

**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 37 of the Credit Information Companies (Regulation) Act, 2005, the Reserve Bank of India, hereby makes the following regulations, namely:-

CHAPTER I

PRELIMINARY

1. Short title and commencement.- (1) These regulations may be called the Credit Information Companies Regulations, 2006.
(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.-

In these Regulations, unless the context otherwise requires, -

- (a) "Act" means the Credit Information Companies (Regulation) Act, 2005;
- (b) "collector" means a credit institution, or a credit information company, or a specified user, as the case may be, which collects data, information, or credit information in respect of a borrower;
- (c) "data management services" means services of collecting, storing, devising systems for retrieving, collating, analysing and distributing, publishing, disseminating data, information and other inputs to its members and specified users;
- (d) "Form" means form appended to the schedule to the regulations;
- (e) "fees" means the amount payable by an individual or a specified user for obtaining credit information from a credit information company;
- (f) "Insurance Regulatory and Development Authority", established under section 3 of the Insurance Regulatory and Development Authority Act, 1999;

- (g) "personal data" means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of the credit information company;
- (h) "Securities and Exchange Board of India" means Securities Exchange Board of India established under section 3 of the Securities Exchange Board of India Act 1992;
- (i) "subject of information" means one to whom the data, information or credit information, relate to and includes a borrower, client and a person;
- (j) Words and expressions used in these regulations and not defined herein but defined in the Act, shall have the same meanings respectively assigned to them in the Act.

CHAPTER II

SPECIFIED USERS

3. In addition to what has been provided in the Section 2(l) and Section 15 (8) of the Act, each of the companies specified hereunder shall be regarded, for the purpose of the Act, as a specified user; namely:-

- (a) an insurance company as defined under the Insurance Act 1938 and registered with Insurance Regulatory and Development Authority;
- (b) a company providing cellular/phone services and registered with Telecom Regulatory Authority of India;
- (c) a rating agency registered with Securities and Exchange Board of India.
- (d) a broker registered with Securities and Exchange Board of India;
- (e) a trading member registered with a recognized Commodity Exchange;
- (f) Securities Exchange Board of India; and
- (g) Insurance Regulatory and Development Authority.

CHAPTER III

REGISTRATION OF CREDIT INFORMATION COMPANIES

4. Submission of application for grant of registration certificate: Every application for grant of certificate of registration under Section 4 of the Act, shall be made to the General Manager or Deputy General Manager of the Department of Banking Operations and Development, at Regional offices of the Reserve Bank, in Form 'A' as per the instructions included therein.

5. Grant Of Certificate:

The Reserve Bank, on being satisfied that the applicant company is eligible for the grant of a certificate of registration, shall grant a certificate in Form 'B'.

CHAPTER IV

BUSINESS OF CREDIT INFORMATION COMPANIES

6. Form of business in which a Credit Information Company may engage:

(1) In addition to the business of credit information, a credit information company may engage in any one or more of the following forms of business, namely-

- (a) providing credit information to individual and corporate borrowers his/her/its own credit report;
- (b) providing data management services to the Credit Institutions who are its members;
- (c) collecting, processing, collating and disseminating data/information related to property mortgaged to credit institutions;
- (d) collecting, processing, collating and disseminating data/information related to investments made in Securities other than those issued by Central Government; and
- (e) any other function as notified by the Reserve Bank from time to time.

(2) No credit information company shall engage in any other form of business other than those referred to in sub-section (1) of the Act and sub-regulation (1).

CHAPTER V

COLLECTION, FURNISHING OF CREDIT INFORMATION AND PURPOSES THEREOF

7. Form of notice for collection and furnishing of credit information:

(1) A notice as per sub-section (1) of section 17 of the Act by a credit information company or any person authorized in that behalf by the company to its members being credit institution or credit information company to furnish credit information, shall be sent in Form C, or as near thereto.

(2) On receipt of notice in Form C as per subsection (1) of section 17 of the Act, every member credit institution or credit information company, shall provide credit information to the credit information company of which they are the member, in Form D

8. Period for providing credit information:

(1) On receipt of notice in Form C as per subsection (1) of section 17 of the Act, every member credit institution or credit information company, shall provide credit information to the credit information company.

(2) In case a credit institution or a credit information company, as the case may be, for any justifiable reason, is not able to comply with the provisions of sub-regulation (1) within the time stipulated therein, it may approach the

credit information company, in writing for extension of time to comply with the same.

(3) If the credit information company is not satisfied with the reasons submitted by the credit institution or a credit information company for their failure to comply with the provisions of sub-regulation (1) within the time stipulated therein, in such case the credit information company, shall refer the matter to the Reserve Bank and the decision of the Reserve Bank shall be final in this regard.

CHAPTER VI

PRIVACY PRINCIPLES

9. Credit Information companies, Credit Institutions and Specified Users will be generally guided by Privacy Principles given below:

PRINCIPLE 1

Care in Collection of Credit Information

Credit Information Company's obligations

9.1.1. The Credit Information Company shall ensure that all necessary precautions are taken that all information received or collected by the Credit Information Company is:

- 9.1.1.1 Properly and accurately recorded, collated and processed;
- 9.1.1.2 Protected against loss;
- 9.1.1.3 Protected against unauthorised access, use, modification or disclosure.

Credit Institution's Obligation

9.1.2 Each Credit Institution shall supply to the Credit Information Company information and data relating to its borrowers / Clients in the format as specified in Form 'D'.

9.1.3 Each Credit Institution shall regularly update information on a monthly basis and data supplied to the Credit Information Company and take necessary steps to ensure that the information supplied by it, including the updates, are accurate, complete, correct and current.

PRINCIPLE 2

Data Security and secrecy

Credit Information Company's Obligation

9.2.1 Credit Information Company shall apply security and other procedures in accordance with the Rules under the Act.

9.2.2 Credit Information Company shall arrange for all its employees to sign a suitable declaration of fidelity and secrecy.

Credit Institution's Obligation

The Credit Institutions shall:

9.2.3 Establish and enforce clear procedures for authorizing its employees to handle credit information on a need to know basis.

9.2.4 Establish security and other procedures in accordance with the rules under the Act.

9.2.5 Credit information shall be transferred through a secure medium.

Specified User's Obligations

9.2.6 Credit Information Company shall apply security and other procedures in accordance with the Rules under the Act.

9.2.7 Establish and enforce clear procedures for authorizing its employees to handle credit information on a need to know basis.

9.2.8 Establish security and other procedures in accordance with the rules under the Act.

9.2.9 Credit information shall be received through a secure medium.

PRINCIPLE 3

Access and Modification

Credit Information Company's Obligation

9.3.1 The Credit Information Company shall establish procedures for the disclosure to a person upon his request of his record or information pertaining to him on proper identification.

9.3.2 The Credit Information Company shall indicate reasonable times, places and requirements for establishing identity of a person, who requests his record or information pertaining to him before it makes the record or information available to the person.

9.3.3 The Credit Information Company in possession or control of the credit information shall make the correction or addition or otherwise and take appropriate steps to update the credit information within 15 days after being requested to do so by a Credit Institution or Specified User.

Credit Institution's Obligation

A Credit Institution must:

9.3.4 Establish procedures for the disclosure to a person of his record or information pertaining to him that has been furnished to a credit information company upon his request and proper identification.

9.3.5 Indicate reasonable times, places and requirements for identifying person who requests his record or information pertaining to him before the Credit Institution shall make the record or information available to the individual.

9.3.6 Establish procedures for reviewing a request from a person concerning the amendment of any record or information pertaining to him. The Credit Institution will take a decision in the matter and notify the Credit Information Company of such amendment within 30 days of the receipt of the request.

9.3.7 Establish procedure for fees to be charged, if any, to any individual for making copies of his record, excluding the cost of any search for and review of the record.

PRINCIPLE 4

DATA COLLECTION LIMITATION

Credit Information Company's Obligation

9.4.1 Nature of data collected

The data collected shall be adequate, relevant and not excessive in relation to the purpose(s) for which it is collected. Given below is an illustrative (but not exhaustive) list of the items of data, which will normally be collected by the Credit Information Company:

9.4.1.1 In the case of individuals - name, father's name, address, gender, date of birth, contact telephone numbers, PAN, driving license, passport, voter identity card numbers etc. and or any other information for the purpose of identifying the individual.

9.4.1.2 In the case of non-individuals - name, address, contact numbers, line of activity, Balance Sheet and Profit & Loss Account and particulars in respect of the proprietor/ partners/ directors/ guarantors on the lines of those for individuals as stated above.

9.4.1.3 In case of both, the details of accounts of the borrower such as credit limit, outstanding balance, repayment history, amount and period of default, if any, as well as of primary/collateral security taken.

Credit Institution's Obligation

9.4.2 The credit institution shall not withhold any data as required to be submitted in the reporting format provided by credit information company.

PRINCIPLE 5

Data Use Limitation

Credit Information Company's Obligation

9.5.1 Supply of credit information reports (CIRS) - permissible purposes:

The Credit Information Company will make available CIRs for the following purposes only:

9.5.1.1 To a Specified User for purposes as indicated in Regulation 10.5.3 below and to another credit information company.

9.5.1.2 To comply with the order of any court, tribunal, law enforcement agency or statutory/regulatory authority under an applicable law and subject to due process of law.

9.5.1.3 To a borrower other than individual, upon its own request, credit information pertaining to itself against payment of fees.

9.5.1.4 To an individual against his/her request, credit information pertaining to himself/herself against payment of a nominal fee not exceeding Rs.100/- and on identifying himself/herself.

9.5.1.5 For such purpose as the Reserve Bank may specify in this regard, from time to time.

9.5.2 Review of usage by members:

Credit Information Company will have in place, policy and procedures to monitor and review on a regular and ongoing basis, access, collection and usage of a CIR by the Specified User, with a view to detecting and investigating any unusual or irregular patterns of use by them.

Specified User's obligation

9.5.3 Drawing of reports by Specified Users -

Specified Users will be entitled to request for, access and use Credit Information Reports for the following purposes:

9.5.3.1 To take a credit decision on a person who has made a written application to the specified user to avail of/extend/ renew/ review /enhance financial assistance or other products offered by it.

9.5.3.2 To take a credit decision on a person who accepts liability for payment on a bill of exchange drawn by a person who has applied to the specified user for an availment/ extension/ renewal/ enhancement/ review of credit.

9.5.3.3 To take a credit decision on a person who draws a promissory note in favour of person who has applied to the specified user for an availment/ extension/ renewal/ enhancement/ review of credit.

9.5.3.4 To take a credit decision on a person who proposes to act as guarantor for a person who has applied to the Specified User for an availment / extension/ renewal/ enhancement/ review of credit.

9.5.3.5 To make informed and objective credit decisions.

9.5.3.6 To deter concurrent borrowers and serial defaulters.

9.5.3.7 To Keep adverse selection of customers to the minimum.

9.5.3.8 To review and evaluate risk of its customers.

9.5.3.9 To effectively discharge the statutory / regulatory functions. This has been included for Specified Users which are regulators like SEBI, IRDA, PFRDA etc.

9.5.3.10 To effectively discharge the functions as a credit rating agency.

9.5.3.11 For such purpose as the Reserve Bank may specify in this regard, from time to time

9.5.4 Credit Information Reports– non-permissible purposes

The Specified Users shall not request for, access, collect or use Credit Information Reports for any purpose whatsoever other than those listed under Clause 5.3.

9.5.5 Obligation to disclose

When a borrower is denied credit or any other service on the basis of Credit Information Report, the Specified User who has denied the credit should send the borrower/ client a written rejection notice within 30 days of the decision stating the specific reasons for rejection along with a copy of the said credit information report. It must also give the borrower/ client the name and address of any Credit Information Company that issued a report and if other information was used in making the decision, the borrower has right to learn about that information.

PRINCIPLE 6

Data Accuracy

Credit Information Company's Obligation

9.6.1 The Credit Information Company shall make all possible efforts to ensure accuracy and completeness of data.

Credit Institution's Obligation

9.6.2 Credit Institution shall be responsible for the correctness and accuracy of the data submitted to the Credit Information Company.

9.6.3 Credit institution shall ensure updates of the data given by them to credit information company on monthly intervals or on shorter intervals as may be mutually agreed upon.

Specified User's Obligation

9.6.4 Specified Users will establish procedures to ensure that they are using latest credit information relating to the person in respect of whom a credit decision is to be taken.

PRINCIPLE 7

Archiving/Length of Preservation

9.7.1 The Credit Information Company and Credit Institution shall retain all information collected and disseminated for minimum of 7 years.

9.7.2 Information relating to criminal offences in respect of an individual shall be of permanent nature in the credit information pertaining to a person while information relating to financial default or civil offences shall be removed from the history after 7 years from the date of first reporting. All information regarding non-individuals shall be of permanent nature.

9.7.3 Personal information in respect of an individual that is no longer required in terms of sub-regulations 9.7.1 and 9.7.2 should be destroyed,

erased or made anonymous. Credit Information Companies and Credit Institutions shall develop guidelines and implement procedures to govern the destruction of personal information.

CHAPTER VII
CHARGES FOR A CREDIT INFORMATION REPORT
[Section 21(2)]

10. Every Specified User shall furnish a copy of the Credit Information to such person as referred to in Section 21(1) of the Act free of charge. In all other cases, Specified User shall not charge more than what it has paid to the Credit Information Company for the report.
11. A credit Information Company shall make available credit report in respect of an individual upon his request of his record or information pertaining to him against payment of nominal fee not exceeding Rs.100/- on proper identification.

CHAPTER VIII
MAXIMUM AMOUNT OF FEES
[Section 27]

- 12.(1) Every credit information company shall be entitled to charge such amount, as it may deem appropriate, not exceeding Rs.15,00,000/-towards fee, from credit institutions or credit information companies for admitting them as their member.
- (2) Every credit information company shall be entitled to charge such amount, as it may deem appropriate, not exceeding Rs.500/- in case of individuals and Rs 5000/- in case of other borrowers towards fee, for providing credit information report to a Specified User in respect of such borrowers.

13. Refund of fees and / or reimbursement paid by individuals: Where the Reserve Bank is satisfied that a credit information company or a specified user, as the case may be, has charged more amount than what is provided under sub-regulation (3) of regulation 9 and sub-regulation (2) of regulation 17, it may direct the credit information company to refund to the borrower, such excess amount charged by them.

CHAPTER IX
PRINCIPLES AND PROCEDURES RELATING TO PERSONAL CREDIT INFORMATION

14. Principles and Procedures: Without prejudice to the provisions of; the Act, rules, regulations, and practice and procedure as adopted by a credit institution,

credit information company and specified user in accordance with the rules in this behalf, they will also follow the principles and procedures as provided hereinafter in respect of;

- (a) manner and purpose of collection of personal data;
- (b) solicitation of personal data from individual concerned;
- (c) their extent of accountability;
- (d) procedure for redressal of grievances of individuals.

15. Manner and purpose of collection of personal data: Personal data shall not be collected by a credit institution for inclusion in a generally available publication unless ;

- (a) the personal data is collected for a purpose i.e. a lawful purpose directly related to a function or activity of the credit institution; and
- (b) the collection of the personal data is necessary for or directly related to that purpose.

16. Solicitation of personal data from individual concerned: Where a credit institution collects personal data for inclusion in a credit information report or in a generally available publication, and such data is solicited by the credit institution from an individual concerned, the credit institution shall take such steps as are, in the circumstances, reasonable to ensure that, before such data is collected or, if that is not practicable, as soon as practicable after such data is collected;

- (a) the individual concerned is informed of;
 - (i) the purpose for which such data is being collected, and if the collection of such data is authorised or required by or under any law in force, the fact that the collection of such data is so authorised or required; and
 - (ii) any person to whom, or anybody or agency to which, it is the collector's usual practice to disclose personal data of the kind so collected.
- (b) the collector shall ensure having regard to the purpose that ;
 - (i) the personal data collected is relevant to such purpose and is up to date and complete;
 - (ii) the collection of such data does not intrude to an unreasonable extent upon the personal affairs of the individual concerned; and
 - (iii) such data maintained by the collector is protected by such security safeguards as it is reasonable in the circumstances to take, against loss, against unauthorized access, use, modification or disclosure, and against any misuse.

17. Accountability : The credit information company is responsible for personal data in its possession or custody, including information that has been transferred to a third party for processing. The credit information company shall use

contractual and other means to provide a comparable level of protection while the information is being processed by a third party.

18. Procedure to be adopted: Every Credit information company shall include in their policies and practices to give effect to the principles and procedure in relation to;

- (a) protection of personal data;
- (b) accepting complaints, enquiries and disposal thereof;
- (c) imparting training to their staff about their policies and practices with respect to credit information; and supply of brochures for information of the public in respect thereof;
- (d) establishing one or more compliance committees to oversee the suitability, adequacy of the practice and procedure adopted by them and application thereof in their functions; and
- (e) adoption of appropriate documentation in relation to their members for furnishing and collecting data, information and credit information.

19. REMEDIES TO INDIVIDUALS:

(1) An individual may file before the Reserve Bank a written complaint against a credit information company, credit institution or specified user, as the case may be for contravening any provisions of the Act.

(2) On receipt of a complaint under sub-regulation, the Reserve Bank, may if so satisfied prima-facie about the alleged contravention, issue notice to the concerned Credit Information Company, Credit Institution or Specified User, as the case may be, calling upon them to show cause as to why the amount specified in the notice should not be imposed on the company for the alleged contravention;

Provided, that before imposing such penalty, reasonable opportunity of being heard shall also be given to such Credit Information Company, Credit Institution or the Specified User, as the case may be.

(3) If in the opinion of the Reserve Bank, the allegation made against such Credit Information Company, Credit Institution or the Specified User, is found to be proved, the Reserve Bank may;

- (a) impose such penalty as it may deem appropriate, in accordance with the Act; or
- (b) my reprimand such erring Credit Information Company, Credit Institution or the Specified User, as the case may be.

FORM A
(SEE REGULATION 4)

CREDIT INFORMATION COMPANIES REGULATIONS

APPLICATION FOR GRANT OF CERTIFICATE OF REGISTRATION

INSTRUCTIONS FOR FILLING UP FORM –

1. Applicants must submit to the Reserve Bank a completed application form, together with appropriate supporting documents.
2. Application for registration will be considered, only if it is complete in all respects.
3. Information, which needs to be supplied in more detail, may be given on separate sheets, which should be attached to the application form.
4. All signatures on the application must be original.
5. Every page of the form as well as every additional sheet must be serially numbered.

1.0 Particulars of the Applicant

1.1 Name, address of the registered office, address of corporate office, address for correspondence, telephone number(s), fax number(s) and name of the contact person of the company.

1.2 Date of incorporation of the Applicant company (enclose certificate of incorporation and memorandum and articles of association). Specify the following:

- (a) Objects of the Applicant company
- (b) Authorised, issued, subscribed and paid up capital

1.3 Category to which the Applicant company belongs to:

- (a) Company already in the business of credit information
- (b) Company proposing to undertake the business of credit information.

2.0 Eligibility Criteria

Names of the promoters and indicate their shareholding in the company.

3.0 Particulars of Directors/ key personnel

3.1 Particulars of Directors of the company, which shall include name, qualification, experience, shareholding in the company and directorship in other companies.

3.2 Particulars of Key Personnel of the company, which shall include name, designation in the company, qualification, previous positions held, experience, date of appointment in the company and functional areas, directorships, if any.

4.0 Infrastructure

4.1 Details of existing/proposed infrastructure including the technology, security, facilities for hosting the data center. (For existing companies whether the existing infrastructure is adequate to carry on the credit information activities proposed to be undertaken by the company. Any further plan for additional/ improved infrastructure to be indicated.)

5.0 Major shareholders

5.1 List of major shareholders (holding 5% and above of applicant directly or along with associates)

Date: _____

Name of shareholder	Face value of share	No. of shares held	%age of total paid up capital	Whether declaration / undertaking submitted

6.0 Group Companies

6.1 Particulars of parent / subsidiary / associate companies which shall include name, address, type of activity handled, track record, nature of interest of the Applicant company, nature of interest of promoter(s) of the applicant.

6.2 Whether the Reserve Bank has granted/ refused registration for any purpose to any parent / subsidiary / associate of the applicant. Give the details like date of application, date of refusal/ registration, reasons for refusal etc.

7.0 FINANCIAL INFORMATION ABOUT THE PROMOTER

7.1 Net Worth
(For existing companies)

(Rs. In Lacs)

Items	Year prior to the preceding year of the current year	Preceding year	Current year
(a) Paid-up capital			
(b) Free reserves (excluding revaluation reserves) Total (a) + (b)			
(c) Accumulated losses			
(d) Deferred revenue expenditure not written off			
Net worth (a)+(b)-(c)-(d)			
Net Profit			

(Please enclose audited annual accounts for the last three years).

7.2 Name and Address of the Principal bankers.

7.3 Name and address of the Auditors.

7.4 Detailed Business Plan.

8.0 OTHER INFORMATION

8.1 Details of all pending litigations against the applicant company, directors and key employees:

Nature of dispute	Name of the party	Status

8.2 Indictment or involvement in any fraud or economic offences by the applicant, its parent/subsidiary/associate or any of its Directors, or key managerial Personnel, in the last three years.

8.3 Whether any of its directors or key managerial personnel are associated with a company which have been declared as wilful defaulter.

9.0 Declaration

9.1 Give the following declarations signed by two directors:

I/We hereby apply for registration.

I/We hereby undertake to comply with the provisions of the Act, the regulations made there under and the guidelines, directives, circulars and instructions issued by the Reserve Bank.

I/We warrant that I/We have truthfully and fully answered the questions above and provided all the information, which might reasonably be considered relevant for the purposes of my registration.

I/We declare that the information supplied in the application form is complete and correct.

For and on behalf of

(Name of Applicant)

Director

Director

Name in Block Letters

Name in Block Letters

Date

Date

FORM B
(SEE REGULATION 5)

CREDIT INFORMATION COMPANIES (REGULATION) ACT 2005

CERTIFICATE OF REGISTRATION AS CREDIT INFORMATION COMPANY

1. In exercise of the powers conferred by section 5 of the Credit Information Companies (Regulation) Act 2005 read with regulations made there under, the Reserve Bank of India hereby grants a certificate of registration to _____ having Registered Office at _____ as a credit information company subject to the rules framed by the Central Government and the terms and conditions attached herewith.

2. The Registration Number is _____

Date:

Place: Mumbai

By order

Sd/-

For and on behalf of
RESERVE BANK OF INDIA

FORM C
(SEE REGULATION 7)

**FORM OF NOTICE FROM CREDIT INFORMATION COMPANY TO CREDIT INSTITUTIONS
AND OTHER CREDIT INFORMATION COMPANIES REQUIRING SUBMISSION OF
INFORMATION**

1. In exercise of powers conferred under Section 17(1) of Credit Information Companies (Regulation) Act, 2005 directs ----- (Name of the Credit Institution or Credit Information Company)-----, being a member of ----- (Name of the Credit Information Company requiring information to be submitted to it), to submit credit information in respect of your constituents or the constituents of your members as the case may be in the format appended hereto.

2. This information as on the last day of the preceding month may be submitted before the 10th day of succeeding month.

Place:

Date:

(Authorised Signatory)

Name of the Credit Information Company