

November 20, 2008

Investment in Credit Information Companies

In exercise of the powers conferred by sub-section (1) of Section 11 of Credit Information Companies (Regulation) Act, 2005, and in supersession of its direction on Investment in Credit Information Companies dated July 22, 2008, Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest to do so, hereby directs that investments directly or indirectly by any person, whether resident or otherwise, shall not exceed ten per cent of the equity capital of the investee company.

(2) Notwithstanding the above, the Reserve Bank may consider allowing investment under FDI up to 49 per cent -

- (a) where the investor is a company with an established track record of running a Credit Information Bureau in a well regulated environment,
- (b) no shareholder in the investor company holds more than 10 per cent voting rights in that company; and
- (c) preferably, the company is a listed company on a recognized stock exchange.

(3) In case the investor in a Credit Information Company in India is a wholly owned subsidiary (directly or indirectly) of an investment holding company, the conditions as at (a), (b) and (c) of (2) above will be applied to the operating group company that is engaged in Credit Information business and has undertaken to provide technical know-how to the Credit Information Company in India.

(Anand Sinha)
Executive Director