



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

DOR.AML.REC. XXX/14.01.001/2025-26

May xx, 2025

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/ Madam,

Updation/ Periodic Updation of KYC – Revised Instructions

Please refer to instructions on updation/ periodic updation of KYC as contained in paragraph 38 of [Master Direction - Know Your Customer \(KYC\) Direction, 2016 dated February 25, 2016](#) (as amended from time to time).

2. The Reserve Bank has observed a large pendency in periodic updation of KYC including in the accounts opened for credit of Direct Benefit Transfer (DBT)/ Electronic Benefit Transfer (EBT) under Government schemes to facilitate credit of DBTs and/ or scholarship amount (DBT/ EBT/ scholarship beneficiaries) and accounts opened under PMJDY. Reserve Bank has also been receiving complaints regarding challenges faced by the customers in periodic updation of their KYC.

3. In order to further ease the process for the convenience of customers, the instructions regarding updation/ periodic updation of KYC are being amended with the intent , inter alia, to allow BCs to facilitate in the process of KYC and KYC updation vide Reserve Bank of India (Know Your Customer (KYC)) (Amendment) Directions, 2025 ([Annex I](#)).

4. Further, the banks are advised to organize camps and launch intensive campaigns focusing on periodic updation of KYC, especially in rural and semi urban branches and the branches having pendency in periodic updation of KYC. The banks may also facilitate the process of activation of accounts by taking an empathetic view as indicated in the [circular DoS.CO.PPG.SEC.12/11.01.005/2024-25 dated December 2, 2024](#).

5. It is mentioned that over the last few years, the instructions on customer onboarding and updation/ periodic updation of customers' KYC have been simplified and detailed in the Master Direction *ibid*. A brief compilation of such instructions is enclosed in the [Annex II](#) for ready reference.

Yours faithfully

(Veena Srivastava)
Chief General Manager

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वसं/ 13वसं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मसंबई- 400001

टेलीफोन/ Tel No: 22661602, 22601000, फैक्स/ Fax No: 022-2270 5691
Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai - 400001

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भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA

**Reserve Bank of India (Know Your Customer (KYC)) (Amendment)
Directions, 2025**

Introduction

RBI had issued [Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#) (hereinafter referred to as Master Direction) in compliance of the provisions of the PML Act, 2002 and the Rules made thereunder. There is a need to further amend the same in order to enhance consumer protection and service.

2. Accordingly, in exercise of the powers conferred by sections 35A of the Banking Regulation Act, 1949, the Banking Regulation Act (AACs), 1949, read with section 56 of the Act *ibid*, sections 45JA, 45K and 45L of the Reserve Bank of India Act, 1934, section 10 (2) read with section 18 of Payment and Settlement Systems Act, 2007, section 11(1) of the Foreign Exchange Management Act, 1999, Rule 9(14) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Amendment Directions hereinafter specified.

3.(i) These Directions shall be called the Reserve Bank of India (Know Your Customer (KYC)) (Amendment) Directions, 2025.

(ii) These directions shall come into effect on the day these are placed on the official website of the Reserve Bank of India.

4. These Amendment Directions modify the [Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#) as under:

(i) In the paragraph 38 of the Master Direction, a new clause shall be inserted before paragraph 38(a), namely:

Notwithstanding the provisions given above, in respect of an individual customer who is categorized as **low risk**, RE shall allow all transactions and ensure the updation of KYC within one year of its falling due for KYC or upto June 30, 2026, whichever is later. The RE shall subject accounts of such customers to regular monitoring. This

shall also be applicable to low-risk individual customers for whom periodic updation of KYC has already fallen due.

(ii) after paragraph 38(a)(ii), the following paragraph 38(a)(iia) shall be inserted, namely:-

“38(a)(iia) Use of Business Correspondent (BC) by banks for Updation/ Periodic Updation of KYC

Self-declaration from the customer in case of no change in KYC information or change only in the address details may be obtained through an authorized BC of the bank. In such case, after successful biometric based e-KYC authentication, the bank shall obtain the self-declaration including the supporting documents, if required, from the customer through the BC.

A bank may enable its BC systems for recording these self-declarations and supporting documents thereof in electronic form in the bank's systems. In case such an option is not available in the electronic mode and such declaration is submitted in physical form by the customer, the BC shall authenticate the self-declaration and supporting documents submitted in person by the customer, and promptly forward the same to the concerned bank branch. The BC shall provide the customer an acknowledgment of receipt of such declaration /submission of documents. The bank branch shall update the customer's KYC records and intimate the customer once the records get updated in the system, as required under paragraph 38(c) of the Master Direction *ibid*. It is reiterated that the ultimate responsibility for periodic updation of KYC remains with the bank.”

(iii) After paragraph 38(d), the following paragraph 38(e) shall be inserted, namely: -

“38(e) Due Notices for Periodic Updation of KYC

RE shall intimate its customers, in advance, to update their KYC. Prior to due date of periodic updation of KYC, RE shall give at least three advance intimations, including at least one intimation by letter, at appropriate intervals to its customers through available communication options/ channels for complying with the requirement of periodic updation of KYC. Subsequent to the due date, RE shall give at least three reminders, including at least one reminder by letter, at appropriate intervals, to such customers who have still not complied with the requirements, despite advance intimations. The letter of intimation/ reminder may, inter alia, contain easy to

understand instructions for updating KYC, escalation mechanism for seeking help, if required, and the consequences, if any, of failure to update their KYC in time. Issue of such advance intimation/ reminder shall be duly recorded in the RE's system.”

Annex II

(Circular ref. DOR.AML.REC. XXX/14.01.001/2025-26, dated May xx, 2025 on Updation/ Periodic Updation of KYC– Revised Instructions)

The [Master Direction - Know Your Customer \(KYC\) Direction, 2016 dated February 25, 2016](#) (as amended from time to time) instructs the Regulated Entities (REs), including banks, that the customers' KYC Identifier shall be the first reference point for the purpose of establishing an account-based relationship or for verification of identity of customers. Accordingly, while onboarding customer, the REs shall download customers' KYC records online from CKYCR with customer's consent without requiring him/ her to submit the same records again, unless there is a change in records available with CKYCR.

The processes of onboarding customer and updation/ periodic updation of KYC have been simplified and the same are given below:

A. Face-to-face mode for onboarding the customer

- (i) Customer may be onboarded in face-to-face mode through Aadhaar biometric based e-KYC authenticating and, in such case, if customer wants to provide a current address, different from the address as per the identity information available in the UIDAI database (i.e., Central Identities Data Repository), he may give a self-declaration to that effect to the RE (ref. paragraph 16 of the Master Direction on KYC).
- (ii) Further, Digital KYC process is also allowed for customer onboarding.

B. Non-face-to-face (NFTF) modes for onboarding the customer

- (i) Consent-based onboarding of customer in NFTF mode may be done using Aadhaar OTP based e-KYC authentication which is subject to certain conditions (ref. paragraph 17 of the Master Direction on KYC). Further, such account shall be placed under strict monitoring, and Customer Due Diligence (CDD) procedure shall be completed within a year.
- (ii) Customer onboarding in NFTF mode using digital modes such as KYC Identifier, equivalent e-documents, documents issued through DigiLocker, and non-digital modes such as obtaining copy of OVD certified by additional certifying authorities as allowed for NRIs and PIOs are subject to certain conditions (ref. paragraph 40 of the Master Direction on KYC).

C. Customer onboarding using Video based Customer Identification Process (V-CIP)

- (i) V-CIP is an alternate method of CDD by an authorised official of the RE by undertaking seamless, secure, live, informed and consent based audio-visual interaction with the customer to obtain identification information required for CDD purpose (ref. paragraph 18 of the Master Direction on KYC).
- (ii) V-CIP is treated on par with face-to-face onboarding.

D. Simplified process of updation and periodic updation of KYC

- (i) **Self-declarations** - REs are allowed to obtain self-declaration regarding “*no change in KYC information*” or “*a change only in address details*” from customers using digital and non-digital modes, through customer’s email / mobile number registered with the RE, ATMs, digital channels (such as online banking / internet banking, mobile application of RE), letter, BCs, etc.
- (ii) The updation/ periodic updation of KYC records are allowed to be carried out at any branch of the RE with which customer maintains the account.
- (iii) Aadhaar OTP based e-KYC and V-CIP are permitted for the purpose of updation/ periodic updation of KYC.
- (iv) REs have been directed to update customers’ KYC information/ records based on the update notification received from CKYCR.