**Anti Money Laundering and Know your Customer**

|  |  |
| --- | --- |
| **Sr. No.** | **RBI Notifications** |
| 1 | Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance |
| 2 | Integrated Ombudsman Scheme, 2021 |
| 3 | Opening of Current Accounts by Banks - Need for Discipline |
| 4 | Gold Monetization Scheme (GMS), 2015 |
| 5 | Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines - Consolidated |
| 6 | Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions |
| 7 | Loans and Advances – Regulatory Restrictions |

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

RBI/2021-22/144
DOR.AML.REC.74/14.01.001/2021-22

December 30, 2021

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

Please refer to our [circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12083&Mode=0), on the captioned subject.

2. In view of the prevalent uncertainty due to new variant of Covid-19, the relaxation provided in the aforementioned circular is hereby extended till March 31, 2022.

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12213&Mode=0>

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**DEPUTY GOVERNOR**

**Reserve Bank of India
Mumbai**

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**NOTIFICATION**

Ref. CEPD. PRD. No.S873/13.01.001/2021-22

November 12, 2021

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), and in supersession of its Notifications Ref. (i) CEPD. PRS. No. 6317/13.01.01/2016-17 dated June 16, 2017; (ii) [CEPD. PRS. No. 3590/13.01.004/2017-18 dated February 23, 2018](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11220&Mode=0); and (iii) [CEPD. PRS. No. 3370/13.01.010/2018-19 dated January 31, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11461&Mode=0), the Reserve Bank of India, being satisfied that it is in public interest to do so, and to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, hereby integrates the three Ombudsman schemes – (i) [the Banking Ombudsman Scheme, 2006](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BOS2006_2302017.pdf), as amended up to July 01, 2017; (ii) [the Ombudsman Scheme for Non-Banking Financial Companies, 2018](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/NBFC23022018.pdf); and (iii) [the Ombudsman Scheme for Digital Transactions, 2019](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/OSDT31012019.pdf) into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme).

2. The Scheme covers the following regulated entities:

1. all Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year;
2. all Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are authorised to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above as on the date of the audited balance sheet of the previous financial year;
3. all System Participants as defined under the Scheme.

3. The regulated entities shall comply with the Scheme from the date of its implementation.

4. The format for filing a complaint under the Scheme is [annexed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf).

5. The [Scheme](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121.pdf) shall come into force from November 12, 2021.

(M. K. Jain)

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12192&Mode=0>

**Opening of Current Accounts by Banks - Need for Discipline**

RBI/2021-22/116
DOR.CRE.REC.63/21.04.048/2021-22

October 29, 2021

All Scheduled Commercial Banks
All Payments Banks

Madam/Sir,

**Opening of Current Accounts by Banks - Need for Discipline**

Please refer to our [circular DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11945&Mode=0) on the captioned subject and associated circulars thereon[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12184&Mode=0#F1).

2. On a review and taking into account feedback received from Indian Banks’ Association (IBA) and other stakeholders, it has been decided that banks may open current accounts for borrowers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system as per the provisions below:

(i) For borrowers, where the exposure of the banking system is less than ₹5 crore, there is no restriction on opening of current accounts or on provision of CC/OD facility by banks, subject to obtaining an undertaking from such borrowers that they shall inform the bank(s), as and when the credit facilities availed by them from the banking system reaches ₹5 crore or more.

(ii) In respect of borrowers where exposure of the banking system is ₹5 crore or more, such borrower can maintain current accounts with any one of the banks with which it has CC/OD facility, provided that the bank has at least 10 per cent of the exposure of the banking system to that borrower.

Further details of the circular can be accessed in the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12184&Mode=0>

**Gold Monetization Scheme (GMS), 2015**

RBI/2021-22/115
DoR.AUT.REC.62/23.67.001/2021-22

October 28, 2021

All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir/Madam

**Gold Monetization Scheme (GMS), 2015**

In exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, the RBI makes the following amendments in the Reserve Bank of India (Gold Monetization Scheme, 2015) [Master Direction No.DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10084), with immediate effect.

2. A new sub-paragraph 2.2.2 (f) has been inserted to read as follows:

2.2.2 (f) Interest on premature closure of the deposit in case of death of depositor before and after lock-in period

The amount payable to the depositor shall be calculated as a sum of **(A) and (B)**, as indicated below:

(A) Actual market value of the gold deposit on the day of withdrawal.

(B) Interest payable on the value of the gold for the period of deposit at the applicable rate.

3. A new sub-paragraph 2.2.2 (g) has been inserted to read as follows:

2.2.2 (g) Interest on premature closure of the deposit due to default of loan taken against MLTGD before and after lock-in period

The amount payable to the depositor shall be calculated as a sum of **(A) and (B)**, as indicated below:

(A) Actual market value of the gold deposit on the day of withdrawal.

(B) Interest payable on the value of the gold for the period of deposit at the applicable rate.

4. The Reserve Bank of India [Master Direction No.DBR.IBD.45/23.67.003/2015-16 dated October 22, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10084) on Gold Monetization Scheme, 2015 has been updated incorporating the above changes.

Yours faithfully

(Prakash Baliarsingh)
Chief General Manager

The interest rate applicable will be based on before the lock-in period or after the lock-in period and the type of deposit. These have been detailed out in a tabulated manner in the circular which can be referred to for more details in the link below.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12183&Mode=0>

**Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines – Consolidated**

RBI/2021-2022/114
IDMD.CDD.1100/14.04.050/2021-22

October 22, 2021

All Scheduled Commercial Banks (Excluding RRBs)
Designated Post Offices
Stock Holding Corporation of India Ltd. (SHCIL)
BSE & NSE
Depositories
Clearing Corporation of India Limited

Dear Sir/Madam,

**Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines - Consolidated**

The [Sovereign Gold Bond (SGB) Scheme was first launched by Government of India (GOI) on October 30, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10095&Mode=0).As the “Receiving Offices” (RO), are entrusted with the responsibility of performing certain functions relating to receipt of applications and servicing of the bonds, RBI has also issued operational guidelines from time to time and Procedural Guidelines vide [circular IDMD.CDD.No.1569/14.04.050/2016-17 dated December 23, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10792&Mode=0) for guidance to the Receiving Offices.

2. With a view to facilitate availability of all the current operative instructions on the above subject at one place, it has been decided to issue consolidated procedural guidelines. The rules and regulations applicable for servicing of these bonds have been updated with instructions issued till date and are given in [Annex I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12181&Mode=0#ANI). The same will be updated suitably and simultaneously whenever there is a change in the rules/regulations governing the operation of the Scheme.

3. This circular supersedes all operational/procedural guidelines issued till date. With the issuance of these instructions, no separate procedural/operational instructions will be issued henceforth. All the Receiving Offices shall be guided by these instructions while dealing with servicing of these bonds.

4. These Guidelines are issued in exercise of the powers conferred under Section 29(2) of the GS Act 2006, to the Receiving Offices, BSE/NSE and depositories.

Yours faithfully,

(Rajendra Kumar)
Chief General Manager

Encl: as above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12181&Mode=0>

**Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions**

RBI/2021-2022/86
DOR.LEG.REC/40/09.07.005/2021-22

August 18, 2021

All Scheduled Commercial Banks (including RRBs)
All Co-operative Banks
All Small Finance Banks
All Payments Banks
All Local Area Banks

Madam/Sir,

**Safe Deposit Locker/Safe Custody Article Facility provided by the banks- Revised Instructions**

Please refer to the extant instructions issued to Regulated Entities (REs) by the Reserve Bank on the above subject. Taking into consideration the various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks’ Association (IBA), Reserve Bank of India (‘the Reserve Bank’) has reviewed the guidelines/instructions issued on the above subject. The review also takes into account, the principles enumerated by the Hon’ble Supreme Court in ‘Amitabha Dasgupta vs United Bank of India’, (Judgment dated February 19, 2021 in CA No. 3966 of 2010).

2. Accordingly, in exercise of the powers conferred by Section 35A and Sections 45ZC to 45ZF of the Banking Regulation Act, 1949, read with Section 56 of the Act ibid and all other provisions of this Act or any other law enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in public interest to do so, hereby issues the detailed revised instructions on the above subject. The revised instructions, attached as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0#AN_1) to this circular, are issued in supersession of the earlier instructions issued by the Reserve Bank on the subject as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0#AP_1). The banks are advised to frame their own Board approved policy/ operational guidelines in this regard taking into account the revised instructions.

3. The revised instructions shall come into force with effect from January 1, 2022 (except where otherwise specified) and be applicable to both new and existing safe deposit lockers and the safe custody of articles facility with the banks.

Yours faithfully,

(Thomas Mathew)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0>

**Loans and Advances – Regulatory Restrictions**

RBI/2021-22/72
DOR.CRE.REC.No.33/13.03.00/2021-22

July 23, 2021

All Scheduled Commercial Banks (excluding RRBs)
All Small Finance Banks
All Local Area Banks

Madam / Dear Sir,

**Loans and Advances – Regulatory Restrictions**

Please refer to paragraphs 2.2.1.2, 2.2.1.4 and paragraph 2.2.1.5 of [Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902).

2. On a review, it has been decided that

i) For personal loans granted to any director of other banks, the threshold of Rupees twenty-five lakh, as mentioned in para 2.2.1.2, stands revised to Rupees five crore.

ii) Paragraph 2.2.1.4 has been revised as under –

Unless sanctioned by the Board of Directors/Management Committee, banks should not grant loans and advances aggregating Rupees five crore and above to -

(a) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of their own Chairmen/Managing Directors or other Directors;

(b) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of the Chairman/Managing Director or other directors of other banks\*;

(c) any firm in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and

(d) any company in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control.

Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

\*including directors of Scheduled Co-operative Banks, directors of subsidiaries/trustees of mutual funds/venture capital funds.

iii) Paragraph 2.2.1.5 has been revised as under -

The proposals for credit facilities of an amount less than Rupees twenty-five lakh or Rupees five crores (as the case may be) to these borrowers may be sanctioned by the appropriate authority in the financing bank under powers vested in such authority, but the matter should be reported to the Board.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12132&Mode=0>