

KYC Documents under RBI Master Directions (MD) dated 29.5.2019- Quick Summary

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

1. Master Directions apply to RBI regulated entities (REs) including Banks, FIs, NBFCs, NBCs, PSPs, SPs, PPIs, APs etc.
2. MDs cover (a) Customer Acceptance; (b) Risk Management; (c) Customer Identification; and (d) Monitoring.
3. Customer Acceptance is subject to Customer Due Diligence (CDD).
4. CDD includes identifying and verifying Customer by obtaining certain documents called 'KYC Documents'.
5. KYC Documents comprise:
 - (a) Officially Valid Documents (OVDs) of the individual person(s) when such individual person(s) is/ are a Customer or Officially Valid Documents (OVDs) of individual person(s) connected with the Customer when the Customer is a non- individual legal entity such as partnership/ HUF/ company/ society/ trust etc.;
 - (b) Constitution Documents, Resolutions etc. when the Customer is a non- individual legal entity; and
 - (c) Other due diligence documents such as salary certificate, financial statements etc.
6. CDD is required at the Customer level and need not be repeated for every account of a Customer.
7. CDD by one branch is valid for transfer of an account to another branch.
8. Customer for this purpose includes all of the following Persons:

(Note: Person in the above context means individual person or a non- individual legal entity like partnership/ HUF/ company/ society/ trust etc.)

 - (a) a Person in whose name a Deposit and Loan Account is to be opened (i.e. Account Holder);
 - (b) a Person to whom any credit or other facility (advisory, safe deposit/ custody etc.) is extended;
 - (c) a Person who wants to make foreign remittances of any value and domestic remittances for Rs.50k or more are made;
 - (d) a Person who avails any domestic product like prepaid card, demand draft, etc. for Rs. 50k or more;
 - (e) a Person to whom 3rd party product (e.g. insurance/ mutual fund) is sold for Rs.50k or more; and
 - (f) Authorized Signatories, PoA Holders, Beneficial Owners¹ of a Person covered under (a) to (e) above.
9. OVDs are:
 - (1) Passport;
 - (2) Driving Licence;
 - (3) Voter's Identity Card;
 - (4) NREGA Job Card;
 - (5) Letter by National Population Register containing details of name and address; and
 - (6) Proof of possession of AADHAAR Number in such form as issued by UIDAI (including AADHAAR Card).

Note- 1: OVD in old name is fine if supported by Marriage Certificate or Gazette Notification for name change.

Note- 2: If OVD does not contain updated address, following documents would serve as an address proof for 3 months, within which the Customer should submit OVD with current address:

- i. Utility Bill (Electricity, Telephone, Post-paid mobile phone, Piped gas, Water) not older than 2 months;
- ii. Property or Municipal tax receipt;
- iii. PPO issued by Government, PSU; and
- iv. Letter of allotment of accommodation from employer issued by Government Department, Statutory or Regulatory Body, PSU, Scheduled Commercial Bank, Financial Institution and Listed Company and leave and licence agreement with such employer allotting official accommodation.

¹ Beneficial Owner is as defined under MD Para 3(iv).

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10. For an individual person not having OVD:
 - (a) Banks can open a Small Account with restrictions², based on such person attesting own photograph in presence of the designated Bank official who must certify this fact. Such an account is allowed for 12 months, and may be extended for another 12 months.
 - (b) NBFCs can open an account with restrictions³ with similar procedure. Such account is allowed only for 12 months.
11. AADHAAR based KYC:
 - (a) For opening DBT Account/ availing DBT in existing account: Banks must obtain a declaration that the account is for DBT and Aadhaar number, and carry out AADHAAR e-KYC authentication⁴.
 - (b) For any other purpose: Banks can do AADHAAR e-KYC authentication/ off-line verification while other REs can do only offline-verification⁵ of AADHAAR, based on customer declaration that AADHAAR is submitted voluntarily. In such case, Customer to redact or blackout AADHAAR number.
 - (c) Biometric based e-KYC authentication can be done by a bank official/ BC/ BF.
12. KYC for account opening can be done by a 3rd Party engaged by RE subject to:
 - (a) RE obtains record of having done CDD from the 3rd party within 2 days or from CKYCR;
 - (b) RE ensures to get KYC documents when needed promptly from the 3rd Party;
 - (c) 3rd Party is regulated (not necessarily by RBI), supervised, monitored and is equipped; and
 - (d) 3rd Party is not based in a country or jurisdiction assessed as high risk.
13. Non- Face to Face Account opened using OTP based e-KYC is subject to:
 - (a) Specific consent from the customer for authentication through OTP;
 - (b) Total balance of all deposit accounts of the customer shall not exceed Rs. 1 lac;
 - (c) Total credits in the accounts in a FY shall not exceed Rs. 2 lacs;
 - (d) For borrowal accounts, only term loans allowed total up to Rs. 60k in a year;
 - (e) Accounts, both deposit and borrowal, opened using OTP based e-KYC allowed only for 1 year; and
 - (f) Declaration to be obtained that no other account has been opened nor will be opened using OTP based KYC in non-face-to-face mode with any other RE.

2 Max.: Balance - Rs.50k, Credits in a FY - Rs.1 lac, Monthly withdrawals/ transfers - Rs.10k, No forex credits. (see MD Para 23)

3 Max.: Balance - Rs.50k, Credits in a FY - Rs.1 lac. (see MD Para 24)

4 Authentication means: The process by which the Aadhaar number along with demographic information or biometric information of an individual is submitted to the Central Identities Data Repository for its verification and such Repository verifies the correctness, or the lack thereof, on the basis of information available with it. (AADHAAR Act s.2.c)

5 Offline Verification means: The process of verifying the identity of the AADHAAR number holder (without authentication) through such offline modes as may be specified by the AADHAAR Regulations. (AADHAAR Ordinance, 2019)

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KYC Documents (Certified True Copies) to be obtained for Opening of Accounts of Various Entities

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)	Any OVD with identity and address+ Photograph+ PAN or Income Tax Form 60
OR	
(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

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/ Income Tax returns (d) CST/ VAT/ GST certificate (provisional/final) (e) Sales Tax/Service Tax/Professional Tax registration certificate/ Importer Exporter Code (f) 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 is not possible, obtaining 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 (d) Board Resolution of the company (e) Power of attorney issued by the company in favour of signatories (See note below this table) * (f) Documents under Table- 1 (A) for each signatory, PoA holder, and Beneficial Owner
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*Note: Master Directions require this in addition to Board Resolution, presumably if such Resolution does not mention signatories with the powers delegated. Clarification and conformation on this from RBI would help remove duplication.

Table- 4: Account of Partnership firm:

(E)	Obtain all the following documents: (a) Registration certificate in the name of partnership firm (b) Partnership deed (c) PAN (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 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 (Author, Trustees, Beneficiaries > 15% interest, any other with ultimate effective control)
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Table- 6: Account of Association/ Society:

(G)	Obtain all the following documents: (a) Constitution document of the association/ society (Not stated in Master Direction but necessary to obtain) (b) Resolution of the managing body of association/ society. (Not stated in Master Directions but advisable to obtain) (c) PAN or Form 60 (d) Documents under Table- 1 (A) above for each key member (say Chairman/ President/ Secretary/ Treasurer) (Not stated in Master Directions but advisable to obtain) (e) Power of attorney granted by association/ society to individual persons to transact. (See note below this table) * (f) Documents under Table- 1 (A) above for each signatory, PoA holder and Beneficial Owner
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*Note: Master Directions require this in addition to Resolution of the Managing Body, presumably if such Resolution does not mention signatories with the powers delegated. Clarification and conformation on this from RBI would help remove duplication.

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