

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 555

ANSWERED ON TUESDAY, 7th February, 2023/ **Magha 18, 1944 (Saka)**

Guidelines by RBI on KYC details

555. Shri Naranbhai J. Rathwa:

Will the Minister of FINANCE be pleased to state:

- (a) the guidelines issued by the Reserve Bank of India (RBI) on update of "Know Your Customer" (KYC) details;
- (b) whether it is a fact that senior citizens are often called by banks to update their KYC, along with certain valid documents;
- (c) if so, the details thereof and reasons therefor;
- (d) whether it is a fact that the regulator has issued guidelines to banks to take self-declaration through e-mail, phones, ATM, Whatsapp or a letter, in case there is no change in their address; and
- (e) if so, the reasons for not implementing these guidelines by the Banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): The Reserve Bank of India (RBI) has issued directions to its Regulated Entities (REs) on Know Your Customer (KYC) vide its Master Direction – Know Your Customer (KYC) Direction, 2016 as updated from time to time, in accordance with the provisions of the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 made thereunder. The directions regarding Periodic Updation of KYC are at Section 38 of the said Master Direction of RBI, as per which periodic updation is required to be carried out by REs at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low risk customers from the date of opening of the account / last KYC updation.

(b) to (e): Vide its Master Direction – Know Your Customer (KYC) Direction, 2016 RBI has allowed its REs to obtain self-declaration from the customer (both individual customers (including senior citizens) and customers other than individuals) in case of no change in KYC information, through various non-face-to-face channels elucidated in Section 38 of the said Master Direction, including through the customer's email-id or mobile number registered with the RE, ATMs, digital channels (such as online banking / internet banking, mobile application of RE), letter etc without need for a visit to the branch by the customer. Further, if there is only a change in address, then also customers can furnish revised / updated address through any of the aforementioned channels after which, the bank is required to undertake verification of the declared address through positive confirmation within two months, by means such as address verification letter, contact point verification, deliverable etc. RBI has also issued a Press Release in this regard for information of the general public on 05.01.2023.
