

To

All the Payment System Operators authorized under the Payment and Settlement Systems Act, 2007

Madam/Dear Sir,

Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT) obligation of Payment System Operators under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009

Attention of all the Payment System Operators authorized under the Payment and Settlement Systems Act, 2007 (PSS Act) is invited to the terms and conditions subject to which the Certificates of Authorisation were issued specifying *inter-alia* to adhere to the provisions of the Prevention of Money Laundering (Amendment) Act and the rules framed thereunder.

2. In terms of **Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009**, all the Payment System Operators have been brought under the purview of PMLA, 2002. Therefore, detailed instructions on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT) in respect of cross-border inward remittance activities, in the context of the Financial Action Task Force (FATF) Recommendations on Anti Money Laundering (AML) standards and on Combating the Financing of Terrorism (CFT) have been prescribed.

3. Accordingly, guidelines on obligation of Payment System Operators under PMLA, 2002 as amended **by Prevention of Money Laundering (Amendment) Act, 2009 are given** in [Annex-I](#) and [Annex-II](#). All Payment System Operators should have in place a proper policy framework on 'Know Your Customer', 'Anti-Money Laundering' and Combating the Financing of Terrorism measures with the approval of their Board.

4. These guidelines would also be applicable *mutatis mutandis* to all the agents and sub-agents of the Payment System Operators in India and it will be their sole responsibility to ensure that their agents and sub-agents also adhere to these guidelines.

5. Payment System Operators should bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 18 of the PSS Act and non-compliance with the guidelines would attract penal provisions of the Act concerned or Rules made there under.

Please acknowledge receipt.

Yours faithfully

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**(G. Padmanabhan)
Chief General Manager**