



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

By Speed Post

NHB(ND)/DRS/Misc. Circular-No 4/ /2010-11

May 06, 2011

All Registered Housing Finance Companies (HFCs),

Dear Sirs,

GUIDELINES ON 'KNOW YOUR CUSTOMER' &
'ANTI MONEY LAUNDERING MEASURES' FOR HFCs

Please refer to our Circular NHB(ND)/DRS/POL-33/2010-11 dated October 11, 2010 on the above subject advising Housing Finance Companies (HFCs) to put in place a proper policy framework on 'Know Your Customer' and 'Anti money Laundering Measures'. In this connection, we wish to inform that the Bank has, inter alia, observed following common violations/deficiencies in the matter of implementation of the said Guidelines by HFCs, namely:-

1. Preparation of profile of each customer, based on risk categorization is not being done by the companies.
2. Customer verification are not being done internally.
3. System to detect those account through which funds are being "washed" have not been put in place.
4. No system in existence for periodical review of risk categorization of accounts.
5. Internal audit report on KYC Compliance to the Audit Committee of the Board, at quarterly intervals are not being submitted.

You are advised to take note of the above and ensure compliance of the above Guidelines. Please note that the Guidelines have been issued under the National Housing Bank Act, 1987 and their contravention or non-compliance may attract penalties under the said Act.

Kindly acknowledge receipt of this circular letter.

Yours faithfully,


(R.S. Garg)
General Manager
Department of Regulation & Supervision

भारतीय रिजर्व बैंक के संपूर्ण स्वामित्व में
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"बैंक हिन्दी में पत्राचार का स्वागत करता है"