



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 31, 2017

Reserve Bank of India imposes monetary penalty on Union Bank of India

The Reserve Bank of India (RBI) has imposed, on July 26, 2017, a monetary penalty of ₹ 10 million on Union Bank of India for non-compliance with the directions issued by RBI on Know Your Customer (KYC) norms. This penalty has 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 failure of the bank to adhere to certain directions issued by RBI.

This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Background

RBI had received a complaint regarding huge cash withdrawals in certain accounts maintained with Union Bank of India. Upon examination of the documents obtained in this regard, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with directions issued by RBI.

After considering the bank's reply, oral submissions made in the personal hearing, as also the additional information and documents furnished, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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