

KNOW YOUR CUSTOMER POLICY

What is KYC?

KYC Stands for “Know Your Customer”. The objective of KYC is to enable banks to know/understand their customers better and help them manage their risks prudently.

What is the process for KYC?

The process of KYC entails identifying the customer and verifying the identity by using reliable and independent documents or information. The bank while opening different accounts collects documents to identify and verify the customer as required under the existing laws to demonstrate that it has performed the existing KYC procedures.

Why is KYC Mandatory?

It is a regulatory and legal requirement.

Regulatory: In terms of the guidelines issued by the Reserve Bank of India (RBI) on 29th November 2004 on Know Your Customer [KYC] Standards, all banks are required to put in place a comprehensive policy framework covering KYC Standards.

Legal: The Prevention of Money Laundering Act, 2002 (PMLA) which came into force from 1st July, 2005 (after “rules” under the Act were formulated and published in the Official Gazette) also requires Banks, Financial Institutions and Intermediaries to ensure that they follow certain minimum standards of KYC and AML (Anti - Money Laundering) as laid down in the Act and the “rules” framed there under.

What documentation is required for KYC?

For Accounts of individuals*

- Identity Proof
- Address Proof

For Accounts of Companies/Partnership Firms*

- Entity Proof
- Address Proof of company
- Identity Proof and Address Proof of Directors/Partners and Authorized signatories

For Accounts of trusts & foundations*

- Entity Proof
- Identity and Address proof of founder, trustees, managers/directors, settlers, beneficiaries and signatories

* Documents listed here are subject to change basis Bank's internal guidelines.

What happens if KYC documentation is not provided?

Where the bank is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, the bank may consider closing the account or terminating the banking/business relationship after issuing due notice to the customer explaining the reasons for taking such a decision.

Important Note: Periodic Updation of KYC Information:

To ensure compliance to RBI and RBS internal guidelines, Account Holders/Authorized signatories/POAs are requested to furnish their recent passport size colored photograph along with the signed KYC submission format on banks request. These documents can be submitted at any of the RBS branch locations. Non-adherence / non- cooperation may result in termination of the banking/business relationship after issuing due notice to the customer explaining the reasons for taking such a decision.