

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2435  
ANSWERED ON:23.08.2013  
NEW KYC FORMS  
J Helen Davidson

**Will the Minister of FINANCE be pleased to state:**

- (a) whether public and private sector banks are obtaining the new KYC forms from all the account holders;
- (b) if so, the details thereof;
- (c) whether the banks have fixed any deadline in this regard; and
- (d) if so, the details and compliance status thereof, bank-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): As a matter of practice all the commercial banks are seeking to strengthen the Know Your Customer (KYC) process as part of which review of Customer Risk Profile / Categorization takes place which requires sometimes Customers to submit information about transactions.

In terms of the Reserve Bank of India (RBI) Master Circular on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) standards / Combating of Financing of Terrorism (CFT) / obligations of banks under PMLA, 2002 dated 01.07.2013, banks were advised to introduce a system of periodical updation of customer identification data (including photograph/s) after the account is opened. The periodicity of such updation should not be less than once in five years in case of low risk category customers and not less than once in two years in case of high and medium risk categories. In the light of practical difficulties / constraints expressed by bankers / customers in obtaining / submitting fresh KYC documents at frequent intervals as the relative documents submitted earlier specially by low-risk customers have remained unchanged in most of the accounts, these instructions were revised vide RBI circular dated 23.07.2013 which stipulated that banks would need to continue to carry out on-going due diligence and full KYC exercise will be required to be done at least every 2 years for high-risk individuals and entities and for every 10 years for low-risk individuals and at least every 8 years for medium-risk individuals and entities.

(c) and (d): Banks do set deadlines as per their convenience / need to complete the exercise. As regards compliance, only compliance of banks with regard to adherence to KYC is examined by RBI.