

KYC REQUIREMENTS FOR DIFFERENT TYPES OF CUSTOMERS

1. Individual/s-Detailed guidelines on Aadhaar (for DBT and non-DBT beneficiaries) are given in Chapter 1

In accordance with the Hon'ble Supreme Court judgement dated 26.09.2018 and RBI clarification vide their e-Mail dated 21.02.2019, Aadhaar and its authentication is mandatory only for DBT beneficiaries who are availing subsidies/ benefits/ services covered by Section 7 of the Aadhaar Act. Pending amendment to PML Rules, Banks can rely on certified copy of Aadhaar or any of the OVDs , as defined in RBI Master Direction on KYC, along with PAN/Form 60, for establishment of account based relationship for non- DBT beneficiaries.

Hence wherever Aadhaar number is mentioned as mandatory in the existing policy,we have specified that it is meant only for DBT beneficiaries, in the proposed policy.

A.Photograph (for all types of customers)

One recent photograph

B.All individuals who are eligible to be enrolled for Aadhaar **in the case of DBT beneficiaries** should submit

- (1)Aadhaar number or proof of application of enrolment for Aadhaar and
- (2)Permanent Account Number (PAN) or Form No.60, as per Income Tax Rules,1962.

Aadhaar with different Address:

In case the Aadhaar submitted by the customer does not have the current address of the customer, he can submit any one of the following list of officially valid documents for proof of address.

TABLE A. List of Officially Valid Documents:

1. Passport,
2. Driving license,
3. The Voter's Identity Card issued by Election Commission of India,
4. Job card issued by NREGA duly signed by an officer of the State Government,
5. Letter issued by the National Population Register containing details of name and address

- Bank branch, at the time of receipt of the Aadhaar number from the customer, will carry out authentication facility provided by Unique Identification authority of India.
- If a customer does not possess Aadhaar Number, he should furnish proof of application of enrolment for Aadhaar. In case the Permanent Account Number is not submitted, one Certified copy of an Officially Valid Document (List given

in Table A) should be submitted, in addition to Form 60.

- Where the customer who is not eligible to be enrolled for an Aadhaar Number, (Non-Residents) or a customer resident in the States of Jammu and Kashmir, Assam or Meghalaya, he should submit PAN or Form 60 as defined in the Income Tax Rules, 1962. If the customer does not submit the PAN, he should submit one certified copy of the Officially Valid Document (List given in Table A) containing details of his identity and address, one recent photograph and such other documents in respect of the nature of business and financial status of the customer.
- In case the customer who is eligible to be enrolled for Aadhaar and to obtain PAN, does not submit the Aadhaar number and the PAN at the time of commencement of an account based relationship, the customer should submit Aadhaar number and PAN within a period of six months from the date of commencement of the account based relationship, failing which the account shall cease to be operational till the time the Aadhaar and PAN is submitted by the client.

Single document for proof of identity and proof of address.

- If the officially valid document submitted for opening a bank account has both, identity and address of the person, there is no need for submitting any other document for address proof.

A. PAN Card in the name of customer

- As per Rule 114(B) of Income Tax Act, 1961, PAN should be quoted for opening of bank accounts.
- The proviso to Rule 114B state that any person who does not have a PAN and who enters into a transaction specified in this rule shall make a declaration in Form 60.
- If the customer is a minor and who does not have any income chargeable to income tax, he shall quote the PAN of his father or mother as guardian.
- Proprietor can quote his PAN in all the accounts including personal accounts and proprietorship accounts.

Notes:

1. No separate proof of address is required for current address

- A customer shall not be required to furnish separate proof of current address, if it is different from the address recorded in the OVD. In such cases, the branch shall merely obtain a declaration from the customer indicating the address to which all correspondence will be made by the branch. For example migrant workers, transferred employees etc
- This address may be verified by the bank through 'positive confirmation' such as acknowledgement of receipt of (i) Letter, Cheque Books, ATM Cards; (ii) telephonic conversation; (iii) visits etc.
- In the event of change in this address due to relocation or any other reason, customers may intimate the new address for correspondence to the bank within **two weeks** of such a change.

2. Change of Permanent Address / Address as per 'proof of address'

- As long as permanent address does not change, the issue of separate address proof would not arise. In the event of change in permanent address, the customer is allowed **Six Months** time to update the address in any one of the officially valid documents (listed in Table A) and submit the same to banks.

3. No separate KYC documentation is required while transferring accounts from one branch to another branch of the same bank.

- Once KYC is done by one branch of the bank, it is valid for transfer of the account to any other branch of the same bank. The customer would be allowed to transfer his/her account from one branch to another branch without restrictions and on the basis of declaration of his / her local address for communication. In such cases customers may intimate the new address for correspondence to the bank within two weeks of such a change.

4. Time limit to submit proof of local address for foreign students

- Foreign students have been allowed a time of one month for furnishing the proof of local address.

2. Self Help Groups

For identification of SHG

- Copies of the minutes of the meeting of Self Help Group duly signed by the chairperson of the meeting / President & Secretary with seal.
- The list of members of the group with their name, Father/Husband's name, age, address, telephone number etc with individual member's signature against the name.
- Certified copy of Resolution taken in the meeting authorizing opening of such accounts (mentioning the type of account and specifying the name & style of the said account to be opened) and also specifying the Bank and branch name, wherein the accounts to be opened and conferring authority on the persons, who, in accordance with the resolution are to operate the accounts / sign cheques etc.

Note:

(a) KYC verification of all the members of SHG shall not be required while opening the savings bank account of the SHG

(b) KYC verification of all the office bearers shall suffice.

(c) The office bearers of the SHG should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1.

(d) No separate KYC verification of the members or office bearers shall be necessary at the time of credit linking of SHGs.

3. Small Accounts

The persons who do not have any of the 'officially valid documents can open 'small accounts' on the basis of a

- Self-attested photograph and
- The prospective account holder has to sign or affix thumb print in the presence of the Bank Officer in the account opening form and
- The bank officer certifies under his signature that the person opening the account has signed in his presence.

The small accounts shall have the following limitations

- The aggregate of all Credits in a financial Year cannot exceed Rs. 100,000/-
- The aggregate of all withdrawal and transfers in a month cannot exceed Rs. 10,000/-
- The balance at any point of time cannot exceed Rs. 50,000/-
- Foreign remittances are not allowed in the account.

These small accounts would be valid normally for a period of **twelve months**. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that he/she has applied for any of the officially valid document, within twelve months of opening the small account.

A small account can be converted into a regular account on production of Aadhaar Number of the customer, **in case of DBT beneficiaries** and one of the officially valid documents listed in Table A. Where an Aadhaar number has not been assigned to the customer, **in case of DBT beneficiaries**, he should submit proof of application of enrolment for Aadhaar along with an officially valid document.

4. Proprietorship

For Proprietor

1. A passport size photograph and an officially valid document (out of the six officially valid documents specified for individual customers) in respect of the Proprietor who is also the sole beneficial owner **AND**

For Proprietorship concern:

2. **ANY TWO** of the following documents in the name of Proprietary concern

- Registration certificate (in the case of a registered concern),
- Certificate / License issued by the Municipal authorities under Shop and Establishment act,
- Sales and income tax returns, CST / VAT certificate, certificate / registration document issued by Sales Tax/Service Tax/Professional Tax authorities,
- License issued by the registering authority like Certificate of Practice issued by the Institute of Chartered Accountants of India, Institute of Companies Secretaries of India, Indian Medical Council, Food and Drug Control Authorities,
- Certificate / registration licensing document issued in the name of proprietary concern by Central Government or State Government Authority/Department.
- IEC (Importer Exporter Code) issued to the proprietary concern by the office of the DGFT,
- The complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where firms income is reflected, duly authenticated/acknowledged by the Income Tax authorities

- Utility Bills such as electricity, water, and landline telephone bills in the name of proprietary concern.
- Any other License of Certificate of Practice issued in the name of proprietary concern by any professional body incorporated under a statute.

Note: In cases where the designated authority is satisfied that it is not possible to furnish two of the above documents, he/she would have the discretion to accept only one of these documents as activity proof. In such cases the branch should undertake contact point verification, collect such information as would be required to establish the existence of such a firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

3. PAN in the name of Proprietor (As per Section 114(B) of IT Act, 1961, PAN should be quoted for opening of accounts)

For Address Proof

In normal case the above documents may contain address of the proprietorship firm also. For local address, the firm may be asked to submit a declaration giving local address details.

For person/s who operate the account.

- A passport size photograph
- The person holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1

5. Partnership

For identification of partnership concern

All of the following documents

- I. Copy of Registration certificate duly verified with the original
- II. Copy of Partnership deed duly verified with the original
- III. PAN Card in the name of Partnership duly verified with the original (*As per Rule 114(B) of Income Tax Act, 1961, PAN should be quoted for opening of accounts*)
- IV. List of all the partners including Minor if any admitted to the benefits of Partnership.
- V. Partnership letter signed by all the partners in their individual capacity (D5).
- VI. Details of Beneficial owners duly certified by the managing partner / partner as per Annexure-6
- VII. Power of attorney granted to the person authorized to transact on its behalf.

Note: Un-registered partnerships can also open account based on Partnership deed supported by any document as may be required to collectively establish the legal existence of partnership, such as License from Panchayat/Municipality/Corporation, Permission or consent from any government

department, Sales and income tax returns, CST/VAT certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities / the complete Income Tax Returns duly authenticated/acknowledged by the Income Tax authorities / Copy of latest balance sheets / import export code (IEC) etc in lieu of registration certificate

For Address Proof

In normal case the above documents may contain address of the entity also. For local address, the entity may be asked to submit a declaration giving local address details.

For all person/s who operate the account.

- A passport size photograph
- The person/s holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1

For all Partners and all Beneficial owners

- A passport size photograph and an officially valid document (out of the officially valid documents specified for individual customers) in respect of all the partners and beneficial owners.

Note:

- *Beneficial owner is the natural person(s), has ownership of / entitlement to more than 15% of capital or profits of the partnership*
- *Where no natural person is identified as above, the beneficial owner is the natural person who holds the position of senior managing official.*

6. Companies

For identification of company

All of the following documents

- i. Copy of Certificate of incorporation (compulsory)
- ii. Copy of Memorandum of Association duly verified with the original and certified as 'true and upto-date'
- iii. Copy of Articles of Association duly verified with the original and certified as 'true and upto-date'
- iv. A copy of the Certificate of commencement of business (in case of Public Limited Company) duly verified with the original.
- v. PAN Card in the name of company duly verified with the original (As per Rule 114(B) of Income Tax Act, 1961, PAN should be quoted for opening of accounts)
- vi. A copy of Board resolution, on the lines indicated in the opening form, duly certified to be true by the chairman of the meeting at which the resolution had been passed authorising the opening an account with the Bank.
- vii. A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf;
- viii. List of Board of Directors of the Company
- ix. Details of Beneficial owners duly certified by the CEO / CFO / Director / Company Secretary as per Annexure-6

For Address Proof

In normal case the above documents may contain address of the company also. For local address, the entity may be asked to submit a declaration giving local address details.

For person/s who operate the account.

- x. A passport size photograph
- xi. The person holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1

For Directors and Beneficial owners

- xii. A passport size photograph and an officially valid document (out of the officially valid documents specified for individual customers).

Note:

- Beneficial owner is the natural person(s), who has a 'controlling ownership interest' or who exercises 'control' through other means.
- 'Controlling ownership interest' means ownership of or entitlement to more than 25% of shares or capital or profits of the company.
- '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.
- Where no natural person is identified as above, the beneficial owner is the natural person who holds the position of senior managing official.
- 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.

7. Trusts and foundations

For identification of Trust / foundation etc

All of the following documents

- i. Copy of Registration certificate duly verified with the original. (In the case of a Public Trust, a copy of the certificate issued by Charity Commissioner or such other competent authority to be obtained. Private trusts may not have registration)
- ii. Copy of Trust deed duly verified with the original.
- iii. Copy of any supplementary deed of appointment of new trustees verified with the original.
- iv. PAN Card in the name of Trust / foundations duly verified with the original (As per Rule 114(B) of Income Tax Act, 1961, PAN should be quoted for opening of accounts)
- v. A resolution from the Board of trustees to open an account with the Bank duly certified by the chairman of the meeting
- vi. Power of attorney granted to the authorised person to transact on its behalf;
- vii. List of all the trustees.
- viii. Letter from Trustees

- ix. Details of Beneficial owners duly certified by the Managing trustee.

Note: Unregistered trusts/foundations can also open account based on trust deed supported by any document as may be required to collectively establish the legal existence of the entity, such as License from Panchayat or Municipality or Corporation, Permissions or consent from any government department, Sales and income tax returns, CST/VAT certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities / Income Tax Returns / Copy of latest balance sheets / import export code (IEC) etc in lieu of registration certificate.

For Address Proof

In normal case the above documents may contain address of the entity also. For local address, the entities may be asked to submit a declaration giving local address details.

For person/s who operate the account

- x. A passport size photograph
xi. The person holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1

For all trustees and all Beneficial owners

- xii. A passport size photograph and an officially valid document (out of the officially valid documents specified for individual customers) in respect of all the trustees / members of managing committee and beneficial owners

Note:

Where the client is a trust, identification of beneficial owner shall include identification of author (founder) of the trust, the trustee, the beneficiaries with more than 15% interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

8. Un-incorporated association or body of individuals

For identification of Association / body etc

All of the following documents

- i. Copy of the Registration Certificate if registered along with any one of the License from Panchayat or Municipality or Corporation / Permission or consent from any government department / Sales and income tax returns / CST / VAT certificate / registration document issued by Sales Tax / Service Tax / Professional Tax authorities / Bye-laws / Income Tax Returns / Copy of latest balance sheets / import export code (IEC) etc as may be required to collectively establish the legal existence of such an association or body of individuals; duly verified with the original.
ii. PAN Card in the name of Un-incorporated association or body of individuals duly verified with the original (As per Rule 114(B) of Income Tax Act, 1961, PAN should be quoted for opening of accounts)
iii. Resolution of the managing body of such association or body of individuals to open an account with the Bank;
iv. Power of attorney granted to the person authorized to transact on its

behalf;

- v. List of members of Managing committee.
- vi. Details of Beneficial owners duly certified by the chairman of the Managing committee as per Annexure-6

Note:

Unregistered trusts/partnership firms shall be included under the term 'unincorporated association'.

Term 'body of individuals' includes 'societies'.

For Address Proof

- vii. In normal case the above documents may contain address of the entity also. For local address, the entities may be asked to submit a declaration giving local address details.

For person/s who operate the account

- viii. A passport size photograph
- ix. The person holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1.

For all the members of managing committee and all Beneficial owners

- x. A passport size photograph and an officially valid document (out of the officially valid documents specified for individual customers) in respect of all members of the managing committee and beneficial owners.

Note:

- *Where the client is an unincorporated association or body of individual, the beneficial owner is the natural person(s), who, has ownership of or entitlement to more than 15% of the property or capital or profits of such association or body of individuals.*
- *Where no natural person is identified as above, the beneficial owner is the natural person who holds the position of senior managing official.*

9. Schools, Colleges etc

For identification of the institution

All of the following documents

- A copy of the rules and regulations of the institution duly verified with the original.
- A copy of the resolution of the Governing Body authorizing opening and operation of the account, duly certified by the chairman of the meeting in which it is passed.
- Power of attorney granted to the person authorized to transact on it's behalf.
- List of persons comprising the Governing Body. The updated / revised list should be obtained every year.
- Details of Beneficial owners duly certified by the chairman of the Managing committee / Governing body as per Annexure-6
- In case of Government Schools, the branch should ensure whether the school / college is authorized to open an account by the education department and the usual terms and conditions on which such accounts are

allowed to be opened should be verified. The account opening form should be signed by the persons authorized to open and operate the account as per the Government Order. The operations should be allowed as per the terms and conditions / rules framed by education department for this purpose.

- In case of Aided Schools, the permission of Board of Secondary Education is necessary. Before accepting an account in the name of an aided school, the Branch Manager should make sure that the Governing Body of the school has the permission.

For Address Proof

In normal case the above documents may contain address of the entity also. For local address, the entity may be asked to submit a declaration giving local address details.

For person/s who operate the account

- A passport size photograph
- The person holding an attorney to transact on behalf of the entity should comply with the submission of Aadhaar Number and PAN/Form 60, applicable to any individual customer, as explained in Para-1.

For all the Members of Governing Body and all Beneficial owners

- A passport size photograph and an officially valid document (out of the officially valid documents specified for individual customers) in respect of all members of the Governing Body / managing committee and beneficial owners

Note:

- *Branch may ascertain the ownership pattern of the school, college etc to find out whether it comes under Proprietorship, Partnership, Company, Trust, Society etc and thereafter the rules applicable to such customer type may be applied for identifying beneficial owners.*

10. Foreign Students studying in India

- ❖ Non-Resident Ordinary Account (NRO) account alone can be opened
- ❖ Students with Pakistani nationality will require prior approval from Reserve Bank of India for opening the account.

For identification of the student

- Photo of the proposed customer
- Copy of Passport with appropriate Visa & immigration endorsement which contains the proof of identity and address in the home country
- Letter offering admission from the educational institution
- The account may be opened and allowed to be operated for 30 days with a condition of allowing foreign remittances not exceeding USD 1,000 or equivalent into the account and a cap of Rs. 50,000/- **on aggregate in the same, during the 30-day period.**

- Within a period of 30 days, the foreign student should submit a valid address proof giving local address, in the form of a rent agreement or a letter from the educational institution as a proof of living in a facility provided by the educational institution.
- On submission of the proof of current address, the account would be treated as a normal NRO account, and can be operated in terms of instructions on Non-Resident Ordinary Rupee (NRO account and the provisions of FEMA, 1999.

11. Documents other than OVD under relaxed norms for the purpose of identification of Walk-in Customers.

- 1) Employee ID card issued by Government / Defence / reputed institutions,
- 2) Pension Payment Orders with photograph
- 3) Photo ID issued by Post Offices
- 4) Credit Card with photograph
- 5) Photo ID issued to bonafide students of a University
- 6) Kisan Card
- 7) Disability Card
- 8) Ration Card / PDS Card etc
- 9) Any other document to the satisfaction of Branch Manager

For opening accounts of juridical persons not specifically covered in the above, such as Government or its Departments, societies, universities and local bodies like village panchayats, a certified copy of the following documents are to be obtained:

- i) Document showing name of the person authorised to act on behalf of the entity;
- ii) Officially valid documents for proof of identity and address in respect of the person holding a power of attorney to transact on its behalf and
- iii) Such documents as may be required to establish the legal existence of such an entity/juridical person

IMPORTANT NOTES:

1. Verification of copies of documents with original and Authentication:

Original of the documents may be obtained for verification and copy duly attested by the official concerned after due verification regarding validity etc. should be kept along with the account opening form.

2. Need for due diligence:

Due diligence means any measure undertaken by the Bank to **collect** and **verify** the information and positively establish the identity of the customer. It means in addition to obtaining the documents, all efforts must be taken to verify the information and ensure the genuineness of documents, purpose and nature of business relationship, in order to ensure that the account is opened and operated by the person authorised to do so.

3. For identification of any other customer type or operational guidelines

Branches are advised to refer Deposit Manual for detailed guidelines on KYC norms of any other type of customer and for other operational guidelines.

