

KNOW YOUR CUSTOMER NORMS

Aadhaar, PAN to be made must for bank a/cs if govt asks: RBI

If customer fails to submit Aadhaar & PAN, account will cease to be operational

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THE RESERVE Bank of India (RBI) has said Aadhaar and Permanent Account Number (PAN) will be mandatory to maintain a bank account if the Central government notifies any date for the purpose.

The Supreme Court had last month indefinitely extended the deadline to link Aadhaar with private and non-subsidised government services like phone numbers and bank accounts till the Constitution Bench pronounces its final verdict on the validity of the Aadhaar scheme.

"The customer, eligible to be enrolled for Aadhaar and obtain the Permanent Account Number, except one who is a resident in the State of Jammu and Kashmir or Assam or Meghalaya, already having an account based relationship with regulated entities (like banks), shall submit the Aadhaar number and PAN/Form 60 by such date as may be notified by the Central Government," the RBI has said in its Master direction on Know Your Customer norms released on Friday.

In case the customer fails to submit the Aadhaar number and

'SMALL ACCOUNT TO BE OPENED SANS AADHAAR'

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■ The RBI has allowed some leeway for small depositors without Aadhaar and PAN numbers. If an individual customer who does not have Aadhaar/enrolment number and PAN and desires to open a bank account, banks can open a 'Small Account', subject to certain conditions

Permanent Account Number/Form 60 by such date, the said account will cease to be operational till the time the Aadhaar number and PAN/Form 60 is submitted by the customer. "Regulated entities (Res) shall serve at least two notices for the compliance before such date. REs shall ensure that introduction is not to be sought while opening accounts," the RBI said.

However, the RBI has allowed some leeway for small depositors without Aadhaar and PAN numbers. If an individual customer who does not have Aadhaar/enrolment number and PAN and desires to open a bank account, banks can open a 'Small Account', subject to cer-

tain conditions. "The bank shall obtain a self-attested photograph from the customer. Such accounts are opened only at Core Banking Solution (CBS) linked branches or in a branch where it is possible to manually monitor and ensure that foreign remittances are not credited to the account," the RBI said.

In such 'Small Accounts', banks should ensure that the stipulated monthly and annual limits on aggregate of transactions and balance requirements are not breached, before a transaction is allowed to take place. "The account shall remain operational initially for a period of 12 months which can be extended for a further period of 12 months,

provided the account holder applies and furnishes evidence of having applied for any of the OVDs during the first 12 months of the opening of the said account," it said.

Accounts, both deposit and borrowal, opened using OTP (one-time password) based eKYC (electronic KYC) will not be allowed for more than one year within which biometric based eKYC authentication will have to be completed. Banks should ensure that only one account is opened using OTP based KYC in non-face to face mode and a declaration should be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC in non-face to face mode.

The RBI said periodic updation should be carried out at least once in every two years for high risk customers, once in every eight years for medium risk customers and once in every ten years for low risk customers. This involves carrying out PAN verification from the verification facility available with the issuing authority and authentication of Aadhaar number already available with the bank with the explicit consent of the customer in applicable cases.