

KYC under RBI Master Direction- Quick Summary

(Note: This Quick Summary covers common situations. Please refer to the Master Direction for full details)

1. Objective is to know the customer, know the customer's activity, keep record to prevent money laundering.
2. Applicable to banks and other RBI regulated entities (RE).
3. Applicable to all customers. For small accounts¹ a simple procedure is allowed.
4. Covers: (a) Customer Acceptance; (b) Risk Management; (c) Customer Identification; & (d) Transaction Monitoring.
5. Customer Acceptance is subject to Customer Due Diligence (CDD).
6. CDD is required for a transaction/ an account-based relationship of a customer.
7. CDD is required at customer level (UCIC) and not for every account.
8. For non-account holder CDD is required for all International Money Transfers; and Domestic Transfers/ Third Party Product Sales of Rs. 50k or more.
9. CDD includes identifying and verifying customer, authorized signatories, PoA holders and beneficial owners².
10. CDD Documents comprise of (A) Aadhaar number or Officially Valid Document (OVD) of the individual person(s) in whose name the account stands/ individual person(s) connected with the account and (B) Other Documents.
11. OVDs are: (a) Passport; Driving Licence; (b) Proof of possession of AADHAAR number issued by AADHAAR Authority; (c) Voter's Identity Card; (d) NREGA Job Card; (e) Letter by National Population Register containing details of name and address.
12. Certified copy/ e-document of each KYC Document is to be obtained.
13. Certified copy means - RE official verifying (i) the hard copy with the original physical or (ii) the image (with geo-tagging and date/time stamp) by Digital KYC process (per Annexure- I to Master Direction).
14. AADHAAR Number is compulsory for all DBT Accounts. In other cases, it is voluntary.
15. AADHAAR Number when provided by the customer has to be verified either with the AADHAAR Card or using e-KYC authentication provided by Unique Identification Authority of India (UIDAI).
16. Video Based CDD (V- CIP) is now allowed for: (a) individual customers, proprietor in case of proprietorship, authorised signatories, PoA holders and Beneficial Owners (BOs); (b) conversion of accounts opened using AADHAAR OTP based e-KYC authentication in regular accounts; and (c) KYC updating.

¹ Small Account may be opened with only the customer's self- attested photo and attestation of customer's signature/ thumb impression by bank official.

Small Account is a savings bank account of an individual person with conditions as follows:

- maximum credits in a financial year is Rs. 1 lac (except Government grant/ benefit etc.);
- maximum debits in a month is Rs. 10k;
- maximum balance Rs.50k;
- other requirements under Para 23/ 24.

² Beneficial owner means an individual who ultimately owns or controls the customer or the person on whose behalf a transaction is being conducted and includes a person who exercises ultimate effective control over a juridical person. Para 3(iv) of the Master Direction provides who is to be taken as beneficial owner in case of account of non- individuals.

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CDD Documents (Certified True Copies or equivalent E- Documents) to be obtained for Opening of Accounts of Various

Table- 1: Account of individual(s) (i.e., in the name of single/ two or more individual persons): Obtain (A)

Obtain for Account Holder i.e., each person in whose name the account would stand, documents per A below	
(A)	AADHAAR (DBT Accounts: based on customer's declaration that the account is for DBT/ Non DBT Accounts: based on customer's declaration that AADHAAR is submitted voluntarily) + PAN or Income Tax Form 60
OR	
(A)	Any OVD with identity and address+ Photograph+ PAN or Income Tax Form 60
Note: In addition to (A) above, documents for business/ activity/ financial status may be obtained by RE.	

Table- 2: Account of Proprietary concern: Obtain (B) + (C)

(B)	Obtain for the proprietor- documents under Table- 1 (A)	
(C)	Obtain any 2 of the following documents in the name of proprietary concern: (a) Registration certificate (b) Shop & Establishment Act Licence (c) Sales Tax and Income Tax returns (d) CST/ VAT/ GST certificate (provisional/final) (e) Sales Tax/Service Tax/Professional Tax registration certificate (f) Importer Exporter Code (IEC) (g) Licence/ Practice Certificate by professional body (h) Income Tax Return in the name of proprietor showing firm's income authenticated/ acknowledged by Income Tax authority (i) Utility bills such as electricity, water, and landline telephone bill	Exception/ Alternate: If obtaining 2 documents not possible, only 1 would be enough subject to contact point verification, etc.

Table- 3: Account of Company:

(D)	Obtain all the following documents: (a) Certificate of incorporation of the company, (b) Memorandum and Articles of Association of the company (c) PAN Card (d) Board Resolution of the company (e) PoA issued by the company in favour of signatories* (f) Documents under Table- 1 (A) for each signatory, PoA holder, and Beneficial Owner
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Table- 4: Account of Registered Partnership Firm:

(E)	Obtain all the following documents: (a) Registration certificate in the name of partnership firm (b) Partnership deed (c) PAN Card (d) Documents under Table- 1 (A) for each partner (Not stated in Master Direction but advisable to obtain) (e) Documents under Table- 1 (A) for each signatory, PoA holder and Beneficial Owner
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Table- 5: Account of Registered Trust:

(F)	Obtain all the following documents: (a) Registration certificate of the trust, (b) Trust deed, (c) PAN or Form 60 (d) Trustees' resolution. (Not stated in Master Directions but advisable to obtain) (e) Documents under Table- 1 (A) above for each signatory, PoA holder and Beneficial Owner
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**Table- 6: Account of Unincorporated Association/ Body of Individuals:
(Includes: Societies/ Unregistered Trusts/ Unregistered Partnership Firms)**

(G)	Obtain all the following documents: (a) Constitution document of the association/ society/ trust/ partnership firm (Not stated in Master Direction but necessary to obtain) (b) Resolution of the managing body of association/ society/ trust/ partnership firm. (c) PAN or Form 60 (d) Documents under Table- 1 (A) above for each key member (say Chairman/ President/ Secretary/ Treasurer/ Trustee/ Partner)(Not stated in Master Directions but advisable to obtain) (e) PoA issued by association/ society to signatories. (See note below this table) * (e) Documents under Table- 1 (A) above for each signatory, PoA holder and Beneficial Owner
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