

Ref.No.NB.DOS.HO.POL. 816/J.1/2004-05

14 June 2004

Circular No.143/DoS.17/ 2004

The Chief Executive Officer/
General Manager
All State/District Central Cooperative Banks

Dear Sir,

Customer Information

Please refer to our Circular [No.NB.DOS.HO.POL.271/J.1/2002-03 \(Circular No.101/ DoS 14/2003\) dated 30 April 2003](#) on "Know Your Customer" (KYC) guidelines stipulating the need for collection of certain information by banks while opening accounts of the customers. It is likely that while complying with the above requirements, banks may also collect a lot of additional personal information.

2. The Committee on Procedures and Performances Audit on Public Services (Chairman: Shri S.S. Tarapore) approved by Reserve Bank of India has observed that the information collected from the customer is being used for cross selling of services of various products by banks and their affiliates. Sometimes, such information is also provided to other agencies. As banks are aware, the information provided by the customer for KYC compliance while opening an account is confidential and divulging any details thereof for any other purpose would be in breach of customer confidentiality obligations. Banks are, therefore, advised to instruct all the branches to strictly ensure compliance with their obligations to the customer in this regard.

3. Further, wherever banks desire to collect any information about the customer for a purpose other than KYC requirements, it should not form part of the account opening form. Such information may be collected separately, purely on a voluntary basis, after explaining the objectives to the customer and taking his express approval for the specific uses to which such information could be put.

4. Banks are advised to get their existing practices in this regard examined by the Board/Administrator, issue suitable instructions to their branches and ensure compliance.

Yours faithfully,

Sd/-

(D.B.Gore)
Chief General Manager