



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2013-14/213

DBOD. AML.BC. No. 50/14.01.001/2013-14

September 3, 2013

**The Chairmen / CEOs of all Scheduled Commercial Banks (Excluding RRBs)/
Local Area Banks / All India Financial Institutions**

Dear Sir,

Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002 – Information sought by banks from customers

Please refer to the [Master Circular DBOD.AML.BC. No. 24/ 14.01.001/2013-14 dated July 01, 2013](#) on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002. The objective of these guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The KYC procedures also enable banks to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently. However, it has come to the notice of Reserve Bank that banks are seeking personal information/details like number of dependents, the names of sons and daughters, lifestyle, number of foreign visits undertaken during the last three years, details of family members/relatives settled abroad, assets and liabilities, name and date of birth of spouse, wedding date, investments, etc., from customers which are not mandatory and relevant to perceive risk of a prospective customer while complying with KYC/AML requirement during the process of opening an account or during periodic updation. This has led to customer complaints that banks are going overboard in seeking information for KYC compliance and thereby invading into their privacy.

2. In this connection, attention of banks is drawn to paragraph 2.1 of the Master Circular that information sought from customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard. Any other

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हिंदी आसान है, इसका प्रयोग बढ़ाएँ

"Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers."

information from the customer should be sought separately with his/her consent and after opening the account.

3. It is, therefore, reiterated that 'mandatory' information required for KYC purpose which the customer is obliged to give while opening an account only should be obtained at the time of opening the account/during periodic updation.

4. Other 'optional' customer details/additional information, if required may be obtained separately after the account is opened only with the explicit consent of the customer. The customer has a right know what is the information required for KYC that she/he is obliged to give, and what is the additional information sought by the bank that is optional.

5. Further, it is reiterated that banks should keep in mind that the information (both 'mandatory' – before opening the account as well as 'optional'- after opening the account with the explicit consent of the customer) collected from the customer is to be treated as confidential and details thereof are not to be divulged for cross selling or any other like purposes.

6. Banks are advised to ensure strict adherence to the same.

Yours faithfully,

(Prakash Chandra Sahoo)
Chief General Manager