

To

The Chairman/CEOs of all the Insurers

Sub: 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) Amendment Rules, 2010 (the Rules)

The PMLA Rules, 2005 have been amended in 2010 vide Government of India, Gazette Notification GSR 76 (E) dated 12th February 2010 .

2. In accordance with the amended Rule 3 of the PMLA Rules 2005, insurance companies are directed to maintain records of all transactions as prescribed in the applicable Legislations/Regulations/Rules viz., the Companies Act, Insurance Act, etc., including those prescribed at Rule 3(1) of the PMLA Rules, as applicable.

3. It may be noted that in view of the amendments as stated above, the record retention obligations as specified under Rule 6 of the PMLA Rules shall be complied with as under:

.The records referred to in Rule 3 (1) Clauses (A) to (D) shall be maintained for a period of ten years from the date of cessation of the transactions between the customer and the insurance company.

.Records pertaining to all other transactions, (for which insurance companies are obliged to maintain records under other applicable Legislations/Regulations/Rules) insurance companies are directed to retain records as provided in the said Legislation/Regulations/Rules but not less than a period of ten years from the date of end of the business relationship with the customer.

4. Insurance companies are advised to strictly follow the amended provisions of the PMLA Rules and ensure compliance.

5. The circular comes to effect immediately.

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(R. K. Nair)
Member (F&I)