

# Know Your Customer (KYC) & Prevention of Money Laundering (PMLA) Policy



**(SALASAR STRATEGIC ADVISORS PVT LTD)**

*Strictly Private & Confidential – Dated 1<sup>st</sup> July 2019*

*(SSA Finserv" is trade name of "Salasar Strategic Advisors Pvt Ltd", a NBFC Registered with the RBI)*

## 'Know Your Customer' & Anti – Money Laundering Policy Guidelines

The objective of 'Know Your Customer (KYC) Guidelines' is for SALASAR STRATEGIC ADVISORS PVT LTD (SSAPL) to know/ understand its customers and their financial dealings and help the company to manage its risks prudently; It is also to prevent SSAPL (hereinafter referred to as the Company) from being used, intentionally or unintentionally, by criminal elements for money laundering / anti-national activities.

### Introduction

SALASAR STRATEGIC ADVISORS PVT LTD (SSAPL) commits itself to the highest standards of transparency, compliance and fair practices while meeting the business loan needs of SMEs in a timely and effective manner. The Company intends that the NBFC's ('The Company') business, be conducted in accordance with the prevailing statutory and regulatory requirements with due focus on efficiency, customer-orientation and corporate governance principles.

The RBI, vide its Circular no. DNBS(PD).CC48/10.42/2004-05 dated 21st February 2005, issued revised KYC guidelines to all the Banking as well as Non-Banking Finance Companies (NBFCs) These guidelines were issued in February 2005 revisiting the earlier guidelines issued in January 2004 in the context of the Recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT). These guidelines were issued in the context of the recommendations made by the Financial Action Task Force (FATF) on AML and CFT. These guidelines have since then been reviewed and updated by the RBI from time to time; latest being Master Directions - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 vide RBI Cir **DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 Master Direction - Know Your Customer (KYC) Direction, 2016**

Under these guidelines all the Companies are required to ensure that proper framework of policies for KYC, AML and CFT is put in place with the approval of their respective Board of Directors. These guidelines are issued by the RBI under sections 45K and 45L of the Reserve Bank of India Act, 1934 (the RBI Act) and any non-compliance with the same invite's penalties under the relevant provisions of the RBI Act.

It is now Proposed that a detailed version with latest Circulars be put up to the Risk Management Committee/ Board of Directors for Approval and implementation.

These standards have become the international benchmark for framing Anti Money Laundering and combating financing of terrorism policies by the regulatory authorities. Compliance with these standards by the Company in the Country has become necessary for international financial relationships. The Department of Banking Operations and Development of Reserve Bank had issued detailed guidelines to the company based on the Recommendations of the Financial Action Task Force and the paper issued on Customer Due Diligence (CDD) for the Company by the Basel Committee on the Supervision, with indicative suggestions wherever considered necessary. All the Company's were, therefore, advised to adopt the same with suitable modifications depending on the activity undertaken by them and ensure that a proper policy framework on 'Know Your Customer' and Anti-Money Laundering measures is formulated and put in place with the approval of the Board. As per the RBI circular under chapter IV of PMLA act (Maintenance of Records) Rules, requires Appointment of the Designated Director, to ensure compliance with the obligations under the Act and Rules.

The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this code to conform to the standards so prescribed. This

policy is applicable across all business segments of the company and all the persons authorized by the Company including agents / intermediaries. The Policy is to be read in conjunction with related operational guidelines issued from time to time and necessarily read with reference to the changes / modifications as advised by RBI from time to time.

### **1. SSAPL's KYC policy has the following four key elements:**

- (i) Customer Acceptance Policy;
- (ii) Customer Identification Procedure;
- (iii) Monitoring of Transactions; and
- (iv) Risk management.

### **2. KEY WORDS:**

#### **Customer/Client**

- a person or entity that maintains or is desirous of maintaining an account and/or has a business relationship with SSAPL;
- one on whose behalf an account is maintained (i.e. the beneficial owner);
- beneficiaries of transactions conducted by professional intermediaries, such as Chartered Accountants, Direct Selling Agent, Solicitors, etc. as permitted under the law, and
- any person or entity connected with a financial transaction which can pose significant reputational or other risks to the SSAPL, say, a wire transfer or issue of a high value demand draft as a single transaction.

A "transaction" means a purchase, sale, loan, pledge, gift, transfer, delivery or the arrangement thereof and includes -

- (i) Opening of an account for the purpose of availing a loan / having a financial arrangement;
- (ii) Deposits, withdrawal, exchange or transfer of funds, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means;
- (iii) Entering into any fiduciary relationship;
- (iv) Any payment made or received in whole or in part of any contractual or other legal obligation;
- (v) establishing or creating a legal person or legal arrangement.

#### **APPLICABILITY:**

It may be noted that KYC – AML policy as stated in this document shall prevail over anything else contained in any other document / process/circular/letter/instruction in this regard (KYC-AML). This policy shall be applicable to all verticals/products of the Company whether existing or rolled out in future.

#### **Officially valid document (OVD)**

OVD is defined to mean any one of the following:

- the passport,
- the driving license,
- the Permanent Account Number (PAN) Card,
- the Voter's Identity Card issued by Election Commission of India,
- job card issued by NREGA duly signed by an officer of the State Government,

- the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar (Including E-Aadhaar) number or any other document which may be specified by Government/ Regulator.

No other document will be accepted as OVD for ID proof. An OVD having record of present address if submitted by a client, he/she shall not be insisted for additional address proof, provided he resides in the address as mentioned in the OVD.

However, for customers belong to priority sector/affordable housing sector category, Election photo identity card and driving license shall also be treated as OVD for identity/address proof and ration card as address proof."

#### **Periodical Updation of KYC documents:**

Based on the risk profile of a client, clients shall be asked to update his/her KYC documents periodically. Full KYC exercise will be required to be done

- a) at least every two years for high risk individuals and entities. (Definition of risk category of client are mentioned below in customer acceptance policy)
- b) at least every ten years for low risk and
- c) at least every eight years for medium risk individuals and entities taking in to account whether and when client due diligence measures have previously been undertaken and the adequacy of data obtained. Physical presence of the clients may, however, not be insisted upon at the time of such periodic updations.
- d) Fresh photographs will be required to be obtained from minor customer on becoming major.

It is the duty of the client to advise immediately any change of his registered address. In case a client is found not residing in his recorded address, he/she shall be asked to submit updated KYC documents along with current address proof at the earliest.

#### **Customer Acceptance Policy**

**3.** The Customer Acceptance Policy of SSAPL is aimed at ensuring that explicit guidelines are in place on the following aspects of customer relationship in the SSAPL: -

- (i) No account is opened in anonymous or fictitious/benami name(s);
- (ii) Parameters of risk perception are clearly defined in terms of the location of customer and his clients and mode of payments, volume of turnover, social and financial status, etc. to enable categorization of customers into low, medium and high risk. These parameters will be defined by RMC (Risk Management Committee) and reviewed periodically.
- (iii) Documentation requirements and other information which is to be collected in respect of different categories of customers depending on perceived risk and keeping in mind the requirements of Prevention of Money Laundering Act 2002 as amended by PMLA 2009 and subsequent amendments, (hereinafter referred to as PMLA), rules framed there under and guidelines issued from time to time by regulators;
- (iv) Not to open an account or close an existing account where the company is unable to apply appropriate customer due diligence measures, i.e. the company is unable to verify the identity and /or obtain documents required as per the risk categorization due to non co-operation of the customer or non-reliability of the data/information furnished.
- (v) Circumstances, in which a customer is permitted to act on behalf of another person/entity, should be in conformity with the established law and practices, and the customer should be able to explain satisfactorily the reason/ occasion why an account is required to be operated by a mandate holder or where an account may be opened by an intermediary in a fiduciary capacity; and

(vi) Necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations, etc.

4. A profile is required to be prepared for each new customer based on risk categorization. The customer profile may contain information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived. While preparing customer profile the care is to be taken to seek only such information which is relevant to the risk category and is not intrusive. Any other information from the customer should be sought separately with his/her consent and after opening the loan account. The customer profile is a confidential document and details contained therein shall not be divulged for cross selling or any other purposes.

5. For the purpose of risk categorization, individuals (other than High Net Worth) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, are to be categorized as low risk. Illustrative examples of low risk customers could be salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government departments & Government owned companies, regulators and statutory bodies, etc. In such cases, only the basic requirements of verifying the identity and location of the customer are to be met.

6. Customers that are likely to pose a higher than average risk may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. In such cases enhanced due diligence measures are required to be applied based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. Examples of customers requiring higher due diligence may include

- (a) Non-resident customers,
- (b) High net worth individuals,
- (c) Trusts, charities, NGOs and organizations receiving donations,
- (d) Companies having close family shareholding or beneficial ownership,
- (e) Firms with 'sleeping partners',
- (f) Politically exposed persons (PEPs) of foreign origin,
- (g) Non-face to face customers, and
- (h) Those with dubious reputation as per public information available, etc.

As regards the accounts of PEPs it is advised that in the event of an existing customer or the beneficial owner of an existing account subsequently becoming a PEP, the Company would obtain senior management approval in such cases to continue the business relationship with such person, and also undertake enhanced monitoring as specified in Annexure – A.

#### **a) Categorization of Clients**

While accepting and executing a client relationship the Company has adopted a risk based approach as under:

	<b>Low Risk Customer</b>	<b>Medium Risk Customer</b>	<b>High Risk Customer</b>
<b>Definition</b>	(a) Customers like Salaried people– wherein all their income and expenses details are transparent and well structured. (b) Wherein only customers basic requirements of verifying the identity and location are to be met.	Customers those are less risky in nature as compare to high risk customers – can be categorized as Medium Risk.	Customers that are likely to pose a higher than average risk may be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc.
<b>List of Customers as per Risk category</b>	(a) Salaried employees whose salary structures are well defined, (b) People belonging to lower economic strata of the society whose accounts show small balances and low turnover, (c) Government departments & Government owned companies, regulators and statutory bodies, etc. (d) Micro/Small/Medium enterprises filing regular ITR, good banking relationship, existing trade records with any Financial institutions etc.	(a) Client with over investment of Rs. 50 Lakh where identity and sources of wealth are not supported by public documents like income returns, registered conveyance deed etc. (b) Clients with sudden spurt in volumes or investment without apparent reasons. (c) Clients who trade in derivatives. (d) Customers having speculative income. (e) Person in business/industry or trading activity where scope or history of unlawful trading / business activity dealings is more, etc.	(a) Non-resident customers, (b) High net worth individuals, (c) Trusts, charities, NGOs and organizations receiving donations, (d) Companies having close family shareholding or beneficial ownership, (e) Firms with 'sleeping partners', (f) Politically exposed persons (PEPs) of foreign origin, (g) Non-face to face customers, and (h) Those with dubious reputation as per public information available, etc. (i) NPA customers

7. It is important to bear in mind that the adoption of Customer Acceptance Policy and its implementation should not become too restrictive and must not result in denial of the company's services to general public, especially to those, who are financially or socially disadvantaged.

#### **Customer Identification Procedure**

8. Customer identification means identifying the customer and verifying his/ her identity by using prescribed documents, data or information. Rule 9 of the Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, The Procedure and Manner of Maintaining and Time for Furnishing information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (hereinafter referred to as PML Rules), requires the Company to:

- (a) At the time of commencement of an account-based relationship, identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship, and
- (b) In all other cases, verify identity while carrying out:



- (i) Transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or
- (ii) Any international money transfer operations.

In terms of proviso to rule 9 of the PML Rules, the relaxation, in verifying the identity of the client within a reasonable time after opening the account/ execution of the transaction, stands withdrawn. Also, as directed in Rule 9 the officials shall identify the beneficial owner and take all reasonable steps to verify his identity. As required in this Rule the officials have to exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the customer, his business and risk profile.

Therefore, the Customer Identification Policy approved by the Board has to be strictly adhered to at different stages, i.e. while establishing a relationship; carrying out a financial transaction or when the Company has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

**9.** The Company needs to obtain sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether regular or occasional and the purpose of the intended nature of relationship. Rule 9 (Maintenance of Records) of the PML Rules and RBI and NHB directives provide for the documents/information to be obtained for identifying various types of customers i.e. individuals, companies, partnership firms, trusts, unincorporated association or a body of individuals and juridical persons. All staff and officials of SSAPL are advised to take note of the provisions of the above rule and ensure compliance. Customer identification requirements keeping in view the provisions of the said rule are given in **Annex-A** for guidance of the officials.

**10.** A list of the nature and type of documents/information that may be relied upon for customer identification is given in the **Annex-B**. Officials have to follow these guidelines based on their experience of dealing with such persons/entities, normal prudence and the legal requirements as prescribed here and as amended from time to time by regulators and laws.

- In addition to the due diligence requirements, under KYC norms, SSAPL is required by law to obtain Permanent Account Number (PAN) or General Index Register (GIR) Number or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules.

**Explanation:**

- Form 60 is required when a Borrower do not have PAN but have entered into transactions where quoting of PAN is mandatory.
- Form 61 is required when the Borrower has agricultural income and is not in receipt of any other income chargeable to income-tax.
- Prior to 1972, a tax-payer (assessee) of the Income tax Department was identified by a number called General Index Register Number (GIR No.).

**Monitoring of Transactions**

**11.** Ongoing monitoring is an essential element of effective KYC procedures. The officials have to effectively control and reduce the risk by having an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity. However, the extent of monitoring will depend on the risk sensitivity of each account. Officials should pay special attention to all complex, unusually large transactions and all unusual patterns which have

no apparent economic or visible lawful purpose. The Company may prescribe threshold limits for a particular category of accounts and pay particular attention to the transactions which exceed these limits. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should particularly attract the attention of the officials. Very high account turnover inconsistent with the means of the customer may indicate that funds are being 'washed' through/into the account. High-risk accounts have to be subjected to intensified monitoring. The Company should put in place a system of periodical review of risk categorization of accounts and the apply enhanced due diligence measures wherever required.

### **Risk Management**

**12.** The aim of this policy is to ensure that an effective KYC program is in place by establishing appropriate procedures and ensuring their effective implementation. Officials involved with day to day functioning and interaction with the clients including those at administrative offices supervising them need to have proper management oversight, systems and controls, segregation of duties, training and other related matters to ensure statutory compliance with the KYC program. Responsibility should be explicitly allocated within the Company for ensuring that the policies and procedures are implemented effectively. Accordingly, SSAPL has detailed, through its Credit Risk management and Policy, the Underwriting criteria, that are enhanced due diligence and customer identification and acceptance procedure. Through Authority delegation matrix the responsibility lies with the Credit Manager as a maker and Operations as checker.

**13.** The Company's internal audit and compliance functions should periodically evaluate the level of adherence to the KYC policies and procedures. The compliance function and audit function together should provide an independent evaluation of the effectiveness of KYC policies and procedures, including legal and regulatory requirements. Concurrent/ Internal Auditors should specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this regard. The compliance in this regard may be put up before the Audit Committee of the Board at quarterly intervals. The company should fix accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines.

Accordingly, SSAPL has detailed, through its hind sighting procedure that will be concurrent and over and above internal and external Audit.

**14.** The Company shall ensure ongoing 'employee training programme' so that the members of the staff are adequately trained in KYC procedures and AML guidelines. Training requirements should have different focus for frontline staff, compliance staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind the KYC and AML policies and implement them consistently. Accordingly, SSAPL has instituted a practice of sending informative mails to all the employees from time to time and check the knowledge of Employees through a performance evaluation mechanism with proper weigh on knowledge in KRA (annual review mechanism).

### **Customer Education**

**15.** Implementation of KYC procedures requires the company to demand certain information from customers which may be of personal nature or which have hitherto never been called for. This can sometimes lead to questioning by the customer as to the motive and purpose of collecting such information. There is, therefore, a need for the company to prepare specific literature/ pamphlets/notices, etc. so as to educate the customer about the objective of the KYC programme. The front desk staff needs to be specially trained to handle such situations while dealing with customers.



### **Introduction of New Technologies**

16. The Company officials have to be aware of any money laundering threats that may arise from new or developing technologies including on-line transactions that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.

### **Appointment of Principal Officer**

17. Reserve Bank vide DNBS (PD) CC.NO.378/03.10.42/2014-15 dated May 29, 2014, has advised NBFCs to nominate a Designated Director for ensuring compliance with the obligations under the PML Act. Designated Director" means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes --

(i) The Managing Director duly authorized by the Board of Directors the reporting entity is a company. Accordingly, SSAPL has to appoint a senior management officer, as 'Principal Officer'. The name of the Designated Director and the Principal Officer so designated, his designation and address including changes from time to time, have to be advised to the Director and FIU-IND. Principal Officer shall be located at the head/corporate office of the SSAPL and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies, regulators and any other institution which is involved in the fight against money laundering and combating financing of terrorism.

### **Designated Director -**

18. "Designated Director" means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the PML Act and the Rules and includes:-

- (i) The Managing Director or a whole-time Director duly authorized by the Board of Directors if the reporting entity is a company,
- (ii) The Managing Partner if the reporting entity is a partnership firm,
- (iii) The Proprietor if the reporting entity is a proprietorship concern,
- (iv) The Managing Trustee if the reporting entity is a trust,
- (v) A person or an individual, as the case may be, who controls and manages the affairs of the reporting entity, if the reporting entity is an unincorporated association or a body of individuals, and
- (vi) Such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.

### **Explanation –**

For the purpose of this clause, the terms "Managing Director" and "Whole-time Director" shall have the meaning assigned to them in the Companies Act.

### **Note -**

However, in no case, the Principal Officer shall be nominated as the "Designated Director".

### **Maintenance of records of transactions**

19. The company's system of maintaining proper record of transactions is in conformity with the requirement under section 12 (refer page 29) of the PMLA read with Rule 3 (maintain a record of all transactions for 5 years) of the PML Rules, as mentioned below:

- (i) All cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;
- (ii) All series of cash transactions integrally connected to each other which have been *individually* valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month *and the monthly aggregate exceeds rupees ten lakhs or its equivalent in foreign currency***
- (iii) All transactions involving receipts by non-profit organizations of rupees ten lakhs or its equivalent in foreign currency;
- (iv) All Cash transactions (in terms of Rule 3 (c)) where forged or counterfeit currency notes or bank notes has been used as genuine or where any forgery of valuable security or a document has taken place facilitating the transactions, had to be reported by the 15th day of the succeeding month.
- (v) All suspicious transactions whether or not made in cash and by way of as mentioned in the Rule 3(1) (D).

20. The branches have to maintain proper record of all cash transactions (deposits and withdrawals) of Rs. 10 lakh and above. Such transactions and those of suspicious nature whether made in cash or otherwise, need to be reported to controlling/head office on a fortnightly basis or extracted as a report from the central database.

### **Records to contain the specified information**

21. Records referred to above in para 20 as per Rule 3 of the PMLA Rules to contain the following information: -

- (i) The nature of the transactions;
- (ii) The amount of the transaction and the currency in which it was denominated;
- (iii) The date on which the transaction was conducted; and
- (iv) The parties to the transaction.

### **Maintenance and Preservation of records**

22. Section 12 of PMLA requires every NBFC to maintain records as under:

(a) records of all transactions referred to in clause (a) of Sub-section (1) of section 12 read with Rule 3 of the PML Rules is required to be maintained for a period of ten years from the date of last transaction and closure of the account of the customer (b) records of the identity of all clients of the NBFC is required to be maintained for a period of ten years from the date of cessation of transactions between the clients and the NBFC.

(c) Other records not related to identity of clients or records of transaction are to be preserved for at least for five years from the date of the record.

(d) For destruction of records, each department shall maintain register under the custody of Senior Management officer of the department concern for maintaining records of destruction and name of the approving officers for such destruction. SSAPL shall have Policy Unit Head as authorized person for destruction of records.

The Company should take appropriate steps to evolve a system for proper maintenance and preservation of information in a manner (in hard and soft copies) that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. The Company shall maintain records of the identity of clients, and records in respect of transactions with its client referred to in rule 3 in hard or soft format.

### **Reporting to Financial Intelligence Unit-India**

**23.** As required in Section 12 of PMLA the company shall to report information of transaction referred to in clause (a) of sub-section (1) of section 12 read with Rule 3 of the PML Rules relating to cash and suspicious transactions etc. to the Director, Financial Intelligence Unit-India (FIU-IND). The proviso to the said section also provides that where the principal officer of a SSAPL has reason to believe that a single transaction or series of transactions integrally connected to each other have been valued below the prescribed value to so to defeat the provisions of this section, such officer shall furnish information in respect of such transactions to the Director within the prescribed time.

**24.** The information has to be furnished at the following address by the Principal Officer of the SSAPL:

**Director, FIU-IND,  
Financial Intelligence Unit-India,  
6th Floor, Hotel Samrat,  
Chanakyapuri,  
New Delhi-110021.  
Website: <http://fiuindia.gov.in>**

A copy of information furnished shall be retained by the Principal Officer for the purposes of official record.

**25. (a)** The information in respect of the transactions referred to in clause(A), (B) and (BA) of sub-rule (1) of rule 3 of the PML Rules (i.e. clauses (i), (ii) and (iii) referred to in Paragraph 19 supra) is to be submitted to the Director every month by the 15th day of the succeeding month.

(b) The information in respect of the transactions referred to in clause(C) of sub-rule (1) of rule 3 of the PML Rules (i.e. clause(iv) in Paragraph 19 supra) is to be furnished promptly to the Director in writing, or by fax or by electronic mail not later than seven working days from the date of occurrence of such transaction.

(c) The information in respect of the transactions referred to in clause(D) of sub-rule (1) of rule 3 of the PML Rules (i.e. clause(v) in Paragraph 19 supra) is to be furnished promptly to the Director in writing, or by fax or by electronic mail not later than seven working days on being satisfied that transaction is suspicious.

Provided the company and its employees maintain strict confidentiality of the fact of furnishing/ reporting details of suspicious transactions.

It has to be noted that in terms of Rule 8, while furnishing of information to the Director FIU-IND, delay of each day in not reporting a transaction or delay of each day in rectifying a misrepresented transaction beyond the time limit as specified in this rule shall constitute a separate violation.

**26.** As advised by the FIU-IND, New Delhi the Company need not submit 'NIL' reports in case there are no Cash/Suspicious Transactions, during a particular period.

**27.** The required information is to be furnished by the Company directly to the FIU-IND, through the Principal Officer designated by the NBFC under the Prevention of Money Laundering Act, 2002.

### **General**

**28.** In short the KYC and AML policy of the company is to ensure that the provisions of PML, Rules framed there under and the Foreign Contribution and Regulation Act, 1976, wherever applicable, are adhered to strictly.

Where the Company is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, SSAPL may consider closing the account or terminating the business relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decisions need to be taken at a reasonably senior level. The Company may rely on third party verification subject to conditions at (a) to (e) of as stated below:

For the purpose of identifying and verifying the identity of customers at the time of commencement of an account-based relationship, reporting entity may rely on a third party verification subject to the conditions that-

- (a) the reporting entity immediately obtains necessary information of such client due diligence carried out by the third party;
- (b) the reporting entity takes adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the client due diligence requirements will be made available from the third party upon request without delay;
- (c) the reporting entity is satisfied that such third party is regulated, supervised or monitored for, and has measures in place for compliance with client due diligence and record-keeping requirements in line with the requirements and obligations under the Act;
- (d) the third party is not based in a country or jurisdiction assessed as high risk; and
- (e) the reporting entity is ultimately responsible for client due diligence and undertaking enhanced due diligence measures, as applicable.

#### **Procedure for determining Beneficial Owner:**

Where the client is a company, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means. Explanation. - For the purpose of this sub-clause-

1. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five percent of shares or capital or profits of the company;
2. (a) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
- (b) where the client is a partnership firm, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of/entitlement to more than fifteen percent of capital or profits of the partnership;
- (c) where the client is an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
- (d) where no natural person is identified under (a) or (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official (e) where the client is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership; and
- (f) where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

Type of Customer	% of shares /capital entitlement or ownership --- Persons to be considered Beneficial Owners (BOs)
Private Ltd Co (Controlling ownership interest means ownership of/entitlement to **)	25% of the Shares or Capital or Profits of the Company entitlement.
Unincorporated Association or body of Individuals	15% of the Property or Capital or Profits of Unincorporated Association or body of Individuals.
Partnership Firm	Partners with more than 15% share in the profits
Trusts	The trust, the trustee, the beneficiaries with 15% or more interest in the trust

**Communication:**

**30.** Each version of modified policy must be communicated to all staff and all associates person viz branch, Authorized Persons, DSA's. This communication is mandatory in addition to the training session to be given to the staff and associates person from time to time.

Annex – A

**CUSTOMER IDENTIFICATION REQUIREMENTS - INDICATIVE GUIDELINES**

Particulars	Guidelines
<b>Trust/Nominee or Fiduciary Accounts</b>	<p>There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. Officials should determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, Officials may insist on receipt of satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. While opening an account for a trust, Officials should take reasonable precautions to verify the identity of the trustees and the settlors of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries should be identified when they are defined. In the case of a 'foundation', steps should be taken to verify the founder managers/directors and the beneficiaries, if defined. If the Official decides to accept such accounts in terms of the Customer Acceptance Policy, the SSAPL shall take reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that it knows who the beneficial owner(s) is/are.</p>
<b>Accounts of companies and firms</b>	<p>Officials will be vigilant against business entities being used by individuals as a 'front' for maintaining accounts with the Company. Officials shall verify the legal status of the legal person / entity through proper and relevant documents. Official shall verify that any person purporting to act on behalf of the legal / juridical person/entity is so authorized and identify and verify the identity of that person. Officials shall examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception, e.g. in the case of a public company it will not be necessary to identify all the shareholders.</p>
<b>Client accounts opened by professional intermediaries</b>	<p>When the Official has knowledge or reason to believe that the client account opened by a professional intermediary is on behalf of a single client, that client must be identified. Officials may hold 'pooled' accounts managed by professional intermediaries on behalf of entities like mutual funds, pension funds or other types of funds. Where the Officials rely on the 'customer due diligence' (CDD) done by an intermediary, they shall satisfy themselves that the intermediary is regulated and supervised and has adequate systems in place to comply with the KYC requirements. It shall be understood that the ultimate responsibility for knowing the customer lies with the Company.</p>
<b>Accounts of Politically Exposed Persons (PEPs) resident outside India</b>	<p>Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. Officials should gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain. Officials should verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should be taken at a senior level. Officials should also subject such accounts to enhanced monitoring on an ongoing basis. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.</p>



**Accounts of non-face-to-face customers**

In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, additional safeguards are necessary to mitigate the higher risk involved. Certification of all the documents presented may be insisted upon and, if necessary, additional documents may be called for. In the case of cross-border customers, there is the additional difficulty of matching the customer with the documentation and the Official may have to rely on third party certification/introduction. In such cases, it must be ensured that the third party is a regulated and supervised entity and has adequate KYC systems in place.

## Annex-B

### Customer Identification Procedure

#### Documents that may be obtained from customers

Customers/Clients	Documents (Certified copy of any one of the following officially valid document)
<p><b>Accounts of individuals</b></p>	<p>Any one document from the Officially Valid Document is only allowed. They are:</p> <ul style="list-style-type: none"> <li>(i) Passport</li> <li>(ii) PAN card</li> <li>(iii) Voter's Identity Card issued by Election Commission</li> <li>(iv) Driving License</li> <li>(v) Job Card issued by NREGA duly signed by an officer of the State Govt</li> <li>(vi) The letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number.</li> </ul> <p>Where 'simplified measures' are applied for verifying the identity of customers the following documents shall be deemed to be 'officially valid documents':</p> <ul style="list-style-type: none"> <li>i. identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;</li> <li>ii. letter issued by a gazetted officer, with a duly attested photograph of the person.</li> </ul> <p>Where 'simplified measures' are applied for verifying for the limited purpose of proof of address the following additional documents are deemed to be OVDs .:</p> <ul style="list-style-type: none"> <li>i. Utility bill which is not more than two months old of any service provider (electricity, telephone, postpaid mobile phone, piped gas, water bill);</li> <li>ii. Property or Municipal Tax receipt;</li> <li>iii. Bank account or Post Office savings bank account statement;</li> <li>iv. Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;</li> <li>v. Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation; and</li> <li>vi. Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.</li> </ul>
<p><b>Accounts of Companies</b></p>	<ul style="list-style-type: none"> <li>(a) Certificate of incorporation;</li> <li>(b) Memorandum and Articles of Association;</li> <li>(c) A resolution from the Board of Directors and power of attorney granted to managers, officers or employees to transact on its behalf; and</li> <li>(d) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.</li> </ul>
<p><b>Accounts of Partnership firms</b></p>	<ul style="list-style-type: none"> <li>(a) Registration certificate;</li> <li>(b) Partnership deed; and</li> <li>(c) An officially valid document in respect of the person holding an attorney to transact on its behalf.</li> </ul>

<b>Accounts of Trusts and foundations</b>	(a) Registration certificate; (b) Trust deed; and (c) An officially valid document in respect of the person holding a power of attorney to transact on its behalf
<b>Accounts of unincorporated association or a body of individuals</b>	(a) Resolution of the managing body of such association or body of individuals; (b) Power of attorney granted to him to transact on its behalf; (c) An officially valid document in respect of the person holding an attorney to transact on its behalf; and (d) Such information as may be required by the bank/company to collectively establish the legal existence of such an association or body of individuals.
<b>Accounts of Proprietorship Concerns</b>  Proof of the name, address and activity of the concern Apart from Customer identification procedure as applicable to the proprietor any two of the following documents in the name of the proprietary concern would suffice	Apart from Customer identification procedure as applicable to the proprietor any two of the following documents in the name of the proprietary concern would suffice <ul style="list-style-type: none"> <li>• Registration certificate (in the case of a registered concern)</li> <li>• Certificate/licence issued by the Municipal authorities under Shop &amp; Establishment Act,</li> <li>• Sales and income tax returns</li> <li>• GST/CST/VAT certificate</li> <li>• Certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities</li> <li>• Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute. The complete Income Tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/ acknowledged by the Income Tax Authorities.</li> </ul> In cases where the Company are satisfied that it is not possible to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the Company, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

**I. ADDRESS PROOF (in case of Blood relative)**

In case of close relatives, e.g. husband, wife, son, daughter and parents, etc. who live with their wife, husband, father/mother, daughter and son, who do not have officially valid document for address verification, then, in such cases, Company will obtain OVD for proof of address and identity of the relative with whom the prospective customer is living together with a declaration from the relative that the said person (prospective customer) proposing to take loan is a relative and is staying with her/him. Company can use any supplementary evidence such as a letter received through post for further verification of the address. While issuing operational instructions to the branches on the subject, Company will be sensitive enough and keep in mind the spirit of instructions issued by the Reserve Bank and avoid undue hardships to individuals who are, otherwise, classified as low risk customers. (ref Annex C for format)

**II. ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO BUILDER/PROJECT LOANS:**

a. Builder approaching the SSAPL for a small loan compared to the total cost of the project;

- b. Builder is unable to explain the sources of funding for the project;
- c. Approvals/sanctions from various authorities are proved to be fake;

### **III. ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO LOANS:**

- a. Customer is reluctant to provide information, data, documents;
- b. Submission of false documents, data, purpose of loan, details of accounts;
- c. Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc;
- d. Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;
- e. Approaches a branch/office of a SSAPL, which is away from the customer's residential or business address provided in the loan application, when there is SSAPL branch/office nearer to the given address;
- f. Unable to explain or satisfy the numerous transfers in the statement of account/ multiple accounts;
- g. Initial contribution made through unrelated third party accounts without proper justification;
- h. Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;
- i. Suggesting dubious means for the sanction of loan;
- j. Where transactions do not make economic sense;
- k. There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;
- l. Encashment of loan amount by opening a fictitious bank account;
- m. Applying for a loan knowing fully well that the property/dwelling unit to be financed has been funded earlier and that the same is outstanding;
- n. Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
- o. Multiple funding of the same property/dwelling unit;
- p. Request for payment made in favour of a third party who has no relation to the transaction;
- q. Usage of loan amount by the customer in connivance with the vendor/builder/developer/broker/agent etc. and using the same for a purpose other than what has been stipulated.
- r. Multiple funding / financing involving NGO / Charitable Organisation / Small / Medium Establishments (SMEs) / Self Help Groups (SHGs) / Micro Finance Groups (MFGs)
- s. Frequent requests for change of address;
- t. Overpayment of instalments with a request to refund the overpaid amount.

**Annexure – C**

**Blood Relative Declaration**

(on SSAPL letters head)

Application / Loan Account Number:  
(To be filled by Applicant/s)

Name of Applicant:

Mr. / Mrs. / Ms. / Dr. / CA \_\_\_\_\_  
(first name) (middle name) (last name)

I hereby solemnly declare that I stay with

Mr. / Mrs. / Ms. / Dr. / CA \_\_\_\_\_  
(first name) (middle name) (last name)

The proof of my current/permanent address as mentioned on the Application form is in the name of my spouse / blood relative (please specify).

My Relationship with Address Proof Holder:

- Spouse
- Parent (Father/Mother)
- Child (Son / Daughter)
- Brother /Sister

I am enclosing the below as a proof of relationship

- Passport
- Birth Certificate
- Marriage Certificate
- Ration Card
- Matriculation Certificate
- Court Affidavit
- School Leaving Certificate
- PIO and OCI card issued by Indian Government.

**Declaration by the Applicant (Borrower):**

I, the Applicant of the Loan solemnly affirm, my current/permanent address is as mentioned in the Application Form.

The information given above is correct and nothing has been concealed. I am aware it is illegal and a criminal offence to deliberately furnish false information or suppress information.

That I undertake to be entirely responsible for any loss/ expenses incurred by the Organization on account of relying on my declaration.

Blood Relative Declaration

\_\_\_\_\_  
(Signature of primary applicant)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**Declaration by the Address Proof Holder:**

I, the Primary / Secondary Borrower solemnly affirm: (name)

Residence Address:

I, the address proof holder solemnly affirms:

I, have no objection to allow the Applicant to use my address for communication purposes.

The said Applicant resides with me at my residential address for which I have provided a valid proof as per your requirements.

The information given above is correct and nothing has been concealed and I am aware it is illegal and a criminal offence to deliberately furnish false information or suppress information.

Blood Relative Declaration

\_\_\_\_\_  
(Signature of address proof holder)

Place: \_\_\_\_\_

Date: \_\_\_\_\_



## Annex - I

### Illustration of Integrally connected cash transaction

The following transactions have taken place in an NBFC during the month of April, 2008:

Date	Mode	DR (n Rs)	CR ( in Rs)	Balance (in Rs) BF – 800000
02/04/2008	Cash	5,00,000.00	3,00,000.00	6,00,000.00
07/04/2008	Cash	40,000.00	2,00,000.00	7,60,000.00
08/04/2008	Cash	4,70,000	1,00,000.00	3,90,000.00
Monthly summation		10,10,000.00	6,00,000.00	

i) As per above clarification, the debit transactions in the above example are integrally connected cash transactions because total cash debits during the calendar month exceeds Rs. 10 lakhs. However, the NBFC should report only the debit transaction taken place on 02/04 & 08/04/2008. The debit transaction dated 07/04/2008 should not be separately reported by the NBFC, which is less than Rs. 50, 000/-.

ii) All the credit transactions in the above example would not be treated as integrally connected, as the sum total of the credit transactions during the month does not exceed Rs. 10 lakh and hence credit transaction dated 02, 07 & 08/04/2008 should not be reported by NBFC.

## Annex – II

Form	Information	To be submitted by	Responsibility
Summary of Cash Transaction Reports for a NBFC	Contains summary of enclosed CTRs	Principal officer of the NBFC	Principal Officer
Cash Transaction Report for a NBFC	Details of bank account and cash transactions	Reporting branch	Branch Manager / Collection In charge
Annexure A- Individual Detail Sheet for a NBFC	Identification details of individual	Reporting branch	Branch Manager / Collection In charge
Annexure B- Legal Person/ Entity Detail Sheet for a NBFC	Identification details of legal person /entity	Reporting branch	Branch Manager / Collection In charge

### **There are five reporting formats prescribed for a Non-banking finance company viz.**

- Manual reporting of cash transactions
- Manual reporting of suspicious transactions
- Consolidated reporting of cash transactions by Principal Officer of the bank
- Electronic data structure for cash transaction reporting and
- Electronic data structure for suspicious transaction reporting which are enclosed to this circular.

Submission of the reports to Financial Intelligence Unit (FIU) -IND. CTR format as guided by RBI.

## Appendix

### List of KYC Circulars

Sr. No.	Circular No.	Date
I	DNBS (PD) CC.No.46/02.02(RNBC)/2004-05	December30,2004
li	DNBS(PD). CC 48 /10.42/2004-05	February 21, 2005
lii	DNBS(PD).CC No. 58/ 10.42 /2005-06	October 11, 2005
Iv	DNBS.PD. CC No. 64 /03.10.042/2005-06	March 7, 2006
V	DNBS (PD). CC 113 /03.10.042/ 2007- 08	April 23, 2008
vi	DNBS (PD). CC 163/03.10.042/ 2009- 10	November13,2009
vii	DNBS (PD).CC. No 166 /03.10.42 /2009-10	December 2, 2009
viii	DNBS. (PD) CC No 192 /03.10.42/2010-11	August 9, 2010
ix	DNBS. (PD) CC No 193 /03.10.42/2010-11	August 9, 2011
x	DNBS (PD).CC. No 201 /03.10.42 /2010-11	September 22, 2010
xi	DNBS (PD).CC. No 202 /03.10.42 /2010-11	October 4, 2010
xii	DNBS(PD).CC.No209/03.10.42/2010-	January 28, 2011
xiii	DNBS(PD).CC.No210/03.10.42/2010-11	February 14, 2011
xiv	DNBS.(PD)CCNo212/03.10.42/2010-11	March 8, 2011
xv	DNBS(PD).CC. No.216 /03.10.42 /2010-11	May 02, 2011
xvi	DNBS(PD).CC.No218/03.10.42/2010-11	May 04 , 2011
xvii	DNBS.(PD)CC No215/03.10.42/2010-11	April 5, 2011
xviii	DNBS (PD).CC. No 242 /03.10.42 /2011-12	September 15, 2011
xix	DNBS (PD).CC. No 244 /03.10.42 /2011-12	September 22, 2011
xx	DNBS (PD).CC. No 251 /03.10.42 /2011-12	December26, 2011
xi	DNBS (PD).CC. No 257 /03.10.42 /2011-12	March 14, 2012
xii	DNBS (PD).CC. No 264/03.10.42/2011-12	March 21, 2012
xiii	DNBS(PD).CC. No.270/03.10.42 /2011-12	April 4, 2012
xiii	DNBS (PD).CC. No 275 /03.10.42 /2011-12	May 29, 2012
xiv	DNBS (PD).CC. No 294 /03.10.42 /2012-13	July 5, 2012
xv	DNBS (PD).CC. No 295 /03.10.42 /2012-13	July 11, 2012
xvi	DNBS (PD).CC. No 296 /03.10.42 /2012-13	July 11, 2012
xvii	DNBS (PD).CC. No 298 /03.10.42 /2012-13	July 26, 2012
xviii	DNBS (PD).CC. No 302 /03.10.42 /2012-13	September 7,2012
ix	DNBS (PD).CC. No 304 /03.10.42 /2012-13	September 17,2012
xx	DNBS (PD).CC. No 305 /03.10.42 /2012-13	October 3,2012
xxi	DNBS (PD).CC. No 306 /03.10.42 /2012-13	October 3,2012

xxii	DNBS (PD).CC. No 310 /03.10.42 /2012-13	November 22,2012
xxiii	DNBS (PD).CC. No 313 /03.10.42 /2012-13	December 10,2012
xxiv	DNBS (PD).CC. No 318 /03.10.42 /2012-13	December 28,2012
xxv	DNBS (PD).CC. No 319 /03.10.42 /2012-13	December 28,2012
xxvi	DNBS (PD).CC. No 321 /03.10.42 /2012-13	February 27,2013
xxvii	DNBS (PD).CC. No 323 /03.10.42 /2012-13	April 18, 2013
xxviii	DNBS (PD).CC. No 324 /03.10.42 /2012-13	May 2, 2013
xxix	DNBS (PD).CC. No 325 /03.10.42 /2012-13	May 3, 2013
xxx	DNBS(PD).CC.No.351/03.10.42/2013-14	July 4, 2013
xxi	DNBS (PD).CC. No 352/03.10.42 /2013-14	July 23, 2013
xii	DNBS(PD).CC.No 357/03.10.42/2013-14	October 3.2013
xiii	DNBS(PD).CC NO 358/03.10.42/2013-14	October 3, 2013
xiv	DNBS(PD).CC.No.364/03.10.42/2013-14	January 1, 2014
xv	DNBS(PD).CC.No.366 /03.10.42/2013-14	January 10, 2014
xvi	DNBS (PD).CC. No 370 /03.10.42 /2013-14	March 19, 2014
Xvii	DNBS(PD).CC.No.375/03.10.42/2013-14	April 22 , 2014
Xviii	DNBS (PD).CC. No 401/03.10.42 /2014-15	July 25 , 2014
Xix	DNBS (PD).CC. No 402 /03.10.42 /2014-15	August 1, 2014
Xxxx	DNBS (PD).CC. No 404 /03.10.42 /2014-15	August 1, 2014
Xxxi	DNBR.CC.PD.No.010/03.10.01/2014-15	January 09,2015
Xxxii	DNBR.CC.PD.No.051/03.10.119/2015-16	July 01, 2015

### **List of PMLA Circulars**

Sr. No.	Circular No.	Date
i	DNBS (PD). CC 68 /03.10.042/2005-06	April 5, 2006
ii	DNBS (PD). CC 126/03.10.042/ 2008- 09	August 5, 2008
lii	DNBS (PD). CC 164/03.10.042/ 2009- 10	November 13, 2009
iv	DNBS (PD).CC. No 170 /03.10.42 /2009-10	April 23 , 2010
V	DNBS(PD).CC.No 171 /03.10.42/2009-10	April 23 , 2010
Vi	DNBS(PD).CC. No. 172 /03.10.42 /2009-10	April 30, 2010
Vii	DNBS(PD).CC.No 175/03.10.42/2009-10	May 26, 2010
Viii	DNBS(PD).CC.No 198 /03.10.42/2010-11dated	August 26,2010
Ix	DNBS (PD).CC. No 247 /03.10.42 /2011-12	October 28, 2011
X	DNBS(PD).CC.No.307/03.10.42/2012-13	October 16 , 2012
Xi	DNBS (PD).CC. No 378 /03.10.42 /2013-14 May 29, 2014	May 29, 2014
Xii	DNBS (PD).CC. No 398/03.10.42 /2014-15	July 10, 2014
Xiii	DNBS (PD).CC. No 400/03.10.42 /2014-15	July 14, 2014
Xiv	DNBS (PD).CC.No 401/03.10.42 /2014-15	July 25 , 2014
Xv	DNBR(PD).CC.No.005/03.10.42/2014-15	December 01,2014
Xvi	DNBR.CC.PD.No.009/03.10.01/2014-15	January 02,2015
Xvii	DNBR.PD.CC.No.022/03.10.042/2014-15	March 16,2015
Xviii	DNBR.CC.PD.No.051/03.10.119/2015-16	July 01, 2015

In addition to the guidelines given under the aforesaid Policy, the company may also stipulate other guidelines through its Policy documents and the same are also to be adhered.

**Note –**

Full forms:

RBI - Reserve Bank of India

CAP - Customer Acceptance Policy / Procedures

CIP - Customer Identification Requirements / Procedures

PML Act / PMLA - Prevention of Money Laundering Act

CDD - Customer Due Diligence

FATF - Financial Action Task Force

CFT - Combating Financing of Terrorism

NOC - No Objection Certificate

PEP - Politically Exposed Person

POA - Power of Attorney

KYC - Know Your Customer

AML - Anti-Money Laundering

BO – Beneficial Owner

FIU-IND - Financial Intelligence Unit – India

NREGA - National Rural Employment Guarantee Act

DBOD - Department of Banking Operations and Development of Reserve Bank