

## **Help us in preventing money laundering / terrorist financing**

### **.....Your assistance really matters us**

(Ever wondered why the Bank is asking you certain personal information? By providing this information to the Bank, at the time of account opening and subsequently as and when required, you are actually assisting the Bank's efforts in prevention of money laundering/terrorist financing. Here are the details (presented in the form of frequently asked questions) to let you know how.)

1) What is the type of information I need to submit to the Bank at the time of account opening?

You need to submit the PAN or Form 60, Officially Valid document for proof of identity and your address and a copy of your latest photograph. Please contact our branch official to assist you in terms of the documents that could be submitted.

2) I approached the Bank in the status of a legal person such as a company, trust etc. and not as a natural person. Do I still need to submit information mentioned in (2) above?

For legal persons, the Bank is required to obtain PAN or Form 60 (as applicable), proof of the existence of entity (such as copy of the certificate of incorporation, memorandum/articles of association, trust deed etc. as may applicable) along with a copy of the resolution from the entity's managing body (such as the Board of Directors or the Board of Trustees as may be applicable to it) to open the account. Further, the person interacting with the Bank for operating the account on behalf of the entity (i.e. authorised signatories) needs to obtain a mandate to that effect from the entity and establish his identity by providing proof of identity and address along with PAN or Form 60. Also, person on whose behalf the account is maintained (i.e. beneficial owner) needs to provide proof of identity and address along with PAN or Form 60. Please contact our branch official to assist you in terms of the documents that could be submitted for a legal person.

3) What does the Bank do with this information? Does this information immediately shared with other agencies or reported to the tax and law enforcement authorities?

As per the extant regulations of RBI, the customer profile information collected by the Bank at the time of account opening is kept confidential by the Bank and is not disclosed to any person, except when required under the provisions of applicable laws and regulations.

4) I am doing a large cash withdrawal (above Rs. 10 lacs) and the teller is insisting that I should provide him information on the purpose of withdrawal. After all, I am withdrawing money from my own account and therefore, why should I share this information with the Bank?

The extant regulations of RBI require the Banks to closely monitor the large cash transactions and the teller is just discharging his regulatory obligation. Such an information assists the Bank in identifying any unusual transactions that are being routed through it.

5) You are repeatedly mentioning that the extant regulations of RBI and the rules notified under Prevention of Money Laundering Act, 2002. What do they really talk about and try to achieve?

The regulations and the rules referred to above deal with what is called as an initiative of Anti Money Laundering (AML) and Countering the Terrorist Financing (CTF). These rules and regulations try to prevent the process of money laundering (i.e., the process of dealing with criminal proceeds and projecting it as untainted property through banking channels) and financing of terrorism related activities. The regulations, in the broadest sense, require the banks to know their customers (popularly known as the Know Your Customer or KYC regulations) and to monitor their transactions. Further, specified information under the PMLA about the cash and suspicious transactions need to be submitted to the Financial Intelligence Unit, India (FIU-IND, a Government of India department, which analyses and forwards the intelligence information to the law enforcement agencies).

Compliance with AML regulations assists the banks and the society at large in keeping a close watch on the transactions to identify suspicious transactions, if any, and thereby provide intelligence information (through reports to FIU-IND) to the law enforcement authorities to deal with such transactions as per the applicable laws and regulations. Co-operating with the Bank by providing required information, assists the Bank and the society in a long way in their fight against money laundering and terrorist financing.