



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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October 9, 2012

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

Madam/Dear Sir,

Know Your Customer (KYC)/Anti-Money Laundering (AML)/Combating of Financing of Terrorism (CFT) Guidelines - Unique Customer Identification Code (UCIC) for banks' customers in India – Primary (Urban) Co-operative Banks

The Reserve Bank of India has been, from time to time, issuing guidelines on KYC/AML/CFT measures. The increasing complexity and volume of financial transactions necessitate that customers do not have multiple identities within a bank, across the banking system and across the financial system. This can be achieved by introducing a unique identification code for each customer. In this regard, a Working Group constituted by the Government of India has proposed the introduction of unique identifiers for customers across different banks and Financial Institutions for setting up a centralized KYC Registry. While setting up such a system for the entire financial system is likely to take quite some time, Primary (Urban) Co-operative Banks (UCBs) can make an immediate beginning in this regard by having such identification code for their own customers.

2. In this regard, please refer to paragraphs 86 and 87 (extracts enclosed) of Monetary Policy Statement 2012-13 announced on April 17, 2012 on Unique Customer Identification Code for banks' customers in India. While some UCBs already use UCICs for their customers by providing them a relationship number, etc., other UCBs have not adopted this practice. UCBs are, therefore, advised to initiate steps for allotting UCIC to all their customers while entering into any new relationships for individual customers to begin with. Similarly, existing individual customers may also be allotted unique customer identification code by end-May 2013.

3. The UCIC will help UCBs to identify customers, track the facilities availed, monitor financial transactions in a holistic manner and enable UCBs to have a better approach to risk profiling of customers. It would also smoothen banking operations for the customers.

Yours faithfully,

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

Extract: Monetary Policy Statement 2012 -13

Unique Customer Identification Code for Banks' Customers in India

86. Availability of a unique customer identification code (UCIC) will help banks to identify a customer, track the facilities availed, monitor financial transactions in various accounts, improve risk profiling, take a holistic view of customer profile and smoothen banking operations for the customer. While some of the Indian banks have already developed UCIC, there is no unique number to identify a single customer across the organisation in many banks. In this regard, the Government of India has already initiated some measures as a working group constituted by them has proposed the introduction of unique identifiers for customers across different banks and financial institutions. While such a system for the entire financial system is desirable, it is likely to take quite some time for a complete roll out. As a first step, banks are advised:

- to initiate steps to allot UCIC number to all their customers while entering into any new relationships in the case of all individual customers to begin with. Similarly, existing individual customers may also be allotted unique customer identification code by end-April 2013.

87. Detailed guidelines in this regard will be issued separately.