

Reserve Bank of India eases KYC norms

The Reserve Bank of India has eased customer verification norms for opening bank accounts for migrant workers or transferrable employees, who have to change locations quite often. The central bank's move is expected to help the financial inclusion drive by banks.

RBI took up the issue after being approached by people facing problems while submitting current/permanent address proofs, and has decided to simplify the rigorous Know Your Customer (KYC) norms.

"Henceforth, customers may submit only one documentary proof of address (either current or permanent) while opening a bank account or while undergoing periodic updation," the RBI said in a notice on Monday.

"In case the address mentioned as per 'proof of address' undergoes a change, fresh proof of address may be submitted to the branch within a period of six months," it said.

In case the proof of address furnished by the customer is not the local address or the address where the customer is currently residing, the bank may take a declaration of the local address on which all correspondence will be made by the bank with the customer, the central bank said.

RBI has mandated that no proof needs to be submitted for such address for correspondence/local address.

(Economic Times)