

No.1/21/2014-FI (C-69551)  
**Government of India**  
**Ministry of Finance**  
**Department of Financial Services**

3<sup>rd</sup> floor, Jeevan Deep Building, Sansad Marg  
New Delhi

Dated 28<sup>th</sup> August 2017

To  
Chief Executive  
Indian Banks' Association  
Mumbai

Subject: Amendment to Prevention of Money-laundering (maintenance of Records) Rules, 2005 relating to small accounts.


Sir,

The under signed is directed to enclose herewith a copy of the Notification no. G.S.R. 1038 (E) dated 21/8/2017 issued by the Department of Revenue, Ministry of Finance, Government of India, on the above subject.

2. In this context, a copy of the Government of India, Notification No. 14/2010/F.No.6/2/2007-E.S. dated December 16, 2010, regarding insertion of clause 2(fb) is also enclosed .

3. IBA is requested to circulate the above notifications to all its member banks including private sector banks and payment banks.

Yours faithfully,

  
(Ashok Kumar Singh)  
Director  
Tel: 23346874

Encl: as above

Copy to:

1. All SBC Conveners
2. General Manager, DBR, RBI
3. Chairman, NABARD – with request to circulate among rural cooperative banks and RRBS
4. Mission Officers, State Governments- for information and apprising the Chairman and members of SLFIC.
5. Chief Secretary, Government of Madhya Pradesh- with reference to note on agricultural distress in Madhya Pradesh received from PMO

रजिस्ट्री सं० डी० एल०-33004/99

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भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 21 अगस्त, 2017

सा.का.नि.1038(अ).— केन्द्रीय सरकार, धन शोधन निवारण अधिनियम, 2002 (2003 का 15) की धारा 73 की उपधारा (2) के खंड (ज), खंड (झ), खंड (ञ) और खंड (ट) के साथ मटित उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए धन शोधन निवारण (अभिलेखों का अनुरक्षण) नियम, 2005 का और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :-

- (1) इन नियमों का संक्षिप्त नाम धन शोधन निवारण (अभिलेखों का अनुरक्षण) तीसरा संशोधन नियम, 2017 है।  
(2) वे राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे।
- धन शोधन निवारण (अभिलेखों का अनुरक्षण) नियम, 2005 में नियम 2 के उपनियम (1) में, खंड (छख) में उपखंड (iii) में निम्नलिखित परंतुक अंतःस्थापित किया जाएगा, अर्थात् :-

"परंतु ब्रकाया पर इस सीमा को विचार में नहीं लिया जाएगा जब सरकारी अनुदागों, कल्याण प्रसुविधाओं और उपायन के प्रति संदाय, के माध्यम से निक्षेप किया गया है।"

[अधिसूचना सं.3/2017/फा. सं. पी 12011/11/2016-ईएस सेल-डीओआर]

विप्लव कुमार नस्कर, अवर सचिव,

टिप्पण : मूल नियम भारत के राजपत्र, आसाधारण भाग II, खंड 3, उपखंड (i) में सा.का.नि. सं.444 (अ), तारीख 1 जुलाई, 2005 को प्रकाशित किए गए थे और तत्पश्चात् सा.का.नि. सं.717 (अ), तारीख 13 दिसंबर, 2005, सा.का.नि. सं.389 (अ), तारीख 24 मई, 2007, सा.का.नि. सं.816 (अ), तारीख 12 नवंबर, 2009, सा.का.नि. सं.76 (अ), तारीख 12 फरवरी, 2010, सा.का.नि. सं.508 (अ), तारीख 16 जून, 2010, सा.का.नि. सं.980 (अ), तारीख 16 दिसंबर, 2010, सा.का.नि. सं.481 (अ), तारीख 24 जून, 2011, सा.का.नि. सं.576 (अ), तारीख 27 अगस्त, 2013, सा.का.नि. सं. 288 (अ), तारीख 15 अप्रैल, 2015, सा.का.नि. सं. 544 (अ), तारीख 7 जुलाई, 2015, सा.का.नि. सं.633 (अ), तारीख 11 सितंबर, 2015, सा.का.नि. सं. 730(अ), तारीख 22 सितंबर, 2015, सा.का.नि. सं. 882(अ), तारीख 18 नवंबर, 2015, सा.का.नि. सं. 347(अ), तारीख 12 अप्रैल, 2017 और सा.का.नि. सं. 538(अ), तारीख 1 जून, 2017 को संशोधन किए गए थे।

**MINISTRY OF FINANCE**

**(Department of Revenue)**

**NOTIFICATION**

New Delhi, the 21<sup>st</sup> August, 2017

**G.S.R. 1038(E).**—In exercise of the powers conferred by sub-section (1) read with clause (h), clause (i), clause (j) and clause (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following further amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely:-

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records) Third Amendment Rules, 2017.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, in rule 2, in sub-rule (1), in clause (fb), in the sub-clause (iii), the following proviso shall be inserted, namely:-

“Provided that this limit on balance shall not be considered while making deposits through government grants, welfare benefits and payment against procurements.”

[Notification No. 3/2017/F.No. P.12011/11/2016-ES Cell-DoR]

BIPLAB KUMAR NASKAR, Under Secy.

Note :- The principal rules were published in Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (i) vide number G.S.R. 444 (E), dated the 1st July, 2005 and subsequently amended by number G.S.R. 717 (E), dated the 13th December, 2005, number G.S.R. 389 (E), dated the 24th May, 2007, number G.S.R.816 (E), dated the 12th November, 2009, number G.S.R. 76 (E), dated the 12th February, 2010, number G.S.R. 508 (E), dated the 16th June, 2010, number G.S.R. 980 (E), dated the 16th December, 2010, number G.S.R. 481 (E), dated the 24th June, 2011 and number G.S.R. 576 (E), dated the 27th August, 2013, number G.S.R. 288 (E), dated the 15th April, 2015, number G.S.R. 544 (E), dated the 7th July, 2015, number G.S.R. 693 (E), dated the 11th September, 2015, number G.S.R. 730 (E), dated the 22nd September, 2015, number G.S.R. 882 (E), dated the 18th November, 2015, number G.S.R. 347 (E), dated the 12th April, 2017 and number G.S.R. 538 (E), dated the 1st June, 2017.

652

Government of India  
Ministry of Finance  
(Department of Revenue)

Notification

New Delhi, the 16<sup>th</sup> December, 2010

GSR (E) – In exercise of the powers conferred by sub-section (1) read with clauses (h) (i), (j) and (k) of sub-section (2) of Section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following amendments to the 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, namely:-

1. (1) These rules may be called the 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) Third Amendment Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the 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, -

(a) in rule 2,-

(i) after clause (b), the following clause shall be inserted, namely:-

“(bb) “Designated Officer” means any officer or a class of officers authorized by a banking company, either by name or by designation, for the purpose of opening small accounts”.

(ii) in clause (d), for the words “the Election Commission of India or any other document as may be required by the banking company or financial institution or intermediary”, the words “Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number or any other document as notified by the Central Government in consultation with the Reserve Bank of India or any other document as may be required by the banking companies, or financial institution or intermediary” shall be substituted;

(iii) after clause (fa), the following clause shall be inserted, namely:-

“(fb) “small account” means a savings account in a banking company where-

631

- (i) the aggregate of all credits in a financial year does not exceed rupees one lakh,
- (ii) the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand, and;
- (iii) the balance at any point of time does not exceed rupees fifty thousand".

(b) In rule 9, after sub-rule (2), the following sub-rule shall be inserted, namely:-

"(2A) Notwithstanding anything contained in sub-rule (2), an individual who desires to open a small account in a banking company may be allowed to open such an account on production of a self-attested photograph and affixation of signature or thumb print, as the case may be, on the form for opening the account.

Provided that –

(i) the designated officer of the banking company, while opening the small account, certifies under his signature that the person opening the account has affixed his signature or thumb print, as the case may be, in his presence;

(ii) a small account shall be opened only at Core Banking Solution linked banking company branches or in a branch where it is possible to manually monitor and ensure that foreign remittances are not credited to a small account and that the stipulated limits on monthly and annual aggregate of transactions and balance in such accounts are not breached, before a transaction is allowed to take place;

(iii) a small account shall remain operational initially for a period of twelve months, and thereafter for a further period of twelve months if the holder of such an account provides evidence before the banking company of having applied for any of the officially valid documents within twelve months of the opening of the said account, with the entire relaxation provisions to be reviewed in respect of the said account after twenty four months.

(iv) a small account shall be monitored and when there is suspicion of money laundering or financing of terrorism or other high risk scenarios, the identity of client shall be established through the production of officially valid documents, as referred to in sub rule ( 2) of rule 9"; and

(v) foreign remittance shall not be allowed to be credited into a small account unless the identity of the client is fully established through the production of officially valid documents, as referred to in sub-rule (2) of rule 9."

(Notification No.14/2010/F.No.6/2/2007-ES)

(S.R. Meena)  
Under Secretary

Note: The principal rules were published in Gazette of India, Extraordinary, Part-II, Section 3, Sib-Section (i) vide number G.S.R.444 (E), dated the 1<sup>st</sup> July, 2005 and subsequently amended by number G.S.R.717 (E), dated the 13<sup>th</sup> December, 2005, number G.S.R. 389(E), dated the 24<sup>th</sup> May, 2007, number G.S.R. 816(E), dated the 12<sup>th</sup> November, 2009, number G.S.R.76 (E), dated the 12<sup>th</sup> February, 2010 and number G.S.R. 508(E), dated the 16<sup>th</sup> June, 2010.