

NB.DOS.HO.POL. 820/J.1-2004/05

15 June 2004

Circular No. 145/ DOS. 19/2004

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

Dear Sir,

"Know Your Customer" Guidelines on norms and "Cash transactions" - Compliance

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 the "Know Your Customer" guidelines to be followed by banks.

2. In this connection, we invite your attention to paragraph 3 of the circular wherein you were advised that banks should verify the compliance in regard to Know Your Customer (KYC) procedures also for the existing customers based on the instructions extant at that time and to ensure that any omission in that regard is rectified at the earliest. It has now been decided that banks should draw up a time bound action plan as under, for completing this exercise of verification of the identity and address of the customer on the basis of reliable documents, in respect of all the old accounts. We may add that in the case of partnership firms, KYC procedures is to be applied to all the partners.

Sr.No .	Nature of Customer accounts	Prescribed date for completion of the process
1	All types of customer accounts including borrowal accounts, of companies, firms, trusts, institutions, etc.	September 30, 2004
2	All customer accounts including borrowal accounts, other than those included in category 1 above, opened during the period from January 1, 1998 till date	September 30, 2004
3	All customer accounts including borrowal accounts, other than those included in	December 31, 2004

	category 1 above, opened between January 1, 1993 and December 31, 1997	
4	All customer accounts including borrowal accounts, other than those included in category 1 above, opened before January 1, 1993	December 31, 2004

It is further clarified that Sr. No.1 of paragraph 2 above refer specifically to accounts of companies, firms, trusts, institutions, etc. in which the KYC guidelines should be complied with by September 30, 2004. Customer accounts mentioned at Sr.Nos. 2, 3 and 4 refer to all accounts other than those mentioned above.

3. While inoperative accounts could be kept out of the current exercise, an inoperative account should be subjected to the KYC procedures as and when any transaction comes up and is sought to be transferred to the operative category.

4. We shall be glad if you please advise your branches in this regard and submit to us, local Regional Offices of NABARD and RPCD, RBI your compliance report within one month of each of the prescribed dates for completion of the process indicated above. You are also advised to put up such compliance reports to the Audit Committee of the Board on a quarterly basis.

5. Please acknowledge receipt.

Yours faithfully,

Sd/-

(A.N. Rajwani)
General Manager