

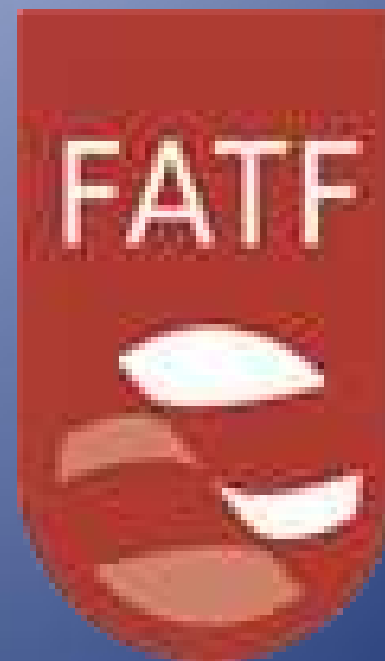
# Ensuring Financial Integrity— Compliance with KYC/AML

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# Global Standards

- FATF Recommendations
- India ---- June 2010
- 40+9  $\longrightarrow$  40



# Preventive Measures

- Entry Barriers



## Promoters

- New private sector banks licence..... issue at hand

## Directors

- CEO approval from RBI,
- Nomination Committees
- Declaration from Directors
- Review of the functioning of Nomination Committee during AFI

## Shareholders

- Less than 5 %
- More than 5%
- More than 10%
- Prudential regulation to Legislative obligation

## Screening of employees

# KYC/AML Framework

## Four Pillars.....

1. Customer identification and acceptance
2. Risk Categorisation and Updation
3. Transaction Monitoring
4. Reporting to FIU



# Beneficial Ownership

1. FATF Assessment
2. Committee
3. RBI circular.. January 18,2013
4. “Mind of Management “ vs. “Senior Management”



# Penalty

- Penalty upto Rs25 lakhs for failure to produce record etc.
- Twice the amount of deposit if the deposit is accepted in contravention of Regulations
- Rs. one crore ( from Rs 5 lakhs) and one lakh ( from Rs.25,000/=) per day for continuation of default.



# Issssssssue !!!!!!!

1. Staff Training .....RMs
2. Cash deposits
3. Form 60..... IT  
Authorities
4. Money mules
5. Efficient STR system
6. NGOs



Q & A