

KARNATAKA STATE  
FINANCIAL CORPORATION  
Head Office  
No.1/1, KSFC Bhavan  
Thimmaiah Road  
BANGALORE -560 052  
Telephone No.22263322



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ  
ಪ್ರಧಾನ ಕಛೇರಿ  
ನಂ.೧/೧, ಕೆ.ಎಸ್.ಎಫ್.ಸಿ ಭವನ  
ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ  
ಬೆಂಗಳೂರು - ೫೬೦ ೦೫೨  
ದೂರವಾಣಿ ಸಂಖ್ಯೆ: ೨೨೨೬೩೩೨೨

REF : KSFC/HO/ED-I/394/2012-13

DATE : 04-01-2013

**CIRCULAR - 960**

**Sub : Introduction of Cash Transactions Report [CTR] and  
Suspicious Transactions Report [STR].**

\* \* \* \*

The SIDBI, in its Inspection Report for the period 2010-11, has observed that the Corporation has not introduced any system for reporting of Cash transactions and Suspicious transactions which are required to be reported under the Prevention of Money Laundering Rules. The Corporation has already issued a circular on implementation of Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) standards vide Circular No 797 dated 28.9.2007. Further to the above, it is decided to introduce a system for sending the following reports.

**1. Cash Transactions Report (CTR) :** This report shall include cash transactions of Rs 10 lakhs or more at one instance or series of transactions cumulating to Rs. 10 lakhs or more in one calendar month. Since this report can be generated in the system itself, the IT department is instructed to generate such report and to submit the same to DGM (RMD), who is the principal officer (responsible for filing returns with Director, FIU-IND,) on or before 5<sup>th</sup> of the succeeding month so that the principal officer shall file the same before 15<sup>th</sup> of the month with the Director, Financial Intelligence Unit- India (FIU-IND).

**2. Suspicious Transactions Report (STR) :** Suspicious Transaction is a transaction, whether or not made in cash, which, to a person acting in good faith,:

- gives rise to a reasonable ground of suspicions that it may involve proceeds of crime; or
- appears to be made in the circumstances of unusual or unjustified complexity; or
- appears to have no economic rationale or bonafide purpose.

To treat the transaction as suspicious, the following are the guidelines:

- the transactions involving large amount of cash wherein the deposit is made in cash by means of numerous credit slips by the borrower/customer such that the amount of each deposit is not substantial but the total of which is substantial;
- Unusual activities where funds are coming from the list of countries which are known for money laundering;
- Customer who provides insufficient/suspicious information i.e., the customer or the company is reluctant to reveal the details of activities or provide financial statements.

In the case of suspicious transactions, the Branches are advised to report in the prescribed format (enclosed to this ION) within three days of getting suspicion about a transaction or series of transactions. The report shall be sent to DGM (RMD), who in turn shall file the report with Director, FIU-IND. However, if there are no suspicious transactions in any month, a NIL report should be sent before 10<sup>th</sup> of the succeeding month.



**MANAGING DIRECTOR**

**All Section Heads at HO  
DGMs/AGMs/BMs of all branches  
AGMs of all IACs**

**CC:**

<b>All GMs</b>	}	
	}	- for infn.
<b>EDs I &amp; II</b>	}	

**ANNEXURE A - INDIVIDUAL DETAIL SHEET FOR A BANKING COMPANY****INDIVIDUAL****A***Use separate annexure for each individual.**Kindly fill in CAPITAL.*

1. Name of bank (with branch)			
2. BSR code			
3. Annexure enclosed with	<input type="checkbox"/> A Cash Transaction Report <input type="checkbox"/> B Counterfeit Currency Report <input type="checkbox"/> C Suspicious Transaction Report    (Tick ✓ as applicable)		
4. Full name of individual			
5. Customer ID/number			
6. Name of father/spouse			
7. Occupation			
8. Date of birth		9. Sex (M/F)	10. Nationality
11. Identification document	<input type="checkbox"/> A Passport <input type="checkbox"/> B Election ID card <input type="checkbox"/> C PAN card <input type="checkbox"/> D ID card <input type="checkbox"/> E Driving license <input type="checkbox"/> F Account introducer <input type="checkbox"/> Z Other (Specify)		
12. Identification number			
13. Issuing authority			
14. Place of Issue			
15. PAN			
<b>Communication address</b>			
16. No., Building			
17. Street/Road			
18. Locality			
19. City/Town, District			
20. State, Country			
21. Pin code			
22. Tel (with STD code)			
23. Mobile number			
24. E-mail			
25. Name of Organisation/Employer			
<b>Second Address (Permanent address/Place of work)</b>			
26. No., Building			
27. Street/Road			
28. Locality			
29. City/Town, District			
30. State, Country			
31. Pin code			
32. Tel (with STD code)			

DO NOT FILL. FOR FIU-IND USE ONLY.

BAA

FIU-IND

Financial Intelligence Unit- India

**ANNEXURE B - LEGAL PERSON/ENTITY DETAIL SHEET FOR A BANKING COMPANY****LEGAL PERSON/ENTITY** ☐ **B** ☐*Use separate annexure for each legal person/entity. Kindly fill in CAPITAL.*

1. Name of bank (with branch)			
2. BSR code			
3. Annexure enclosed with	<input type="checkbox"/> <b>A</b> Cash Transaction Report <input type="checkbox"/> <b>C</b> Suspicious Transaction Report	<input type="checkbox"/> <b>B</b> Counterfeit Currency Report (Tick ✓ as applicable)	
4. Name of legal person/entity			
5. Customer ID/number	(If allotted)		
6. Nature of business			
7. Date of incorporation			
8. Type of Constitution	<input type="checkbox"/> <b>A</b> Sole proprietorship <input type="checkbox"/> <b>D</b> Pvt. Ltd. company <input type="checkbox"/> <b>G</b> Association <input type="checkbox"/> <b>Z</b> Other (Specify)	<input type="checkbox"/> <b>B</b> Firm <input type="checkbox"/> <b>E</b> Public Ltd. company <input type="checkbox"/> <b>H</b> Trust	<input type="checkbox"/> <b>C</b> HUF <input type="checkbox"/> <b>F</b> Society <input type="checkbox"/> <b>I</b> Liquidator
9. Registration number	(Number mentioned in the deed/document)		
10. Registering Authority	(Authority registering the deed/document)		
11. Place of Registration	(Place where the document was registered)		
12. PAN			
<b>Communication address</b>			
13. No., Building			
14. Street/Road			
15. Locality			
16. City/Town, District			
17. State, Country			
18. Pin code		19. Tel (with STD code)	
20. Fax (with STD code)		21. E-mail	
22. List of directors /partners / members and other related persons			
	Name of Individual/Legal Person/Entity	Customer ID/number	Relation Annexure
22.1			
22.2			
22.3			
22.4			
22.5			

Mention B for Authorised Signatory, C for Director/member etc., D for Introducer, E for Guarantor, Z for others—

Mention A for Individuals, B for Legal Person/ Entity

Mention appropriate Annexure number

Tick ✓ to confirm

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**BAB**

**ANNEXURE C - ACCOUNT DETAIL SHEET FOR A BANKING COMPANY****ACCOUNT** ☒ **C****Page 1***Use separate annexure for each account. Kindly fill in CAPITAL.*

1	Name of bank (with branch)	<input style="width: 95%;" type="text"/>		
2	BSR code	<input style="width: 95%;" type="text"/>		
3	Annexure enclosed with	<input type="checkbox"/> A Cash Transaction Report <input type="checkbox"/> B Counterfeit Currency Report <input type="checkbox"/> C Suspicious Transaction Report     (Tick ✓ as applicable)		
4	Account number	<input style="width: 95%;" type="text"/>		
5	Type of account	<input type="checkbox"/> A Savings account <input type="checkbox"/> B Current account <input type="checkbox"/> C Cash credit account <input type="checkbox"/> Z Other (Specify) <input style="width: 80%;" type="text"/>		
6	Type of account holder	<input type="checkbox"/> A Individual <input type="checkbox"/> B Legal person/entity <input type="checkbox"/> C Central/State Government <input type="checkbox"/> D Central/State Government owned undertaking <input type="checkbox"/> Z Other		
7	Date of account opening	<input style="width: 95%;" type="text"/>		

  

8 List of account holders				
	Name of Individual/Legal Person/Entity	Customer ID/number (if allotted)	Annexure	
8.1	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.2	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.3	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

Mention A for Individuals, B for Legal Person/ Entity

Mention appropriate annexure number

(Details of all account holders should be furnished in prescribed annexure, ☐ Tick ✓ to confirm

Number of additional sheets for account holders  (Leave blank if space provided above is sufficient and no extra sheet is attached)

  

9 List of related persons (other than mentioned at 8 above)				
	Name of Individual/Legal Person/Entity	Customer ID/number (if allotted)	Relation	Annexure
9.1	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.2	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.3	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.4	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.5	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

Mention B for Authorised Signatory, D for Introducer, E for Guarantor, Z for others

Mention A for Individuals, B for Legal Person/ Entity

Mention appropriate Annexure number

(Details of all related persons should be furnished in prescribed annexure, ☐ Tick ✓ to confirm

Number of additional sheets for related persons  (Leave blank if space provided above is sufficient and no extra sheet is attached)

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BAC

## ANNEXURE C - ACCOUNT DETAIL SHEET FOR A BANKING COMPANY

ACCOUNT **C** 

Page 2

Kindly fill in CAPITAL.

(mention the same number as on the previous page)

## 10 Transaction details

	Date of Transaction	Mode	Debit	Amount in Rupees	Remarks (foreign currency and other details)
10.1					
10.2					
10.3					
10.4					
10.5					
10.6					
10.7					
10.8					
10.9					
10.10					

DD - DEMAND DRAFT

D for Debit and C for Credit

A- Cheque   B- Transfer within Branch   C- Cash   D- Demand Draft   E- Electronic Funds Transfer  
 F- Traveller's Cheque   Z- Other (Specify)

Number of additional sheets for transactions 

(Leave blank if space provided above is sufficient and no extra sheet is attached)

## 11 Cumulative Totals

11.1 Total debits in the bank account in the financial year

11.2 Total credits in the bank account in the financial year

(Total of entries in the bank account from 1st April of the financial year till the date of reporting)

## 12 Write up about transactions (transactions mentioned in 10 above)

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BAD

**SUSPICIOUS TRANSACTION REPORT (STR) FOR A BANKING COMPANY**

Kindly fill in CAPITAL. Read the instructions before filling the form.

Page 1

**PART 1 DETAILS OF REPORT**

- 1.1 Date of sending report     2 10 10   
DDMMYY
- 1.2 Is this a replacement to an earlier report? ☐ NO ☐ YES (Tick ✓ as applicable)
- 1.3 Date of sending original report if this is a replacement report     2 10 10   
DDMMYY

**PART 2 DETAILS OF PRINCIPAL OFFICER**

- 2.1 Name of Bank
- 2.2 BSR code  2.3 ID allotted by FIU-IND
- 2.4 Category of bank ☐ (Refer to Instructions)
- 2.5 Name of principal officer
- 2.6 Designation
- 2.7 Address (No., Building)
- 2.8 Street/Road
- 2.9 Locality
- 2.10 City/Town, District
- 2.11 State, Country
- 2.12 Pin code  2.13 Tel (with STD code)
- 2.14 Fax  2.15 E-mail

**PART 3 DETAILS OF REPORTING BRANCH / LOCATION**

- 3.1 Name of Branch/Location
- 3.2 BSR code  3.3 ID allotted by FIU-IND
- 3.4 Address (No., Building)
- 3.5 Street/Road
- 3.6 Locality
- 3.7 City/Town, District
- 3.8 State, Country
- 3.9 Pin code  3.10 Tel (with STD code)
- 3.11 Fax  3.12 E-mail

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SBA01

**SUSPICIOUS TRANSACTION REPORT (STR) FOR A BANKING COMPANY**

Kindly fill in CAPITAL. Read the Instructions before filling the form.

Page 2

**PART 4 LIST OF INDIVIDUALS LINKED TO TRANSACTIONS**

	Name of individual	Customer ID/number (if allotted)	Annexure
4.1			A 1
4.2			A 2
4.3			A 3
4.4			A 4
4.5			A 5
4.6			A 6
4.7			A 7
4.8			A 8
4.9			A 9
4.10			A 10
4.11			A 11
4.12			A 12
4.13			A 13
4.14			A 14
4.15			A 15

(Details of all individuals should be furnished in prescribed annexure)

Tick ✓ to confirm

Number of additional sheets for PART 4 attached 

(Leave blank if space provided above is sufficient and no extra sheet is attached)

**PART 5 LIST OF LEGAL PERSONS/ENTITIES LINKED TO TRANSACTIONS**

	Name of legal person/entity	Customer ID/number (if allotted)	Annexure
5.1			B 1
5.2			B 2
5.3			B 3
5.4			B 4
5.5			B 5
5.6			B 6
5.7			B 7
5.8			B 8
5.9			B 9
5.10			B 10

(Details of all legal persons/entities should be furnished in prescribed annexure)

Tick ✓ to confirm

Number of additional sheets for PART 5 attached 

(Leave blank if space provided above is sufficient and no extra sheet is attached)

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SBA02



**SUSPICIOUS TRANSACTION REPORT (STR) FOR A BANKING COMPANY**

Kindly fill in CAPITAL. Read the Instructions before filling the form.

Page 3

**PART 6 LIST OF ACCOUNTS LINKED TO TRANSACTIONS**

	Account Number	Name of First Account Holder	Annexure
6.1			C 1
6.2			C 2
6.3			C 3
6.4			C 4
6.5			C 5
6.6			C 6
6.7			C 7
6.8			C 8
6.9			C 9
6.10			C 10

(Details of all accounts should be furnished in prescribed annexure)

Tick ✓ to confirm

Number of additional sheets for PART 6 attached ☐ (Leave blank if space provided above is sufficient and no extra sheet is attached)**PART 7 DETAILS OF SUSPICIOUS TRANSACTION**

7.1 Reasons for suspicion (Tick ✓ as applicable. Multiple selection is possible. Refer to instructions)

<input type="checkbox"/> A Identity of client	<input type="checkbox"/> B Background of client	<input type="checkbox"/> C Multiple accounts
<input type="checkbox"/> D Activity in account	<input type="checkbox"/> E Nature of transaction	<input type="checkbox"/> F Value of transaction
<input type="checkbox"/> Z Other reason (specify)	<input type="text"/>	

7.2 Grounds of Suspicion (Mention summary of suspicion and sequence of events)

(continued on next page)

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SBA03

# SUSPICIOUS TRANSACTION REPORT (STR) FOR A BANKING COMPANY

Kindly fill in CAPITAL. Read the Instructions before filling the form.

Page 4

## 7.3 Grounds of Suspicion (continued from previous page)

Number of additional sheets for PART 7 attached ☐ (Leave blank if space provided above is sufficient and no extra sheet is attached)

## PART 8 DETAILS OF ACTION TAKEN

8.1 Whether the matter is/was under any investigation? (Mention the name of agency, person and contact details)

Number of additional sheets for PART 8 attached ☐ (Leave blank if space provided above is sufficient and no extra sheet is attached)

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ACK. NO.

DATE  2001

DDMMYYYY

Signature

Name

(Should be same as the person mentioned in PART 2)

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SBA04

## SUSPICIOUS TRANSACTION REPORT (STR) FOR A BANKING COMPANY INSTRUCTIONS

### GENERAL INSTRUCTIONS

#### The Prevention of Money Laundering Act 2002

Under the Prevention of Money Laundering Act 2002, every banking company shall furnish details of suspicious transactions whether or not made in cash.

Suspicious transaction means a transaction whether or not made in cash which, to a person acting in good faith –

- (a) gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- (b) appears to be made in circumstances of unusual or unjustified complexity; or
- (c) appears to have no economic rationale or bonafide purpose.

#### How to submit

Every bank branch must submit this form to the Director, FIU-IND only through the principal officer of the banking company designated under PMLA, 2002. In urgent cases, the form should also be sent by fax.

Address     Director, FIU-IND  
                  Financial Intelligence Unit-India  
                  6th Floor, Hotel Samrat  
                  Chanakyapuri, New Delhi -110021  
                  India

Fax            +91-11-26874459

### EXPLANATION OF SPECIFIC TERMS

#### PART 1: DETAILS OF REPORT

1.1. Date of sending report is the date on which the principal officer sends the report to Director (FIU-IND).

1.2. Replacement report is a report submitted in replacement of an earlier STR. When a replacement report is submitted, date of submitting original STR may be mentioned and the complete STR has to be submitted again.

#### PART 2: DETAILS OF PRINCIPAL OFFICER

2.3. ID allotted by FIU-IND may be left blank till the same is communicated by FIU-IND.

2.4. Category of the bank

"A"-Public Sector Bank	"E"-Regional Rural Bank
"B"-Private Sector Bank	"F"-Local Area Bank
"C"-Foreign Bank	"G"-Other
"D"-Co-operative Bank	

2.5. Principal officer is the officer designated by the banking company under PMLA, 2002

### PART 3: DETAILS OF REPORTING BRANCH / LOCATION

Particulars of the branch/location in which the reported accounts are maintained should be submitted in this part.

### PART 4: LIST OF INDIVIDUALS LINKED TO TRANSACTIONS

Customer ID/number may be given if allotted by bank. Enclose a separate Annexure A for each individual.

### PART 5: LIST OF LEGAL PERSONS/ENTITIES LINKED TO TRANSACTIONS

Customer ID/number may be given if allotted by bank. Enclose a separate Annexure B for each legal person/entity. Include the details about individuals (Director/Partner/Member etc.) related to the

### PART 6: LIST OF ACCOUNTS LINKED TO TRANSACTIONS

Enclose a separate Annexure C for each account.

### PART 7: DETAILS OF SUSPICIOUS TRANSACTION

#### Reasons for suspicion

Reason	Examples of suspicious transaction
Identity of client	False identification documents
	Identification documents which could not be verified within reasonable time
	Accounts opened with names very close to other established business entities
Background of client	Suspicious background or links with known criminals
Multiple accounts	Large number of accounts having a common account holder, introducer or authorized signatory with no rationale
	Unexplained transfers between multiple accounts with no rationale
Activity in accounts	Unusual activity compared with past transactions
	Sudden activity in dormant accounts
	Activity inconsistent with what would be expected from declared business
Nature of transactions	Unusual or unjustified complexity
	No economic rationale or bonafide purpose
	Frequent purchases of drafts or other negotiable instruments with cash
	Nature of transactions inconsistent with what would be expected from declared business
Value of transactions	Value just under the reporting threshold amount in an apparent attempt to avoid reporting
	Value inconsistent with the client's apparent financial standing

**ALL ANNEXURES MUST BE ENCLOSED.**