

Regulatory and Other Measures

April 2012

RBI/2011-12/482 A. P. (DIR Series) Circular No.102 dated April 2, 2012

All Authorised Persons in Foreign Exchange

Use of International Debit Cards/Store Value Cards/Charge Cards/Smart Cards by Resident Indians while on a visit outside India

Attention of all Authorised Persons, who are authorised to issue foreign currency pre-paid cards to resident Indians visiting outside India, is invited to Para B(5) of the A. P. (DIR Series) Circular No. 46 dated June 14, 2005, in terms of which the use of such cards is limited to permissible current account transactions and subject to the prescribed limits under the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.

2. As per the practice followed by issuers, resident Indians who purchase their travel cards, are permitted refund of the unutilised foreign exchange balance only after 10 days from the date of last transaction and accordingly, this condition is stated in the 'user guide'. Since these cards are expected to act as substitutes for cash/Travellers Cheques, the facilities available to the user will have to be similar.

3. Accordingly, all such Authorised Persons shall redeem the unutilised balance outstanding in the cards immediately upon request by the resident Indians to whom the cards are issued subject to retention of:-

- a. The amounts that are authorised and remain unclaimed/not settled by the acquirers as of the date of redemption till the completion of the respective settlement cycle;
- b. A small balance not exceeding US\$ 100, for meeting any pipeline transactions till the completion of the respective settlement cycle; and
- c. Transaction fees/service tax payable in India in Rupees.

For the amounts that are authorised but unclaimed/not settled by the acquirer, the issuer of such cards can hold such amounts until such transactions are processed/ settled by the acquirers within the prescribed settlement timeframe.

4. All the other instructions contained in the above circular dated June 14, 2005, as amended from time to time, shall remain unchanged.

5. Authorised Persons may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

RBI/2011-12/483 DGBA.CDD. No. H- 6506 /15.02.001/2011-12 dated April 3, 2012

Public Provident Fund Scheme, 1968 (PPF, 1968) and Senior Citizens Savings Scheme, 2004 (SCSS, 2004) – Revision of interest rates

Please refer to our circular RBI/2011-12/359 dated January 20, 2012 regarding interest rates on small savings schemes, wherein it was indicated that as per Government's decision on revision of interest on small savings schemes, the interest rates on various small savings schemes for every financial year will be notified by the Government before April 01st of that year.

2. The Government of India have vide their Office Memorandum (OM) No. 6-1/2011-NS.II (Pt.) dated March 26, 2012, advised the rate of interest on various small savings schemes for the financial year 2012-13. Accordingly, the rates of interest on PPF, 1968 and SCSS, 2004 for the financial year 2012-13 effective from April

01, 2012, on the basis of the interest compounding/ payment built-in in the schemes, will be as under:

Scheme	Rate of interest w.e.f. 01.12.2011	Rate of interest w.e.f. 01.04.2012
5 year SCSS, 2004	9.0% p.a	9.3% p.a
PPF, 1968	8.6% p.a	8.8% p.a

3. The contents of this circular may be brought to the notice of the branches of your bank operating the PPF, 1968 and SCSS, 2004 schemes. These should also be displayed on the notice boards of your branches for information of the PPF, 1968 and SCSS, 2004 subscribers.

RBI/2011-12/499 DBOD.No.BP.BC 92 /21.06.007/2011-12 dated April 13, 2012

The Chairman / CMD / MD / CEO
All Scheduled Commercial Banks
(Excluding Local Area Banks and
Regional Rural Banks)

Prudential Guidelines on Capital Adequacy and Market Discipline- New Capital Adequacy Framework (NCAF) – Eligible Credit Rating Agencies – Brickwork Ratings India Pvt. Ltd. (Brickwork)

Please refer to the Master Circular DBOD.No.BP.BC.11/21.06.001/2010-11 dated July 1, 2011 on 'Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF)'.

2. In terms of para 6 of the circular, four domestic credit rating agencies *viz.* CARE, CRISIL, FITCH India and ICRA have been accredited for the purpose of risk weighting the banks' claims for capital adequacy purposes. The long term and short term ratings issued by these domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the Standardised Approach under the Basel II Framework.

3. It has now been decided that banks may also use the ratings of the – Brickwork Ratings India Pvt. Ltd. (Brickwork) for the purpose of risk weighting their claims for capital adequacy purposes in addition to the

existing four domestic credit rating agencies. The rating-risk weight mapping for the long term and short term ratings assigned by Brickwork will be the same as in case of other rating agencies.

RBI/2011-12/524 RPCD.CO.Plan.BC.73 /04.09.01/2011-12 dated April 25, 2012

The Chairman/Managing Director/
Chief Executive Officer
[All Scheduled Commercial Banks
(excluding Regional Rural Banks)]

Priority Sector Lending-Indirect Finance to Housing Sector

Please refer to paragraph 6.4 of our Master Circular RPCD.CO.Plan.BC.10/04.09.01/2011-12 dated July 1, 2011 on lending to priority sector.

2. Pursuant to the announcement made by Union Finance Minister in the Union Budget for the year 2012-13, it has been decided to increase the limit from ` 5 lakh to ` 10 lakh for the bank loans extended to non-governmental agencies, approved by NHB for their refinance, for on-lending for the purpose of construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

3. The revised limit is applicable to the bank loans sanctioned from the date of this circular.

RBI/2011-12/528 DBOD.AML. BC. No. 97/14.01.001/2011-12 dated April 27, 2012

The Chairmen/Chief Executive Officers,
All Scheduled Commercial Banks (excluding RRBs)/
Local Area Banks

Intra-bank Deposit Accounts Portability

It has been brought to our notice that some banks are insisting on opening of fresh accounts by customers when customers approach them for transferring their account from one branch of the bank to another branch of the same bank. Such insistence on opening of fresh account or making the customer undergo full KYC process again causes inconvenience to them resulting in poor customer service. It is not reasonable in view

of the fact that most bank branches are now on CBS and KYC records of a particular customer can be accessed by any branch of the bank.

2. Banks are advised that KYC once done by one branch of the bank should be valid for transfer of the account within the bank as long as full KYC has been done for the concerned account. The customer should be allowed to transfer his account from one branch to another branch without restrictions. In order to comply with KYC requirements of correct address of the person, fresh address proof may be obtained from him/her

upon such transfer by the transferee branch. It may be noted that instructions regarding periodical updation of KYC data in terms of para 2.4(e) and those on maintenance of records of identity and transaction in terms of para 2.21(iii) of our Master circular DBOD. AML.BC. No.2/14.01.001/ 2009-10 dated July 01, 2011 remain unchanged and banks will be required to carry out the updation at prescribed intervals as also maintain records of transactions and verification of identity as prescribed.
