

help the HFC's in discharging its statutory/regulatory obligation but also safe guard your own interest.

### **Why KYC norms required?**

In terms of guidelines issued by RBI and Prevention of Money Laundering Act-2002 (PMLA), & NHB Guidelines HFC's are required to follow the Know Your Customer (KYC) norms. Its main objective is to prevent criminal elements from using the Housing Finance Companies(HFC's) for money laundering activities and/or financing of terrorism related activities. Apart from checking money laundering, KYC is also an important tool for checking frauds that sometimes unscrupulous and criminal elements try to perpetrate both on HFC's and unsuspecting members of public. In order to prevent such activities, it has become necessary to know about the true identity of the customer, nature of customer's business, source of funds etc. It assists the HFC's to know/understand the customers and their financial dealings better to monitor their transactions for identification and prevention of suspicious transactions.

### **Objectives of KYC guideline**

- a) To prevent HFC's from being used, by unscrupulous or criminal elements for their criminal activities including money laundering.
- b) To minimize frauds and risks and protect HFC's reputation.
- c) To avoid opening of accounts with fictitious name and address.
- d) To weed out bad customers and protect good ones.

### **Why do the HFC's ask for documentary proof for identity and address for opening account?**

The PMLA,RBI & NHB Guidelines require HFC's to establish the identity of the customer on the basis of documentary proof at the time entering into any business relationship. By submitting the required information, you actuality not only

### **What is expected from customers?**

1. Provide valid proof of identification along with proof of address.
2. Provide reference of an introducer.
3. Provide other relevant information as warranted under the KYC/AML.
4. Provide account specific information as & when required.
5. Provide periodical mandatory information about himself/ account.
- 6.

### **Why other information?**

Information related to customers occupation, professions, net worth, annual income, turn over, source of income, expected amount of single transaction etc is required while opening an account. Such mandatory information is necessary for maintaining risk profile of a customer and needs to be obtained periodically. As per Prevention of Money Laundering Act, 2002. It is necessary to monitor transactions in customer accounts. By providing information to the HFC's, at the time of account opening and subsequently, as and when required customer is assisting the HFC's efforts in prevention of money laundering/terrorist financing. However, no commercial usage of this information is intended.

### **Is this information kept confidential?**

Yes, the customer profile/information collected by the HFC's at the time, of account opening or otherwise, are kept confidential and are not disclosed to any person, except when required under the provisions of applicable laws and regulations.

### **What are the valid documents for ID proof and address proof?**

Prospective customer can give self attested copy of the documents as per the list. The originals of these documents are, however, required to be shown to the HFC's officials for verification.

### **For Proof of Identity & Address**

1. Passport
2. Driving License
3. Voter ID Card
4. PAN Card
5. Latest Utility Bill
6. Photo Credit Card
7. Rent/Lease Deed
8. Credit Card Statement
9. Any other valid proof
10. Photos

### **Note:**

1. Address proof of close relatives (parents, spouse, son, daughter etc.) may be provided with sufficient evidence in case prospective customer resides with the relative and no valid address proof in his name is available.
2. In case of Joint Holder, independent proof of identity & address for all individuals are required.

*Published for the information of Customers in their benefit. KYC norms as mentioned herein above are subject to modification/changes from time to time by the regulation. HFC's reserve the right to implement them without any prior information to its customers.*