

KYC norms relaxed: RBI Governor Shaktikanta Das tells bank not to impose any restrictions till 31 December

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The RBI has also decided to extend the scope of video KYC or V-CIP (video-based customer identification process) for new categories of customers.

Amid the second Covid-19 wave, the Reserve Bank of India (RBI) asked banks and other regulated financial entities not to impose any punitive restriction against customers for failure to update KYC till 31 December 2021.

The RBI has also decided to extend the scope of video KYC (know-your-customer) or V-CIP (video-based customer identification process) for new categories of customers such as proprietorship firms, authorised signatories and beneficial owners of legal entities.

"Keeping in view the COVID-related restrictions in various parts of the country, Regulated Entities are being advised that for the customer accounts where periodic KYC updating is due/pending, no punitive restriction on operations of customer account(s) shall be imposed till December 31, 2021," RBI Governor Shaktikanta Das said while announcing steps to deal with the COVID pandemic.

In his address, Das stressed that RBI stands in "battle readiness" to ensure that financial conditions remain congenial and markets continue to work efficiently.

The governor, who announced several set of measures in wake of the second wave of the COVID-19 pandemic, further said the central bank will continue to be proactive throughout the year – taking small and big steps – to deal with the evolving situation.