

**KNOW YOUR CUSTOMER / ANTI MONEY  
LAUNDERING / COMBATING FINANCING OF  
TERRORISM POLICY**



**INTERNAL**

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## Version Tracker

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2.0	27 April 2023	160 <sup>th</sup> meeting of Board of Directors held on 27 April 2023	<ul style="list-style-type: none"><li>• Identification of designated director under PML Act and defining the responsibilities</li><li>• Insertion of clause to include necessary systems to ensure that the identity of the customer does not match with any person or entity, whose name</li></ul>

			<p>appears in the sanctions lists circulated by Reserve Bank of India in CAP and CIP</p> <ul style="list-style-type: none"> <li>• Insertion of procedure for identification of beneficial owners, the customer due diligence procedure to be followed, and the documents to be obtained – in Annexure II</li> <li>• Defining the documents to be obtained from different types of clients – Annexure II (exiting table updated as per latest guidelines)</li> </ul>
3.0	29 February 2024	166 <sup>th</sup> meeting of Board of Directors held on 29 February 2024	<ul style="list-style-type: none"> <li>• Customer acceptance policy – insertion of section related to UAPA in line with RBI master directions amended vide amendment dated 28 April 2023</li> <li>• Risk categorisation of client based on the internal rating of NABKISAN</li> </ul>
4.0	21 March 2025	178 <sup>th</sup> meeting of Board of Directors held on 21 March 2025	<ul style="list-style-type: none"> <li>• CDD on UCIC Basis</li> <li>• Sharing of KYC information with CKYCR</li> </ul>

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## **Know your Customer (KYC) /Anti Money Laundering (AML)/ Combating the Financing of Terrorism (CFT) Policy of NABKISAN Finance Limited**

### **1. Preamble:**

Reserve Bank of India (RBI) had advised all NBFCs to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority. These 'Know Your Customer' guidelines have been revisited by RBI in the context of the Recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT). The policy is as per RBI's master direction RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated 25 February 2016 (and updated from time to time thereon)

The Company has ensured that a proper policy framework on KYC and AML measures be formulated in line with the above prescribed RBI guidelines and put in place duly approved by its Board of Directors.

### **2. Objectives, Scope and Application of the Policy:**

The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities. KYC procedures shall also enable the Company to know and understand its Customers and its financial dealings better which in turn will help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for the following purposes:

- To prevent criminal elements from using NKFL for money laundering activities
- To enable NKFL to know/ understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently
- To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
- To comply with applicable laws and regulatory guidelines.
- To ensure that the concerned staff are adequately trained in KYC/AML/CFT procedures.

This Policy includes four key elements:

1. Customer Acceptance Policy (CAP)
2. Customer Identification Procedures (CIP)
3. Monitoring of Transactions and
4. Risk management

### **3. Definition of Customer**

For the purpose of NKFL KYC policy a 'Customer' means a person as defined under KYC policy of RBI (and any amendment from time to time by RBI) which are at present as under:

- A person or an entity that maintains an account and/or has a business relationship with NKFL;
- One on whose behalf the account is maintained (i.e. the beneficial owner)
- Beneficiaries of transactions conducted by professional intermediaries such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law

- Any other person or entity connected with a financial transaction which can pose significant reputation or other risks to NKFL, say an online transfer or issue of high value demand draft as a single transaction.

#### **4. Key elements**

##### **4.1 Customer Acceptance Policy (“CAP”)**

NKFL’s Customer Acceptance policy (CAP) lays down the criteria for acceptance of customers. The guidelines in respect of the customer relationship in NKFL broadly includes the following:

- a. No account is to be opened in anonymous or fictitious / benami name(s) / entity(ies)
- b. NKFL shall ensure that the identity of prospective customer does not match with any person with known criminal background or with banned entities.
- c. NKFL shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).
- d. Accept customers only after verifying their identity, as laid down in Customer Identification Procedures.
- e. Classify customers into various risk categories and based on risk perception, apply the acceptance criteria for each category of customers. Parameters of risk perception are clearly defined in terms of nature of business activity, location of customer and their clients, mode of payments, volume of turnover, social and financial status etc., to enable categorization of customers into low, medium and high risk. Customer requiring very high level of monitoring, e.g. Politically Exposed Persons (PEPs – as explained in Annexure I) may, if considered necessary, will be kept in the High Risk Category.
- f. Documentation requirements and other information to be collected in respect of different categories of Customers depending on perceived risk and compliances with Prevention of Money Laundering Act, 2002 (PMLA) and RBI guidelines/instructions from time to time.
- g. Not to open an account or close an existing account where the company is unable to apply appropriate customer due diligence measures i.e. company is unable to verify the identity and / or obtain documents required as per the risk categorisation due to non-cooperation of the customer or non-reliability of the data/information furnished to the company. It may, however, be necessary to have suitable built in safeguards to avoid harassment of the customer. For example, decision to close an account may be taken at a reasonably high level after giving due notice to the customer explaining the reasons for such a decision;
- h. Circumstances, in which a customer is permitted to act on behalf of another person/entity, would be clearly spelt out in conformity with the established law and practice of banking as there could be occasions when an account is operated by a mandate holder or where an account may be opened by an intermediary in the fiduciary capacity and
- i. Necessary checks before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organizations etc.

The Company shall prepare a profile for each new customer during the credit appraisal based on risk categorization as mentioned in this policy. The customer profile shall contain the information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived by NKFL. At the time of credit appraisal of the applicant the details are recorded along with his profile based on meeting with the applicant (by the NKFL representative) apart from collection of applicable documents, this will be as per the Credit/ products norms as may be in practice. However, while preparing customer profile, the Company shall seek only such information from the customer which is relevant to the risk category and is not intrusive. The customer profile will be a confidential document and details contained therein shall not be divulged for cross selling or for any other purposes.

#### 4.2 Risk Categorisation

For the purpose of risk categorisation, individuals (other than High Net Worth Individuals) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile, will be categorised as low risk. These customers include salaried employees whose salary structures are well defined, people belonging to lower economic strata of the society whose accounts show small balances and low turnover, Government departments & Government owned companies, regulators and statutory bodies etc. In such cases, only the basic requirements of verifying the identity and location of the customer are to be met.

Customers that are likely to pose a higher-than-average risk to the company will be categorized as medium or high risk depending on customer's background, nature and location of activity, country of origin, sources of funds and their client profile etc. NKFL will apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear.

Based on the internal rating of the clients, the risk categorization shall be as under:

<b>Client Category</b>	<b>Rating (as per NABKISAN's internal rating tool)</b>	<b>Risk Category</b>
NBFC	NKR1	Low
	NKR2	
	NKR3	
	NKR4	
	NKR5	Medium
	NKR6	
	NKR7	High
	NKR8	
	NKR9	
NBFC – MFI	NKR1	Low
	NKR2	
	NKR3	
	NKR4	Medium
	NKR5	
	NKR6	High
	NKR7	
	NKR8	

	NKR9	
FPO	A+	Low
	A	
	B+	Medium
	B	
	C+	High
Start-up (under CCF)	A+	Low
	A	
	B+	Medium
	B	

For all other clients, where internal rating is not available, the client shall be categorised as high-risk client. Whenever the loan policy and rate of interest policy is changed and any new risk category is introduced or existing risk category modified, the same shall be made applicable in this policy as well. In the absence of such changes, those clients shall be deemed as high-risk clients.

The KYC norms, as prescribed by RBI, for each risk categorization shall be adhered to.

#### **4.3. Customer Identification Procedures (“CIP”)**

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information. NKFL shall obtain sufficient information necessary to verify the identity of each new customer along with brief details of its promoters and management, wherever applicable, whether regular or occasional and the purpose of the intended nature of Business relationship. The requirement as mentioned herein may be moderated according to the risk perception like in the case of a public listed company it will not be necessary to identify all the shareholders.

Besides risk perception, the nature of information/documents required would also depend on the type of customer (individual, corporate etc). For customers that are natural persons, NKFL shall obtain sufficient identification data to verify the identity of the customer, their address/location, and his recent photograph. For customers that are legal persons or entities, the Company shall -

- i. verify the legal status of the legal person(s) / entity through proper and relevant documents;
- ii. verify that any person(s) purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person,
- iii. understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

Customer identification requirements keeping in view the provision applicable of Prevention of Money Laundering & its Rules and as per guidance note issued in this respect are indicated in Annexure I. The information/documents required for KYC compliance for ensuring Customer Due Diligence (CDD) process, based on the type of customers and features are given in the list given in Annexure II.

NABKISAN shall apply Customer Due Diligence procedure for Customer Acceptance only at UCIC level. Thus, if an existing KYC compliant customer of NABKISAN desires to avail any other loans from NABKISAN, there shall be no need for a fresh CDD exercise as far as identification of the customer is concerned.



Apart from the process given in the Annexure II, the following shall also be adhered by NABKISAN

- If the document obtained for establishing the identity/Name, contain the existing address of the client, then additional document for address proof is not required.
- A copy of recent photograph of the customer/Authorized person/s is to be obtained mandatorily for KYC purpose at the time of opening the account/loan origination.
- The Photograph and KYC documents such as Aadhaar card (masked), Voter ID card should be self-attested by the customers on the face of the copy of the document and has to be verified with the original by NABKISAN staff and to be certified accordingly on the copy of the KYC document itself.
- Name, age and address in the loan application should be exactly the same as it appears on the KYC document.

The Company will frame internal guidelines based on its experience of dealing with such persons/entities, normal prudence, and the legal requirements. The Company will formulate and implement a Client Identification Programme to determine the true identity of its clients keeping the above in view. The policy shall also cover the identification procedure to be carried out at different stages, i.e. while establishing a relationship; carrying out a financial transaction or when there is a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

As per Rule 9(IA) of the Prevention of Money Laundering Rules, 2005, NKFL is required to identify the beneficial owner and take all reasonable steps to verify their identity. The term "beneficial owner" has been defined as the natural person who ultimately owns or controls a client and/or the person on whose behalf the transaction is being conducted, and includes a person who exercises ultimate effective control over a juridical person. Government of India has since examined the issue and has specified the procedure for determination of Beneficial Ownership. The procedure as advised by the Government of India is as under:

- A. Where the client is a person other than an individual or trust, NKFL shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information:
  - i. The identity of the natural person, who, whether acting alone or together, or through one or more judicial person(s), exercises control through ownership or who ultimately has a controlling ownership interest.
  - ii. In cases where there exists doubt under (i) as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the judicial person through other means.
  - iii. Where no natural person is identified under (i) or (ii) above, the identity of the relevant natural person who holds the position of senior managing official.
- B. Where the client is a trust, NKFL shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

- C. Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

#### **4.4 Monitoring of transactions:**

- i. Ongoing monitoring is an essential element of effective KYC procedures.
- ii. Monitoring of transactions and its extent will be conducted taking into consideration the risk profile and risk sensitivity of the account.
- iii. NKFL shall make endeavours to understand the normal and reasonable activity of the customer so that the transactions that fall outside the regular/pattern of activity can be identified.
- iv. Special attention will be paid to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose.
- v. NKFL will prescribe threshold limits for a particular category of accounts and pay particular attention to the transactions which exceed these limits.
- vi. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer shall particularly attract the attention of the company.
- vii. Higher risk accounts shall be subjected to intense monitoring.
- viii. NKFL shall set key indicators for such accounts based on the background of the customer, country of origin, sources of funds, the type of transactions involved and other risk factors which shall determine the extent of monitoring.
- ix. NKFL shall carry out the periodic review of risk categorization of transactions/customer's accounts and the need for applying enhanced due diligence measures at a periodicity of not less than once in twelve months, except in those cases where the borrowers are categorised as high risk, where the periodicity shall be six months.
- x. NKFL shall explore the possibility of validating the new account opening applications with various watch lists available in public domain, including RBI watch list.
- xi. NKFL shall ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the PML Act, 2002. It may also be ensured that transactions of suspicious nature and/ or any other type of transaction notified under section 12 of the PML Act, 2002, is reported to the appropriate law enforcement authority

#### **4.5. Risk Management**

The Management under the supervision of the Board of Directors of the Company shall ensure that an effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implementation. It will cover proper management oversight, systems and controls, segregation of duties, training and other related matters. Responsibility will be explicitly allocated within the Company for ensuring that the policies and procedures as applicable to NKFL are implemented effectively. The Company shall devise procedures for creating Risk Profiles of their existing and new customers and apply various Anti Money Laundering measures keeping in view the risks involved in a transaction, account or business relationship

## **5. Training Programme**

NKFL shall have an ongoing employee training programs so that the members of the staff are adequately trained in KYC/ AML/ CFT procedures. Training requirements shall have different focuses for frontline staff, compliance staff and officer/ staff dealing with new customers so that all those concerned fully understand the rationale behind the KYC policies and implement them consistently

## **6. Internal Control System**

The Company's internal audit and compliance functions have an important role in evaluating and ensuring adherence to the KYC policies and procedures. As a general rule, the compliance function should provide an independent evaluation of the company's own policies and procedures, including legal and regulatory requirements. NKFL shall ensure that their audit machinery is staffed adequately with individuals who are well versed in such policies and procedures. Concurrent/ Internal Auditors shall specifically check and verify the application of KYC procedures and comment on the lapses observed in this regard. The compliance in this regard shall be put up before the Audit Committee of the Board on annual basis.

### **6.1. Sharing KYC information with Central KYC Records Registry (CKYCR)**

Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR vide Gazette Notification No. S.O. 3183(E) dated November 26, 2015.

NABKISAN shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as per the KYC templates prepared for 'Individuals' and 'Legal Entities' (LEs), as the case may be. The templates may be revised from time to time, as may be required and released by CERSAI.

In order to ensure that all KYC records are incrementally uploaded on to CKYCR, NABKISAN shall upload/update the KYC data pertaining to borrowers opened prior to 1 Jan 2017 (in case of individuals) and 1 Apr 2021 (in case of legal entities), respectively, at the time of updation / periodic updation, when the updated KYC information is obtained/received from the customer.

Also, whenever the NABKISAN obtains additional or updated information from any customer as per below paragraph or Rule 9 (1C) of the PML Rules, NABKISAN, shall within seven days or within such period as may be notified by the Central Government, furnish the updated information to CKYCR, which shall update the KYC records of the existing customer in CKYCR. CKYCR shall thereafter inform electronically all the reporting entities who have dealt with the concerned customer regarding updation of KYC record of the said customer. Once CKYCR informs NABKISAN regarding an update in the KYC record of an existing customer, NABKISAN shall retrieve the updated KYC records from CKYCR and update the KYC record maintained by NABKISAN.

For the purpose of establishing an account-based relationship, NABKISAN shall seek the KYC Identifier from the customer or retrieve the KYC Identifier, if available, from the CKYCR and proceed to obtain KYC records online by using such KYC Identifier and shall not require a customer to submit the same KYC records or information or any other additional identification documents or details, unless:

- there is a change in the information of the customer as existing in the records of CKYCR; or

- the KYC record or information retrieved is incomplete or is not as per the current applicable KYC norms; or
- the validity period of downloaded documents has lapsed; or
- NABKISAN considers it necessary in order to verify the identity or address (including current address) of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the customer.

## **7. Record keeping**

### **7.1 Maintenance of records of transactions:**

The Company shall maintain proper record of the transactions as required under Section 12 of the Prevention of Money Laundering Act, 2002 (PMLA) read with Rules 3 of the PML Rules as mentioned below:

- All cash transactions of the value of more than Rs.10 lakh or its equivalent in foreign currency, though by policy the Company does not accept cash deposits in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs.10 lakh or its equivalent in foreign currency where such series of transactions have taken place within a month.
- All transactions involving receipts by non-profit organizations of Rs.10 lakhs or its equivalent in foreign currency.
- All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place.
- All suspicious transactions whether or not made in cash and in manner as mentioned in the Rule framed by the Government of India under PMLA.

### **7.2 Information to be preserved:**

NKFL shall maintain the following information in respect of transactions referred to in Rule 3 of PMLA:

- the nature of the transactions;
- the amount of the transaction and the currency in which it was denominated;
- the date on which the transaction was conducted;
- the parties to the transaction.

### **7.3 Maintenance and preservation of records**

Section 12 of PMLA requires the Company to maintain records as under:

- records of all transactions referred to in clause (a) of Sub-section (1) of section 12 read with Rule 3 of the PML Rules is required to be maintained for a period of ten years from the date of transactions between the clients and NKFL.
- records of the identity of all clients of NKFL is required to be maintained for a period of ten years from the date of cessation of transactions between the clients and NKFL. NKFL shall take appropriate steps to evolve a system for proper maintenance and preservation of information in a manner (in hard and soft copies) that allows data to be retrieved easily and quickly whenever required or as/ when requested by the competent authorities.

## **8. Appointment of Principal Officer & Designated Director**

NKFL shall designate Chief Financial Officer (CFO) as 'Principal Officer' (PO) who shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. PO shall maintain close liaison with enforcement agencies, NBFCs and

any other institution which are involved in the fight against money laundering and combating financing of terrorism.

The MD&CEO of NKFL shall be assigned with the role of “Designated Director” under PML Act, to ensure overall compliance with the obligations imposed under the PML Act and Rules.

#### **9. Reporting to Financial Intelligence Unit – India**

The Principal Officer shall report information relating to cash and suspicious transactions, if detected, to the Director, Financial Intelligence Unit India (FIUIND) as advised in terms of the PMLA rules, in the prescribed formats as designed and circulated by RBI at the following address:

Director, FIU–IND,  
Financial Intelligence Unit India,  
6th Floor, Hotel Samrat, Chanakyapuri New Delhi - 110021

The employees of NKFL shall maintain strict confidentiality of the fact of furnishing/ reporting details of suspicious transactions.

#### **10. General**

##### **10.1 Customer Education**

NKFL shall educate the Customer on the objectives of the KYC programme so that customer understands and appreciates the motive and purpose of collecting such information.

##### **10.2 Introduction of new technologies**

NKFL shall pay special attention to any money laundering threats that may arise from new or developing technologies including online transactions that may favour anonymity, and take measures, if needed, to prevent their use in money laundering. NKFL shall ensure that any remittance of funds by way of demand draft, mail/telegraphic transfer or any other mode for any amount is affected by cheques and not against cash payment.

##### **10.3 Applicability to Branches and Subsidiaries outside India**

The above guidelines shall also be applicable to the branches and majority owned subsidiaries located abroad, especially, in countries which do not or insufficiently apply the FATF Recommendations, to the extent local laws permit as and when the Company opens overseas branches. When local applicable laws and regulations prohibit implementation of these guidelines, the same will be brought to the notice of Reserve Bank of India.

##### **10.4 Closure of Accounts / Termination of Financing / Business Relationship**

Where NKFL is unable to apply appropriate KYC measures due to non-furnishing of information and/or non-operation by the customer, NKFL shall terminate Financing/Business Relationship after issuing due notice to the customer explaining the reasons for taking such a decision. Such decision shall be taken with the approval of MD & CEO or key managerial persons authorized for the purpose.

##### **10.5 KYC for the Existing Accounts:**

While the KYC guidelines will apply to all new customers, the same would be applied to the existing customers on the basis of materiality and risk. However, transactions with existing

customers would be continuously monitored for any unusual pattern in the operation of the accounts.

#### **10.6 Updation in KYC Policy of Company**

PO after taking the due approval from the Board of Directors of NKFL shall make the necessary amendments/modifications in the KYC/ AML/ Combating the Financing of Terrorism(CFT)Policy or such other related guidance notes of Company, to be in line with RBI or such other statutory authority's requirements/updates/ amendments from time to time.

The policy will remain in force till next revision. The policy shall be reviewed on an annual basis.

#### **11. Operational Guidelines of the policy**

MD&CEO, based on the recommendations of Internal Risk Management Committee (IRMC) may issue operational guidelines/SOP for the policy.

## **Annexure I**

### **CUSTOMER IDENTIFICATION REQUIREMENTS (INDICATIVE GUIDELINES)**

#### **Trust/Nominee or Fiduciary Accounts**

There exists the possibility that trust/nominee or fiduciary accounts can be used to circumvent the customer identification procedures. NKFL shall determine whether the customer is acting on behalf of another person as trustee/nominee or any other intermediary. If so, NKFL shall insist on receipt of satisfactory evidence of the identity of the intermediaries and of the persons on whose behalf they are acting, as also obtain details of the nature of the trust or other arrangements in place. While opening an account for a trust, NKFL shall take reasonable precautions to verify the identity of the trustees and the settlors of trust (including any person settling assets into the trust), grantors, protectors, beneficiaries and signatories. Beneficiaries should be identified when they are defined. In the case of a 'foundation', steps should be taken to verify the founder managers/ directors and the beneficiaries, if defined.

#### **Accounts of companies and firms**

NKFL shall be vigilant against business entities being used by individuals as a 'front' for maintaining accounts with banks. NKFL shall examine the control structure of the entity, determine the source of funds and identify the natural persons who have a controlling interest and who comprise the management. These requirements may be moderated according to the risk perception e.g. in the case of a public company it will not be necessary to identify all the shareholders.

#### **Accounts of Politically Exposed Persons (PEPs) resident outside India**

Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. NKFL shall gather sufficient information on any person/customer of this category intending to establish a relationship and check all the information available on the person in the public domain. NKFL shall verify the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP shall be taken at a senior level which shall be clearly spelt out in Customer Acceptance policy. NKFL shall also subject such accounts to enhanced monitoring on an ongoing basis. The above norms will also be applied to the accounts of the family members or close relatives of PEPs.

**Annexure 2**  
**Customer Identification Procedure Features to be verified and Documents that may be obtained from Customers**

The information/documents required for KYC compliance for ensuring Customer Due Diligence (CDD) process, based on the type of customers and features are given in the list here below

<b>Features</b>	<b>Documents (Certified Copy)</b>
<b>Individuals (Applicant/ Co –Applicant)</b> <ul style="list-style-type: none"> <li>- Legal name and any other names used</li> <li>- Correct permanent address</li> </ul>	<ul style="list-style-type: none"> <li>- Passport</li> <li>- PAN card</li> <li>- Voter's Identity Card</li> <li>- Driving license</li> <li>- Identity card (subject to the Company's satisfaction)</li> <li>- Aadhaar Card (masked)</li> <li>- Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of Company.</li> <li>- Telephone bill</li> <li>- Bank Account statement</li> <li>- Letter from any recognized public authority</li> <li>- Electricity bill</li> <li>- Letter from employer (subject to satisfaction of the Company)</li> <li>- (Any one document which provides customer information to the satisfaction of the Company will suffice)</li> <li>- One recent passport size photograph except in case of transactions referred to in Rule 9(1)(b) of the PML Rules</li> </ul>
<b>Companies</b> <ul style="list-style-type: none"> <li>- Name of the company</li> <li>- Principal place of business</li> <li>- Mailing address of the company</li> <li>- Telephone/Fax Number</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate of incorporation and Memorandum &amp; Articles of Association</li> <li>- Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account</li> <li>- PAN Card Copy</li> <li>- Copy of the utility bills such as electricity, water, and landline telephone bills in the name of the company.</li> </ul>
<b>Partnership Firms</b> <ul style="list-style-type: none"> <li>- Legal name</li> <li>- Address</li> <li>- Names of all partners and their addresses</li> </ul>	<ul style="list-style-type: none"> <li>- Registration certificate, if registered</li> <li>- Partnership deed</li> <li>- Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf</li> <li>- Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses</li> <li>- Telephone bill in the name of firm/partners</li> </ul>



<ul style="list-style-type: none"> <li>- Telephone numbers of the firm and partners</li> </ul>	<ul style="list-style-type: none"> <li>- PAN Card Copy</li> </ul>
<b>Trusts &amp; Foundations</b> <ul style="list-style-type: none"> <li>- Names of trustees, settlers, beneficiaries and signatories</li> <li>- Names and addresses of the founder, the managers / directors &amp; the beneficiaries</li> <li>- Telephone/fax numbers</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate of registration, if registered</li> <li>- Trust Deed</li> <li>- Power of Attorney granted to transact business on its behalf (if applicable)</li> <li>- Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses (if applicable)</li> <li>- Resolution of the managing body of the foundation/association</li> <li>- Telephone bill or personal visit or such other documents to verify existence.</li> <li>- PAN Card Copy</li> </ul>
<b>Societies / NGOs</b> <ul style="list-style-type: none"> <li>- Names of trustees, settlers, beneficiaries and signatories</li> <li>- Names and addresses of the founder, the managers / directors &amp; the beneficiaries</li> <li>- Telephone &amp; Fax number</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate of registration, if registered</li> <li>- Bye laws</li> <li>- Power of Attorney granted to transact business on its behalf (if applicable)</li> <li>- Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses (if applicable)</li> <li>- Resolution of the managing body of the foundation/association</li> <li>- Telephone bill or personal visit or such other documents to verify existence.</li> <li>- PAN Card Copy</li> </ul>
<b>Accounts of Proprietary Concerns</b> <ul style="list-style-type: none"> <li>- Name, Address and Activity of the Proprietary Concern.</li> </ul>	<ul style="list-style-type: none"> <li>- Proof of the name, address and activity of the concern, like registration certificate (in the case of a registered concern), certificate/licence issued by the Municipal authorities under Shop &amp; Establishment Act, sales and income tax returns, CST / VAT certificate, certificate / registration document issued by Sales Tax / Service Tax /Professional tax authorities, license issued by the Registering Authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, etc.</li> <li>- Any registration / licensing documents issued in the name of the proprietary concern by the Central Government or State Government Authority / Department, IEC (Importer Exporter Code) issued to the Proprietary concern by the</li> </ul>

	<p>office of DGFT as an Identity document for opening of account.</p> <ul style="list-style-type: none"> <li>- The complete Income tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated / acknowledged by the Income tax Authorities.</li> <li>- Utility bills such as electricity, water and landline telephone bills in the name of the proprietary concern.</li> <li>- Any two of the above documents would suffice. These documents should be in the name of the proprietary concern.</li> <li>- PAN Card Copy</li> </ul>
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