



**Banking
Awareness**

**JAIIB / CAIIB
Examination**



KYC DOCUMENTS REQUIRED FOR VARIOUS TYPES OF CUSTOMERS

बैंक खाता खोलने हेतु विभिन्न डाक्यूमेंट्स की आवश्यकता
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KNOW YOUR CUSTOMER (KYC)

- ❖ Banks/FIs need to obtain sufficient information to establish, to their satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of the banking relationship.
- ❖ The officially valid documents will serve the purpose for both identification of customer and also the address proof of customer.
- ❖ Government of India, vide Gazette Notification G.S.R. 108(E) dated February 13, 2019, has notified amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Further, an Ordinance, “Aadhaar and other Laws (amendment) Ordinance, 2019”, has been notified by the Government amending, inter alia, the Prevention of Money Laundering Act, 2002.



OFFICIALLY VALID DOCUMENT (OVD)

The below mentioned six Officially Valid Documents (OVD) will serve the purpose for both identification and address proof of customer.

- 1) Passport (within validity)
- 2) Driving License (within validity)
- 3) proof of possession of Aadhaar number
- 4) Voter's Identity Card
- 5) Job Card issued by NREGA
- 6) The letter issued by the National Population Register containing details of name & address.



OVD FOR THE LIMITED PURPOSE OF PROOF OF ADDRESS

Where the OVD furnished by the customer does not have updated address, the following documents shall be deemed to be OVDs for the limited purpose of proof of address: -

- 1) Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);**
- 2) Property or Municipal Tax receipt;**
- 3) Bank account or Post Office savings bank account statement;**
- 4) Pension or family pension payment orders (PPOs) issued to retired employees;**
- 5) Letter of allotment of accommodation from employer issued by State or Central Government departments and PSU; and**
- 6) Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.**

The customer shall submit OVD with current address within a period of three months of submitting the documents specified at above.



SMALL ACCOUNT

In case an individual customer who does not possess any of the OVDs and desires to open a bank account, banks shall open a 'Small Account', which entails the following limitations:

- i. the aggregate of all credits in a financial year does not exceed Rs. 1 lakh;
- ii. the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and
- iii. the balance at any point of time does not exceed rupees fifty thousand.

Provided, that this limit on balance shall not be considered while making deposits through Government grants, welfare benefits and payment against procurements.

Further, small accounts are subject to the following conditions:

- (a) The bank shall obtain a self-attested photograph from the customer.
- (b) The designated officer of the bank certifies under his signature that the person opening the account has affixed his signature or thumb impression in his presence.
- (c) The account shall remain operational initially for a period of twelve months which can be extended for a further period of twelve months, provided the account holder applies and furnishes OVD.



CUSTOMER DUE DILIGENCE (CDD)

- Means identifying and verifying the customer and the beneficial owner using 'Officially Valid Documents' as a 'proof of identity' and a 'proof of address'.
- Documents needed for verification of various types of clients during opening of bank account.

DOCUMENTS NEEDED OF VARIOUS TYPES OF CLIENTS DURING OPENING OF BANK ACCOUNT

Various types of clients are as under:

- ❖ **Individuals Account**
- ❖ **Self Help Groups (SHG)**
- ❖ **Sole Proprietary Firms**
- ❖ **Company Account**
- ❖ **Partnership Firm**
- ❖ **Trust Account**
- ❖ **Association of Persons**
- ❖ **Juridical Persons such as Societies, Universities and Local Bodies like Village Panchayats ETC.**



INDIVIDUALS ACCOUNT

For undertaking CDD, bank shall obtain the following from an individual while establishing an account-based relationship or while dealing with the individual who is a beneficial owner, authorised signatory or the power of attorney holder related to any legal entity:

- (a) a certified copy of any OVD containing details of his identity and address,
- (b) one recent photograph,
- (c) the Permanent Account Number or Form No. 60 as defined in Income-tax Rules, 1962, and
- (d) such other documents pertaining to the nature of business or financial status specified by the bank in their KYC policy.



EXTENDED CUSTOMER DUE DILIGENCE (CDD)

- If there is change in name due to marriage - for this clause, a document shall be deemed to be an OVD even if there is a change in the name subsequent to its issuance provided it is supported by a marriage certificate issued by the State Government Gazette notification, indicating such a change of name.
- KYC verification once done by one branch/office of the Bank shall be valid for transfer of the account to any other branch/office in the Bank, provided full KYC verification has already been done for the concerned account and the same is not due for periodic updation.



SIMPLIFIED NORMS FOR SELF HELP GROUPS (SHGS)

- (a) CDD of all the members of SHG shall not be required while opening the savings bank account of the SHG.**
- (b) CDD of all the office bearers shall suffice.**
- (c) No separate CDD as per the CDD procedure mentioned of the MD of the members or office bearers shall be necessary at the time of credit linking of SHGs.**



SOLE PROPRIETARY FIRMS

For opening an account in the name of a sole proprietary firm, CDD of the individual (proprietor) shall be carried out. In addition to the above, any two of the following documents as a proof of business/ activity in the name of the proprietary firm shall also be obtained:

- (a) Registration certificate
- (b) Certificate/licence issued by the municipal authorities under Shop and Establishment Act.
- (c) Sales and income tax returns.
- (d) CST/VAT/ GST certificate (provisional/final).
- (e) Certificate/registration document issued by Goods and Service Tax/Professional Tax authorities.



SOLE PROPRIETARY FIRMS

(f) IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT.

(g) Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected.

(h) Utility bills such as electricity, water, landline telephone bills, etc.

In cases where the banks are satisfied that it is not possible to furnish two such documents, banks may, at their discretion, accept only one of those documents as proof of business/activity.

Provided banks undertake contact point verification and collect such other information as would be required to establish the existence of such firm, and shall confirm and satisfy itself that the business activity has been verified from the address of the proprietary concern.



COMPANY ACCOUNT

- (a) Certificate of incorporation.**
- (b) Memorandum and Articles of Association.**
- (c) Permanent Account Number of the company.**
- (d) Company identification Number (CIN) assigned by the ROC.**
- (e) A resolution from the Board of Directors and power of attorney granted to its managers, or employees to transact on its behalf.**
- (f) Documents, as specified in case of individual, of the managers, officers or employees, as the case may be, holding an attorney to transact on the company's behalf.**



PARTNERSHIP FIRM

- (a) Registration certificate,
- (b) Partnership deed,
- (c) Permanent Account Number (PAN) of the partnership firm,
- (d) Documents, as specified in case of individual, of the person holding an attorney to transact on its behalf.



TRUST ACCOUNT DOCUMENTS

- (a) Registration certificate,
- (b) Trust deed,
- (c) Permanent Account Number or Form No. 60 of the trust,
- (d) Documents, as specified in case of individual, of the person holding an attorney to transact on its behalf.



ASSOCIATION OF PERSONS

- (a) Resolution of the managing body of such association or body of individuals;
- (b) Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals;
- (c) Power of attorney granted to transact on its behalf;
- (d) Documents, as specified in case of individual, of the person holding an attorney to transact on its behalf, and;
- (e) Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals.



JURIDICAL PERSONS NOT SPECIFICALLY COVERED IN THE EARLIER PART, SUCH AS SOCIETIES, UNIVERSITIES AND LOCAL BODIES LIKE VILLAGE PANCHAYATS ETC.

- (a) Document showing name of the person authorised to act on behalf of the entity;
- (b) Documents, as specified in case of individual, of the person holding an attorney to transact on its behalf; and
- (c) Such documents as may be required by the RE to establish the legal existence of such an entity/juridical person.



CENTRAL KYC REGISTRY (CKYCR)

- Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector.
- Its objective to reduce the burden of producing KYC documents and getting those verified every time when the customer creates a new relationship with a financial entity.
- Banks shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as required by the revised KYC templates prepared for 'individuals' and 'Legal Entities' as the case may be.

PERIODIC UPDATION OF KYC DOCUMENTS

Periodic updation shall be carried out at least:

- ✓ once in every **two years** for High Risk Customers,
- ✓ once in every **eight years** for Medium Risk Customers, and
- ✓ once in every **ten years** for Low Risk Customers.



For more details, you may visit the website

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/MD18KYCF6E92C82E1E1419D87323E3869BC9F13.PDF>



Thanks

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