TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART II SECTION 3 AND SUB-SECTION (i)

GOVERNMENT OF INDIA MINISTRY OF FINANCE (DEPARTMENT OF ECONOMIC AFFAIRS, BANKING DIVISION)

NOTIFICATION

New Delhi, the , 2006

G.S.R. ... (E). - In exercise of the powers conferred by sub-section (2) of section 36 of the Credit Information Companies (Regulation) Act, 2005, the Central Government, hereby makes the following rules, namely: -

CHAPTER I

PRELIMINARY

1. Short title and commencement. - (1) These rules may be called the Credit Information Companies Rules, 2006.

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

2. Definitions. - (1) In these rules, unless the context otherwise requires, -

- (a) " access" means access as defined in the Information Technology Act, 2000;
- (b) "Act" means the Credit Information Companies (Regulation) Act, 2005 (30 of 2005);
- (c) "agent" means a person duly authorised by a company or a credit information company, as the case may be, to present an appeal or a written reply on its behalf, before the appellate authority;
- (d) "appeal" means an appeal filed under sub-section(1) of Section 7 of the Act;

- (e) "appellant" means a credit information company, making an appeal to the appellate authority under sub-section(1) of Section 7 of the Act;
- (f) "appellate authority" means the officer of the concerned department of the Central Government, designated as appellate authority for the purpose of sub-section (1) of section 7 of the Act, or such other authority or tribunal, which may be designated subsequently by the notified order of the central government as per rule 3;
- (g) "an appropriate and generally accepted procedures with utmost due diligence" means such procedures and due diligence which are generally adopted and followed by credit institutions, or may develop in due course in relation to their functions, in pursuance of the provisions of the Act, rules and regulations made and directions issued there under from time to time.
- (h) "data" in relation to a credit institution ,or a credit information company, or a specified user, as the case may be, means such relevant and necessary facts which are collected by or furnished to them, in respect of an identified borrower and form part of credit information relating to such borrower, maintained by them at their end in accordance with the Act;
- (i) "form" means the form appended to the schedule to the rules;
- (j) "identified borrower" means a borrower whose identity has been duly verified and established by a credit institution, or a credit information company, or a specified user, as the case may be.
- (k) "information" means, collectively all data, and credit information or any part thereof, collected by or furnished to, a credit institution, or a credit information company, or a specified user, as the case may be, in accordance with the Act;
- (I) "legal practitioner" shall have the same meaning as is assigned to it as in the "Advocates Act, 1961(25 of 1961)";
- (m) "notified order" means an order passed by the central Government and notified in the Official Gazette; [Industries (Development and Regulation) Act,1951, section 3(e)]
- (n) "rules" means the rules made under the Act;
- (o) "section" means a section of the Act;
- (p) "unauthorized access" means any such access by a person to; data, information and the credit information" maintained by a

credit institution, credit information company, or a specified user, as the case may be, which is not authorized by the Act or any other law for the time being in force or without being directed to do so by a court or tribunal or any other authority competent to authorize such access.

(2) Words and expressions used and not defined in these rules but defined in the Credit Information Companies (Regulation) Act, 2005 (30 of 2005), shall have the same meanings respectively assigned to them in that Act.

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CHAPTER II

Appeal by Credit Information Company

3. Appellate authority- The Central Government may, if it considers necessary to do so, by notified order designate any other authority or tribunal, as appellate authority for the purpose of subsection (1) of section 7 of the Act.

4. Limitation for filing appeal. - (1) Where an application of a credit information company, for grant of certificate of registration under section 5 of the Act has been rejected, or a certificate of registration of a credit information company has been cancelled under section 6 of the Act, such company shall be entitled to be communicated of the order of rejection or cancellation, as the case may be.

(2) The company aggrieved with the order of rejection or cancellation, as the case may be, shall be entitled to file appeal against the order within a period of 30 days from the date of receipt of copy of the order from the authority by whom such order has been passed.

5. Form and Procedure of appeal. - (1) A memorandum of appeal shall be presented in the Form 1 by an aggrieved credit information company, or its agent or by a duly authorised legal practitioner, before the appellate authority or shall be sent by registered post addressed to such authority with acknowledgement duly addressed to the appellate authority or any other officer authorised in writing by the appellate authority to receive the same.

(2) An appeal sent by post under sub-rule (1) shall be deemed to have been presented to the appellate authority on the day on which it is received in the office of the appellate authority.

6. Sitting of Appellate Authority. - The Appellate Authority shall hold its sitting either at a place where its office is situated or at such other place as it may deem fit.

7. Language of Appellate Authority. - The proceedings of the Appellate Authority shall be conducted in English or Hindi and the

appeal, application, or any other document submitted before the Appellate Authority, shall be in such language and in case any of such documents is in a different language, the translation thereof in English or Hindi shall be required to be produced.

8. Appeal to be in writing. - (1) Every appeal, application, reply, representation or any other document filed before the Appellate Authority shall be typewritten, cyclostyled or printed neatly and legibly on one side of the good quality paper of foolscap size in double space and separate sheets consecutively numbered shall be stitched together and filed in the manner provided in sub-rule (2).

(2) The appeal under sub-rule (1) shall be presented in duplicate duly signed by the officer of the aggrieved credit information company authorised in this behalf, or its agent or by a duly authorised legal practitioner, as the case may be.

9. Presentation and scrutiny of memorandum of appeal. - (1) On receipt of Memo of Appeal, the Appellate Authority shall direct its secretariat to make endorsement, of the date of its presentation as per rule 5, on every appeal with the signature of the officer making such endorsement.

(2) If on scrutiny of the appeal received, it is found to be in order, the same shall be duly registered by the secretariat of the Appellate Authority and given a serial number.

(3) If on scrutiny, an appeal is found to be defective and the defect is such that it could be allowed to be rectified, the Appellate Authority may grant time for such rectification and direct its secretariat to communicate to the appellant the defect and the time granted for its rectification.

(4) If the appellant fails to rectify the defect within the time as allowed for the purpose as per sub-rule (3), the secretariat shall submit the report of such failure of the appellant for consideration of the Appellate Authority, who may by order and for reasons to be recorded in writing, decline to register the appeal and direct the secretariat to communicate such order to the appellant within seven days from date of such order.

(5) If the appellant submits any representation within period of 15 days from the date of receipt of communication as per sub-rule (4), with sufficient explanation in respect of its failure to rectify the defect within the time granted for the purpose as per sub-rule (3), the

secretariat shall submit such representation for consideration of the Appellate Authority.

(6) The Appellate Authority may, subject to its satisfaction about the sufficiency of the explanation furnished in respect of the failure of the appellant to rectify the defect, within the time granted for the purpose as per sub-rule (3), by order and for reasons to be recorded in writing, review the order passed under sub-rule (4) and grant further time for rectification of the defect, or may reject the representation in case the explanation is not found to be satisfactory, and any such order passed by the Appellate Authority shall be final.

10. Contents of memorandum of appeal. - (1) Every memorandum of appeal filed under rule 5 shall set forth concisely under distinct heads, the grounds of such appeal without any argument or narrative, and such grounds shall be numbered consecutively and shall be typed in double line space on one side of the paper.

(2) For seeking an interim order or direction, appropriate submissions and relief prayed for in respect thereof, may be included in the memorandum of appeal and it shall not be necessary to present separate application or memorandum in this behalf.

11. Documents to accompany memorandum of appeal. (1) Every memorandum of appeal shall be in duplicate and shall be accompanied with copies of the order against which the appeal is filed and the documents relied upon by the appellant.

(2) Where the appellant is represented by an agent, or any of its officers before the Appellate Authority, the document authorising him to act in such capacity shall also be appended to the memorandum of appeal.

12. Notice of appeal to the respondent. - A copy of the memorandum of appeal along with the copy of the documents submitted therewith, shall be served by the secretariat of the appellate authority on the respondent as soon as the appeal is registered as per sub rule (2) of rule 9, by hand delivery, or by Registered Post or Speed post.

13. Filing of reply to the appeal & other documents. - (1) The respondent may file reply in duplicate, to the appeal along with documents in the secretariat of the appellate authority, within one

month of the service of the notice on him of the filing of the memorandum of appeal.

(2) The respondent shall also endorse one copy of the reply to the appeal along with documents filed as per sub-rule (1), to the appellant.

(3) The Appellate Authority may, in its discretion on application by the respondent, allow the filing of the reply after the expiry of period referred to in sub-rule (1).

14. Date of hearing to be notified. - (1) The Appellate Authority shall fix the date and place of hearing of the appeal and direct its secretariat to notify the same to the appellant and the respondent in the manner as the Appellate Authority may by general or special order direct.

(2) The Appellate Authority may subject to its satisfaction, adjourn the hearing of the appeal, if so requested by any of the parties to the appeal.

15. Hearing of appeal. - (1) On the date fixed for hearing or the next date in case of adjournment, the appellant and the respondent shall be given due opportunity for putting forth their submissions in support of their plea.

(2) The Appellate Authority may allow the parties to submit their written arguments in addition to their oral arguments.

(3) In case of non-appearance of the appellant on the date fixed for hearing or the next date in case of adjournment, the Appellate Authority may, in its discretion adjourn the hearing or may dispose the appeal on merits.

(4) Where an appeal has been disposed of as per sub-rule (3) and the appellant appears afterwards and furnishes satisfactory explanation for non-appearance on the date when the appeal was decided ex-parte, the appellate authority may subject to its satisfaction about such explanation of the appellant, set aside the exparte order and restore the appeal; and decide the same on merit after hearing the parties.

16. Order to be signed and dated. (1) Every order of the Appellate Authority shall be in writing and shall be signed and dated by the Appellate Authority who pronounced the order.

(2) During the pendency of the appeal, the Appellate Authority shall have powers to pass interim orders or injunctions, subject to reasons to be recorded in writing, which it considers necessary in the interest of justice.

17. Publication of orders. - The orders of the Appellate Authority as are deemed fit for publication in any authoritative report may be released for such publication on such terms and conditions as the Appellate Authority may lay down.

18. Communication of orders. - Every order passed on any appeal shall be communicated to the appellant and to the respondent concerned either in person or by registered post.

19. Orders & directions in certain cases. - The Appellate Authority may make such orders or give such directions, as may be necessary or expedient to give effect to its orders or to prevent abuse of its process or to secure the ends of justice.

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CHAPTER III

STEPS AND SECURITY SAFEGUARDS TO BE TAKEN BY CREDIT INSTITUTION FOR ENSURING ACCURACY COMPLETENESS AND PROTECTION OF DATA

20. Steps for Security and Safeguards to be taken by Credit Institution. Every credit institution, in existence in India on the commencement of these rules, before the expiry of three months from such commencement, and every other credit institution before the expiry of three months of commencing their business in India, shall formulate appropriate policy and procedure, duly approved by its board of directors, specifying therein the steps and security safeguards, to be adopted generally in their operation relating to;

- (a) collection, processing and collating of data by them relating to their identified borrower;
- (b) steps for security and protection of the data and the credit information maintained at their end; and
- (c) appropriate and necessary steps for maintaining, an accurate, complete and updated data and credit information, in respect of their identified borrower, and to ensure the accuracy and completeness thereof while furnishing the same to a credit information company or making disclosure thereof to anyone else, in accordance with the Act.

21. Collection of Data and Maintaining Credit Information. (1) A credit institution may;

(a) collect all such relevant data in respect of its identified borrower and the guarantor or the person who has given or has proposed to give guarantee or offer security for the borrower, as it may deem necessary and appropriate for, maintaining an accurate and complete data and credit information, in respect of the borrower; and

(b) shall use subject to the provisions of the Act, an appropriate and generally accepted procedures with utmost due diligence, for such purpose.

(2) Without prejudice to the generality of the policy and procedure adopted as per rule 20 and sub-rule (1), with respect to collection of

data and maintaining credit information, a credit institution shall also collect and include all relevant and authentic available data and information as per Form-II for;

- (a) establishing the identity of the borrower;
- (b) relating to the credit facilities granted or to be granted, by a credit institution to the borrower; and
- (c) other information.

22. Accuracy of data provided by a credit institution. (1) Before furnishing data or an information or credit information to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, every credit institution shall adopt an appropriate and generally accepted procedures with utmost due diligence to check and ensure that, the credit information is accurate and complete with reference to the date on which such information is so furnished or disclosed.

(2) If for any reason beyond its control, it is not possible for the credit institution to furnish credit information, complete as per sub-rule (1), the credit institution while furnishing the credit information to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, shall make a remark to such effect with reference to the date up to which the accuracy and completeness of the credit information, has been verified and found to be correct.

(3) Subject to provisions of sub-sections (2) and (3) of section 21 of the Act, the manner and time as provided therein and the provisions of the regulations, in respect of alteration and updating of credit information on request of a borrower in accordance with said provisions, if a credit institution after furnishing the data or information or credit information, to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, discovers of its own, or is informed about, any inaccuracy, error or discrepancy therein the credit institution shall;

- (a) latest by third working day, send the intimation to the credit information company or the individual, as the case may be, of such inaccuracy, error or discrepancy;
- (b) take immediate steps to correct such inaccuracy, error or discrepancy; and
- (c) the credit institution shall forward the corrected particulars of the data or information or credit information, to the credit

information company or the individual, as the case may be, within period of fifteen days from the date when the credit institution had discovered such inaccuracy, error or discrepancy or information in respect thereof was given to it.

(4) A credit institution failing to take steps as per clause (a) to (c) of sub-rule (3), without any sufficient reason shall be liable for contravention of the provisions of the Act.

(5) If for any reason beyond its control it is not possible for a credit institution to take immediate steps as per clause (c) of sub-rule (3), the credit institution shall inform the credit information company or the individual, as the case may be, of the steps taken by it at their end for correction of such inaccuracy, error or discrepancy and also the reasons for its inability to comply with the provisions of clause (c) of sub-rule (3) within the time stipulated therein.

23. Disclosure of disputed data by a credit institution. If in the opinion of a credit institution, correction of any inaccuracy, error or discrepancy as referred to in the rule 22, is likely to take further time on account of any dispute raised by the borrower in respect thereof, with the credit institution or before a court of law, or any forum, or tribunal or any other authority, in such cases the credit institution shall;

- (a) while furnishing such data or information or credit information to a credit information company or making disclosure thereof to anyone else, in accordance with the Act, include an appropriate remark to reflect the nature of the inaccuracy, error or discrepancy, found therein and the pendency of the dispute in respect thereof and in any subsequent disclosure of such disputed data or information or credit information, the credit institution shall also disclose such remark;
- (b) in case such credit information has already been furnished to a credit information company or disclosed to anyone else, the credit institution shall inform the credit information company or the individual, as the case may be, to include the remark about such inaccuracy, error or discrepancy and the pending dispute in respect thereof, against the

respective data, information or credit information received by them from the credit institution; and

(c) in such cases, as per provided under provisions of second proviso to sub-section (3) of section 21 of the Act, the entries in books of the concerned credit institution shall be taken into account for the purposes of credit information relating to such borrower

24. Updating of the credit information by Credit Institution. Without prejudice to the provisions of the rule 23, if there is any change in the data, information or credit information, already furnished to a credit information company, due to change in the liability of the borrower or his guarantor, on account of; write off in full or in part of the amount of outstanding dues of the credit institution against the borrower, or the repayment thereof by the borrower or his guarantor, or release of the guarantor, or any scheme of arrangement being entered into between the credit institution and the borrower, or the final settlement of the amount payable by the borrower pursuant to any scheme of arrangement with the credit institution, as the case may be, or on account of any other reason, the credit institution shall;

- (a) continue to update such data, information or credit information promptly or in any event, by the end of each reporting period not exceeding 30 days, until the termination of the respective account relating to such credit information; and
- (b) furnish the updated credit information to the credit information company at the earliest possible opportunity.

25. Data security and system integrity safeguards: A credit institution shall adopt an appropriate and generally accepted procedures with utmost due diligence and take all such measures in its daily operations as may be necessary to safeguard and protect the data, information and the credit information maintained at its end against any improper access to or mishandling of the same including the following; namely: -

- (a) the minimum standards for physical and operational security including site design, fire protection, environmental protection;
- (b) round the clock physical security;

- (c) instructions for removing, labeling and securing the removable electronic storage media at the end of the session or working day;
- (d) physical access to the critical systems to be on dual control basis;
- (e) comprehensive succession plan for the key personnel to ensure that non-availability of a person does not disrupt the system;
- (f) paper based records, documentation and backup data containing all confidential information to be kept in secure and locked containers or filing system, separately from all other records;
- (g) procedure to ensure that the records to be accessed by authorized persons on need to know basis;
- (h) details of creation of firewalls and stress testing of systems through ethical hacking to evaluate and ensure its robustness;
- (i) protecting systems against obsolescence;
- (j) procedure for change of software and hardware ;
- (k) disaster recovery and management plan; and
- steps to be taken when handing over systems for maintenance to prevent unauthorized access or loss of data.

CHAPTER IV

STEPS AND SECURITY SAFEGUARDS TO BE TAKEN BY CREDIT INFORMATION COMPANIES AND, SPECIFIED USER FOR ENSURING ACCURACY, COMPLETENESS AND PROTECTION OF DATA

26. Formulation and adoption of the procedure by Credit Information Company. (1) Every credit information company in existence on the commencement of these rules, shall within three months of the commencement of these rules, and every credit information company to whom a certificate of registration has been granted in accordance with the Act after the commencement of these rules shall within three months of such grant consider and decide the requisite steps, as it may deem necessary to be adopted generally in their operation and formulate policy and procedure duly approved by its board of directors and adopt the same with respect to their following operations namely:-

- (a) collection, processing and collating of data, information and the credit information relating to their identified borrower, obtained and received by them from a member credit institution or credit information company, as the case may be;
- (b) steps for security and protection of such data, information and the credit information maintained at their end; and
- (c) appropriate and necessary steps for maintaining, an accurate, complete and updated data, information and credit information, in respect of their identified borrower, and to ensure the accuracy and completeness thereof while furnishing the same to a specified user or making disclosure thereof to anyone else, in accordance with the Act;

(2) Without prejudice to the generality of the policy as formulated and procedure as adopted, under sub-rule (1), every credit information company shall include in its such policy and procedure, the following namely:-

(a) the minimum number of identification parameters that must be satisfied before crystallizing the identity of a borrower; (b) essential criterion in relation to the extent of tolerance limit against each parameter within which each identification parameter will be considered to be satisfied;

(c) the procedure and parameters for verifying and certifying that the entire data, information and the credit information, obtained and received by them, from a member credit institution, a credit information company ,or from any other permissible source, as the case may be, in respect of their identified borrower, has been collated without any distortion thereof and such collated data, information and credit information maintained with the credit information company is accurate, updated and complete up to the date of such certification;

(d) the procedure for making a notation, in the data , information or credit report obtained and received by them from a member credit institution, or a credit information company, or from any other permissible source, as the case may be and maintained at their end in respect of their identified borrower is not found to be updated on the date of carrying out necessary verification and certification thereof as per clause (c) of sub rule (2), with reference to the date up to which the same was certified at their end to be accurate, updated and complete; and

(e) inclusion of condition in their policy and procedure that if a member credit institution or a credit information company after forwarding the data, information or credit information, in respect of an identified borrower to a credit information company has failed to take necessary steps for updating and completing their earlier forwarded data, information or credit information, within the time as specified in the regulation in this behalf, the recipient credit information company shall, within three working days from such specified time ,enquire and ascertain from such credit institution or the credit information company, as the case may be, the reason for their such failure.

27. Accuracy of data provided by a credit institution or credit information company. (1) Before furnishing data, information or credit information, in respect of an identified borrower to a specified user or making disclosure thereof to anyone else, in accordance with the Act, every credit information company shall by applying an

appropriate and generally accepted procedure with utmost due diligence verify and ensure that;

(a) its policy and procedure adopted as per rule 26, in relation to clause(a) to (c) of sub-rule (1) and clause (a) to (e) of sub-rule (2) thereof, has been duly complied with and all the verification, certification as per said provisions has been made;
(b) the identity of the identified borrower has been duly verified as per the parameters included in this behalf in said policy and procedure; and

(c) the data, information or credit information to be furnished or disclosed in respect of such borrower is accurate, complete and updated with reference to the date mentioned therein.

(2) If for any reason beyond its control, it is not possible for the Credit Information Company to furnish complete and updated data, information or credit information, as per sub-rule (1), the Credit Information Company shall make a remark therein to such effect with reference to the date up to which its accuracy and completeness has been verified and found to be correct.

(3) Subject to provisions of sub-sections (2) and (3) of section 21 of the Act, in respect of alteration and updating of credit information on request of a borrower, for which the credit institution shall follow the manner and time as specified therein and in the regulations, if a Credit Information Company, after furnishing the credit information to a specified user or making disclosure thereof to anyone else, in accordance with the Act, discovers of its own, or is informed about, an inaccuracy, error or discrepancy in respect of the data, information or credit information, the Credit Information Company shall;

- (a) latest by third working day, send the intimation to the specified user or the individual, as the case may be, of such inaccuracy, error or discrepancy, provided that it would not be necessary to send the intimation if the information was supplied by the Credit Information Company more than one year ago;
- (b) take immediate steps to correct the inaccuracy, error or discrepancy found; and
- (c) the Credit Information Company shall forward the corrected particulars of the data, information or credit information, to the specified user or the individual, as the case may be, within period of fifteen days from the date when the Credit

Information Company had discovered or was informed of such inaccuracy, error or discrepancy.

(4) If it is not possible for the Credit Information Company to furnish corrected information within a period of fifteen days as per clause (c) of sub-rule (3), for any reason beyond its control, the Credit Information Company shall inform the specified user or the individual, as the case may be, of the steps taken by it at their end for correction of such inaccuracy, error or discrepancy and also its inability to comply with the provisions of clause (c) of sub-rule (3);

(5) A Credit Information Company failing to take steps as per clause (a) to (c) of sub-rule (3), without any sufficient reason for its inability to comply with said provisions, shall be liable for contravention of the provisions of the Act.

28. Disclosure of disputed data by a credit institution. If in the opinion of a Credit Information Company, correction of any inaccuracy, error or discrepancy in respect of the data, information or credit information, discovered by or informed to, the Credit Information Company, as referred to in the rule 22, is likely to take further time on account of any dispute raised by the borrower in respect thereof, with the credit institution or before a court of law, or any forum, or tribunal or any other authority, in such cases the Credit Information Company shall;

- (a) while furnishing such data, information or credit information to a specified user or making disclosure thereof to anyone else, in accordance with the Act, include an appropriate remark to reflect the nature of the inaccuracy, error or discrepancy therein and the pendency of the dispute in respect thereof and in any subsequent disclosure of such disputed data, information or credit information, the Credit Information Company shall also disclose such remark;
- (b) in case such data, information or credit information has already been furnished to a specified user or disclosed to anyone else, the credit information company shall inform the specified user or the individual, as the case may be, to include remark of such inaccuracy, error or discrepancy therein and the pending dispute in respect thereof provided that it would not be necessary to send the

intimation if the information was supplied by the credit information company more than one year ago; and

(c) in such cases, as per provided under provisions of second proviso to sub-section (3) of section 21 of the Act, the entries in books of the concerned credit institution shall be taken into account for the purposes of credit information relating to such borrower.

29. Formulation and adoption of the procedure by Specified user

(1) Every Specified user in existence on the commencement of these rules, shall within three months of the commencement of these rules, and every Specified user coming into existence after the commencement of these rules, shall within three months of its commencing its business, consider and decide such requisite steps as it may deem necessary for ensuring and verifying the accuracy and completeness of data, information or credit information, received from a credit information company, before using the same in relation to an identified borrower, protection thereof from unauthorized disclosure, or use and formulate and adopt an appropriate policy and procedure in this behalf, duly approved by its board of directors.

(2) Without prejudice to the generality of the policy as formulated and procedure as adopted, under sub-rule (1), every Specified user shall include in its such policy and procedure, the following namely:-

- (a) the level of officers who will be authorized to access the data, information and credit information received from a Credit Information Company;
- (b) the minimum number of identification parameters that must be satisfied before crystallizing the identity of a borrower;
- (c) the minimum number of parameters which shall be satisfied to decide that the credit information accessed is in respect of the same borrower for whom the credit decision is to be taken;
- (d) the procedure to be adopted by the specified user, while accessing the credit information maintained by a Credit Information Company, so as to take notice of any remark included by the Credit Information Company in respect of the credit information; and
- (e) every specified user shall adopt and apply all such measures in its daily operations, as are provided under rule 25 with respect to data security and system integrity safeguards for ensuring the protection of the data and the credit information

obtained from a credit information company, against any improper access, use or mishandling thereof.

CHAPTER V

PROHIBITION FROM UNAUTHORISED ACCESS OR USE OR DISCLOSURE

30. Prohibition from unauthorized access or use or disclosure:-Every credit information company or credit institution or specified user, in possession or control of data and credit information, shall adopt procedures to ensure that only authorized persons are permitted to access or use or disclose data relating to the credit information maintained by them.

(1) Every credit institution, credit information company, and every specified user, existing before the commencement of these rules shall within three months of such commencement of these rules, and every credit institution, credit information company or specified user coming into existence after the commencement of the rules shall within three months of the commencement of their business, consider and decide such requisite steps, as they may deem necessary to ensure, that the data, information and the credit information maintained at their end, is duly protected against an unauthorized access and formulate and adopt an appropriate policy and procedure in this behalf duly approved by its board of directors.

(2) Without prejudice to the generality of the policy as formulated and procedure as adopted, under sub-rule (1), every credit institution, credit information company, and every specified user, shall include in its such policy and procedure to ensure the application of procedure and caution and secure the object as provided hereinafter namely: -

- policy and procedure to secure the confidentiality of the data, information and credit Information maintained at their end;
- ii) policy and procedure to ensure that access to the data, information and credit Information maintained at their end is permitted only to such of their managers or employees or designated officers, who are duly authorized for the purpose on a need to know basis;

- iii) policy and procedure to ensure and control, access to the data, information and credit Information, terminals, and networks, maintained at their end, by means of physical barriers including biometric access control and logical barriers by way of passwords;
- iv) policy and procedure to ensure that the passwords used in this behalf is not shared by anyone else than who is authorized in this behalf and the passwords are changed frequently, but on irregular intervals;
- v) policy and procedure to ensure that the best practices in relation to the deletion and disposal of data, especially where records or discs are to be disposed of off-site or by external contractors, are followed;
- vi) policy and procedure to ensure that the system adopted for the purpose shall provide for protection against an unauthorized modification or deletion of the data, information and credit information maintained at their end;
- vii) policy and procedure to ensure maintenance of log of all accesses to data, including the following namely:-
 - (a) the identity of the person seeking access to the data or credit information maintained at their end;
 - (b) the date and time of such access;
 - (c) the identity of the borrower whose data or credit information were so accessed; and
 - (d) the records and entries pertaining to such log is preserved for minimum period of for 2 years and the same could be available for examination by auditors / or by the Reserve Bank, as the case may be;
- viii) policy and procedure to ensure that the records and entries pertaining to maintenance of log of all unsuccessful attempts to access data or credit information maintained at their end, all incidents

involving a proven or suspected breach of security in respect thereof including therein ;

(a) the requisite particulars the records affected, if any and action taken in respect of such access; and

- (b) procedure for security incidence reporting and response.
- ix) maintenance and review of records and entries of log, on a regular and frequent basis to detect and investigate any unusual or irregular patterns of use of or access to data including creation of the audit trails and verification thereof;
- x) the format for disclosure of credit information;
- xi) the circumstances in which the credit information can be disclosed;
- xii) the use to which credit information can be put;
- xiii) training of staff in good security practices;
- xiv) guidelines for the use and access of information systems by external contractors; and
- xv) protection against pilferage of information while passing through the public and private networks.

(3) Without prejudice to the generality of the procedure adopted under sub-rule (1), every credit information company shall enter into a formal written agreement with the specified users specifying therein;

- (a) extent of their obligation to comply with the rules in providing and in utilizing the data, information and credit information;
- (b) the types of controls and procedures to be applied in the event of the specified user seeking access to the database of the credit information company; and
- (c) method to apply controls to ensure that only the data to which specified user is entitled are released.

CHAPTER VI

FIDELITY AND SECRECY

31. Obligation for Fidelity and Secrecy- Every credit information company or credit institution or specified user, in possession or control of data, information and credit information shall adopt all reasonable procedures to ensure that their managers, officers, employees are obliged to fidelity and secrecy in respect of credit information under their control or to which they have access.

(1) Every credit information company or credit institution or specified user existing before the commencement of these rules shall within three months of such commencement of these rules and every credit institution or credit information company or specified user within three months of commencement of their business after coming into force of the rules shall formulate the policy and procedure duly approved by its board of directors specifying therein the steps to be taken by them to ensure compliance of the fidelity and secrecy obligation by their managers, officers, employees with respect to data, information and credit information under their control.

(2) Without prejudice to the generality of the policy and procedure as adopted under sub-rule (1), such policy and procedure shall include the following; namely:

- (a) their employees, authorized personnel, agents, contractors and other persons who deal with or have right to access data, information and credit information shall comply with confidentiality obligation and shall sign covenants with them;
- (b) their every chairperson, director, member, auditor, advisor, officer or other employee of shall, before entering upon his duties, make a declaration in Form III for complying with such fidelity and secrecy obligation.

.....X......X

CHAPTER VII

MISCELLANEOUS

32. **Customer Service**: Every Credit Information Company shall take the following steps to ensure a high standard of customer service:

(1) Every Credit information company shall on working days maintain a help desk manned by personnel trained to respond to queries of customers, and accept complaints pertaining to customer service.

(2) Every Credit Institution or Specified User shall designate one or more person, to deal with queries of customers, and accept complaints pertaining to customer service feedback or complaints and to facilitate the fair, simple, speedy and efficient resolution of complaints regarding credit information.

(3) Every credit information company shall provide web-based facilities for communication with their customers and to provide facilities for individuals to forward their feedback, representation, if any, to the credit information company.

.....X......X

SCHEDULE

FORM 1

(See rule 4)

APPLICATION UNDER SECTION 7 OF THE CREDIT INFORMATION COMPANIES (REGULATION) ACT, 2005

For use in secretariat of the appellate authority

(a) Date of presentation of the appeal (before the appellate authority):-....

OR

(b) Date of receipt of the appeal by post...... (in secretariat of the appellate authority)

Registration No..... [given by the secretariat of the appellate authority as per rule 9(2)]

(Signature of authorized officer of the appellate authority)

BEFORE THE APPELLATE AUTHORITY

.....

BETWEEN

A B (Credit Information Company)

.....APPELLANT

RESEVE BANK OF INDIA

.....RESPONDENT

Details of Appeal:

- 1. Particulars of the appellant company:
 - (i) Name:
 - (ii) Name of designated officer/ agent/or counsel: (of the appellant company)

AND

- (iii) Address for service of all notices
- 2. Particulars of the respondent -
 - (i) Name and/or designation of the respondent
 - (ii) Office address of the respondent
 - (iii) Address for service of all notices
- 3. Particulars of the impugned order:

The application is against the following order:

- (ii) Passed by:....
- (iii) Date of receipt of communication:
 - (of the impugned order)
- (iv) Subject in brief:....
- 4. Jurisdiction of the Appellate Authority

The appellant declares that the appeal against the impugned order is within the jurisdiction of the appellate authority.

5. Limitation –

The appellant further declares that the appeal against the impugned order is within the limitation as per section 7 of the Act read with rule 4.

6. Fact of the case -

The facts of the case are given below –

(Give here a concise statement of facts in a chronological order, each paragraph containing as nearly as possible a separate issue, fact or otherwise).

7. Relief(s) sought –

In view of the facts mentioned in para 6 above, the appellant prays for the following relief(s) –

[Specify below the relief(s) sought explaining the ground for the relief(s) and the legal provisions (if any) relied upon].

8. Interim order, if prayed for;

Pending final decision on the application, the applicant seeks issue of the following interim order –

(Give here the nature of the interim order prayed for with reasons).

9. Details of the remedies exhausted -

The appellant declares that he has availed of all the remedies available to him under the Act.

(Give here chronologically the details of representations made and the outcome of such representation).

- 10. Matter not pending with any other court, etc. -The appellant further declares that the matter regarding which this appeal has been made is not pending before any court of law or any other authority or has not been rejected by any court of law or other authority.
- 11. Details of Index -

An index in duplicate containing the details of the documents to be relied upon is enclosed.

- 12. List of enclosures -
 - (a)
 - (b)
 - (C)
 - (d)
 - (e)

Verification

Signature

(of designated officer/ agent/ or counsel of the appellant)

Place : Date :

RECEIPT SLIP

Signature (of the designated officer Of the Appellate Authority)

Date: Place:

<u>Form II</u> [Rule 21(2)]

(Information to be collected by a credit institution in relation to its identified borrower)
Part I
For Individual

1. Name* of the borrower: (a) Last Name/Surname _____ First Name _____ Middle Name If the borrower has been known by any other name in past ? Yes/No (a) If yes, his Last Name/Surname _____ First Name Middle Name 3. Occupation of the borrower-4. Address of the borrower: (a) Residential Address* -Flat/Door/Block No. ____ Name of Premises/ Building/Village Road/Street/Lane/Post Office
Area/Locality/Taluka/SubDivision_____ Town/ City/District

 State/Union Territory
 Pin
 Telephone

 No.
 Fax
 Mobile Phone No.

 (b)Office Address * -Name of Office ------ Flat /Door/Block No. ------Name of Premises/Building/Village -----road/ Street/Lane/Post Office ------ Area/Locality/Taluka/Sub-Division ---------- Town/Citv/District ------ State/Union Territory ------------ Pin ------ Pin ------ Pin ------ Telephone No. ------ Fax _____

5. Address for Communication* - Tick { $\sqrt{}$ } as applicable (a) or (b)of column No4.

- 6. Borrowers Father's Name *-Last Name/surname ------ First Name ------ Middle Name ------
- 7. Sex of the borrower Tick { $\sqrt{}$ } as applicable: Male/Female
- 8. Date of Birth of the borrower: (dd/mm/yyyy)*
- 9. Nationality of the borrower * ------
- 10. Bank Account details of the borrower

(a) Account No name of the bank
 11. Credit Card Details of the borrower (b) -Credit Card type Credit Card No (c) Insurance Details Insurance Policy No. * Insurer Company
12. E-mail Address of the borrower
13. Web URL address (if any) of the borrower
 14. Documents submitted by the borrower as proof of his address - (any of the following) (a) Passport Details # Passport NoPassport issuing authorityPassport expiry date (dd/mm/yyyy) (b) Voter's Identity Card No
15. <u>For Company/Firm/Body of Individuals/Association of</u> <u>Persons/Local Authority;</u>
(a) Registration Number* (b) Date of Incorporation/Agreement/Partership*
 (b) Date of Incorporation/Agreement/Partership* (c) Head Office Name of Office Name of Office Name of Premises/Building/Village Road/Street/Lane/Post Office Town/City/district Area/Locality/Taluka/Sub-division State/Union territory

(a)Details of Partners / Members / Directors

(i)		LastName/Surnam Name	
(ii)	Address Flat/Door/Block N Premises/Building /Village	lo Nam	ne of
		Area/Locality/Taluka/Sub-D District	
25. E-mail Ad	ddress		
Address Name Road/Str Area/Loc Town/Cit	of Premises/Building/ eet/Lane/Post Offic ality/Taluka/Sub-Division y/ District Pi	 village ceState/Union Fax	Territory
Bank Acco			
28. Any other in	formation		

<u>Part II</u>

29. Information regarding the credit facilities granted or to be granted, by a credit institution to the borrower; namely:-

(a) Nature of each funded credit facility and the amount sanctioned or to be sanctioned thereunder;

(b) Date of disbursement of the amount against each facility;(c) Number of installments pertaining to principal and interest and amount, the due date/s of payment and the actual date of payment;(d) Total amount of outstanding dues against the borrower as on the date of reporting of credit information;

(e) Nature of each non-funded facility and the amount sanctioned or to be sanctioned thereunder;

(f) Amount involved in every non-funded facility availed of by the borrower;

(g) Conversion of non-funded facilities into funded facilities on account of non fulfillment of commitment made thereunder;

(h) In case the facility is revolving in nature, history of meeting the obligations on due date of payment.

30. Information relating to the guarantor or the person who has given or proposes to give guarantee or security for a borrower of a credit institution including;

- (a) Name, full address including State and Pin Code, telephone number, date of birth / date of incorporation, PAN of the guarantor;
- (b) father's name
- (c) the amount guaranteed or to be guaranteed; and
- (d) the amount of guarantee invoked in respect whereof default has been committed by the guarantor, if any.

.....X......X

FORM III

CREDIT INFORMATION COMPANIES RULES

DECLARATION OF FIDELITY AND SECRECY

_____ do solemnly swear and declare that on Ι, becoming the Chairperson, director, auditor, adviser, officer, employee or agent (Name of the Credit Information Company), I will faithfully of perform the duties of Chairperson, director, auditor, adviser, officer, employee or agent and that I shall not directly or indirectly communicate or divulge any of the matters or any information relating to the affairs of (Name of the Credit Information Company) its member's and/or their clients and/or their respective affairs including without limitation its trade secrets, know-how, technology and such other confidential information of the Company which may come to my knowledge in the discharge of my duties as such Chairperson, director, auditor, adviser, officer, employee or agent except to the extent that any such information shall be or become part of the public domain or when required or authorized by the Board of (Name of the Credit Information Company) or in circumstances in which it is, in accordance with law or practices and usages or, as the case may be, necessary or appropriate for me to divulge such information. I will observe strict secrecy with respect to all transactions of the Company and all matters relating thereto. I will not allow any person to inspect or have access to any books or documents or computer system, diskettes belonging to or in the possession (Name of Credit Information Company) and relating to its business unless such person is legally entitled to such inspection or access.

Signature:	

Place:

Date: