

RBI/2010-11/322 A.P. (DIR Series) Circular No. 28

A.P. (FL Series) Circular No. 09

December 22, 2010

Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT)/Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009- Cross Border Inward Remittance under Money Transfer Service Scheme

Attention of all the Authorised Persons, who are Indian Agents under Money Transfer Service Scheme (MTSS) is invited to Paragraph 5.10 (b) of Annex-I, Annex to A.P. (DIR Series) Circular No.18 {A.P. (FL Series) Circular No.5} dated November 27, 2009 in terms of which Authorised Persons (Indian Agents) were advised to take into account risks arising from the deficiencies in AML/CFT regime of certain jurisdictions, as identified in FATF Statement (www.fatf-gafi.org) issued from time to time, while dealing with individuals from these jurisdictions.

2. As part of its ongoing review of compliance with the AML/CFT standards, the Financial Action Task Force (FATF) has identified certain jurisdictions which have strategic AML/CFT deficiencies.

3. FATF, vide its statement dated June 25, 2010 (copy enclosed) has called upon jurisdictions listed in the statement to complete the implementation of their action plan within the timeframe. The FATF, in the statement has called upon its members to consider the information given in the statement.

4. All Authorised Persons (Indian Agents) are accordingly advised to consider the information contained in the enclosed statement.

5. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their constituents concerned.

6. Please advise your Principal Officer to acknowledge receipt of this circular letter.

7. The directions contained in this Circular have been issued under Sections 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and 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) Rules, 2005 as amended from time to time. Non-compliance with the guidelines would attract penal provisions of the Acts concerned or Rules made there under.

Yours faithfully,

(Salim Gangadharan)
Chief General Manager-in-Charge