

RBI Press Release

RBI Sets up Working Group to Study the Recommendations for SMART Card Based Payment System Standards (September 7, 1999)

The Reserve Bank of India has constituted a Working Group in the Department of Information Technology to study the recommendations on standards for SMART Card based Payment Systems made by the Indian Institute of Technology, Powai. The recommendations have been made in document "SMART Card based Payment System Standards" version 3.0, as part of the "Project SMART Rupees System (SMARS)." The Project 'SMART Rupees System (SMARS)' is a pilot project on SMART Card technology in India. The project has been undertaken to examine the viability and use of SMART Cards as retail payment instruments within the country. The project undertaken at the instance of the Reserve Bank of India, is a collaborative venture in which the Indian Institute of Technology, Powai, the Institute for Development and Research in Banking Technology, Hyderabad, hardware and software vendors, and two commercial banks (State Bank of India and Canara Bank) are partners. The pilot phase of the project commenced on December 3, 1998.

The composition of the Working Group is:

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| 1. | Dr. A. Vasudevan | Chairman Executive Director Reserve Bank of India |
| 2. | Shri M.N. Dandekar | Member Chief Executive and Secretary |

Indian Banks' Association Mumbai

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| 3. | Dr. V.P. Gulati | Member Director Institute for Development and Research In Banking Technology Hyderabad |
| 4. | Prof. D.B. Phatak | Member Department of Computer Sciences and Engineering Indian Institute of Technology Powai |
| 5. | Shri K. Seshashayi | Member Chief General Manager Systems and Technology State Bank of India Mumbai |
| 6. | Shri S. Venkatachalam | Member Vice President, Information Technology Citibank N.A. Mumbai |
| 7. | Shri A.K.S. Rao | Member General Manager Computer Policy and Planning Department Canara Bank Bangalore |
| 8. | Shri S.R. Mittal | Member-Chief General Secretary Manager-in-Charge |

Department of Information Technology Reserve Bank of India Mumbai

The terms of reference of the Working Group are to:

1. study the various recommendations for "SMART Card based Payment System Standards" version 3.0 made by Project SMART Rupees System (SMARS);

2. corroborate these standards with the international standards (ISO) and/or those prevalent in Europe; and

3. examine the relevance of the remaining recommendations to the circumstances arising from the developments in the Payment and Settlement systems in the country.

The Working Group will submit its Report by November 30, 1999.

RBI Releases List of Contact Persons in Banks and Financial Institutions for Y2K (September 8, 1999)

The Reserve Bank of India has today published, on its website (URL:rbi.org.in), a list of names and complete addresses of contact persons in commercial banks and financial institutions for the year 2000.

The decision to make available such a list was taken by the high level Working Group on Y2K related issue at its meeting held on August 31, 1999. The Reserve Bank monitors Y2K compliance of the financial sector through a high level Working Group set up under the chairmanship of one of its Deputy Governors.

The Group had, at its meeting of August 31, 1999 also agreed that it is prudent to have a core Y2K Solution Group at the banks and core Y2K staff in all the offices where critical applications are in place. The Group also agreed that event management centres would be established in all RBI offices and in banks as expeditiously as possible for information sharing and communication link up with various sectors of the economy and the rest of the world.

Swarnjayanti Gram Swarozgar Yojana (September 29, 1999)

The Reserve Bank of India has circulated a new programme known as “Swarnjayanti Gram Swarozgar Yojana” launched by the Ministry of Rural Development, Government of India among all Indian scheduled commercial banks. “Swarnjayanti Gram Swarozgar Yojana” (SGSY) is restructured from the existing schemes namely, Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS).

The SGSY Scheme is operative from April 1, 1999 in rural areas of the country. SGSY is a holistic scheme covering all aspects of self employment such as organisation of the poor into Self Help Groups, training, credit, technology, infrastructure and marketing. The scheme will be funded by the Centre and the States in the ratio of 75:25 and will be implemented by Commercial Banks, Regional Rural Banks and Co-operative Banks. Other financial institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non Government Organisations(NGOs), Technical institutions in the district, will be involved in the process of planning, implementation and monitoring of the scheme. NGOs may also be involved in the formation and nurturing of the Self Help Groups (SHGs) as well as in the monitoring of the progress of the Swarozgaris.

The objective of SGSY is to bring every assisted family above the poverty line within three years

by providing them income generating assets through a mix of bank credit and Government subsidy. The monthly income from activity to be undertaken should not be less than Rs.2000 net of repayment to the bank atleast in the third year. The Scheme also aims at establishing a large number of micro enterprises in the rural areas. The rural poor such as those with land, landless labour, educated unemployed, rural artisans and disabled are covered under the scheme.

There is no ceiling on the size of the loan amount. Group activities will be given preference. Major share of assistance will be for 4-5 key activities identified at the block level. All SGSY loans are to be treated as medium term loans with minimum repayment period of 5 years. The banks have to provide initial moratorium wherever required. Sub-targets have been stipulated for borrowers under various categories.

The details of the SGSY scheme is also available on the RBI website (URL:www.rbi.org.in).