(x) the use of a safety deposit box or any other form of safe deposit;

(xi) entering into any fiduciary relationship;

(xii) any payment made or received in whole or in part of any contractual or other legal obligation; or

(xiii) establishing or creating a legal person or legal arrangement.

3. KYC Policy

Banks/FIs should frame their KYC policies incorporating the following four key elements:

(i) Customer Acceptance Policy (CAP);

(ii) Customer Identification Procedures (CIP);

(iii) Monitoring of Transactions; and

(iv) Risk Management.

3.1 Customer Acceptance Policy (CAP)

Banks/FIs should develop clear customer acceptance policies and procedures, including a description of the types of customers that are likely to pose a higher than average risk to the bank/FIs and including the following aspects of customer relationship in the bank/FIs.

(i) No account is opened in anonymous or fictitious/benami name.

(ii) Parameters of risk perception are clearly defined in terms of the nature of business activity, location of the customer and his clients, mode of payments, volume of turnover, social and financial status, etc. so as to enable the bank/FIs in categorizing the customers into low, medium and high risk ones.

(iii) Documents and other information to be collected from different categories of customers depending on perceived risk and the requirements of PML Act, 2002 and instructions/guidelines issued by Reserve Bank from time to time.

(iv) Not to open an account where the bank/FI is unable to apply appropriate customer due diligence measures, i.e., the bank/FI is unable to verify the