



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI / 2010-11/ 396

RPCD.CO.RCB.AML.BC. No. 50/07.40.00/ 2010-11

February 2, 2011

The Chief Executives of
all State and Central Co-operative Banks

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 circulars [RPCD.AML.BC.No.80/07.40.00/ 2004-05 dated February 18, 2005](#) and [RPCD.CO.RF.AML.BC.No.51/07.40.00/2007-08 dated February 28, 2008](#) on Know Your Customer (KYC) norms /Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002.

2. In terms of [Paragraph 2 vi](#) of the Guidelines on 'Know Your Customer' Norms and Anti Money Laundering Measures enclosed to our circular RPCD.AML.BC.No.80/07.40.00/ 2004-05 dated February 18, 2005 banks 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.

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हिंदी आसान है, इसका प्रयोग बाइये

3. Accordingly, in terms of [paragraph 4](#) of the Guidelines on 'Know Your Customer' Norms and Anti Money Laundering Measures enclosed to our circular RPCD.AML.BC.No.80/07.40.00/ 2004-05 dated February 18, 2005, banks 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 (As applicable to Co-operative Societies) 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.

Yours faithfully,

(B.P.Vijayendra)
Chief General Manager