

## Know Your Customer -KYC Information for Customers intending to open bank accounts with us

As per the Prevention of Money Laundering Act, 2002 and the rules mentioned therein, as amended from time to time by Government of India, every banking company, financial institution and intermediary, as the case may be, are required to identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship while undertaking a transaction either by establishing an account-based relationships or otherwise.

Accordingly, Reserve Bank of India (RBI) has directed banks to follow the (KYC) 'Know Your Customer directions', wherein certain profile information of the customer to be obtained along with KYC documents. Objective of doing so is to enable the Bank to identify its customers. KYC also ensures making reasonable efforts to determine true identity and beneficial ownership of accounts, source of funds, the nature of customer's business, reasonableness of operations in the account in relation to the customer's business, etc. which in turn helps the banks to manage their risks prudently. Objective of the KYC guidelines is to prevent banks being used, intentionally or unintentionally by criminal elements for money laundering.

As per RBI KYC directions, banks are required to obtain following documents from the customer –

- a) Recent Photograph and
- b) PAN or Form 60 as defined in income tax rules 1962 and
- c) (i) Officially Valid documents (OVD) for proof of identity and address or  
(ii) E-KYC authentication with consent of the customer where customer is desirous of receiving any benefit or subsidy under any scheme notified under Section 7 of Aadhaar Act, 2016.

Account Opening Form provides the nature of documents required and the procedure to be followed for the opening of a new account. You may also log on to our website - [www.icicibank.com](http://www.icicibank.com) for such information, which is displayed product wise.

Our Branch officials at the Account Opening Desk / Branch Manager will also be able to provide guidance regarding the different types of documents that are acceptable for opening any new account.

We request your kind co-operation in providing the required documents for opening new accounts to enable us to adhere to the KYC policy.

- For whom Bank should obtain complete KYC?

For the purpose of the KYC Policy, a Customer is defined as:

- A person or entity that maintains an account and/or has a business relationship with the Bank;
- One on whose behalf the account is maintained (i.e. the beneficial owner);
- Beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors, etc. as permitted under the law;

- Any person or entity connected with a financial transaction, which can pose significant reputation or other risks to the Bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

➤ Why does the Bank ask you for proof of your identity and address?

The identification of a customer is very critical process, with a view to protect the customer interests by preventing from fraudsters who may use the name, address and forge signature to undertake benami / illegal business activities, encashment of stolen drafts, cheques, dividend warrants, etc. This also helps to safeguard banks from unwittingly used for the transfer of deposit of funds derived from criminal activity or for financing terrorism.

Identification of customers will also help to control financial frauds, identify money laundering and suspicious activities, and for scrutiny / monitoring of large value cash transactions.

➤ Are KYC requirements new?

No, KYC requirements have always been in place and banks have been taking KYC documents in accordance with the directions issued by RBI from time to time. RBI has revisited the KYC directions in the context of recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering standards and on Combating Financing of Terrorism and enhanced the KYC standards in line with international benchmarks since India is a member of FATF.

➤ Is KYC mandatory?

Yes

It is a regulatory and legal requirement.

In terms of the directions issued from time to time by the Reserve Bank of India (RBI) on Know Your Customer [KYC] Standards – Anti Money Laundering [AML] Measures, all banks are required to put in place a comprehensive policy framework covering KYC Standards and AML Measures.

The Prevention of the Money Laundering Act, 2002 (PMLA) and Rules made there under also requires Banks, Financial Institutions and Intermediaries to ensure that they follow certain minimum standards of KYC and AML, as laid down in the Act and the 'rules' framed there under.

➤ Anti-Money Laundering-What you must know?

Money laundering has become a pertinent problem worldwide threatening the stability of various regions by actively supporting and strengthening terrorist networks and criminal organizations.

The links between money laundering, organized crime, drug trafficking and terrorism pose a risk to financial institutions globally.

➤ What is Money Laundering and Financial Terrorism?

Money laundering refers to conversion of money illegally obtained to make it appear as if it originated from a legitimate source. Money laundering is being employed by launderers worldwide to conceal criminal activity associated with it such as drugs /arms trafficking, terrorism and extortion. Financial Terrorism means financial support to, in any form of terrorism or to those who encourage, plan or engage in terrorism. Money launderers send illicit funds through legal channels in order to conceal their criminal origin while those who finance terrorism transfer funds that may be legal or illicit in original in such a way as to conceal their source and ultimate use, which is to support Financial Terrorism.

- Once KYC requirements are complied with while opening the account, whether the bank can again ask for KYC from me?

Yes, To ensure that the latest details of customer identification are available, banks have been instructed from time-to-time by RBI to periodically update the customer identification data based upon the risk category of the customers.

Banks create a customer profile based on details about the customer like social/financial status, nature of business activity, information about his clients' business and their location, the purpose and reason for opening the account, the expected origin of the funds to be used within the relationship and details of occupation/employment, sources of wealth or income, expected monthly remittance, expected monthly withdrawals etc. When the transactions in the account are observed not consistent with the profile, the bank may ask for any additional details / documents as required.

- Periodic Updation of KYC documents as per RBI Guidelines.

According to the Reserve Bank of India's (RBI's) directions on KYC (Know Your Customer), banks are required to periodically update identification data of their customers, including the customer's photograph, proof of identity and proof of address. Updating KYC details regularly also ensures the security of your accounts, to keep your Bank Account compliant with RBI's KYC guidelines. It is necessary for each customer to update the Bank about his/her latest communication details.

In order to meet the above RBI requirements for your account(s), we request you to give us the self-attested documents and the filled Customer Information Updation Form. The Customer Information Updation Form is available on at any of the ICICI Bank branches.