

Ref No. NB.HO.DFIBT/ 54-512 / DFIBT-23/ 2017-18  
12 April 2017

Circular No. 91 / DFIBT - 16 / 2017

The Chairman/Managing Director/Chief Executive Officer  
All Regional Rural Banks/ All State Cooperative Banks  
All District Central Cooperative Banks

Dear Sir,

**Operationalisation of Central KYC Records Registry- Support from Financial Inclusion Fund to Rural Cooperative Banks and RRBs**

As you are aware, Government of India vide [notification dated July 7, 2015](#), amended the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, (Rules), for setting up of the Central KYC Records Registry (CKYCR). The Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) has been authorised to act as and to perform the functions of Central KYC Records Registry.

[RBI vide its Master Direction dated 08 December 2016](#) has notified that all Regulated Entities (REs) other than Scheduled Commercial Banks (SCBs) are to upload the KYC data pertaining to all new individual accounts opened on or after from April 1, 2017, with Central KYC Registry.

To encourage rural Cooperative Banks and RRBs to onboard to the CKYCR system, it has been decided to extend financial support to these Banks from Financial Inclusion Fund.

**2. Eligibility for support**

- i. StCB/DCCB/RRB should be licensed.
- ii. Expenditure to be approved by the Banks' Board.
- iii. Support from State government or any other agency, if availed, to be excluded from the claim.
- iv. The Bank will ensure that standards/[guidelines](#) as specified by various agencies are being adhered to for the implementation of CKYCR.

**3. Extent of Support**

- i. StCBs/DCCBs – Upto ₹ 4.00 lakh or 90% of the cost whichever is lower, per bank.
- ii. RRBs- Upto ₹ 3.60 lakh or 80% of the cost whichever is lower, per bank.

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

**National Bank for Agriculture and Rural Development**

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

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#### 4. Sanctioning Procedure

Bank may approach NABARD for sanction, once its Board has passed the resolution to implement CKYCR in the Bank, as per the format given in Annexure I. The Bank has to submit the following documents/ details to the NABARD Regional Office along with the proposal for sanction:

- i. Board resolution approving implementation of CKYCR.
- ii. Registration with CERSAI or application details of CERSAI registration as an entity for CKYCR.
- iii. No. of customers of the Bank whose details are to be uploaded in CERSAI.
- iv. Details of the CKYCR vendor or probable date by which the vendor will be finalized. (It should not be later than one month from the date of proposal)

#### 5. Eligible Components

The components eligible for support are as indicated below:

- i. Hardware for CKYCR – PC, Scanner, Biometric device, modem etc.
- ii. CKYCR Software
- iii. First year Internet Connectivity charges for CKYCR
- iv. AMC charges for the first year

#### 6. Claim procedure and Release of grant

The release will be on reimbursement basis. Single claim seeking assistance under the scheme may be made to NABARD Regional Office as per Annexure II. The following supporting documents/ details should be submitted along with the claim:

- i. Details of CERSAI registration
- ii. Details of total accounts in the Bank and the accounts uploaded to CKYCR.
- iii. An undertaking that the details of all the identified customers till the last day of the previous month have been uploaded to CKYCR Registry.

#### 7. Duration of support

Banks can approach NABARD for sanction upto 30 September 2017 and the claim process should be completed by 31 March 2018.

Yours faithfully



**(Subrata Gupta)**  
Chief General Manager

Encl: as above

Annexure I  
**(Format for submission of proposal by the bank - on Bank's letterhead)**

The Chief General Manager  
..... Regional Office  
NABARD

Dear Sir

**Proposal for Support from Financial Inclusion Fund for Operationalisation of Central KYC Records Registry**

Please refer to your circular number ..... dated 10 April 2017 on the captioned subject. In this connection, we request you to sanction grant of Rs. .... for establishment of CKYCR in the Bank. The total estimated expenditure for the captioned project is Rs. .... The details are as following:

Sl No	Particulars	Details
1	Date of board resolution approving implementation of CKYCR	
2	No. of customers of the Bank whose details are to be uploaded in CERSAI	
3	Details of registration as an entity in CERSAI / details of application to CERSAI	
4	Details of the CKYCR vendor or stage at which the identification process is and the probable date of finalization of vendor ( <i>Maximum within one month from the date of this proposal.</i> )	

We certify that:

- i. The above mentioned amount will be incurred for the implementation of CKYCR solution in the Bank.
- ii. The expenditure involves the cost for hardware, software and connectivity components required specifically for CKYCR implementation and not for any other purpose.
- iii. The related expenditure bills and vouchers will be preserved by us for a period of three years for verification by NABARD at any point of time.

- iv. Support from State government or any other agency, *has not been availed./ of Rs..... has been availed for establishment of CKYCR in the Bank and the same has been excluded from the proposal* \*.
- v. The Bank will ensure that standards/guidelines as specified by various agencies will be adhered to for the implementation of CKYCR.

Authorised Person  
Designation

Encl: As above

\* strike out whichever is not applicable

Annexure II  
Claim/Reimbursement Format

**(Format for submission of claim Support - on Bank's letterhead)**

The Chief General Manager  
..... Regional Office  
NABARD

Dear Sir,

**Reimbursement of expenditure for Operationalisation of Central KYC Records Registry: Support from Financial Inclusion Fund**

Please refer to your sanction letter no ..... dated ..... on the captioned subject. In this connection, we request you to reimburse an amount of Rs. .... for establishment of CKYCR in the Bank. The total expenditure made by the Bank for captioned project is Rs ..... The details are as following:

Sl No	Particulars	Details
1	Name of the CKYCR solution implementing vendor/s	
2	Details of Registration with CERSAI	
3	No. of customers of the Bank whose details were uploaded to CERSAI	

We certify that:

- i. The above mentioned amount has been incurred for the implementation of CKYCR solution in the Bank.
- ii. The expenditure involves the cost for hardware, software and connectivity components required specifically for CKYCR implementation and not for any other purpose.
- iii. The related expenditure bills and vouchers will be preserved by us for a period of three years for verification by NABARD at any point of time.
- iv. Support from State government or any other agency, *has not been availed./ of Rs..... has been availed for establishment of CKYCR in the Bank and has been excluded from the proposal\** .
- v. The Bank has and will ensure that standards/guidelines as specified by various agencies will be adhered to for the implementation of CKYCR.
- vi. Details of all the identified customers up till the last day of the previous month have been uploaded in the CKYCR Registry.

Authorised Person

Designation

Encl: As above

\* strike out whichever is not applicable