

Self Help Groups - UCBs to Simplify KYC / AML / CFT norms

RBI/2012-13/469

UBD.BPD (PCB) Cir. No.46 /14.01.062/2012-13

April 3, 2013

The Chief Executive Officer of
All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Measures/Combating of Financing of Terrorism (CFT) / Obligations of banks under Prevention of Money Laundering Act (PMLA), 2002 – Simplifying norms for Self Help Groups - Primary (Urban) Co-operative Banks

Please refer to our [circular UBD.BPD \(PCB\) Cir. No. 28/14.01.062/2012-13 dated December 19, 2012](#) on simplification of Know Your Customer (KYC) norms / Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002. In order to address the difficulties faced by Self Help Groups in complying with KYC norms while opening savings bank accounts and credit linking of their accounts, it has been decided to simplify certain norms for Self Help Groups.

2. Accordingly, KYC verification of all the members of SHG need not be done while opening the savings bank account of the Self Help Groups and KYC verification of all the office bearers would suffice. As regards KYC verification at the time of credit linking of Self Help Groups, it is clarified that since KYC would have already been verified while opening the savings bank account and the account continues to be in operation and is to be used for credit linkage, no separate KYC verification of the members or office bearers is necessary.

3. Primary (Urban) Co-operative Banks may revise their KYC policy in the light of the above instructions and ensure strict adherence to the same.

Yours faithfully,

(A. Udgata)
Chief General Manager-in-Charge