. h) Aadhar Card issued by Unique Identification Authority of India (UIDAI)</p> <p><b>II) Proof of Residence: (At least one of the following and should be different from the document submitted under point I above)</b></p> <p>a) Utility Bills (for the period within last three calendar months viz. latest Electricity Bill or Telephone Bill (only Landline Bill) with name and address of the customer, b)Valid Ration Card with or without Photograph, with Customer mentioned as one of the family members, c) Photo Credit Card / Debit Card issued by a financial institution, d)Current Bank Statements within the last 30 days, e)Credit Card Statements within the last 30 days. f) Form 16 – Tax Deducted at Source Certificate, g) Certified Birth Certificate, h) Certified Marriage Certificate, i)Registered Lease Deed.</p> <p>III) 2 Recent Photograph (Passport Size)</p> <p><b><i>Besides copies, you will also be required to produce original documents for verification.</i></b></p> <p><b><i>For your convenience, the list of documents required establishing identity and address for different types of customers is given at the end of the questionnaire.</i></b></p>
10.	<p><b>Is the letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number is the complete KYC document for opening an account ?</b></p> <p>Letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number is the sufficient document of identity but it is not the sufficient proof of address. Therefore while opening the account on the basis of letter issued by UIDAI, the address proof of the customer is obtained to conform to RBI guideline on Customer identification procedure.</p>
11	<p><b>Can my close relatives who are not having any address proof in their name, open an account with the bank?</b></p> <p>Yes. In such cases where the utility bills required for address verification are not in the name of the person who wants to open an account ( close relatives, e.g. wife, son, daughter and daughter and parents etc. who live with their husband, father/mother and son, as the case may be) , an identity document and a utility bill of the relative with whom the prospective customer is living along with a declaration from the relative that the said person (prospective customer) wanting to open an account is a relative and</p>

	is staying with him/her is acceptable. As supplementary evidence bank may ask for a letter received through post for further confirmation.
<b>12.</b>	<p><b>What does the bank do with this information?</b></p> <p>Customer Profile or information collected at the time of opening the account is a '<b>Confidential Document</b>' and details therein are not divulged for cross selling of products or any other purposes except when required under the provisions of applicable laws and regulations.</p>
<b>13.</b>	<p><b>What happens if I do not provide the required KYC information / documents to the Bank?</b></p> <p>The Bank is entitled to refuse to open the account (if you are a prospective customer) or discontinue its relationship with you citing non-providing of KYC information / documents (if you are an existing customer). If you however, require reasonable time to furnish certain non-critical documents you can approach the branch.</p>
<b>14.</b>	<p><b>Once KYC requirements are complied with while opening the account, whether the bank can again ask for KYC compliance from me?</b></p> <p>Yes. To ensure that the latest details about the customer are available, banks have been advised to periodically update the customer identification data based upon the risk category of the customers.</p> <p>Banks create a customer profile based on details about the customer like social/financial status, nature of business activity, information about his clients' business and their location, the purpose and reason for opening the account, the expected origin of the funds to be used within the relationship and details of occupation/employment, sources of wealth or income, expected monthly remittance, expected monthly withdrawals etc. When the transactions in the account are observed not consistent with the profile, bank may ask for any additional details / documents as required. This is just to confirm that the account is not being used for any Money Laundering/Terrorist/Criminal activities.</p>

15.	<p><b>What if person belongs to low income group and is not able to produce satisfactory proof of identity and address?</b></p> <p>A customer belonging to low income group who is not able to produce documents to satisfy the bank about his identity and address, can open bank account with an introduction from another account holder who has been subjected to full KYC procedure provided that the balance in all his accounts taken together is not expected to exceed Rupees Fifty Thousand (Rs. 50,000/-) and the total credit in all the accounts taken together is not expected to exceed Rupees One Lakh (Rs. 1,00,000/-) in a year. The introducer's account with the bank should be at least six months old and should show satisfactory transactions. Photograph of the customer who proposes to open the account and also his address needs to be certified by the introducer,</p> <p><b><u>or</u></b></p> <p>any other evidence as to the identity and address of the customer to the satisfaction of the bank.</p> <p>If at any point of time, the balance in all his/her accounts with the bank (taken together) exceeds Rupees Fifty Thousand (Rs. 50,000/-) or total credit in the account exceeds Rupees One Lakh (Rs. 1,00,000/-) in a year, no further transactions will be permitted until the full KYC procedure is completed.</p>
16	<p><b>Whether a certificate from my employer is sufficient as identity as well as address proof for opening an account?</b></p> <p>Banks rely on such certification only from corporate and other entities of repute provided that they are aware of the competent authority designated by the concerned employer to issue such certificate. In addition, banks also require at least one of the valid documents indicated above viz. Passport, Driving License, PAN Card, Voter's Identity Card etc. or utility bills for KYC purposes for opening bank account of salaried employees of corporate and other entities.</p>
17.	<p><b>What types of accounts/transactions are subject to KYC norms?</b></p> <p>a) All types of deposit accounts.  b) All types of borrowal accounts.  c) Collection/Purchase of Instruments.  d) All types of Remittances/Fund transfers e.g. TT/DD/MT/ABB, RTGs/NEFT etc.  e) Foreign Exchange Transactions (Both inward and outward), encashment of Currency/traveler Cheques, collection of instruments etc.</p>

	f) Transactions related to Lockers, Insurance, and Mutual Funds etc.
<b>18.</b>	<b>Why does the bank ask for PAN No in certain transactions?</b>
	<p>As per income tax rules, the PAN has to be specified in the following types of transactions:</p> <ul style="list-style-type: none"> <li>• Opening of accounts.</li> <li>• Application for issue of credit card.</li> <li>• Cash deposit of Rs. 50000/- &amp; above per day.</li> <li>• Making term deposit above Rs. 50000/-</li> <li>• Payment of Rs. 50000/- or more to purchase Mutual Funds, RBI Bonds, etc.</li> </ul> <p>In case a person does not have PAN, Form-60/61 is obtained.</p>
<b>19.</b>	<b>Customers must know</b>
	<p><b>Under regulatory instructions issued by the Reserve Bank of India in consultation with the Government of India and Indian Bank's Association</b></p> <p>a) Demand drafts, mail transfers and travelers cheques for Rs. 50,000/- and above can be issued by banks only by debit to the customer's account or against cheque or other instrument tendered by the purchaser and not against cash payment;</p> <p>b) Demand drafts, mail transfers and travelers cheques for Rs. 50,000/- and above can be paid by banks only by credit to the customer's account or through other banking channels and not in cash.</p>
<b>20.</b>	<b>Dos and Don'ts for customers.</b>
	<p>a) The customer profiles are updated at regular intervals. Keep your banker informed of any change in address, Contact number, occupation etc.</p> <p>b) Never allow your account to be used to route any financial transactions (like cash Deposit, Instrument collection, remittances, Debit/credit card etc.) by any other person.</p> <p>c) Keep track of the account transactions by regular updation of passbooks/statements.</p>

**Documents required for different Customer Groups are as under:**

Features		Documents
<b>Accounts of Individuals</b>		
-	Legal name and any other names used	(i) Passport (ii) PAN card (iii) Voter's Identity Card (iv) Driving license (v) Identity card (subject to the bank's satisfaction) (vi) Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of bank  (vii) The letter issued by the Unique Identification Authority of India ( UIDAI) containing details of name, address and Aadhaar number (viii) *Job Card issued by NREGA duly signed by an officer of the State Govt <i>*The account opened on the basis NREGA job card as complete KYC document for opening of an will be subjected to all conditions and limitations prescribed for small account</i>
-	Correct permanent address	(i) Telephone bill (Landline)* (ii) Bank account statement* (iii) Letter from any recognized public authority (iv) Electricity bill* (v) Ration card (vi) Letter from employer (subject to satisfaction of the bank) (any one document which provides customer information to the satisfaction of the bank will suffice)  * - these documents should be current.
<b>Accounts of Companies</b>		
-	Name of the company	(i) Certificate of incorporation and Memorandum & Articles of Association
-	Principal place of business	(ii) Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account
-	Mailing address of the company	(iii) Power of Attorney granted to its managers, officers or employees to transact business on its behalf
-	Telephone / Fax Number	(iv) Copy of PAN allotment letter (v) Copy of the telephone bill
<b>Accounts of Partnership Firms</b>		
-	Legal name	(i) Registration certificate, if registered



-	Address	(ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm / partners
-	Names of all partners and their addresses	
-	Telephone numbers of the firm and partners	
<b>Accounts of Trusts &amp; Foundations</b>		
-	Names of trustees, settlers, beneficiaries and signatories	(i) Certificate of registration, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders / managers / directors and their addresses (iv) Resolution of the managing body of the foundation / association (v) Telephone bill
-	Names and addresses of the founder, the managers / directors and the beneficiaries	
-	Telephone / fax numbers	
<b>Accounts of Proprietorship Concerns</b>		
-	Proof of the name, address and activity of the concern	* Registration certificate (in the case of a registered concern) * Certificate / license issued by the Municipal authorities under Shop & Establishment Act, * Sales and income tax returns * CST / VAT certificate * Certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities * Registration / licensing document issued in the name of the proprietary concern by the Central Government or State Government Authority / Department. * IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT as an identity document for opening of bank account. * License issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, etc. The complete Income Tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/ acknowledged by the Income Tax Authorities. · Utility bills such as electricity, water, and landline telephone bills in the name of the proprietary concern.

		<p>Any two of the above documents would suffice. These documents should be in the name of the proprietary concern.</p>
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