

LEGISLATION SECTION

The Redressal Of Public Grievances Rules, 1998* (G.S.R.670(E) New Delhi, The 11th November, 1998)

In exercise of the powers conferred by sub-section (1) of Section 114 of the Insurance Act, 1938 (4 of 1938) the Central Government hereby frames the following Rules, namely:-

1. Short title - These Rules may be called the **Redressal of Public Grievances Rules, 1998**.

2. Application - These Rules shall apply to all the insurance companies operating in general insurance business and in life insurance business.

Provided that the Central Government may exempt an insurance company from the provisions of these Rules, if it is satisfied that an insurance company has already a grievance redressal machinery which fulfills the requirements of these Rules.

3. The objects of these Rules are to resolve all complaints relating to settlement of claim on the part of insurance companies in cost effective, efficient and impartial manner.

4. Definition - In these Rules unless the context otherwise requires :

(a) "Act" means Insurance Act, 1938;

(b) "committee" means an advisory committee referred to in Rules 19;

(c) "financial year" means period of twelve months commencing from the 1st day of April of any year and ending on 31st day of march of the succeeding year;

(d) "General Insurance Corporation of India" means a government company formed under sub-section (1) of Section 9 of the General Insurance Business (Nationalisation) Act, 1972 and shall include a subsidiary company of such company;

(e) "governing body" means governing body of the Insurance Council constituted under sub-rule (1) of rule 5;

(f) "Insurance Council" means the Life Insurance Council and the General Insurance Council referred to in Section 64C of the Act;

(g) "Insurance Regulatory Authority" means a body established by Government of India vide Resolution No.17(2)/94 Ins.V dated 23.01.1996 to monitor the orderly growth of insurance industry;

(h) "Insurance Company" means the Life Insurance Corporation of India, the General Insurance Corporation of India and any other company which has been given a licence

to carry on business of life insurance or of the general insurance, as the case may be;

- (i) "insured person" means an individual by whom or on whose behalf an insurance policy has been taken on personal lines;
- (j) "Life Insurance Corporation of India" means the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956;
- (k) "Personal lines" means an insurance policy taken or given in an individual capacity;

5. Governing body of Insurance Council

- (1) There shall be a Governing Body of the Insurance Council which shall consist of one representative from each of the insurance companies.
- (2) The representatives of an insurance company shall ordinarily be Chairman or Managing Director or any one of the Directors of such company.

Provided that the Chairman of the Life Insurance Corporation of India shall act as the first Chairman of the governing body.

6. Ombudsman -

- (1) The governing body shall appoint one or more persons as ombudsman for the purpose of these rules.
- (2) The Ombudsman selected may be drawn from a wider circle including those who have experience or have been exposed to the industry, civil service, administrative service, etc. in addition to those drawn from judicial service.
- (3) An Ombudsman shall be appointed by the Governing Body from a panel prepared by the Committee consisting of -
 - (a) Chairman of Insurance Regulatory Authority - Chairman
 - (b) Two representatives - Member of Insurance Council including one each from the Life Insurance Business and from General Insurance Business respectively.
 - (c) One representative of - Member the Central Government

- 7. Term of Office** - An Ombudsman shall be appointed for a term of three years and shall be eligible for re-appointment.

Provided that no person shall hold office as such Ombudsman after he has attained the age of 65 years.

8. Removal from Office -

- (1) An Ombudsman may be removed from service for gross misconduct committed by him during his terms of office.
- (2) The Governing Body may appoint such person as it thinks fit to conduct enquiry in relation to misconduct of the Ombudsman.
- (3) All enquiries on misconduct will be sent to Insurance Regulatory Authority which may take a decision as to the proposed action to be taken against the Ombudsman.
- (4) On recommendations of the Insurance Regulatory Authority if the Governing Body is of opinion that the Ombudsman is guilty of misconduct, it may terminate his service.

9. Remuneration etc. of Ombudsman -

- (1) There shall be paid to Ombudsman a salary which is equal to the salary of the Judge of a High Court.
- (2) The other allowances and perquisites of the Ombudsman shall be such as may be specified by the Central Government.

10. Territorial Jurisdiction of Ombudsman

- (1) The Office of the Ombudsman shall be located at such place as may specified by the Insurance Council from time to time.
- (2) The Governing Body shall specify the territorial jurisdiction of each Ombudsman.
- (3) The Ombudsman may hold sitting at various places within his area of jurisdiction in order to expedite disposal of complaints.

11. Staff

- (1) The Ombudsman shall have such secretarial staff as may be provided to him by the Insurance Council after having consultation with the Ombudsman.
- (2) The Ombudsman may engage the services of professional expert with a view to assist him in discharging his functions.
- (3) The salary, allowances and perquisites payable to Ombudsman, the salary, allowances and other benefits payable to the staff of the secretariat and all expenses incurred for the purposes of these rules shall be borne by the Insurance council.
- (4) The Ombudsman shall prepare the budget indicating the requirement of funds before the

beginning of every financial year.

- (5) The budget of the office of Ombudsman will be sent to the Governing Body.
- (6) The Governing Body will finalise the budget in consultation with the Ombudsman and shall allocate the funds to the office of Ombudsman.
- (7) The total expenses on Ombudsman and his staff shall be incurred by the insurance companies who are members of the insurance council in such proportion as may be decided by the Governing Body from time to time.

Provided that till a decision is taken by the Governing Body, the entire expenditure shall be shared equally between the insurance companies in the life insurance business and general insurance business in equal proportion.

- (8) The share of expenditure which is to be incurred by each insurance company shall be in the ratio of premium income for the previous year of such company.

Explanation : For the purpose of this sub-rule "premium income" means the gross direct premium income of the insurer without taking into account from time to time income on reinsurance accepted by the insurance company.

12. Power of Ombudsman :

- (1) The Ombudsman may receive and consider:
 - (a) Complaints under rule 13;
 - (b) any partial or total repudiation of claims by an insurer;
 - (c) any dispute in regard to premium paid or payable in terms of the policy;
 - (d) any dispute on the legal construction of the policies in so far as such disputes relate to claims;
 - (e) delay in settlement of claims;
 - (f) non-issue of any insurance document to customers after receipt of premium.
- (2) The Ombudsman shall act as counsellor and mediator in matters which are within his terms of reference and, if requested to do so in writing by mutual agreement by the insured person and insurance company.
- (3) The Ombudsman's decision whether the complaint is fit and proper for being considered by

it or not shall be final.

13. Manner in which complaint is to be made :

- (1) Any person who has a grievance against an insurer, may himself or through his legal heirs make a complaint in writing to the Ombudsman within whose jurisdiction the branch or office of the insurer, complaint against is located.
- (2) The complaint shall be in writing duly signed by the complainant or through his legal heirs and shall state clearly the name and address of the complainant, the name of the branch or office of the insurer against which the complaint is made, the fact giving rise to complaint supported by documents, if any, relied on by the complainant, extent of the loss caused to the complainant and the relief sought from the Ombudsman.
- (3) No complaint to the Ombudsman shall lie unless:
 - (a) the complainants had before making a complaint to the Ombudsman made a written representation to the insurer named in the complaint and either insurer had rejected the complaint or the complainant had not received any reply within a period of one month after the insurer concerned received his representation or the complainant is not satisfied with the reply given to him by the insurer;
 - (b) the complaint is made not later than one year after the insurer had rejected the representation or sent his final reply on the representation of the complainant; and
 - (c) the complaint is not on the same subject matter, for which any proceedings before any court, or Consumer Forum, or arbitrator is pending or were so earlier.

14. Ombudsman to act fairly and equitably:

- (1) The Ombudsman may, if he deems fit, adopt a procedure other than mentioned in sub-rule (1) and (2) of Rule 13 for dealing with a claim:

Provided that the Ombudsman may ask the parties for necessary papers in support of their respective claims and where he considers necessary, he may collect factual information available with the insurance company.

- (2) The Ombudsman shall dispose of a complaint fairly and equitably.

15. Recommendations made by the Ombudsman:

- (1) When a complaint is settled, through mediation of the Ombudsman, undertaken by him in pursuance of request made in writing by complainant and insurer through mutual agreement, the Ombudsman, shall make a recommendation which he thinks fair in the circumstances of the case. The copies of the recommendation shall be sent to the complainant and the

insurance company concerned. Such recommendation shall be made not later than one month from the date of the receipt of the complaint.

- (2) If a complainant accepts the recommendation of the Ombudsman, he will send a communication in writing within 15 days of the date of receipt of the recommendation. He will confirm his acceptance to Ombudsman and state clearly that the settlement reached is acceptable to him, in totality, in terms of recommendations made by the Ombudsman in full and final settlement of complaint.
- (3) The Ombudsman shall send to the insurance company a copy of the recommendation along with the acceptance letter received from the complainant. The insurer shall thereupon comply with the terms of the recommendations immediately not later than 15 days of the receipt of such re-recommendation and the insurer shall inform the Ombudsman of its compliance.

16. Award :

- (1) Where the complaint is not settled by agreement under Rule 15, the Ombudsman shall pass an award which he thinks fair in the facts and circumstances of a claim.
- (2) An award shall be in writing and shall state the amount awarded to the complainant:

Provided that Ombudsman shall not award any compensation in excess of which is necessary to cover the loss suffered by the complainant as a direct consequence of the insured peril, or for an amount not exceeding rupees twenty lakhs (including ex-gratia and other expenses), whichever is lower.

- (3) The Ombudsman shall pass an award within a period of three months from the receipt of the complaint.
- (4) A copy of the award shall be sent to the complainant and the insurer named in the complaint.
- (5) The complainant shall furnish to the insurer within a period of one month from the date of receipt of the award, a letter of acceptance that the award is in full and final settlement of his claim.
- (6) The insurer shall comply with the award within 15 days of the receipt of the acceptance letter under sub-rule (5) and it shall intimate the compliance to the Ombudsman.

17. Consequence of non-acceptance of award :

If the complainant does not intimate the acceptance under sub-rule (5) of rule 16, the award may not be implemented by the insurance company.

18. Power to make Ex-gratia payment :

If the Ombudsman deems fit, he may award an Ex-gratia payment.

MISCELLANEOUS PROVISIONS

19. Advisory Committee :

An Advisory Committee consisting of not exceeding five eminent persons shall be notified by the Government to assist the Insurance Regulatory Authority to review the performance of the Ombudsman from time to time. The Insurance Regulatory Authority shall decide the time, venue and quorum of such meeting. The authority, after discussing the matter with the Governing Body, may recommend to Government appropriate proposals for effecting improvements in the functioning of Ombudsman. In the light of recommendations made by the insurance regulatory authority, the Government may carry out such amendments to these rules as they may deem fit.

20. The Ombudsman shall furnish a report every year containing a general review of the activities of the office of the Ombudsman during preceding financial year to the Central Government and such other information as may be considered necessary by it. In the Annual Report, the Ombudsman will make an annual review of the quality of services rendered by the insurer and make recommendations to improve these services.

21. Recommendation of the Insurance Council:

The Insurance Council may suggest to the Ombudsman such recommendations as it deems fit and which in its opinion will enhance the utility of the annual report and also so that the objectives of the rules are clearly analysed in terms of the activities in the year under review. Suggestion for long terms improvement of insurance sector will be incorporated by the Ombudsman in his report.

Any change at any time for any reason is to be deplored - DUKE OF CAMBRIDGE, Reported in an article in The New York Times dealing with a recent change calling for unification of the British military system.

* Ed.note : The above Rules provide for an Ombudsman for insurance and is similar to our Banking Ombudsman Scheme, 1995.

Income-Tax (Sixteenth Amendment) Rules, 1998

MINISTRY OF FINANCE (Department of Revenue)

CENTRAL BOARD OF DIRECT TAXES NOTIFICATION

New Delhi, the 9th October 1998

S.O. 889 (E) - In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to

amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (Sixteenth Amendment) Rules, 1998.

(2) They shall come into force on 1st day of November, 1998.

2. In the Income-tax Rules, 1962, after Rule 114A, the following shall be inserted, namely:-

"114B. All documents pertaining to the transactions in relation to which permanent account number or General Index Register Number to be quoted for the purpose of clause (c) of subsection (5) of section 139A. Every person shall quote his permanent account number or General Index Register Number in all documents pertaining to the transactions specified below, namely:-

- (a) sale or purchase of any immovable property valued at five lakh rupees or more;
- (b) sale or purchase of a motor vehicle or vehicle, as defined in clause (28) of section 2 of the Motor Vehicle Act, 1988 (59 of 1988), which requires registration by a registering authority under Chapter IV of the Act.
- (c) a time deposit, exceeding fifty thousand rupees, with a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);
- (d) a deposit, exceeding fifty thousand rupees, in any account with Post Office Saving Bank;
- (e) a contract of a value exceeding ten lakh rupees for sale or purchase of securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).
- (f) opening an account with a banking company to which the Banking regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act).
- (g) making an application for installation of a telephone connection (including a cellular telephone connection);
- (h) payment to hotels and restaurants against their bills for an amount exceeding twenty five thousand rupees at any one time.

Provided that a person shall quote General Index Register Number in the documents pertaining to transactions specified above clauses (a) to (h) till such time the permanent account number is allotted to him:

Provided further that where a person, making an application for opening an account referred to in clause (f) of this rule, is a minor and who does not have any income chargeable to income tax, he shall quote the permanent account number or General Index Register Number of his father or

mother or guardian, as the case may be, in the document pertaining to the transaction referred to in said clause (f).

Provided also that any person, who has not been allotted a permanent account number or who does not have a General Index Register Number and who makes payment in cash or otherwise than by a crossed cheque drawn on a banker by a crossed bank draft in respect of any transaction specified in clauses (a) to (h), shall make a declaration in Form No.60 giving therein the particulars of such transaction.

114C. Class or classes of persons to whom provisions of section 139A shall not apply - (1) The provisions of section 139A shall not apply to following class or classes of persons, namely:-

- (a) the persons who have agricultural income and are not in receipt of any other income chargeable to income-tax.

Provided that such persons shall make declaration in Form No.61 in respect of transactions referred to in clauses (a) to (h) of rule 114B.

- (b) the non-residents referred to in clause (30) of section 2:

Provided that a non-resident who enters into any transaction referred to in clauses (a) to (h) of rule 114B, shall furnish copy of his passport.

(2) Every person including, -

- (a) a registering officer appointed under the Registration Act, 1908 (16 of 1908);
- (b) a registering authority referred to in clause (b) of sub-rule (1);
- (c) any manager or officer of a banking company referred to in clause (c) of sub-rule (1);
- (d) post master;
- (e) stock broker, sub-broker, share transfer agent, banker to an issue, trustee of a trust deed, registrar to issue, merchant banker, under writer, portfolio manager, investment adviser and such other intermediaries registered under section 12 of the securities and exchange Board of India Act, 1992 (15 of 1992);
- (f) any authority or company receiving application for installation of a telephone by it;
- (g) any person raising bills referred to in clause (h) of sub-rule (1).
- (h) any person who purchases or sells the immovable property or motor vehicle receiving any document relating to a transaction specified under clauses (a) to (h) of sub rule (1) of rule 114B shall ensure that permanent account number or General Index Register Number has been duly quoted in the document or declaration in Form No. 60 or Form No. 61 as the case

may be received by such person.

114D. Time and manner in which persons referred to in sub-rule 114C shall intimate the details of transaction to the Director of income-tax (investigation)-(1) every person referred to in sub-rule (2) of rule 114C shall forward to the concerned Director of Income tax (Investigation) the following documents, namely:-

- (a) a statement indicating therein details of all documents pertaining to any transaction referred to in clauses (a) to (h) of rule 114B wherein the permanent account number or General Index register Number is quoted.
 - (b) the statement referred to in clause (a) shall contain.-
 - (i) Name and address of the person entering into the transactions;
 - (ii) nature and date of the transaction;
 - (iii) amount of each transaction.
 - (iv) permanent account number or General Index Register Number quoted in the documents pertaining to any transaction.
 - (c) copies of declaration of Form No.60 referred to in third proviso to rule 114B;
 - (d) copies of declaration in Form No.61 referred to in clause (a) of sub-rule (1) of rule 114C.
 - (e) copies of passport referred to in proviso to sub-rule (1) of rule 114C
- (2) The statement, declaration and copies of passports referred to in sub-rule (1) shall be forwarded to the concerned Director of Income-tax (Investigation) by every person referred to in sub-rule (2) of rule 114C within one month of receipt of the same by such person.
- (3) In Appendix II to the Income-tax Rules, 1962, after Form No.59A, the following Forms shall be inserted, namely:-

Form. No. 60

[See third proviso to rule 114B]

Form of Declaration to be filed by a person who does not have either a permanent account number or General Index register Number and who makes payment in cash in respect of transaction specified in clauses (a) to (h) of rule 114B.

1. Full Name and address of the declarant _____

2. Particulars of transaction

3. Amount of the transaction

4. Are you assessed to tax?

5. If yes, Yes/No

(i) Details of Ward/Circle/Range where the last return of income was filed?

(ii) Reasons for not having permanent account number/General Index Register Number?

6. Details of the document being produced in support of address in column(1)

Verification

I, _____ do hereby
declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of
_____ 19

Date: _____

Place: _____

(Signature of the declarant)

Instructions:

Documents which can be produced in support of the address are:

- a) Ration Card
- b) Passport
- c) Driving Licence
- d) Identity Card issued by any institution
- e) Copy of the electricity bill or telephone bill showing residential address
- f) Any document or communication issued by any authority of Central Government, State

Government or local bodies showing residential address

g) Any other documentary evidence in support of his address given in the declaration.

FORM NO. 61

[See proviso to rule 114C]

Form of Declaration to be filled by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in clauses (a) to (h) of rule 114B.

1. Full Name and address of the declarant

2. Particulars of transaction

3. Details of documents being produced in support of address in

Column (1)

Yes/No

I hereby declare that my source of income is from agriculture and I am not required to pay income tax on any other income, if any.

Date:

Place:

Verification:

Signature of the declarant

I, _____ do hereby
declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of
_____ 19 _____

Place: _____

Signature of the declarant

Instructions

Documents which can be produced in support of the address are:

- a) Ration Card
- b) Passport
- c) Driving Licence
- d) Identity Card issued by an institution
- e) Copy of the electricity bill or telephone bill showing residential address
- f) Any document or communication issued by any authority of Central Government, State Government or local bodies showing residential address.
- g) Any other documentary evidence in support of his address given in the declaration.

(Notification No.10718/F.No.142/1/98-TPL)
Dr. Karunakara Rao, Under Secy.(TPL-IV)

Note:

The Principal rules were published under Notification No.S.O.969 dated 26.3.1962 which has been amended from time to time, the last amendment being S.O.830(E) dated 17.9.1998.

It seems to me that the argument of the defendant's counsel blows hot and cold at the same time.

- Buller, J., in J'Anson v. Stuart (1787), I.T.R.73

All the skills of speech are of no use if our words are insincerely spoken - Wiksell Wesley, Do They understand you? (New York: The Macmillan Company, 1960) p. 20

Income-Tax (4th Amendment) Rules, 1999
MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)
CENTRAL BOARD OF DIRECT TAXES
NOTIFICATION
New Delhi, the 27th January, 1999

S.O.33(E) - In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules to further amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (4th Amendment) Rules, 1999.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 1962, -

(1) in rule 114B,-

- (a) in clause (f), after the words 'opening an account' the words, brackets and letter 'not being a time deposit referred to in clause (c)' shall be inserted;
- (b) in the second proviso for the word, brackets and letter 'clause (f), wherever they occur, the words, brackets and letters 'clause (c)' and clause (f) shall be substituted;
- (c) in the third proviso, for the words 'banker by a crossed bank draft', the words 'bank or through credit card issued by any bank' shall be substituted.

(2) in rule 114C,-

(a) in sub-rule (1),-

- (i) the proviso below clause (b) shall be omitted;
- (ii) after clause (b), the following clause shall be inserted, namely:-

"(c) Central Government, State Governments and Consular Offices in transactions where they are the payers";

(b) in sub-rule (2),-

- (i) for the words, brackets and figure 'sub-rule (1)' wherever they occur, the word, figures and letter 'rule 114B' shall be substituted;
- (ii) for clause (h) the following clause shall be substituted, namely:-

'(h) any person who purchases or sells the immovable property or motor vehicle;

who has received any document relating to a transaction specified under clause (a) to (h) of rule 114B shall ensure after verification that permanent account number or General Index Register Number has been duly and correctly quoted in the document or declaration received by such person'.

(3) for rule 114D, the following rule shall be substituted, namely:-

'114D. Time and manner in which person referred to in sub-rule 114C shall intimate the details of transaction to the Director of Income-tax (Investigation)-1) Every person referred to in sub-rule (2) of rule 114C shall forward to the concerned Director of Income-tax (Investigation),-

- (a) copies of declaration of Form No.60 referred to in third proviso to rule 114B;
- (b) copies of declaration in Form No.61 referred to in proviso to clause (a) of sub-rule (I) of rule 114C;

Provided that copies of declaration furnished in respect of transactions referred to in clause (f) of rule 114B shall not be furnished to the Director of Income-tax (Investigation).

- (2) All declaration in Forms No.60 and 61 received during a financial year shall be forwarded to the concerned Director of Income-tax (Investigation) in two instalments, that is the forms received upto 30th September shall be forwarded latest by 31st October of that year and the declaration till the 31st March shall be furnished latest by 30th April of the same year.

[Notification No.10774/F.No.142/37/98-TPL]

D. Karunakara Rao, Under Secy.

Note:

The principal rules were published under Notification No.S.O.969 dated 26.3.1962 which has been amended from time to time, the last amendment being S.O.23(E) dated 20.1.99.

If you want to win a case, paint the judge a picture and keep it simple - Davis John W., to G.J. Miller, quoted at Annual Meeting of Scribes, 8-21-55.

The judicial function is that of interpretation; it does not include the power of amendment under the guise of interpretation - Sutherland George, in West Coast Hotel Co. v. Parrish, 300 U.S. 379, 404 (1937).

The great end of life is not knowledge but action - Hunky Thomas H, Science and Education - Essays (New York: D. Appleton and Co, 1897), Technical Education, p. 422.

Action can tell a story, display all the most vivid relations between men, and depict every kind of human emotion, without the aid of a word - Holmes, Oliver Wendell, in Kalem Co. v. Harper Bros. 222 U.S. 55, 61 (1911).

A good man struggling with adversity always makes an appeal to the judicial as well as to every other generous mind! - Macmillan, Lord "some observations on the Art of Advocacy in Law and other things (Cambridge: The University Press, 1938), p. 204.

The Advice of the elders to young men is very apt to be as unreal as a list of the hundred best books. - Holmes, Oliver Wendell, "The path of the law" collected Legal papers (New York: Harcourt, Brance and Company, 1921), p. 197

Regulation Review Authority

Background

In order to fulfill its responsibilities in diverse fields, such as, supervision and regulation of banks and other financial entities, public debt management, issue of bonds to the public, exchange control regulation of some financial markets, issue of currency and coins etc., the Reserve bank of India has issued a large number of circulars, directives, notifications for compliance by banks, regional offices of the Reserve Bank, market participants and, in some cases, the general public. Banks, financial institutions, market participants, firms and individuals are also required to file various types of returns, either on a regular basis or while seeking a specific approval from the Reserve Bank. All departments of the Reserve Bank are expected to periodically review circulars/ directives issued by them and to examine the continued relevance of various returns which are required to be furnished to them. As a result of such reviews, considerable progress has been made in eliminating outdated circulars, forms and returns, and also in simplifying them.

Constitution

As part of this review exercise, the Reserve Bank has decided to set up a "Regulations Review Authority" to seek suggestions from the public and various agencies for elimination of unnecessary circulars, cumbersome procedures and forms which do not fulfil their stated purpose, or which are no longer required in view of the changes that have taken place in technology, regulatory framework or market development. The objective is to make the Reserve Bank regulations effective and simple and to reduce unnecessary paper work by the Reserve bank and others involved.

The Authority will be independent of any department of the Reserve Bank. through this Authority, it is intended to provide an opportunity to the public at large, to seek a review of the Reserve Bank regulations/ forms and procedures, in order to reduce unnecessary paperwork and to make all concerned focus on essentials rather than peripherals. The Authority has been set up for a period of one year from April 1, 1999 and will cease to exist from April 1, 2000, unless it is reconstituted by the Reserve Bank.

Dr.Y.V. Reddy, Deputy Governor, Reserve Bank of India has been appointed as the Regulations Review Authority.

Purpose

The purpose of the Authority is to provide an opportunity to the public at large to question and seek deletion or modification, of any regulation, circular or return issued, or required by the Reserve bank on the grounds such as, (a) the regulations/ circulars/ forms do not serve their stated purposes, (b) they are cumbersome and time consuming, (c) they are duplicates and (d) the same objective can be achieved in a much simpler and cost effective way.

It is clarified that the Authority is not a forum for grievance redressal against the decision of any authority in any individual case.

It is further clarified that the Authority is not a policy making forum and will not deal with issues relating to overall macro-economics, financial or banking policies.

Who can Apply?

Anyone can apply to the Regulations Review Authority - a citizen, a non-resident Indian, an institution (including banks) an association, an academic or even an RBI employee. Suggestion received from the members of staff and accepted by the Authority will be suitably rewarded on the lines of the staff suggestions scheme. It is not necessary for the applicant to be an affected party.

Applications are to be made entirely on a voluntary basis. It is emphasised, that unless a specific decision has been taken by the Reserve Bank to change a particular regulation, circular, or form, the existing regulation and practice will continue to be in force. All agencies/ public are expected to continue to conform to the Reserve Bank regulations and directives, until they are specifically changed. A mere application to the Authority will not constitute a ground or provide justification for ignoring or violating any of the regulations, etc; currently in force.

What to seek?

The applicant may suggest a review of any regulation, rule, scheme, circular, advice, form to be filled, or procedures prescribed by the Reserve Bank, in order to fulfil the purposes mentioned above, and to make the RBI regulations simple and effective.

The applicant can also seek a review of the regulations which cover the Reserve Bank employees, such as, staff regulations, provident fund and general regulations.

The applicant may even propose to introduce a regulation to avoid fraud/public inconvenience, or to avoid arbitrariness in processing of cases, or to bring in greater transparency in the Reserve Bank.

How to apply?

There is no prescribed form for making an application. The applicant may simply put down the details on a plain white paper. The application would no doubt contain the name and address of the applicant, the suggestion made and its justification, in as much detail as possible, with an illustration to enable the Authority to take an expeditious view on the application.

Processing an application

The Authority has been given full freedom to evolve its own procedure to process the applications. It has the powers to give personal hearings or seek written clarifications from the applicants or obtain opinions of any persons/ organisations.

Considerations for the Authority

While taking a view on an application, the Authority will have the following considerations: whether the purpose for which a regulation was introduced continues to serve that purpose; whether the purpose can be served by any other means, such as self-regulation, self-declaration, expostrandom check, etc; whether the cost of compliance incurred by the regulated is commensurate with the benefits arising out of such a regulation; whether all the information sought by the regulator is being used purposefully and whether such information can be less intrusive and more focussed.

Action on application

The application processing procedure envisages clearly defined time limits for processing at various stages. It is expected that in normal circumstances, the Authority will convey its views on an application to the concerned department of the Reserve Bank within 45 days. All efforts will be made to communicate the Authority's decision to the applicant.

Where to apply?

The application may be sent to:

Reserve Bank of India
Regulations Review Authority,
P.O.Box No:10007
Mumbai 400 001 OR

Reserve Bank of India (RRA)
16th floor,
Central Office Building,
Shahid Bhagat Singh Road,
Mumbai-400 001 OR

E-Mail:rra@rbi.org.in OR
Fax:(91)(22) (2662105)