



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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April 1, 2015

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks /  
State and Central Co-operative Banks (StCBs / CCBs)

Madam / Dear Sir,

**Know Your Customer (KYC) Guidelines - Accounts of Proprietary Concerns**

Please refer to paragraph 2.5(ii) of our [Master Circular no. UBD.BPD.\(PCB\) MC.No.16/12.05.001/2014-15 dated July 1, 2014](#) and paragraph 2.5 (vi) of [Master Circular RPCD.RRB.RCB.AML.BC. No. 02/07.51.018/ 2014-15 dated July 1, 2014](#) on KYC norms and our [Circular UBD.BPD.CO/NSB1/11/12.03.000/2009-10 dated September 29, 2009](#) and [RPCD Circular RPCD.CO.RF.AML.BC.No.83/07.40.00/2009-10 dated May 12, 2010](#) prescribing norms for opening of bank accounts in respect of sole proprietary firms and subsequent circulars issued in this regard.

2. Reserve Bank has been receiving representations pointing out difficulties in complying with the requirement of furnishing two documents as activity proof while opening accounts of sole proprietary firms in certain cases. It is possible that in some types of activities there is genuine difficulty in procuring two such documents. The matter has, therefore, been reviewed with a view to ease the process of opening bank accounts of proprietary concerns in such cases. The default rule is that any two documents, out of those listed in paragraphs of the Master Circulars mentioned above, should be provided as activity proof by a proprietary concern. However, in cases where the banks are satisfied that it is not possible

सहकारी बैंक विनियमन विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: cgmincubd@rbi.org.in

Department of Co-operative Bank Regulation, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: cgmincubd@rbi.org.in

बैंक हिन्दी में पत्राचार का स्वागत करता है।

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं माँगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



to furnish two such documents, they would have the discretion to accept only one of those documents as activity proof. In such cases, the banks, however, would have to undertake contact point verification, collect such information as would be required to establish the existence of such firm, confirm, clarify and satisfy themselves that the business activity has been verified from the address of the proprietary concern.

3. It is also clarified here that the list of registering authorities indicated in paragraph 2.5(ii) of our [Master Circular no. UBD.BPD.\(PCB\) MC. No.16/12.05.001/2014-15 dated July 1, 2014](#) and paragraph 2. 5 (vi) of [Master Circular RPCD.RRB.RCB.AML.BC. No.02/07.51.018/2014-15 dated July 1, 2014](#) on KYC norms is only illustrative and therefore includes license / certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute, as one of the documents to prove the activity of the proprietary concern.

4. UCBs/DCCBs/StCBs may revise their KYC policy in the light of the above instructions and ensure strict adherence to the same.

Yours faithfully,

(Suma Varma)  
Principal Chief General Manager