

Role of Concurrent Bank Auditor in Demonetisation

**Organized by Pune Branch of WIRC of ICAI
31st December, 2016**

Session By: CA. Kuntal P. Shah, Ahmedabad



Disclaimers

- These are my personal views and can not be construed to be the views of the ICAI, Regional Councils of ICAI, Branch of ICAI or Pradip R. Shah & Co., Chartered Accountants
- These views do not and shall not be considered as professional advice

Some actions from MoF



Ministry of Finance @FinMinIndia · Dec 6

The Concurrent Audit is also being initiated as per the requirement and under the extant guidelines of RBI.

8 52 82



Ministry of Finance @FinMinIndia · Dec 6

Appropriate action istaken against individuals involved in irregular & unauthorized activities.Audit is also taken-up in few branches of PSBs

33 90 155



Ministry of Finance @FinMinIndia · 15h

Income Tax Refers Large Number of Cases with Serious Irregularities Detected Post De-monetization to ED & CBI fb.me/9W04YZV69

10 72 114

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Some actions from IT



Income Tax India @IncomeTaxIndia · 12m

To investigate deposits in JanDhan A/Cs belonging to others, Deptt has identified local clusters/banks where inflow of deposits was abnormal

1 6 10



Income Tax India @IncomeTaxIndia · 12m

Average per A/C deposit in JanDhan A/Cs is Rs. 13,113 from 8th Nov to 2nd Dec which is not alarming,given the need to bring all cash to banks

1 9 5



Income Tax India @IncomeTaxIndia · 13m

On the 1st & 2nd December,2016, the inflow into Jan Dhan A/Cs has been reduced to Rs. 410 crores and Rs. 389 crores respectively.

1 11 5



Income Tax India @IncomeTaxIndia · 13m

In the 1st week after demonetisation was announced,(8th-15th Nov,2016), total deposits received in Jan Dhan A/Cs was Rs. 20,206 crores.

2 10 7

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Some actions from ED



ED @dir_ed · 5h

ED arrests Rajeev Singh Kushwaha, Chartered Accountant, involved in Axis Bank, Kashmiri Gate, Money Laundering Case.

17 250 166 ...



ED @dir_ed · 5h

ED along with bank auditors conducted enquiries at 50 selected bank branches across the country to check money laundering.

5 58 46 ...



ED @dir_ed · Dec 5

ED gets 7 days custody of two Axis Bank Managers under PMLA in money laundering racket in demonitised currency

10 76 54 ...



ED @dir_ed · Dec 5

ED arrests two Axis Bank Managers in post demonetization money laundering racket. Also seizes 3 Kg gold. Operations of 11 A/cs stopped.

24 382 251 ...

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Media Reporting

Demonetisation: 27 senior PSU bank officials suspended over transaction irregularities

Some cases have come to notice of officials involved in carrying out transactions which were irregular and violative of RBI's instructions, the Finance Ministry said in a statement.

By: PTI | New Delhi | Updated: December 2, 2016 7:07 pm

BEST OF EXPRESS

Demonetization: Axis Bank suspends 19 officials for illegal activity

(Reuters)

Tue, 6 Dec 2016-11:37pm . New Delhi , PTI

Axis Bank suspended 19 officials allegedly involved in illegal activity post demonetisation after which it hired KPMG for forensic audit.

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Session overview

■ Important Guidelines

- Facility for Exchange of Notes
- Cash Deposit Transactions
- Cash Withdrawal Transactions
- Reporting Requirements
- Regulatory Guidelines
- Audit Methodology
- Use of CBS & Data Mining for report generation

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|------------------|---|--|
| 1 | RBI/2016-17/111 DPSS. CO. PD. No. / 02.10.002 /2016-2017 | November 8, 2016 | ATM | Closure of ATM operations |
| 2 | RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 | November 8, 2016 | Exchange Deposit Payment Regulatory Reporting | Demonetization circular (Reporting formats viz. Annex- 1, 6, 6A) |
| 3 | RBI/2016-17/114 DBR. No. Leg. BC. 31 / 09. 07. 005 /2016-17 | November 9, 2016 | Regulatory | Functioning of Branches on holiday i.e. 12 th & 13 th Nov. |
| 4 | RBI/2016-17/115 DCM (Plg) No. 1241 / 10.27.00 / 2016-17 | November 9, 2016 | ATM CAM Exchange thru BC | Exchange through Business Correspondent |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|----------------------|---|--|
| 5 | RBI/2016-17/116 DPSS (CO) RTGS No. 1212 / 04.04. 002 / 2016-17 | November 10, 2016 | RTGS, NEFT | Banking Services on 12 th and 13 th |
| 6 | RBI/2016-17/123 DCM (Plg) No. 1251 / 10.27.00 / 2016-17 | November 10, 2016 | Payment Deposit | Withdrawal limits Not applicable for withdrawal by Bank, PO, Money changers, operator of white label ATM Deposit in Loan / all type of Deposit account permissible. |
| 7 | RBI/2016-17/127 A.P. (DIR Series) Circular No. 17 | November 11, 2016 | Issue of Prepaid Instrument to Foreign tourists | Against copy of Passport |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|----------------------|--|--|
| 8 | RBI/2016-17/125 DCM (Plg) No. 1264 / 10.27.00 / 2016-17 | November 11, 2016 | Reporting | Reporting of Counterfeit Notes in Annex 6 |
| 9 | RBI/2016-17/124 DCM (Plg) No. 1256 / 10.27.00 / 2016-17 | November 11, 2016 | Payment | Relaxation of limit of withdrawal by Govt. Dept. |
| 10 | RBI/2016-17/128 DCM (Plg) No. 1268 / 10.27.00 / 2016-17 | November 11, 2016 | Reporting | Change in the format Annex 6 to include payment through ATM and Branch in legal tender |
| 11 | RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 | November 13, 2016 | Exchange Regulatory ATM Payment | a. Limit increased from 4000 to 4,500 b. ATM limit increased from 2,000 to 2,500 c. Payment weekly 20,000 withdrawn. Max withdrawal capped at Rs. 24,000 |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|--|-------------------|-----------------|---|
| 12 | RBI/2016-17/131 DCM (Plg) No. 1274 / 10.27.00 / 2016-17 | November 14, 2016 | Payment Deposit | Current Account 50,000 limit – for account opened > 3 months Separate pay-in-slip for SBN and non SBN |
| 13 | RBI/2016-17/132 DPSS. CO. PD. No. 1240 / 02.10.004 / 2016 – 2017 | November 14, 2016 | ATM | ATM Charges waiver |
| 14 | RBI/2016-17/133 DCM (Plg) No. 1280 / 10.27.00 / 2016-17 | November 15, 2016 | Exchange | Use of Indelible ink for exchange facility |
| 15 | RBI/2016-17/135 DCM (Plg) No. 1287 / 10.27.00 / 2016-17 | November 16, 2016 | Deposit | Cash deposit > 50,000 must have PAN. Moreover, adherence to Rule 114b [>50,000 in a day or >2,50,000 during 09.Nov to 30.Dec.] - 15.11.16 |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|-------------------|---------------|--|
| 16 | RBI/2016-17/136 DCM (Plg) No. 1291 / 10.27.00 / 2016-17 | November 16, 2016 | Reporting | Delay in reporting of information in Annex-6 |
| 17 | RBI/2016-17/139 DCM (Plg) No. 1302 / 10.27.00 / 2016-17 | November 17, 2016 | Exchange | Reduction in limit of Exchange to 2,000 w.e.f. 18 th |
| 18 | RBI/2016-17/140 DPSS. CO. PD. No. 1280 / 02.14.003 /2016-17 | November 18, 2016 | Other | Cash through POS - limit 2,000 |
| 19 | RBI/2016-17/142 DCM (Plg) No. 1317 / 10.27.00 / 2016-17 | November 21, 2016 | Payment | Withdrawal through OD / CC Accounts > 3 months – Rs. 50,000 No enhanced limit for withdrawal from Personal OD Accounts |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|-------------------|---------------|---|
| 20 | RBI/2016-2017/145 DCM (Plg) No. 1320 / 10.27.00 / 2016-17 | November 21, 2016 | Payment | Enhanced limit for Marriage |
| 21 | RBI/2016-17/146 DCM (Plg) No. 1323 / 10.27.00 / 2016-17 | November 21, 2016 | Payment | Enhanced limits for Farmers and Traders registered with APMC / Mandi |
| 22 | RBI/2016-17/147 DCM (Plg) No. 1341 / 10.27.00/2016-17 | November 22, 2016 | Deposit | Fraudulent practices in deposit of SBN |
| 23 | RBI/2016-17/149 DCM (Plg) No. 1346 / 10.27.00/2016-17 | November 22, 2016 | Payment | Amendment in guidelines for withdrawal for marriage purpose |
| 24 | RBI/2016-17/155 DCM (Plg) No. 1391 / 10.27.00 / 2016-17 | November 24, 2016 | Exchange | Discontinuation of exchange facility from midnight of 24 th Nov. |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|-------------------|-------------------------------|--|
| 25 | A.P. (DIR Series) Circular No. 20 | November 25, 2016 | Exchange (Foreign Citizen) | Exchange Facility for Foreign Citizen – Rs. 5,000 per week till December 15, 2016 |
| 26 | RBI/2016-17/163 DCM. No. 1437 / 10.27.00 /2016-17 | November 28, 2016 | Payment | Enhanced limit of withdrawal through deposit of legal tender notes |
| 27 | RBI/2016-17/165 DCM (Plg) No. 1450 / 10.27.00 / 2016-17 | November 29, 2016 | Payment | Sanctions on PMJDY accounts – Payment restrictions – KYC compliant and non KYC compliant |
| 28 | RBI/2016-17/173 DBR.AML.BC.No.44/1 4.01.001/2016-17 | December 6, 2016 | Activation of Dormant Account | Customer due diligence for activation of Dormant Account |
| 29 | RBI/2016-17/179 DCM (Plg) No. 1679 / 10.27.00 / 2016-17 | December 12, 2016 | Receipt | Detection of counterfeit notes (Reporting) |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|-------------------|---------------|---|
| 30 | RBI/2016-17/180 DCM (Plg) No. 1683 / 10.27.00/2016-17 | December 12, 2016 | Payment | Distribution of New Notes – Maintenance of Records |
| 31 | RBI/2016-17/181 DCM (Plg) No. 1712 / 10.27.00/2016-17 | December 13, 2016 | Other | Preservation of CCTV footage |
| 32 | RBI/2016-17/183 DBR.AML.BC.48/14.0 1.01/2016-17 | December 15, 2016 | Payment | Limit on withdrawal from Non-KYC compliant accounts - BIs. > Rs. 5 Lacs and Total Dep. From 09.11.2016 > Rs. 2 Lacs |
| 33 | RBI/2016-17/186 A.P. (DIR Series) Circular No. 22 | December 16, 2016 | Exchange | Extension for time limit of Exchange for Foreign Citizens till 31.12.2016 |
| 34 | RBI/2016-17/189 DCM (Plg) No. 1859 / 10.27.00/2016-17 | December 19, 2016 | Deposit | Reasons for late deposition of cash for Dep. > Rs. 5,000. |

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Important Guidelines

| Sr. No. | Guidelines Ref. No. | Date of Issue | Applicable to | Brief Contents |
|---------|---|---------------------------------------|---------------|---|
| 35 | RBI/2016-17/191 DCM (Plg) No. 1911 / 10.27.00 / 2016-17 | December 21, 2016 | Deposit | Amendment in the guidelines issued on Dec. 19, 2016. (No interview process / reasons for deposition in KYC Compliant A/c) |
| 36 | DBR.No.BP.BC.37/21. 04.048/2016-17 & RBI/2016-17/198 DBR.No.BP.BC.49/21. 04.048/2016-17 | November 21, 2016 & December 28, 2016 | Loans (IRAC) | Changes in Prudential Norms (IRAC) for dues on various category of loans |

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- **Facility for Exchange of Notes**
- Cash Deposit Transactions
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- Reporting Requirements
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- Audit Methodology
- Use of CBS & Data Mining for report generation

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Facility for Exchange of Notes

- Limits
 - From 10th Nov. 2016 to 13th Nov. 2016 – Rs. 4,000
 - From 14th Nov. 2016 to 17th Nov. 2016 – Rs. 4,500
 - From 18th Nov. 2016 to 24th Nov. 2016 – Rs. 2,000
 - From 24th Nov. 2016 – Nil at Branch counters
 - From 25th Nov. 2016 to 31st December, 2016 – For Foreign Citizen - Rs. 5,000 per week
- Documents required
 - Application in RBI prescribed format (Refer Annexure – 5 of Circular Dt. 8th Nov. 2016)
 - ID Proof (Any one from Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff)
 - For Exchange Facility extended to Foreign Passport Holders (a) Self Declaration stating that facility is not availed during the week and (b) Copy of Passport

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Facility for Exchange of Notes

■ Important Points

- Facility was available for exchange in person only
- Not permissible through Authority letter
- Facility available **only once** from 10th Nov., 2016 to 30th Dec. 2016
- Facility available only against old Rs. 500 and Rs. 1,000 notes and not against New Rs. 2,000 or new Rs. 500
- Use of indelible ink (at bank's option w.e.f. 16th Nov. 2016)
- Facility of exchange extended to Foreign Citizen should not exceed Rs. 5,000 per week

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Cash Deposit Transactions

■ Limit

- Maximum amount upto Rs. 50,000 – Non KYC compliance accounts (during the entire period)
- Any amount – KYC compliance accounts
- No cash deposit in Small Savings Scheme Accounts (PPF, Sr. Ctz., Sukanya Sunidhi etc.)w.e.f. 23rd Nov. 2016
- Deposit of Cash in excess of Rs. 5,000 only once **w.e.f. 19th December, 2016 till 21st Dec. 2016.** – All type of accounts (explanation from customer for non-deposition of cash till date in presence of two bank officials.
- **W.e.f. 21st Dec., 2016** – In case of KYC compliant accounts no limit of cash deposit and no explanation for cash deposit post 19th Dec. 2016. In case of non-KYC compliant accounts and deposit in excess of Rs. 5,000 (transactionwise and also in aggregate) with upper limit of Rs. 50,000.

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Cash Deposit Transactions

■ Documents required

- Pay in slip with Customer's Signature (to confirm personal visit)
- Authority Letter specifically mentioning deposit of old SBN in case of deposit by third party
- Separate pay in slip for SBN and Non SBN notes
- Duly authorised declaration from customer for late deposition of cash (w.e.f. 19th Dec. 2016)

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Cash Deposit Transactions

■ Important Points

- Compliance with KYC guidelines
- Compliance with IT Guidelines (PAN)
- Availability of denomination details on Pay in Slips
- Separate Pay-in-Slip for SBN and non SBN deposit
- Deposits by third party – Adherence to RBI guidelines
- Cash deposits allowed in Loan as well as Deposit accounts

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Cash Withdrawal Transactions

■ Limit

□ Withdrawal through Branch

- 10th Nov. 2016 to 13th Nov. 2016 - Rs. 10,000 per day subject to overall limit of Rs. 20,000 (including ATM withdrawals)
- From 14th Nov., 2016 – Rs. 24,000 per week Savings A/c and Rs. 50,000 per Current Account (for account in operations for atleast 3 months)
- From 15th Nov. 2016 – Rs. 50,000 per week from OD / CC Accounts (Not from Personal OD Accounts)
- From 22nd Nov. 2016 – Farmers Rs. 25,000 and Trader registered with APMC / Mandi Rs. 50,000
- Bank to Bank, Bank to PO, Bank to Money Changer having presence at Airport, Bank to White Label ATM operator – No Limit

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Cash Withdrawal Transactions

- From 22nd Nov. 2016 – Rs. 2,50,000 on the occasion of Marriage
- From 29th Nov. 2016 - Additional limit of withdrawal for Legal Tender notes deposited in Account(Over and above regular limit)
- From 30th Nov. 2016 – Rs. 10,000 PMJDY Accounts, Additional amount to be assessed by Branch Manager
- From 15th Dec. 2016 – No debit transactions (Cash as well as transfer / remittance) in case of Non-KYC compliant Accounts (*including Small Savings Account, BSBD / Jandhan Accounts*) - Balance > Rs. 5 Lacs and Total Deposits (including Credit by Electronic or other means) made after November 9, 2016 > Rs. 2 Lacs.
- For withdrawal by Govt. Dept. - No Limit. On production of evidence of requirement issued by an office and approved by Bank Official in the rank of General Manager & above

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Cash Withdrawal Transactions

ATM withdrawals

- From 10th Nov. 2016 to 13th Nov. 2016 - Rs. 2,000 per day per card
- From 14th Nov., 2016 – Rs. 2,500 per day per card

Cash Through POS Machine

- Rs. 2,000 per day per card

Cash Withdrawal Transactions

■ Documents required

- Cheque / Withdrawal slips
- Debit Cards (withdrawal through POS machine)
- Documents prescribed in Cir. Dt. Nov. 22, 2016 for enhanced limit for withdrawal on the occasion of marriage
- Documents for enhanced limits of withdrawal by Govt. Dept. as prescribed in Cir. Dt. November 11, 2016
- Documents to ascertain eligibility for enhanced limits for withdrawal by Farmer or Trader registered with APMC / Mandi

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Reporting Requirements

- Reporting of Balance as on 8th November, 2016 in Annexure – 1 by 1 pm on 9th November, 2016
- Daily reporting of Cash withdrawn in SBN in Annexure – 6 (Branch to Controlling Office) & Annexure – 6A (Reporting officer to RBI)
- From 10th November, 2016 to 11th November, 2016 – Format as per Cir. Dt. 8th November, 2016
- From 12th November, 2016 - Format as per Circulars Dt. 11th November, 2016 (No. RBI/2016-17/125 and RBI/2016-17/128 to include details of counterfeit notes detected and notes disbursed through counters and ATM)
- Delay in reporting in Annexure 6A – RBI Circular Dt. 16.11.2016

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Reporting Requirements

- Report on detection of Counterfeit Notes as per following periodicity

| Reporting Period | Report to be submitted by |
|----------------------------------|---------------------------|
| November 10 to December 09, 2016 | December 16, 2016 |
| December 10 to December 16, 2016 | December 23, 2016 |
| December 17 to December 30, 2016 | January 06, 2017 |

- Maintenance of records for distribution of Mahatma Gandhi (New) series Banknotes

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Regulatory Guidelines

- Functioning of Branch on holidays i.e. 12th and 13th November (being Saturday and Sunday).
- Monitoring of Transactions in accounts
- Adherence to KYC Guidelines
- Adherence to Income Tax guidelines
- Delay in Reporting of information in Annexure 6 / Annexure 6A
- Fraudulent practices in cash deposit in accounts
- Preservation of CCTV footage of branch activities

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Audit Methodology

- Checklist based on the guidelines issued till date
- Review of transaction based on documents available with the branch
- Review of process of reconciliation of SBN received (Op.+ Receipt + Exch. – Remitted to Chest = Cl. Bls.)
- Review of process of reconciliation of Legal Tender Notes (Op. + Receipt + Received from Chest - Remitted to Chest = Cl. Bls.)
- Review of CCTV recording covering cash area
- Review of Cash Vault and Balancing Register (Review overwriting in SBN and other Legal tender notes)
- Request for generation of Data based on regulatory and monitoring guidelines
- Review of Data generated from System

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

1. Newly opened Accounts with SBN (from 8th Nov. 2016 to till date)
2. Payment from Current Account where account is in operations for less than months from date of transaction and limit of payment is allowed at Rs. 50,000 per week.
3. Cash withdrawal in excess of Rs. 24,000 from Personal OD A/c
4. Foreign Outward remittance after deposit of cash in SBN
5. Foreign Outward Remittance in Newly opened A/c
6. New Loans sanctioned in cash & pre mature repayment in cash during the period (Agri Loan)

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

7. Withdrawal of amount in excess of permissible limits on the basis of provision of deposit of legal tender notes (Rs. 10,000 per day / Rs. 20,000 per week | Rs. 24,000 | Rs. 50,000 | Withdrawal by Farmers, APMC Traders | Rs. 2,50,000 Marriage)
8. All Cash Withdrawal transactions with denominationwise details from System
9. Deposit in Account in non KYC Complied accounts
10. Deposit in Account without PAN > 50,000
11. Deposit in Account between period 10th Oct. 2016 and 30th Dec. 2016 in excess of Rs. 2,50,000 without PAN (*Rule 114b as amended*)

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

12. Cash Deposit in Small Savings Scheme Accounts from 23.Nov.2016 (Not permitted)
13. Cash Deposit in Jan Dhan Account
14. Cash Deposit transactions routed through office account
15. Deposit in Office Account and transfer to operative account
16. Excess deposit (in excess of dues) in Loan and Credit Card Accounts? (Availability of PAN for Reporting)

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

17. All cash deposit transactions with Denominationwise details from System
18. Dormant Activation and cash deposit immediately after activation
19. New Account Opening and Closure in Short period with SBN Cash deposit
20. Large cash deposit in Tax collection account (Availability of PAN for Reporting)
21. Large cash deposits in NGO / Trust / BOI Accounts
22. Old SBN Cash from ATM (ATM flushing)

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

23. Cash Transactions beyond Banking Hours
24. Cash deposits near to reporting limits (49,000 and 2,49,999) – Skirting
25. Review of Staff Accounts for deposit of SBN
26. Data on Issuance of DD / PO/ NEFT / RTGS against deposit of SBN to third party
27. Data on Issuance of DD / PO to Insurance companies for subscription to new insurance policy (Non availability of name of purchaser on DD)
28. Acceptance of SBN for para banking activities viz. Life Insurance Policies, ULIPs thru Office Accounts

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Use of CBS & Data Mining for report generation (Indicative list) & Observations

29. Data on transactions of Exchange of notes with ID Proof details (Tracking of facility offered multiple times)
30. Data on Fake Note detected with register / records
31. Availability of CCTV Recording of Cash Area – Availability of Backup copy
32. Cash Acceptance Machines - Recalibration - Deposit only by Customer (thru Debit Card)
33. Issue of Prepaid Cards to Foreign Tourists – Availability of passport to be checked
34. Cases wherein Charges have been levied for other bank ATM charges usage - Regulatory

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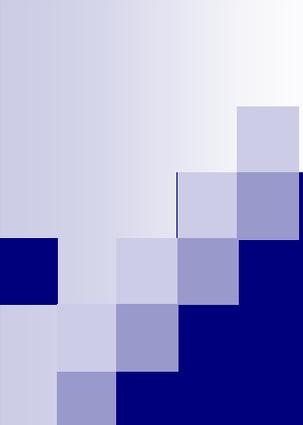


Use of CBS & Data Mining for report generation (Indicative list) & Observations

- 35. Demand Draft issuance in Cash and cancellation by credit to Account
- 36. Instances of Cash Shortage (Reporting as fraud as per Fraud guidelines)
- 37. Instances of Cash Excess
- 38. KYC updation from 09.Nov.2016

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Q & A Session



Thank You

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Indicative Checklist for Concurrent Auditors to review Demonetization Activity handled by Bank Branches

Part – 1 Exchange of Notes

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|-----------------|---|---|--|
| E-1 | <p>Whether Limits for Exchange of Notes over the counter were adhered to?</p> <p><u>Limits</u> From 10th Nov. 2016 to 13th Nov. 2016 – Rs. 4,000 From 14th Nov. 2016 to 17th Nov. 2016 – Rs. 4,500 From 18th Nov. 2016 to 24th Nov. 2016 – Rs. 2,000 From 24th Nov. 2016 – Nil at Branch counters From 25th Nov. 2016 - 31st Dec. 2016 - Rs. 5,000 per week for Foreign Citizen (Foreign Passport Holders)</p> | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016</p> <p>RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 Dt. 13.Nov.2016</p> <p>RBI/2016-17/139 DCM (Plg) No. 1302 / 10.27.00 / 2016-17 Dt. 17.11.2016</p> <p>RBI/2016-17/155 DCM (Plg) No. 1391 / 10.27.00 / 2016-17 Dt. 24.11.2016</p> <p>A.P. (DIR Series) Circular No. 20 Dt. 25.11.2016 and RBI/2016-17/186 A.P. (DIR Series) Circular No. 22 Dt. 16.12.2016</p> | <p>10.Nov.2016 to 24.Nov.2016 and upto 31.Dec.2016 (Foreign Citizen)</p> |
| E-2 | <p>Whether prescribed documents have been obtained for Exchange of Notes over the counter?</p> <p><u>Documents:</u> 1. Request Letter (Format as per Annexure - 5 of RBI Circular) 2. ID Proof (Check whether copies have been obtained - Acceptable ID proofs are Any one from Aadhaar Card Driving License Voter ID Card Passport NREGA Card PAN Card Identity Card Issued by Government Department, Public Sector Unit to its Staff)</p> | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016</p> | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-3 | <p>Check whether prescribed documents have been obtained for</p> | <p>A.P. (DIR Series) Circular No. 20 Dt.</p> | <p>upto 31.Dec.2016</p> |

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|----------|--|--|-----------------------------------|
| | <p>extending exchange of Notes facility to Foreign Citizen (Foreign Passport Holders).</p> <p><u>Documents:</u></p> <p>1. Self Declaration stating that facility is not availed during the week.</p> <p>2. Copy of Passport</p> <p>Maximum permissible limit Rs. 5,000 per week.</p> | <p>25.11.2016 and RBI/2016-17/186 A.P. (DIR Series) Circular No. 22 Dt. 16.12.2016</p> | |
| E-4 | Are there any instances of extending facility of exchange to same person more than once during the period 10th Nov. 2016 to 24th Nov. 2016? If so report the instances. | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016</p> <p>Para 3.C.i</p> | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-5 | Are there any instances of extending facility to person based on Authority Letter? If so, report such instances. | | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-6 | Whether proper records have been maintained in system to record the number of SBN (Rs. 500 & Rs. 1,000) received at Exchange Counters? If not, whether any manual records (viz. Register) is maintained? | | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-7 | Whether CCTV Recording of Cash Area is available? Whether adequate backup of recording is available? | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016</p> <p>Para 2.XII</p> | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-8 | Review the CCTV Recording on random basis to check misuse of exchange facility. | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 (Para 2.XII)</p> | <p>10.Nov.2016 to 24.Nov.2016</p> |
| E-9 | From November 16, 2016 starting from metro cities, whether indelible ink was put on right index finger by the branch at exchange counters? Check CCTV footage to review the compliance. | <p>RBI/2016-17/133 DCM (Plg) No. 1280 / 10.27.00 / 2016-17 Dt. 15.Nov.2016</p> | <p>15.Nov.2016 to 24.Nov.2016</p> |
| E-10 | Report the case of any abnormal increase value of notes exchanged | | <p>10.Nov.2016 to</p> |

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|----------|---|---|----------------------------|
| | through counter. Points to be considered are normal footfall in branch, capacity of branch to handle number of customers | | 24.Nov.2016 |
| E-11 | Check any Business Correspondents (BC) are reporting to Branch? If so, whether facility of Exchange was provided by BCs? The facility of exchange cannot be provided by BC. | RBI/2016-17/115 DCM (Plg) No. 1241 / 10.27.00 / 2016-17 Dt. 09.Nov.2016 - Para VI.4 | 10.Nov.2016 to 24.Nov.2016 |

Part – 2 Cash Withdrawal

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|----------|--|--|------------------|
| P-1 | <p>Whether Limits for withdrawal over the counter were adhered to?</p> <p><u>Limits for withdrawal from Branch</u> From 10th Nov. 2016 to 13th Nov. 2016 – Rs. 10,000 per day with weekly capping of Rs. 20,000 (Including ATM withdrawals) From 14th Nov. 2016 – Rs. 24,000 (Maximum in a week) & For Current A/c (operational from last three months) - Rs. 50,000 From 21st Nov. 2016 - For OD / CC Accounts (operational from last three months) – Rs. 50,000 (Enhanced limit is not available to Personal OD accounts) From 22nd Nov. 2016 - Farmers Rs. 25,000 and Trader registered with APMC / Mandi - Rs. 50,000 From 22nd Nov. 2016 - Rs. 2,50,000 on the occasion of marriage subject to conditions as prescribed. From 29th Nov. 2016 - Enhanced limit of withdrawal to the extent of deposit of legal tender notes from the date. From 30th Nov. 2016 - Rs. 10,000 from PMJDY KYC Compliant Account. Additional amount based on requirement and after due diligence by Branch Manager. Otherwise only Rs. 5,000 per month subject to maximum Rs. 10,000</p> <p>For withdrawal by Govt. Dept. - No Limit. On production of evidence of requirement issued by an office and approved by Bank Official in the rank of General Manager & above</p> | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016</p> <p>RBI/2016-17/123 DCM (Plg) No. 1251 / 10.27.00 / 2016-17 dt. 10.Nov.2016</p> <p>RBI/2016-17/124 DCM (Plg) No. 1256 / 10.27.00 / 2016-17 dt. 11.Nov.2016</p> <p>RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 dt. 13.Nov.2016</p> <p>RBI/2016-17/131 DCM (Plg) No. 1274 / 10.27.00 / 2016-17 dt. 14.Nov.2016</p> <p>RBI/2016-17/135 DCM (Plg) No. 1287 / 10.27.00 / 2016-17 dt. 16.Nov.2016</p> <p>RBI/2016-17/142 DCM (Plg) No. 1317 / 10.27.00 / 2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-2017/145 DCM (Plg) No. 1320 / 10.27.00 / 2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-17/146 DCM (Plg) No. 1323 / 10.27.00 / 2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-17/163</p> | From 10.Nov.2016 |

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|----------|---|--|------------------|
| | No limit for cash transaction between Bank to Bank, Bank to Post Office, Bank to Money Changer having presence at International Airport and Bank to White label ATM operator | DCM. No. 1437 / 10.27.00 /2016-17 dt. 28.Nov.2016 | |
| P-2 | Whether Limits for withdrawal through other modes? <u>Limits for withdrawal through ATM:</u> From 10th Nov. 2016 to 13th Nov. 2016 - Rs. 2,000 per day per card From 14th Nov., 2016 – Rs. 2,500 per day per card <u>Limits for withdrawal through POS Machine:</u> From 18.11.2016 - Rs. 2,000 per day | RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016 RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 dt. 13.Nov.2016 RBI/2016-17/140 DPSS. CO. PD. No. 1280 / 02.14.003 /2016-17 dt. 18.Nov.2016 | From 10.Nov.2016 |
| P-3 | In case of enhanced limit for withdrawal, check whether requisite documents have been obtained by the bank? | RBI/2016-17/123 DCM (Plg) No. 1251 / 10.27.00 / 2016-17 dt. 10.Nov.2016 RBI/2016-17/124 DCM (Plg) No. 1256 / 10.27.00 / 2016-17 dt. 11.Nov.2016 RBI/2016-2017/145 DCM (Plg) No. 1320 / 10.27.00 / 2016-17 dt. 21.Nov.2016 & Amendment RBI/2016-17/149 DCM (Plg) No. 1346 / 10.27.00/2016-17 dt. 22.Nov.2016 RBI/2016-17/146 DCM (Plg) No. 1323 / 10.27.00 / 2016-17 dt. 21.Nov.2016 | From 10.Nov.2016 |
| P-4 | Whether denomination details have been mentioned on Cheque / Withdrawal slip in all the cases? | | From 10.Nov.2016 |
| P-5 | Test check the cases of Cash withdrawal to ascertain whether system level controls have been embedded in compliance with RBI | | From 10.Nov.2016 |

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|----------|---|------------------------|---------------------|
| | <p>guidelines?</p> <p>If not, detailed scrutiny is required to be carried out to detect the cases wherein payments have been made in excess of limits prescribed.</p> | | |
| P-6 | <p>Review the CCTV footage based on time of transaction to ascertain whether the payments have been made to customer / payee only.</p> <p>Report the instances wherein cheque was posted in system where no customers were in branch and cash was paid.</p> <p>Are there any instances wherein delivery of bulk cash in legal tender took place?</p> <p>Are there any cases of transaction beyond the branch hours where there are no customers in the branch / at the counter?</p> | | From 10.Nov.2016 |
| P-7 | <p>Report the cases wherein enhanced limit to cash withdrawal is permitted for Current Account / OD A/c / CC Account in operation for less than 3 months.</p> <p>Also, report cases wherein enhanced limit of cash withdrawal (i.e. Rs. 50,000) was permitted in Personal OD Accounts.</p> | | From 15.Nov.2016 |
| P-8 | <p>Debit restrictions in Non KYC compliant accounts including those opened under Small Savings Account Scheme and Jan Dhan Scheme with Balance in excess of Rs. 5 Lacs and Credits (Cash, Electronic or other) in excess of Rs. 2 Lacs from 9th Nov. 2016.</p> | | From 15.Dec.2016 |

Part – 3 – Cash Receipt

| Ref. No. | Checkpoint | Ref. to Guidelines | Periodicity |
|-----------------|---|---|--------------------|
| R-1 | <p>Whether Limits for Cash Deposits over the counter were adhered to?</p> <p><u>Limits</u> a. Maximum amount upto Rs. 50,000 – Non KYC compliant accounts b. Any amount – in KYC compliant accounts c. No cash deposit is allowed in Small Savings Scheme Accounts (i.e. PPF, Senior Citizen Scheme, Sukanya Sunidhi Scheme, Atal Pension Yojna)</p> | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 3.C.ii</p> <p><u>Small Savings Scheme:</u> FAQ No. 24 (Notification No. RBI/2016-17/151 DCM (Plg) No.1351/10.27.00/2016-17 dt. 23.11.2016)</p> | From 10.Nov.2016 |
| R-2 | <p>Check whether required documents have been obtained for Cash Deposits (SBN) from 10.Nov.2016 by customer in his/her own account?</p> <p><u>Documents:</u> 1. Pay in Slip with proper denomination details 2. ID Proof (Check whether copies have been obtained or have been confirmed by Branch official for having verified the ID Proof of customer) 3. Explanation from customer for non deposit of cash till 19.Dec.2016 (when transaction is in excess of Rs. 5,000 or cumulative amount of deposit exceeds Rs. 5,000) - (19.Dec.2016 to 21.Dec.2016) - All type of Accounts 4. Explanation from customer for non deposit of cash till 19.Dec.2016 (when transaction is in excess of Rs. 5,000 or cumulative amount of deposit exceeds Rs. 5,000) - (From</p> | <p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 3.C.iii</p> <p>RBI/2016-17/189 DCM (Plg) No. 1859/10.27.00/2016-17 dt. December 19, 2016</p> <p>RBI/2016-17/191 DCM (Plg) No. 1911/10.27.00/2016-17 December 21, 2016</p> | From 10.Nov.2016 |

| Ref. No. | Checkpoint | Ref. to Guidelines | Periodicity |
|----------|--|--|--|
| | 21.Dec.2016) - For non KYC compliant accounts. | | |
| R-3 | <p>Check whether required documents have been obtained for Cash Deposits (SBN) from 10.Nov.2016 by person other than account holder? (Third party cash deposit)</p> <p><u>Documents:</u></p> <p>1. Pay in Slip with proper denomination details</p> <p>2. Authority Letter from Account holder expressly mentioning no objection in favor of tenderer to deposit SBN in his / her account.</p> <p>3. Copy of ID proof (Acceptable ID proofs are Any one from Aadhaar Card Driving License Voter ID Card Passport NREGA Card PAN Card Identity Card Issued by Government Department, Public Sector Unit to its Staff)</p> | RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 3.C.iv | From 10.Nov.2016 |
| R-4 | Check whether separate pay in slip is used for deposit of SBN and Legal Tender Notes (especially for New Rs. 500 note) | RBI/2016-17/131 DCM (Plg) No. 1274 / 10.27.00 / 2016-17 dt. 14.Nov.2016 Para vi (Monitoring) | From 15.Nov.2016 |
| R-5 | Are there any cases wherein Cash in excess of specified limit was accepted in accounts where KYC is still pending? If so, report such cases | | |
| R-6 | Are there any cases wherein Cash was accepted in excess of Rs. 50,000 where PAN is not seeded into the account? | RBI/2016-17/135 DCM (Plg) No. 1287 / 10.27.00 / 2016-17 Dt. 16.Nov.2016 | <p>RBI Guidelines prospective w.e.f. 16.Nov.2016</p> <p>IT Guidelines retrospective applicability w.e.f. 09.Nov.2016</p> |
| R-7 | Check how the transaction of | | From |

| Ref. No. | Checkpoint | Ref. to Guidelines | Periodicity |
|----------|--|---|------------------|
| | cash deposit on account of flushing of ATM has been accounted? Whether document evidencing denomination of cash is available with the branch? | | 09.Nov.2016 |
| R-8 | <p>Check are there any cases wherein Cash Deposit is not deposited to customer's account, instead credited to office account and later on transferred to customer's account (As transfer entry and not as cash entry). Report all such instances.</p> <p>Review of all office account and daily transaction report to identify such cases.</p> | | From 10.Nov.2016 |
| R-9 | Check how the transaction of cash movement (SBN) from / to Currency Chest / Other Branch have been accounted? Whether documents containing denomination details alongwith confirmation of other branch / Currency Chest are on record? | | From 09.Nov.2016 |
| R-10 | <p>Is there any Cash Deposit / Cash Recycler Machine attached with Branch? If so, whether the same is recalibrated before made in use after 10.Nov.2016?</p> <p><u>Cash Recycler</u> - Recalibration w.r.t. prevention of dispensing SBN</p> <p><u>Cash Deposit Machine</u> - Disabling deposit of SBN by Third Party in account. Authentication of customer by Debit Card only.</p> | RBI/2016-17/115 DCM (Plg) No. 1241 / 10.27.00 / 2016-17 Dt. 09.Nov.2016 - Para V | From 10.Nov.2016 |
| R-11 | In case of Cash Deposit of Rs. 1 mln. and above, check whether the documents / transaction comply with Rule 4 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005. | Rule 3 & Rule 4 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005. | From 10.Nov.2016 |

| Ref. No. | Checkpoint | Ref. to Guidelines | Periodicity |
|----------|--|--------------------|---------------------|
| | <p><u>Rule 4 PML Rules, 2005</u> <i>Records containing Information</i> <i>The records referred to in rule 3 shall contain all necessary information specified by the Regulator to permit reconstruction of individual transaction including* the following information:-</i> <i>(a) the nature of the transactions;</i> <i>(b) the amount of the transaction and the currency in which it was denominated;</i> <i>(c) the date on which the transaction was conducted; and</i> <i>(d) the parties to the transaction.</i></p> | | |
| R-12 | In case of Cash Deposit in NRO Account, check whether FEMA guidelines have been complied with. | | From 10.Nov.2016 |
| R-13 | <p>Check whether enhanced due diligence is carried out by branch for cash deposit in Minor Account, Third Party cash deposit in Minor Account and bulk cash deposit in Trust, Association, Society accounts.</p> <p>Refer bank's internal guidelines for activities to be carried out by branches.</p> | | From 10.Nov.2016 |
| R-14 | Check whether copies of relevant records / challans are available with branch for deposit of SBN for Direct Tax (including IDS) and Indirect Tax collection. | | From 10.Nov.2016 |
| R-15 | Check whether any cuttings / overwriting in Pay in Slips have been observed? If so whether the same is authenticated by Depositor? | | From 10.Nov.2016 |
| R-16 | Check the adherence to the guidelines applicable for transactions in Small Savings Account and Basic Savings Accounts. | | From 10.Nov.2016 |
| R-17 | <u>Process followed for handling of Counterfeit Notes:</u> | | From 10.Nov.2016 |

| Ref. No. | Checkpoint | Ref. to Guidelines | Periodicity |
|----------|--|--------------------|-------------|
| | <p>a. Check process of impounding of counterfeit notes</p> <p>b. Check process of maintenance of register and stamps</p> <p>c. Check process of issuance of acknowledgement of impounding</p> <p>d. Check process of reporting of counterfeit notes</p> <p>e. Review reporting made in Annexure 6A with counterfeit note register.</p> <p>f. Check whether process of FIR filing is done as per extant guidelines.</p> | | |

Part – 4 – Reporting Requirements

| Ref. No. | Checkpoint | Ref. to RBI guidelines | Periodicity |
|-----------------|--|---|--------------------|
| RP-1 | Reporting of Closing Balance of SBN as on 8th November, 2016 to RBI (Annexure - 1 of RBI Circular) | RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016 | On 09.Nov.2016 |
| RP-2 | Daily reporting of Cash Deposit and Exchange in format Annexure - 6 and Annexure 6A to Controlling Office and RBI Amendment in format of Reporting (i.e. Annexure 6) w.e.f. 12.Nov.2016 | RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016 | From 10.Nov.2016 |
| RP-3 | Daily of Reporting details of Counterfeit Notes detected and information on payment over the counter added | RBI/2016-17/128 DCM (Plg) No.1268 / 10.27.00/2016-17 dt. 12.Nov.2016 | From 12.Nov.2016 |
| RP-3 | Is there any delay in the reporting of information to Controlling Office / RBI? If so, report the cases. | | From 10.Nov.2016 |
| RP-4 | Whether proper records have been maintained for the figures reported in Annexure 6? | | From 10.Nov.2016 |

Part – 5 - New Account opening from 10th Nov. 2016

| Ref. No. | Checkpoint | Periodicity |
|-----------------|---|--------------------|
| N-1 | Whether all the Accounts opened after 8th November, 2016 have been activated after completion of KYC formalities? | From 10.Nov.2016 |
| N-2 | Whether PAN is obtained / updated in case wherein SBN in excess of Rs. 50,000 is accepted for Account Opening? | From 10.Nov.2016 |
| N-3 | Whether copies of Foreign Passport have been obtained before issuance of Prepaid Cards to Foreign Nationals? | From 10.Nov.2016 |

Part – 6 – Monitoring & Other aspects

| Ref. No. | Checkpoint |
|----------|---|
| M-1 | Check whether any withdrawal have been accounted through Office Account beyond the prescribed limit to customer? |
| M-2 | Review all office accounts (including inter branch accounts) for usage other than prescribed purpose or possible use as rotation of entries. |
| M-3 | Review entries in Staff Accounts, Accounts of relatives of staff for any abnormal deposits / withdrawals. (Obtain duly certified list of Staff Name with Account Numbers from Branch Manager / HR Dept.) |
| M-4 | <p>Check whether multiple accounts of a same customer have been opened with different CUST ID / CIF No.? Whether such accounts have been used as bulk deposits / withdrawals?</p> <p><u>Suggested Data:</u> For multiple CUST ID for same customer (Triggers PAN, Passport No., Aadhar Card, Date of Birth and Name etc.)</p> |
| M-5 | For KYC / Re-KYC updations after 8th November, 2016 check whether the KYCs have been updated after obtaining requisite documents. Point out cases wherein KYC updation in system is carried out without obtaining requisite documents. |
| M-6 | Check whether requisite documents have been obtained for lifting of Dormancy Flags post 8th November, 2016 |
| M-7 | <p>Check whether denominationwise reconciliation of SBN received at branch is available? Check whether supporting data / details are on record.</p> <p><u>Reconciliation methodology</u> Op. Balance of SBN as per Cash Register + Received at Counter + Received at Exchange Counter - Remitted to Chest = Cl. Balance of SBN as per Cash Register.</p> |
| M-8 | <p>Check whether denominationwise reconciliation of Legal Tender notes disbursed from branch is available? Check whether supporting data / details are on record.</p> <p><u>Reconciliation methodology</u> Op. Balance of Legal Tender Notes as per Cash Register + Received from Chest - Remitted to Chest = Cl. Balance of Legal Tender Notes as per Cash Register. (For each denomination)</p> |
| M-9 | Check whether Vault / Cash register is updated and the balance as per register is tallying with Balance as per CBS for the day. |
| M-10 | <p><u>Newly opened Accounts with SBN (from 8th Nov. 2016 to till date)</u></p> <p>Review any abnormal transactions in the said type of cases.</p> |
| M-11 | <p><u>Foreign Outward Remittance after deposit of cash in SBN</u></p> <p>Bring out the cases to the notice of Branch for enhanced due diligence of transaction from money laundering and FEMA perspective.</p> |

| Ref. No. | Checkpoint |
|----------|--|
| M-12 | <p data-bbox="316 271 1396 376"><u>New Loans sanctioned with disbursement in cash & pre mature repayment of loan in cash during the period (esp. Agri Loan, Gold Loans)</u></p> <p data-bbox="316 416 1396 521">Bring out the cases wherein loan disbursement was made in Cash (Legal Tender) repayment was done in SBN. Report the cases wherein "Replacement of Currency" trend is visible.</p> |
| M-13 | <p data-bbox="316 528 1396 600"><u>Deposit in Account between period 10th Oct. 2016 and 30th Dec. 2016 in excess of Rs. 2,50,000 without PAN Rule 114b amended</u></p> <p data-bbox="316 640 1396 712">Check whether any cash deposit (aggregate) beyond Rs. 2,50,000 is allowed in accounts wherein PAN is not available?</p> <p data-bbox="316 752 1061 779">Report the cases as non adherence to IT guidelines.</p> |
| M-14 | <p data-bbox="316 786 853 824"><u>Cash Deposit in Jan Dhan Account</u></p> <p data-bbox="316 864 1396 969">There have been various reports of the PMJDY accounts being misused. Check whether documents are available for cash deposit. Whether process of ascertaining customer's visit to branch is evidenced.</p> <p data-bbox="316 1010 1396 1081">Moreover, also check whether the funds have been immediately transferred through RTGS / NEFT / Transfer to third party account after deposit of SBN.</p> <p data-bbox="316 1122 1396 1182">In addition to it, check any case of multiple transfers from different PMJDY Account to one account or group of account.</p> |
| M-15 | <p data-bbox="316 1189 1396 1261"><u>Excess deposit (in excess of dues) in Loan and Credit Card Accounts? (Availability of PAN for Reporting)</u></p> <p data-bbox="316 1301 1396 1406">Are there any transactions of excess cash deposit (deposit in excess of total due amount) in Loan / Credit Card Accounts? If so check whether all KYC details including PAN is available in the Loan Account.</p> <p data-bbox="316 1447 1396 1552">Check are there any cases of repayment of loan through bulk cash deposit in EMI Loan Accounts? If so, whether any suspicious transactions have been observed? If so report the same for enhanced due diligence.</p> <p data-bbox="316 1592 1396 1731">Also check whether such deposits have been routed through a pool account? If so comment on possibility of non reporting due to transfer of funds from pool account to actual account with transaction type other than Cash.</p> |
| M-16 | <p data-bbox="316 1738 1316 1776"><u>Dormant Activation and cash deposit immediately after activation</u></p> <p data-bbox="316 1816 1396 1919">Check whether any suspicious transactions have been observed in accounts wherein cash has been deposited immediately after dormancy flag is lifted.</p> |

| Ref. No. | Checkpoint |
|----------|---|
| M-17 | <p data-bbox="316 271 1398 342"><u>New Account Opening and Closure in short period with SBN Cash deposit</u></p> <p data-bbox="316 378 1398 481">Check whether new account has been opened and closed in short period for deposit of SBN. In case of any suspicious activity report the same to Branch for enhanced due diligence.</p> |
| M-18 | <p data-bbox="316 495 1398 566"><u>Large cash deposit in Tax collection account (Availability of PAN for Reporting)</u></p> <p data-bbox="316 602 1398 674">Check whether PAN / Tax collection numbers are available in case of large cash deposit for Tax Collection (Indirect Tax)</p> |
| M-19 | <p data-bbox="316 680 895 712"><u>Cash deposits near to reporting limits</u></p> <p data-bbox="316 748 1398 819">Review cases of multiple cash deposits in accounts near to prescribed limits for Reporting. Report in case any suspicious activity is evidenced.</p> |
| M-20 | <p data-bbox="316 831 1398 902"><u>Data on Issuance of DD / PO/ NEFT / RTGS against deposit of SBN to third party</u></p> <p data-bbox="316 938 1398 1077">Check whether any case of cash deposit of SBN in account wherein the funds have been remitted by way of DD / PO / NEFT / RTGS to other account. Whether any suspicious activity is noticed? If so report the same to Branch for enhanced due diligence.</p> |
| M-21 | <p data-bbox="316 1084 1398 1155"><u>Data on Issuance of DD / PO to Insurance companies for subscription to new insurance policy (Non availability of name of purchaser on DD)</u></p> <p data-bbox="316 1191 1398 1375">Check whether DD / PO was issued by way of cash or by way of debit to account (where cash is deposited in SBN) in favor of Insurance Company. The route may be used to fund policy of other person (other than the account holder). Check whether any suspicious transaction is observed. If so report the same for enhanced due diligence.</p> |
| M-22 | <p data-bbox="316 1382 1398 1453"><u>Acceptance of SBN for para banking activities viz. Life Insurance Policies, ULIPs through Office Accounts</u></p> <p data-bbox="316 1489 1398 1592">Check whether any insurance, ULIP plans have been offered to customer under para banking activities by deposit of SBN through office accounts. If so report the said cases.</p> |
| M-23 | <p data-bbox="316 1606 751 1637"><u>Instances of Cash Shortage:</u></p> <p data-bbox="316 1637 1193 1668">Check the cash shortage reported by branch on various days.</p> <p data-bbox="316 1704 1398 1821">Check whether the cash shortage in excess of Rs. 10,000 have been reported as Fraud in terms of Master Directions on Fraud (RBI/DBS/2016-17/28 DBS. CO. CFMC. BC. No. 1 /23.04.001/2016-17 Dt. July 01, 2016)</p> |
| M-24 | <p data-bbox="316 1830 724 1861"><u>Instances of Excess Cash:</u></p> <p data-bbox="316 1861 1078 1892">Check instances of Cash Excess reporting by branch.</p> <p data-bbox="316 1928 1398 2000">Check for reversal of entries from Excess Cash Office Account with documents for correctness of transaction.</p> |

| Ref. No. | Checkpoint |
|----------|---|
| M-25 | <u>Demand Draft issuance in Cash and cancellation by credit to Account:</u> Check instances of issuance of Demand Draft against Cash and cancellation of the said draft by credit to Account. |

The abovementioned checklist points are suggestive for the use by members. However, the members should adhere to the checklist provided by respective banks. Several checkpoints mentioned above require data from CBS to carry out audit procedure.