RBI UPDATES

RBI/2011-12/256
RPCD.CO.RRB.BC.No. 30 /03.05.33/2011-12

November 11, 2011

The Chairmen
All Regional Rural Banks (RRBs)

Dear Sir,

Collection of Account Payee Cheques - Prohibition on Crediting Proceeds to Third Party Account

Please refer to our circular RPCD. CO. RF. BC. No. 78 / 07.38.03 / 2005-06 dated April 27, 2006 in terms of which RRBs are prohibited from crediting 'account payee' cheque to the account of any person other than the payee named therein.

2. In view of concerns raised that these instructions are not being adhered to, we reiterate that banks shall strictly adhere to the instructions contained in our circular referred to above and not collect account payee cheques for any person other than the payee constituent.

3. With a view to mitigating the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, relaxation was extended vide our circular RPCD.CO.RRB.BC.No.25/03.05.33/2010-11 dated October 19, 2010. In terms of the said circular, **RRBs may consider collecting account payee cheques drawn for an amount not exceeding Rs.50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies**. The above relaxation will continue as hitherto, subject to the conditions outlined in the circular dated October 19, 2010 referred to above.

4. RRBs may note that the above prohibition and relaxation shall also extend to drafts, pay orders and bankers' cheques.

5. Please acknowledge the receipt of the circular to our Regional Office concerned.

Yours faithfully,

(C.D.Srinivasan)
Chief General Manager

RBI UPDATES

RBI/2011-2012/254
UBD. CO. BPD. No.10/12.05.001 / 2011-12

November 9, 2011

The Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Dear Sir,

Prevention of Money Laundering Act, 2002 (PMLA) and Rules thereunder -Reporting of CTR, STR etc to FIU-India– Reporting Format under Project FINnet

Please refer to para 3 of our circular UBD. CO. BPD (PCB) No. 1/12.05.001/2008-09 dated July 2, 2008 advising banks to file the various reports such as CTR / STR with the help of editable electronic utilities made available by FIU-India on their website http://fiuindia.gov.in.

2. The Prevention of Money Laundering Act (PMLA) and the Rules thereunder require **every reporting entity to furnish to FIU-IND Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs), Counterfeit Currency Reports (CCRs) and Non Profit Organization Transaction Reports (NTRs). FIU-India has advised that the earlier prescribed multiple data files reporting format is being replaced by a new single XML file format and prepared a comprehensive reporting format guide giving the specifications of the prescribed reports to be furnished to FIU-India.**

The reporting formats specified in the reporting format guide are:

(i) Account based reporting format (ARF) for reporting of account based CTRs, STRs and NTRs
(ii) Transactions based reporting format (TRF) for reporting of transaction based CTRs, STRs and NTRs
(iii) CCR reporting format (CRF) for reporting of counterfeit currency reports (CCRs)

3. The reporting guide presents details of the XML schema and provides implementation guidance to the reporting entities in preparation and submission of reports. In addition, fixed width text file format specifications specified earlier are also revised as version 2.0 to assist reporting entities in migration to the XML format specifications.

4. FIU-IND has developed a Report Generation Utility and Report Validation Utility to assist reporting entities in the preparation of the prescribed reports. Reporting entities, which have necessary technical capabilities, may generate XML reports directly from their systems. Reporting entities are encouraged to shift to the fixed width data structure version 2.0 before generating XML reports at their end.

The following documents have been placed in the 'Downloads' section of the FIU-IND website (http://fiuindia.gov.in).

(i) Reporting Format Guide
(ii) XML Schemas: AccountBasedReport.xsd, TransactionBasedReport.xsd, CCRBasedReport.xsd, FIU-INDSchemaLibrary.xsd and DataQualityReport.xsd
(iii) User Guides: Report Generation Utility User Guide and Report Validation Utility User Guide

5. UCBs are advised to carefully go through the reporting formats and initiate urgent steps to build capacity to generate reports, which are compliant with the XML format specifications. The date of transition from the old reporting format to the new reporting format will be communicated to the reporting entities separately.

6. Please acknowledge receipt of this circular to the Regional Office of Urban Banks Department concerned.

Yours faithfully

(A.Udgata)
Chief General Manager-in-Charge

RBI UPDATES

RBI/2011-12/255
RPCD.MSME & NFS. BC.No. 29/06.11.01/2011-2012

November 4, 2011

The Chairman / Managing Director
All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

Scheme of 1% interest subvention on housing loans upto Rs. 10 lakh – Guidelines

Please refer to our circular RPCD.SME & NFS. BC. No. 62/06.11.01/2010-11 dated April 21, 2011 on the captioned subject. In this connection, it is now clarified as under:

a) The Scheme is extended up to March 31, 2012.
b) Loans sanctioned and disbursed between October 01, 2009 and March 31, 2011 are outside the ambit of the new liberalised Scheme and they will be treated as per old instructions (ie. loans up to Rs.10.00 lakh with project cost up to Rs.20.00 lakh)

Banks may continue to claim reimbursement, at present, as per the original Scheme. For claims in respect of the new Scheme, revised instructions would follow.

2. All other terms and conditions of the interest subvention Scheme remain the same.

3. Please acknowledge receipt.

Yours faithfully,

(C.D.Srinivasan)
Chief General Manager

RBI UPDATES

RBI/2011-12/253
UBD. BPD. (PCB) No. 8/12.05.001/2011-12

November 9, 2011

The Chief Executive Officer
All Primary (Urban) Co-operative Banks

Dear Sir,

Know Your Customer Norms – Letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number

Please refer to circular UBD. BPD. (PCB). No. 38 / 12.05.001/2010-11 dated March 15, 2011 enclosing a copy of the Government of India Notification No. 14/2010/F.No. 6/2/2007-ES dated December 16, 2010 notifying the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Third Amendment Rules, 2010. The said notification, inter alia, recognizes the letter issued by Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number, as an officially valid document under Rule 2(1) (d) of the PML Rules, 2005.

2. In this connection, attention of UCBs is invited to paragraph 2.4 (d) of the Master Circular on Know Your Customer (KYC) norms / Anti-Money Laundering (AML) Standards /Combating of Financing of Terrorism (CFT) / Obligation of Banks under Prevention of Money Laundering (PMLA), 2002 dated July 01, 2011, **dealing with customer identification and it is advised that while opening accounts based on Aadhaar also, banks must satisfy themselves about the current address of the customer by obtaining required proof of the same as per extant instructions**.

3. Please acknowledge receipt to the Regional Office of the Urban Banks Department concerned.

Yours faithfully,

(L.M.Kamble)
General Manager - Officer-in-Charge