

# **PROJECT TITLE ; KYC AND AML COMPLIANCE CHECKLIST**

**Prepared by : MR.kartik**

**Course ; (CIBOP)**

**DATE ; 06/JUNE/2025**

## **Objective :**

THE OBJECTIVE OF THIS PROJECT IS TO DESIGN A PRACTICAL KYC AND AML COMPLIANCE CHECKLIST ,FOLLOWING FATF AND SEBI GUIDELINES. THIS CHECKLIST IS INTENDED TO BE USED BY INVESTMENT BANKS AND FINANCIAL INSTITUTIONS FOR SCREENING AND ONBOARDING CLIENTS SAFETY.

## ~~\*\*\*\*\*KYC & AML\*\*\*\*\*~~

**KYC is the process used by banks and financial institutions to verify the identity and address of their customers before providing services. It helps prevent fraud, identity theft, and financial crimes.**

**AML refers to the laws, regulations, and procedures that aim to prevent criminals from disguising illegally obtained funds as legitimate income.**

### Difference Between KYC and AML:

Point	KYC	AML
Purpose	Verifying customer identity	Preventing money laundering
When Applied	During account opening/onboarding	Continuously during customer lifecycle
Focus	Customer information & documents	Customer behavior and transactions
Handled By	Banks/Financial Institutions	Banks + Regulatory bodies (e.g. RBI, FIU)

### Why KYC & AML Matter?

They are critical for:

- Preventing frauds
- Identifying fake or high-risk customers

- Complying with regulatory guidelines
  - Avoiding penalties or legal issues
- 

## Career Relevance (KYC/AML Roles Are Needed In):

- Banks and NBFCs
- Fintech companies
- Mutual Funds & Insurance firms
- Investment banks
- Risk & Compliance departments
- Anti-Fraud and Audit teams

## CHECKLIST FOR KYC & AML

CHECKLIST ITEM	COMPLIANCE STATUS	REMARKS
<u>CUSTOMER IDENTIFICATION</u>	MANDATORY	MUST MATCH OFFICIAL ID
<u>PAN CARD VERIFICATION</u>	<u>mandatory</u>	<u>verify from govt. database</u>
<u>PROOF OF ADDRESS</u>	<u>mandatory</u>	<u>aadhar card</u>
<u>PEP CHECK</u>	<u>recommended</u>	<u>Flag if politically exposed</u>
<u>SANCTION SCREENING</u>	<u>mandatory</u>	<u>OFAC, UN, EU</u>
<u>EDD</u>	<u>conditional</u>	<u>High risk cus.</u>

## **CONCLUSION:**

The KYC and AML checklist is a critical tool to ensure that financial institutions remain compliant with regulatory requirements and protect themselves from financial crimes such as identity fraud, money laundering, and terrorism financing. By systematically verifying customer identity (KYC) and continuously monitoring transactions (AML), institutions can identify high-risk customers, report suspicious activities, and maintain the integrity of the financial system. A well-maintained checklist not only enhances compliance but also promotes transparency, trust, and long-term customer relationships.

In summary: A robust KYC & AML checklist is essential for risk mitigation, regulatory adherence, and building a secure financial ecosystem.