

## भारतीय रिजार्व बैंक

## RESERVE BANK OF INDIA www.rbi.org.in

RBI /2010-11/60 DBOD. No.FSD.BC. 17 / 24.01.001/ 2010-11

July 1, 2010 Ashadha 10, 1932 (Saka)

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir,

**Master Circular - Para-banking Activities** 

Please refer to the Master Circular No.DBOD.FSD.BC.18/24.01.001/2009-10 dated July 1, 2009 consolidating the instructions/guidelines issued to banks till June 30, 2009 on para-banking activities. The Master Circular has been suitably updated by incorporating instructions issued upto June 30, 2010. The Master Circular has also been placed on the RBI website (<a href="http://www.rbi.org.in">http://www.rbi.org.in</a>). A copy of the Master Circular is enclosed. A separate Master Circular has been issued on the Credit Card Operations of banks.

Yours faithfully

(A. K. Khound) Chief General Manager

Encl.: As above

## **Table of Contents**

Paragraph No	Particulars	Page No.		
Α				
В	B Classification			
С	C Previous guidelines consolidated			
D	Scope of application	1		
1.	Introduction	3		
2.	2. Subsidiary Companies			
3.				
4.	4. Equipment Leasing, Hire purchase business and factoring services			
<ol> <li>Equipment leasing, Hire purchase and factoring services as departmental activities</li> </ol>		6		
	<b>6.</b> Guidelines for banks undertaking PD Business			
	7. Mutual Fund business			
8.	Relationship with subsidiaries	9		
9.	Smart/Debit Card Business	10		
10.	Money Market Mutual Funds (MMMFs)	11		
11.	Cheque Writing Facility for investors of Money Market Mutual Funds (MMMFs)	11		
12.	Entry of banks into Insurance business	12		
13.	Pension Fund Management by banks	12		
14.	Underwriting of Corporate Shares and Debentures	13 14		
15.	<ul><li>15. Underwriting of bonds of Public Sector Undertakings</li></ul>			
	16 'Safety Net' Schemes			
17.	Referral Services	15		
18.	Disclosure of commissions/ remunerations	15		
Annex- 1 -Guidelines for Issue of Smart Cards/Debit Cards by banks  17				
Annex- 2-Reporting format for the issue and operations of Smart Cards/Debit Cards				
Annex- 3 -Entry of banks into Insurance business				
Annex- 4-Entry of banks into Insurance business – insurance agency business/ referral arrangement				
Annex- 5- Guidelines for banks' for acting as Pension Fund Managers				
Appendix- List of Circulars consolidated by the Master				

#### **MASTER CIRCULAR - PARA-BANKING ACTIVITIES**

## A. Purpose

To provide a framework of rules/regulations/instructions to the Scheduled Commercial Banks for undertaking certain financial services or para-banking activities as permitted by RBI. Banks should adopt adequate safeguards and implement the following guidelines in order to ensure that the financial services or para-banking activities undertaken by them are run on sound, and prudent lines.

#### B. Classification

A statutory guideline issued by the RBI.

## C. Previous guidelines consolidated

This Master Circular consolidates the instructions contained in the circulars listed in the Appendix.

## D. Scope of Application

To all scheduled commercial banks (excluding RRBs) that undertake financial services or para-banking activities departmentally or through their subsidiaries or affiliated companies controlled by them.

#### Structure

- 1. Introduction
- 2. Subsidiary Companies
- 3. Investment ceiling in financial services companies etc.
- 4. Equipment leasing, Hire purchase business and Factoring services
- 5. Equipment leasing, Hire purchase and Factoring services as departmental activities
- 6. Guidelines for banks undertaking PD business
  - 6.1 Eligibility Criteria
  - 6.2 Authorisation
  - 6.3 Obligations of Bank-PDs
  - 6.4 Prudential Norms
  - 6.5 Regulation and Supervision
  - 6.6 Application for Primary Dealership
  - 6.7 Applicability of the guidelines issued for Primary Dealers to bank-PDs
  - 6.8 Maintenance of books and accounts
- 7. Mutual Fund Business
- 8. Relationship with subsidiaries
- 9. Smart/Debit Card Business
- 10. Money Market Mutual Funds (MMMFs)
- 11. Cheque Writing Facility for Investors of Money Market Mutual Funds(MMMFs)
- 12. Entry of banks into Insurance business

- 13. Pension Funds Management (PFM) by banks
- 14. Underwriting of Corporate Shares and Debentures
- 15. Underwriting of bonds of Public Sector Undertakings
- 16. 'Safety Net' Schemes
- 17. Referral Services
- 18. Disclosure of commissions/ remunerations
- **Annex-1** Guidelines for Issue of Smart Cards/Debit Cards by banks
- **Annex-2** Reporting format for the issue and operations of Smart Cards/Debit Cards
- **Annex-3** Entry of banks into Insurance business
- **Annex-4** Entry of banks into Insurance business insurance agency business/ referral arrangement
- **Annex-5** Guidelines for banks' acting as Pension Fund Managers
- Appendix List of circulars consolidated by the Master Circular

## 1. <u>Introduction</u>

Banks can undertake certain eligible financial services or para-banking activities either departmentally or by setting up subsidiaries. Banks may form a subsidiary company for undertaking the types of business which a banking company is otherwise permitted to undertake, with prior approval of Reserve Bank of India. The instructions issued by Reserve Bank of India to banks for undertaking certain financial services or parabanking activities as permitted by RBI have been compiled in this Master Circular.

## 2. <u>Subsidiary Companies</u>

Under the provisions of Section 19(1) of the Banking Regulation Act, 1949, banks may form subsidiary companies for undertaking types of banking business which they are otherwise permitted to undertake [under clauses (a) to (o) of sub-section 1 of Section 6 of the Banking Regulation Act, 1949], carrying on the business of banking exclusively outside India and for such other business purposes as may be approved by the Central Government. Prior approval of the Reserve Bank of India should be taken by a bank to set up a subsidiary company.

#### 3. Investment ceiling in financial services companies, etc.

Under the provisions of Section 19(2) of the Banking Regulation Act, 1949, a banking company cannot hold shares in any company whether as pledgee or mortgagee or absolute owner of an amount exceeding 30 per cent of the paid-up share capital of that company or 30 per cent of its own paid-up share capital and reserves, whichever is less. Besides, the investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10 per cent of the bank's paid-up share capital and reserves and the investments in all such companies, financial institutions, stock and other exchanges put together should not exceed 20 per cent of the bank's paid-up share capital and reserves. Investments which are made as part of the treasury operations of banks purely for the purpose of trading, can be excluded for the purpose of the 20percent cap and also the banks need not obtain RBI's prior approval for such investments, provided that the investments are classified under 'Held for Trading' category and are not held beyond 90 days, as envisaged in the Master Circular on Prudential norms for classification, valuation and

operation of investment portfolio by banks. Banks cannot, however, participate in the equity of financial services ventures including stock exchanges, depositories, etc. without obtaining the prior specific approval of the Reserve Bank of India notwithstanding the fact that such investments may be within the ceiling prescribed under Section 19(2) of the Banking Regulation Act.

# 4. <u>Equipment leasing, Hire purchase business and Factoring services</u> through subsidiaries

With the prior approval of the Reserve Bank of India, banks can form subsidiary companies for undertaking equipment leasing, hire purchase business and factoring services. The subsidiaries formed should primarily be engaged in any of these activities and such other activities as are incidental to equipment leasing, hire purchase business and factoring services. In other words, they should not engage themselves in direct lending or carrying on of activities which are not approved by the Reserve Bank and financing of other companies or concerns engaged in equipment leasing, hire purchase business and factoring services.

# 5. <u>Equipment leasing, Hire purchase and Factoring services as departmental activities</u>

Banks can also undertake equipment leasing, hire purchase and factoring services departmentally. Prior approval of the RBI is not necessary for undertaking these activities departmentally. The banks should, however, report to the RBI about the nature of these activities together with the names of the branches from where these activities are taken up. The banks should comply with the following prudential guidelines when they undertake these activities departmentally:

- i) As activities like equipment leasing, hire purchase and factoring services require skilled personnel and adequate infrastructural facilities, they should be undertaken only by certain select branches of banks.
- ii) These activities should be treated on par with loans and advances and should accordingly be given risk weight of 100 per cent for calculation of capital to risk asset ratio. Further, the extant guidelines on income recognition, asset classification and provisioning would also be applicable to them.
- iii) The facilities extended by way of equipment leasing, hire purchase finance and factoring services would be covered within the exposure ceilings with regard to single

borrower (i.e. 15 percent of the bank's capital funds; 20 percent provided the additional credit exposure is on account of extension of credit to infrastructure projects) and borrower group (40 percent of the bank's capital funds;50 percent provided the additional credit exposure is on account of extension of credit to infrastructure projects). Banks may, in exceptional circumstances, with the approval of their Boards, consider enhancement of the exposure both for a single borrower and a borrower group up to a further 5 per cent of capital funds subject to the borrower consenting to the banks for making appropriate disclosures in their Annual Reports. As regards banks' exposures to NBFCs, the instructions contained in para 16(A)(i) of the DBOD.No.FSD.BC.46/24.01.028/2006-07 dated December 12, 2006, as amended from time to time, would be applicable.

- iv) Banks should maintain a balanced portfolio of equipment leasing, hire purchase and factoring services vis-à-vis the aggregate credit. Their exposure to any of these activities should not exceed 10 per cent of total advances.
- v) Banks are required to frame an appropriate policy on leasing business with the approval of the Boards and evolve safeguards to avoid possible asset liability mismatch. While banks are free to fix the period of lease finance in accordance with such policy, they should ensure compliance with the Accounting Standard 19 (AS 19) prescribed by the Institute of Chartered Accountants of India (ICAI).
- vi) The finance charge component of finance income [as defined in 'AS 19 on Leases' issued by the Council of the Institute of Chartered Accountants of India (ICAI)] on the leased asset, credited to income account on accrual basis before the asset became nonperforming, should be reversed or provided for in the current accounting period, if remained unpaid.
- vii) Any changes brought about in respect of guidelines in asset classification, income recognition and provisioning for loans/advances and other credit facilities would also be applicable to leased assets of banks undertaking leasing activity departmentally.
- viii) Banks should not enter into leasing agreement with equipment leasing companies and other non-banking finance companies engaged in equipment leasing.
- ix) Lease rental receivables arising out of sub-lease of an asset by a Non-Banking Financial Company undertaking leasing should not be included for the purpose of computation of bank finance for such company.
- x) Banks undertaking factoring services departmentally should carefully assess the client's working capital needs taking into account the invoices purchased. Factoring services should be extended only in respect of those invoices which represent genuine trade transactions. Banks should take particular care to ensure that by extending factoring services, the client is not overfinanced.

## 6. <u>Guidelines for banks undertaking PD business</u>

The permitted structure of Primary Dealership (PD) business has been expanded to include banks and banks fulfilling the following minimum eligibility criteria may apply to the Reserve Bank of India for approval for undertaking Primary Dealership (PD) business.

### 6.1 Eligibility Criteria

The following categories of banks may apply for PD licence:

- (i) Banks, which do not at present, have a partly or wholly owned subsidiary and fulfill the following criteria:
  - a. Minimum Net Owned Funds of Rs. 1,000 crore.
  - b. Minimum CRAR of 9 percent
  - c. Net NPAs of less than 3 percent and a profit making record for the last three years.
- (ii) Indian banks, undertaking PD business through a partly or wholly owned subsidiary and proposing to undertake PD business departmentally by merging/ taking over PD business from their partly/ wholly owned subsidiary should fulfill the criteria mentioned in 6.1.(i) (a) to (c) above.
- (iii) Foreign banks operating in India, proposing to undertake PD business departmentally by merging the PD business being undertaken by group companies should fulfill criteria at 6.1.(i) (a) to (c).

#### 6.2 Authorization

The authorization granted by the Reserve Bank will be initially for a period of one year (July-June) and thereafter, RBI will review the authorization on a yearly basis.

## 6.3 Obligations of Bank-PDs

The Bank-PDs will be subject to underwriting and all other obligations as applicable to standalone PDs.

#### 6.4 Prudential Norms

(i) No separate capital adequacy requirement is prescribed for PD business. The usual capital adequacy requirement/risk management guidelines applicable for a bank will also apply to its PD business. The bank undertaking PD activity may put in place adequate risk management systems to measure and provide for the risks emanating from the PD activity.

- (ii) The Government Dated Securities and Treasury Bills under PD business will count for SLR, if they are notified by RBI as SLR securities.
- (iii) The classification, valuation and operation of investment portfolio guidelines as applicable to banks in regard to "Held for Trading" portfolio will also apply to the portfolio of Government Dated Securities and Treasury Bills earmarked for PD business.
- (iv) The banks shall have to maintain separate SGL accounts for their subsidiaries. The bank should also develop proper MIS in this regard.

## 6.5 Regulation and Supervision

- (i) RBI's instructions to Primary Dealers will apply to Bank-PDs to the extent applicable.
- (ii) As banks have access to the call money market and the Liquidity Adjustment Facility (LAF) of RBI, Bank-PDs will not have separate access to these facilities.
- (iii) RBI will conduct on-site inspection of Bank-PD business.
- (iv) Bank-PDs will be required to submit prescribed returns, as advised by RBI from time to time.
- (v) A Bank-PD should bring to the RBI's attention any major complaint against it or action initiated / taken against it by the authorities such as the Stock Exchanges, SEBI, CBI, Enforcement Directorate, Income Tax, etc.
- (vi) Reserve Bank of India reserves the right to cancel the Bank-PD authorisation if, in its view, the concerned bank has not fulfilled any of the prescribed eligibility and performance criteria.

#### 6.6 Application for Primary Dealership

Banks eligible to apply for Primary Dealership should approach the Chief General Manager, Department of Banking Operations and Development, Reserve Bank of India, Central Office, World Trade Centre, Cuffe Parade, Mumbai-400005 for in-principle approval. On obtaining an in-principle approval from DBOD, banks may then apply to the Chief General Manager, Internal Debt Management Department, Reserve Bank of India, 16th Floor, Central Office Building, Fort, Mumbai-400 001 for an authorization for undertaking PD business departmentally.

## 6.7 <u>Applicability of the guidelines issued for Primary Dealers to bank-PDs</u>

- (i) The bank-PDs are expected to join Primary Dealers Association of India (PDAI) and Fixed Income Money Market and Derivatives Association (FIMMDA) and abide by the code of conduct framed by them and such other actions initiated by them in the interests of the securities markets.
- (ii) The requirement of ensuring minimum investment in Government Securities and Treasury Bills on a daily basis based on net call / RBI borrowing and Net Owned Funds will not be applicable to bank-PDs.
- (iii) It is clarified that for the purpose of "when-issued trades" permitted vide circular IDMD.No/3426 /11.01.01 (D)/2005-06 dated May 3, 2006, bank-PDs will be treated as Primary Dealers.
- (iv) Bank-PDs shall be guided by the extant guidelines applicable to the banks as regards borrowing in call / notice / term money market, Inter-Corporate Deposits, FCNR (B) loans / External Commercial Borrowings and other sources of funds.
- (v) The investment policy of the bank may be suitably amended to include PD activities also. Within the overall framework of the investment policy, the PD business undertaken by the bank will be limited to dealing, underwriting and market-making in Government Securities. Investments in Corporate /PSU / FIs bonds, Commercial Papers, Certificate of deposits, debt mutual funds and other fixed income securities will not be deemed to be a part of PD business.

#### 6.8 Maintenance of books and accounts

- (i) The transactions related to Primary Dealership business, undertaken by a bank departmentally, would be executed through the existing Subsidiary General Ledger (SGL) account of the bank. However, such banks will have to maintain separate books of accounts for transactions relating to PD business (distinct from normal banking business) with necessary audit trails. It should be ensured that, at any point of time, there is a minimum balance of Rs. 100 crore of Government Securities earmarked for PD business.
- (ii) Bank-PDs should subject the transactions by PD department to concurrent audit. An auditors' certificate for having maintained the minimum stipulated balance of Rs. 100 crore of Government Securities in the PD-book on an ongoing basis and having adhered to the guidelines / instructions issued by RBI, should be forwarded to IDMD, RBI on quarterly basis.

## 7. <u>Mutual Fund business</u>

(i) Prior approval of the RBI should be obtained by banks before undertaking mutual fund business. Bank-sponsored mutual funds should comply with guidelines issued by SEBI from time to time.

- (ii) The bank-sponsored mutual funds should not use the name of the sponsoring bank as part of their name. Where a bank's name has been associated with a mutual fund, a suitable disclaimer clause should be inserted while publicising new schemes that the bank is not liable or responsible for any loss or shortfall resulting from the operations of the scheme.
- (iii) Banks may enter into agreements with mutual funds for marketing the mutual fund units subject to the following terms and conditions:
- a) Banks should only act as an agent of the customers, forwarding the investors' applications for purchase / sale of MF units to the Mutual Funds/ the Registrars / the transfer agents. The purchase of units should be at the customers' risk and without the bank guaranteeing any assured return.
- b) Banks should not acquire units of Mutual Funds from the secondary market.
- c) Banks should not buy back units of Mutual Funds from their customers.
- d) If a bank proposes to extend any credit facility to individuals against the security of units of Mutual Funds, sanction of such facility should be in accordance with the extant instructions of RBI on advances against shares / debentures and units of mutual funds.
- e) Banks holding custody of MF units on behalf of their customers, should ensure that their own investments and investments made by / belonging to their customers are kept distinct from each other.
- f) Banks should put in place adequate and effective control mechanisms in this regard. Besides, with a view to ensuring better control, retailing of units of mutual funds may be confined to certain select branches of a bank.

#### 8. Relationship with subsidiaries

The sponsor bank is required to maintain an "arms length" relationship from the subsidiary/mutual fund sponsored by it in regard to business parameters such as, taking undue advantage in borrowing/lending funds, transferring/selling/buying of securities at rates other than market rates, giving special consideration for securities transactions, overindulgence in supporting / financing the subsidiary, financing the bank's clients through them when the bank itself is not able or is not permitted to do so, etc. Supervision by the parent bank should not, however, result in interference in the day-to-day management of the affairs of the subsidiary/mutual fund. Banks should evolve appropriate strategies such as:

i) The Board of Directors of the parent/sponsor bank may review the working of subsidiaries/mutual fund at periodical intervals (say once in six months) covering the major aspects relating to their functioning and give proper guidelines/suggestions for improvement, wherever considered necessary.

- ii) The parent bank may cause inspection/audit of the books and accounts of the subsidiaries/mutual fund at periodical intervals, as appropriate, and ensure that the deficiencies noticed are rectified without lapse of time. If a bank's own inspection staff is not adequately equipped to undertake the inspection/audit, the task may be entrusted to outside agencies like firms of Chartered Accountants. In case there is technical difficulty for causing inspection/audit (e.g. on account of non-existence of an enabling clause in the Memorandum and Articles of Association of the subsidiary or Asset Management Company), steps should be taken to amend the same suitably.
- iii) Where banks have equity participation by way of portfolio investment in companies offering financial services, they may review the working of the latter at least on an annual basis.

#### 9. Smart / Debit Card Business

Banks may introduce smart/on-line debit cards with the approval of their Boards, keeping in view the Guidelines contained in **Annex-1**. In the case of debit cards, where authorization and settlement are off-line or where either authorization or settlement is off-line, banks should obtain prior approval of the Reserve Bank of India for introduction of the same by submitting the details on the mode of authorization and settlement, authentication method employed, technology used, tie-ups with other agencies/service providers (if any), together with Board note/Resolution. However, only banks with networth of Rs.100 crore and above should undertake issue of off-line debit cards. Banks cannot issue smart/debit cards in tie-up with other non-bank entities. Banks should review operations of smart/debit cards and put up review notes to their Boards at half-yearly intervals, say at the end of March and September, every year. A report on the operations of smart/debit cards issued by banks should be forwarded to the Department of Payment and Settlement Systems (DPSS) with a copy to the concerned Regional Office of Department of Banking Supervision on a half yearly basis, say at the end of March and September every year, incorporating information as indicated in Annex-2.

There is no objection to banks offering incentives to promote debit card usage without prior approval of RBI, provided that no element of lottery or chance is involved in such incentive schemes.

As regards Prepaid cards, banks may be guided by the instructions contained in the circular DPSS.CO.PD.No.1873/02.14.06/2008-09 dated April 27, 2009 issued by Department of Payment and Settlement Systems, Reserve Bank of India.

## 10. <u>Money Market Mutual Funds (MMMFs)</u>

MMMFs would come under the purview of SEBI regulations. Banks and Financial Institutions desirous of setting up MMMFs would however have to seek necessary clearance from RBI for undertaking this additional activity before approaching SEBI for registration.

# 11. <u>Cheque Writing Facility for investors of Money Market Mutual Funds</u> (MMMFs)

Banks are permitted to tie-up with MMMFs as also with MFs in respect of Gilt Funds and Liquid Income Schemes which predominantly invest in money market instruments (not less than 80 per cent of the corpus) to offer cheque writing facilities to investors subject to the following safeguards:

- (i) In the case of a MMMF set up by a bank, the tie-up arrangement should be with the sponsor bank. In other cases, the tie-up should be with a designated bank. The name of the bank should be clearly indicated in the Offer Document of the Scheme.
- (ii) The Offer Document should clearly indicate that the tie-up to offer cheque writing facility is purely a commercial arrangement between the MMMF/MF and the designated bank, and as such, the servicing of the units of MMMF/MF will not in any way be the direct obligation of the bank concerned. This should be clearly stated in all public announcements and communications to individual investors.
- (iii) The facility to any single investor in the MMMF/MF can be permitted at the investor's option, in only one of the branches of the designated bank.
- (iv) It should be in the nature of a drawing account, distinct from any other account, with clear limits for drawals, the number of cheques that can be drawn, etc, as prescribed by MMMF/MF. It should not however be used as a regular bank account and cheques drawn on this account should only be in favour of the investor himself (as part of redemption) and not in favour of third parties. No deposits can be made in the account. Each drawal made by the investor under the facility should be consistent with the terms prescribed by the MMMF/MF and treated as redemption of the holdings in the MMMF/MF to that extent.
- (v) The facility can be availed of by investors only after the minimum lock-in period of 15 days for investments in MMMFs (not applicable in the case of eligible Gilt Funds and Liquid Income Schemes of Mutual Funds and any prescription of lock-in-period in such cases will be governed by SEBI Regulations).

- (vi) The bank should ensure pre-funding of the drawing account by the MMMF/MF at all times and review the funds position on a daily basis.
- (vii) Such other measures as may be considered necessary by the bank.

## 12. <u>Entry of banks into Insurance business</u>

With the issuance of Government of India Notification dated August 3, 2000, specifying 'Insurance' as a permissible form of business that could be undertaken by banks under Section 6(1)(o) of the Banking Regulation Act, 1949, banks were advised that any bank intending to undertake insurance business as per the guidelines set out in the **Annex-3** should obtain prior approval of Reserve Bank of India before engaging in such business. Banks may, therefore, submit necessary applications to RBI furnishing full details in respect of the parameters as specified in the above guidelines, details of equity contribution proposed in the joint venture/strategic investment, the name of the company with whom the bank would have tie-up arrangements in any manner in insurance business, etc. The relative Board note and Resolution passed thereon approving the bank's proposal together with viability report prepared in this regard may also be forwarded to Reserve Bank. However, insurance business will not be permitted to be undertaken departmentally by the banks. Further, banks need not obtain prior approval of the RBI for engaging in insurance agency business or referral arrangement without any risk participation, subject to certain conditions (**Annex-4**).

## 13. Pension Funds Management (PFM) by banks

Consequent upon the issue of Government of India Notification F.No.13/6/2005-BOA dated May 24, 2007 specifying "acting as Pension Fund Manager" as a form of business in which it would be lawful for a banking company to engage in, in exercise of the powers conferred by clause (o) of sub-section (1) of Section 6 of the Banking Regulation Act, 1949, banks have been advised that they may undertake Pension Funds Management (PFM) through their subsidiaries set up for the purpose. This would be subject to their satisfying the eligibility criteria prescribed by PFRDA for Pension Fund Managers. PFM should not be undertaken departmentally. Banks intending to undertake pension funds management as per the guidelines set out in **Annex-5** should obtain prior approval of Reserve Bank of India before engaging in

such business and may submit necessary applications to the Department of Banking Operations and Development, Reserve Bank of India, World Trade Centre, Centre-I, Mumbai-400 005 furnishing full details in respect of the various eligibility criteria as specified in the **Annex-5** along with the details of the equity contribution proposed to be made in the subsidiary. The relative Board Note and Resolution passed thereon approving the bank's proposal together with a detailed viability report prepared in this regard may also be forwarded to Reserve Bank.

#### 14. Underwriting of Corporate Shares and Debentures

Generally, there are demands on the banks for underwriting the issues of shares and debentures. In order to ensure that there is no overexposure to underwriting commitments, the guidelines detailed below should be strictly adhered to:

- i) The statutory provision contained in Section 19(2) & (3) of the Banking Regulation Act, 1949 regarding holding of shares in any company as pledgee / mortgagee or absolute owner, should be strictly adhered to.
- ii) The banks have to ensure that underwriting commitments taken up by them in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds comply with the ceiling prescribed for the banks' exposure to the capital markets. However, with effect from April 16, 2008 banks may exclude their own underwriting commitments, as also the underwriting commitments of their subsidiaries, through the book running process for the purpose of arriving at the capital market exposure both on a solo and consolidated basis. The position in this regard would be reviewed at a later date.
- a. The underwriting exposure to any company is to be reckoned for the purpose of arriving at the exposure limits for single and group borrower as laid down in the Master Circular on Exposure Norms.
- b. Banks could consider sub-underwriting for every underwritten issue so as to minimise chances of devolution on their own account. This is not mandatory. The need for and extent of such sub-underwriting is a matter of bank's discretion.
- c. While taking up underwriting obligations, banks should carefully evaluate the proposals so as to ensure that the issues will have adequate public response and the prospect of devolution of such shares/debentures on the underwriting banks will be minimal.
- d. Banks should ensure that the portfolio is diversified and that no unduly large underwriting obligations are taken up in the shares and debentures of a company or a

group of companies. Banks should make enquiries regarding the other underwriters and their capacity to fulfil the obligations.

- iii) Banks should not underwrite issue of Commercial Paper by any Company or Primary Dealer.
- iv) Banks should not extend Revolving Underwriting Facility to short term Floating Rate Notes/Bonds or debentures issued by corporate entities.
- v) An annual review covering the underwriting operations taken up during the year, with company-wise details of such operations, the shares/debentures devolved on the banks, the loss (or expected loss) from unloading the devolved shares/debentures indicating the face-value and market value thereof, the commission earned, etc. may be placed before their Boards of Directors within 2 months of the close of the fiscal year.
- vi) Banks/ merchant banking subsidiaries of banks undertaking underwriting activities are also required to comply with the guidelines contained in the SEBI (Underwriters) Rules and Regulations, 1993, and those issued from time to time.

## 15. <u>Underwriting of bonds of Public Sector Undertakings</u>

The banks can play a useful role in relation to issue of bonds by Public Sector Undertakings (PSUs) by underwriting a part of these issues. Banks should subject the proposals for underwriting to proper scrutiny having regard to all the relevant factors and accept such commitments only on well-reasoned commercial considerations with the appropriate authority.

The banks should formulate their own internal guidelines as approved by their Boards of Directors on investments in and underwriting of PSU bonds, including norms to ensure that excessive investment in any single PSU is avoided.

Banks should undertake an annual review of the underwriting operations relating to bonds of the public sector undertakings, with PSU-wise details of such operations, bonds devolved on the banks, the loss (or expected loss) from unloading the devolved bonds indicating the face-value and market value thereof, the commission earned, etc. and place the same before their Boards of Directors within two months from the close of the fiscal year.

#### 16. 'Safety Net' Schemes

Reserve Bank had observed that some banks/their subsidiaries were providing buy-back facilities under the name of 'Safety Net' Schemes in respect of certain public issues as part of their merchant banking activities. Under such schemes, large exposures are assumed by way of commitments to buy the relative securities from the original investors at any time during a stipulated period at a price determined at the time of issue, irrespective of the prevailing market price. In some cases, such schemes were offered *suo motto* without any request from the company whose issues are supported under the schemes. Apparently, there was no undertaking in such cases from the issuers to buy the securities. There is also no income commensurate with the risk of loss built into these schemes, as the investor will take recourse to the facilities offered under the schemes only when the market value of the securities falls below the pre-determined price. Banks/their subsidiaries have therefore been advised that they should refrain from offering such 'Safety Net' facilities by whatever name called.

#### 17. Referral Services

There is no objection to banks offering referral services to their customers for financial products subject to the following conditions:

- (i) The bank/third party issuers of the financial products should strictly adhere to the KYC/AML guidelines in respect of the customers who are being referred to the third party issuers of the products.
- (ii) The bank should ensure that the selection of third party issuers of the financial products is done in such a manner so as to take care of the reputational risks to which the bank may be exposed in dealing with the third party issuers of the products.
- (iii) The bank should make it explicitly clear upfront to the customer that it is purely a referral service and strictly on a non-risk participation basis.
- (iv) The third party issuers should adhere to the relevant regulatory guidelines applicable to them.
- (v) While offering referral services, the bank should strictly adhere to the relevant RBI guidelines.

#### 18. Disclosure of commissions/ remunerations

In terms of paragraph 7 of this circular, banks have been advised that they can enter into agreements with mutual funds for marketing the mutual fund units subject to certain terms and conditions. Similarly, in terms of paragraph 12 of this circular, banks have been advised that they need not obtain prior approval of the RBI for engaging in

insurance agency business or referral arrangement without any risk participation, subject to the conditions stipulated in Annex 4 of this Circular. Banks have also been permitted, vide paragraph 17 of this circular, to offer purely referral services on a nonrisk participation basis to their customers, for financial products subject to certain conditions. In addition to the above, banks also provide non-discretionary Investment Advisory Services to their clients for which approvals are granted by us on a case-tocase basis. Further, in some cases, banks have also been permitted to offer discretionary Portfolio Management Services, through their subsidiaries, subject to certain conditions. In all the activities referred to above, it is likely that banks may be marketing / referring, several competing products of various mutual fund / insurance / financial services companies to their customers. Keeping in view the need for transparency in the interest of the customers to whom the products are being marketed / referred, the banks are advised to disclose to the customers, details of all the commissions / other fees (in any form) received, if any, from the various mutual fund / insurance / other financial services companies for marketing / referring their products. This disclosure would be required even in cases where the bank is marketing/ distributing/ referring products of only one mutual fund/ insurance companies etc.

2. In order to increase transparency in the financial statements of banks, Reserve Bank of India has from time to time issued circulars to banks requiring disclosures in the 'Notes to Accounts' to their Balance Sheet. As a further step in enhancing transparency, it has been decided that banks should disclose in the 'Notes to Accounts', from the year ending March 31, 2010, the details of fees / remuneration received in respect of the bancassurance business undertaken by them.

## **Guidelines for Issue of Smart Cards/Debit Cards by banks**

#### 1. Coverage

The guidelines apply to the smart cards/cards encompassing all or any of the following operations:

- Electronic payment involving the use of card, in particular at point of sale and such other places where a terminal/device for the use/access of the card is placed.
- The withdrawing of bank notes, the depositing of bank notes and cheques and connected operations in electronic devices such as cash dispensing machines and ATMs.
- Any card or a function of a card which contains real value in the form of electronic money which someone has paid for in advance, some of which can be reloaded with further funds or one which can connect to the cardholder's bank account (on-line) for payment through such account and which can be used for a range of purposes.

#### 2. Cash Withdrawals

No cash transaction, that is, cash withdrawals or deposits should be offered at the Point of Sale, with the smart/debit cards under any facility, without prior authorization of RBI under Section 23 of the Banking Regulation Act, 1949.

#### 3. Eligibility of Customers

The banks can issue smart (both on-line and off-line)/on-line debit cards to select customers with good financial standing even if they have maintained the accounts with the banks for less than six months subject to their ensuring the implementation of 'Know Your Customer' concept as stipulated in para 9.2 of the Report of the Study Group on Large Value Bank Frauds forwarded vide circular No.DBS. FGV.BC.56/23.04.001/98-99 dated 21<sup>st</sup> June 1999. However, banks introducing off-line mode of operation of debit cards should adhere to the minimum period of satisfactory maintenance of accounts for six months. Banks can extend the smart card/ debit card facility to those having saving bank account/current account/fixed deposit accounts with built-in liquidity features maintained by individuals, corporate bodies and firms. Smart card/debit card facility should not be extended to cash credit/loan account holders. The banks can, however, issue on-line debit cards against personal loan accounts, where operations through cheques are permitted.

#### 4. Treatment of Liability

The outstanding balances/unspent balances stored on the smart/debit cards shall be subject to the computation for the purpose of maintenance of reserve requirements. This position will be computed on the basis of the balances appearing in the books of the bank as on the date of reporting.

### 5. Payment of Interest

In case of smart cards having stored value (as in case of the off-line mode of operation of the smart card), no interest may be paid on the balances transferred to the smart cards. In case of debit cards or on line smart cards, the payment of interest should be in accordance with the interest rate directives issued to banks from time to time under Sections 21 and 35A of the Banking Regulation Act, 1949.

#### 6. Security and other aspects

- (a) The bank shall ensure full security of the smart card. The security of the smart card shall be the responsibility of the bank and the losses incurred by any party on account of breach of security, failure of the security mechanism shall be borne by the bank.
- (b) In terms of instructions contained in the circular RBI/DPSS.No.1501/02.14.003/2008-09 2009 issued dated February 18, Department of Payment and Settlement Systems, Reserve Bank of India on security issues and risk mitigation measures relating to online card transactions using Credit/Debit cards, banks were advised to put in place with effect from August 01, 2009
  - A system of providing for additional authentication/ validation based on information not visible on the cards for all on-line card not present transactions except IVR transactions.
  - ii. A system of "Online Alerts" to the cardholder for all 'card not present' transactions of the value of Rs.5,000/- and above

Banks have also been advised vide our circular number RBI/DPSS No.2303/02.14.003/2009-2010 dated April 23, 2010 that the requirement of additional authentication/ validation to all card not present transactions has been extended to IVR transactions also. Accordingly, banks have been advised to implement the contents of the circular with effect from January 01, 2011.

- (c) No bank shall dispatch a card to a customer unsolicited, except in the case where the card is a replacement for a card already held by the customer.
- (d) Banks shall keep for a sufficient period of time, internal records to enable operations to be traced and errors to be rectified (taking into account the law of limitation for the time barred cases).
- (e) The cardholder shall be provided with a written record of the transaction after he has completed it, either immediately in the form of receipt or within a reasonable period of time in another form such as the customary bank statement.
- (f) The cardholder shall bear the loss sustained up to the time of notification to the bank of any loss, theft or copying of the card but only up to a certain limit (of fixed amount or a percentage of the transaction agreed upon in advance between the cardholder and the bank), except where the cardholder acted fraudulently, knowingly or with extreme negligence.

- (g) Each bank shall provide means whereby his customers may at any time of the day or night notify the loss, theft or copying of their payment devices.
- (h) On receipt of notification of the loss, theft or copying of the card, the bank shall take all action open to it to stop any further use of the card.

#### 7. Terms and Conditions for issue

The relationship between the bank and the card holder shall be contractual. In case of contractual relationship between the cardholder and the bank:

- a) Each bank shall make available to the cardholders in writing, a set of contractual terms and conditions governing the issue and use of such a card. These terms shall maintain a fair balance between the interests of the parties concerned.
- b) The terms shall be expressed clearly.
- c) The terms shall specify the basis of any charges, but not necessarily the amount of charges at any point of time.
- d) The terms shall specify the period within which the cardholder's account would normally be debited.
- e) The terms may be altered by the bank, but sufficient notice of the change shall be given to the cardholder to enable him to withdraw if he so chooses. A period shall be specified after which time the cardholder would be deemed to have accepted the terms if he had not withdrawn during the specified period.
- (f) (i) The terms shall put the cardholder under an obligation to take all appropriate steps to keep safe the card and the means (such as PIN or code) which enable it to be used.
- (ii) The terms shall put the cardholder under an obligation not to record the PIN or code, in any form that would be intelligible or otherwise accessible to any third party if access is gained to such a record, either honestly or dishonestly.
- (iii) The terms shall put the cardholder under an obligation to notify the bank immediately after becoming aware:
- of the loss or theft or copying of the card or the means which enable it to be used;
- of the recording on the cardholder's account of any unauthorised transaction;
- of any error or other irregularity in the maintaining of that account by the bank.
- (iv) The terms shall specify a contact point to which such notification can be made. Such notification can be made at any time of the day or night.
- (v) The terms shall put the cardholder under an obligation not to countermand an order which he has given by means of his card.
- g) The terms shall specify that the bank shall exercise care when issuing PINs or codes and shall be under an obligation not to disclose the cardholder's PIN or code, except to the cardholders.
- h) The terms shall specify that the bank shall be responsible for direct losses incurred by a cardholder due to a system malfunction directly within the bank's control. However, the bank shall not be held liable for any loss caused by a technical

breakdown of the payment system if the breakdown of the system was recognizable for the cardholder by a message on the display of the device or otherwise known. The responsibility of the bank for the non-execution or defective execution of the transaction is limited to the principal sum and the loss of interest subject to the provisions of the law governing the terms.

8. As regards prepaid cards, banks may refer to the guidelines on prepaid cards issued by Department of Payment and Settlement System, Reserve Bank of India vide circular DPSS.CO.PD.No.1873/02.14.06/2008-09 dated April 27, 2009 as amended from time to time.

## Reporting format for the issue and operations of Smart Cards/Debit Cards

- 1. Name of the bank:
- 2. Period of reporting:
- 3. Type of the card with the hardware components (I.C. Chip) e.g. Magnetic stripe, CPU, memory:
- 4. Type of the software used:
- 5. Names of products offered through the smart card:
- 6. Limits on the storage of the amount:
- 7. Re-loadability features:
- 8. Security standards followed:
- 9. Service provider: (self or otherwise)
- 10. Total no. of outlets where the smart cards can be used of which:
  - a. POS Terminals:
  - b. Merchant Establishments:
  - c. ATMs:
  - d. Others (please specify)
- 11. Total no of cards issued of which:
  - a. against savings bank a/c.
  - b. against current a/c.
  - c. against float a/c.
- 12. Total amount of balance stored on the smart cards as on the date of reporting:
- 13. Total amount of unspent balance on the smart cards as on the date of reporting:
- 14. Total no. of transactions during the period:
- 15. Amount involved in the total no. of transactions:
- 16. Transaction settlement mechanism (full procedure):
  - a. whether on-line or
  - b. off-line
- 17. Instances of fraud, if any, during the period
  - a. No. of frauds:
  - b. Amount involved:
  - c. Amount of loss to the bank:
  - d. Amount of loss to the card holder:

#### **Entry of banks into Insurance business**

- 1. Scheduled commercial banks are permitted to undertake insurance business as agent of insurance companies on fee basis, without any risk participation. The subsidiaries of banks will also be allowed to undertake distribution of insurance product on agency basis.
- 2. Banks which satisfy the eligibility criteria given below will be permitted to set up a joint venture company for undertaking insurance business with risk participation, subject to safeguards. The maximum equity such a bank can hold in the joint venture company will normally be 50 per cent of the paid-up capital of the insurance company. On a selective basis, the Reserve Bank of India may permit a higher equity contribution by a promoter bank initially, pending divestment of equity within the prescribed period (see Note 1 below).

The eligibility criteria for joint venture participant are as under:

- (i) The net worth of the bank should not be less than Rs.500 crore;
- (ii) The CRAR of the bank should not be less than 10 per cent;
- (iii) The level of non-performing assets should be reasonable;
- (iv) The bank should have net profit for the last three consecutive years;
- (v) The track record of the performance of the subsidiaries, if any, of the concerned bank should be satisfactory.
- 3. In cases where a foreign partner contributes 26 per cent of the equity with the approval of Insurance Regulatory and Development Authority/Foreign Investment Promotion Board, more than one public sector bank or private sector bank may be allowed to participate in the equity of the insurance joint venture. As such participants will also assume insurance risk, only those banks which satisfy the criteria given in paragraph 2 above, would be permitted.
- 4. A subsidiary of a bank or of another bank will not normally be allowed to join the insurance company on risk participation basis. Subsidiaries would include bank subsidiaries undertaking merchant banking, securities, mutual fund, leasing finance, housing finance business, etc.

5. Banks which are not eligible as joint venture participant as above, can make investments up to 10% of their networth or Rs.50 crore, whichever is lower, in the insurance company for providing infrastructure and services support. Such participation shall be treated as an investment and should be without any contingent liability for the bank.

The eligibility criteria for these banks will be as under:

- (i) The CRAR of the bank should not be less than 10%;
- (ii) The level of NPAs should be reasonable;
- (iii) The bank should have net profit for the last three consecutive years.
- 6. All banks entering into insurance business will be required to obtain prior approval of the Reserve Bank. The Reserve Bank will give permission to banks on case to case basis keeping in view all relevant factors including the position in regard to the level of non-performing assets of the applicant bank so as to ensure that non-performing assets do not pose any future threat to the bank in its present or the proposed line of activity, viz.,insurance business. It should be ensured that risks involved in insurance business do not get transferred to the bank and that the banking business does not get contaminated by any risks which may arise from insurance business. There should be 'arms length' relationship between the bank and the insurance outfit.

#### Note:

- 1. Holding of equity by a promoter bank in an insurance company or participation in any form in insurance business will be subject to compliance with any rules and regulations laid down by the IRDA/Central Government. This will include compliance with Section 6AA of the Insurance Act as amended by the IRDA Act, 1999, for divestment of equity in excess of 26 per cent of the paid up capital within a prescribed period of time.
- 2. Latest audited balance sheet will be considered for reckoning the eligibility criteria.
- 3. Banks which make investments under paragraph 5 of the above guidelines, and later qualify for risk participation in insurance business (as per paragraph 2 of the guidelines) will be eligible to apply to the Reserve Bank for permission to undertake insurance business on risk participation basis.

# Entry of banks into Insurance business - insurance agency business/referral arrangement

The banks need not obtain prior approval of the RBI for engaging in insurance agency business or referral arrangement without any risk participation, subject to the following conditions:

- (i) The bank should comply with the IRDA regulations for acting as 'composite corporate agent' or referral arrangement with insurance companies.
- (ii) The bank should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by the bank. The customers should be allowed to exercise their own choice.
- (iii) The bank desirous of entering into referral arrangement, besides complying with IRDA regulations, should also enter into an agreement with the insurance company concerned for allowing use of its premises and making use of the existing infrastructure of the bank. The agreement should be for a period not exceeding three years at the first instance and the bank should have the discretion to renegotiate the terms depending on its satisfaction with the service or replace it by another agreement after the initial period. Thereafter, the bank will be free to sign a longer term contract with the approval of its Board in the case of a private sector bank and with the approval of Government of India in respect of a public sector bank.
- (iv) As the participation by a bank's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by the bank in a prominent way. There should be no 'linkage' either direct or indirect between the provision of banking services offered by the bank to its customers and use of the insurance products.
- (v) The risks, if any, involved in insurance agency/referral arrangement should not get transferred to the business of the bank.

## **Guidelines for banks' acting as Pension Fund Managers**

## 1. Eligibility Criteria

Banks will be allowed to undertake Pension Fund Management (PFM) through their subsidiaries only. Pension Fund Management should not be undertaken departmentally. Banks may lend their names/abbreviations to their subsidiaries formed for Pension Fund Management, for leveraging their brand names and associated benefits thereto, only subject to the banks maintaining 'arms length' relationship with the subsidiary. In order to provide adequate safeguards against associated risks and ensure that only strong and credible banks enter into the business of pension fund management, the banks complying with the following eligibility criteria (as also the solvency margin prescribed by PFRDA) may approach the Reserve Bank of India for necessary permission to enter into the business of pension funds management:

- (i) Networth of the bank should be not less than Rs.500 crore.
- (ii) CRAR should be not less than 11% during the last three years.
- (iii) Bank should have made net profit for the last three consecutive years.
- (iv) Return on Assets (ROA) should be atleast 0.6% or more.
- (v) Level of net non-performing assets (NPAs) should be less than 3%.
- (vi) Performance of the bank's subsidiary/ies, if any, should be satisfactory.
- (vii) Management of the bank's investment portfolio should be good as per the AFI Report of the Reserve Bank and there should not be any adverse remark/s in the Report involving supervisory concerns.

#### 2. Pension Fund Subsidiary - Safeguards

The banks fulfilling the above eligibility criteria as also the criteria prescribed by PFRDA for Pension Fund Managers will be permitted to set up subsidiaries for pension fund management subject to the following conditions:

- (i) The bank should obtain prior permission of the Reserve Bank for investing in the equity for the purpose of setting up the subsidiary. Transferring or otherwise dealing with its shareholding in the subsidiary in any manner would also require prior approval of the Reserve Bank.
- (ii) Composition of the Board of Directors of the subsidiary should be broad based and should be as per the guidelines, if any, prescribed by PFRDA.
- (iii) The parent bank should maintain "arms length" with the subsidiary. Any transaction between the bank and the subsidiary should be at market related rates.
- (iv) Any further equity contribution by the bank to the subsidiary should be with the prior approval of the Reserve Bank and total equity contribution by the bank to the subsidiary at any point of time should be within 10% of the bank's paid-up capital and reserves.
- (v) The bank's total investment by way of equity contributions in its existing subsidiaries, the proposed pension funds subsidiary and those formed in future together with portfolio investments in other financial services companies as well as mutual funds should not exceed 20% of its paid-up capital and reserves.
- (vi) The parent bank's Board should lay down a comprehensive risk management policy for the group as a whole including the subsidiary; incorporating appropriate risk management tools. It should also ensure effective implementation thereof.
- (vii) The bank should evolve a suitable system to monitor operations of the subsidiary.
- (viii) The subsidiary should confine itself to the business of pension fund management and any other business, which is purely incidental and directly related thereto.
- (ix) The pension fund subsidiary should not set up another subsidiary without prior approval of the Reserve Bank.
- (x) The subsidiary should not promote a new company, which is not a subsidiary thereof, without the prior approval of the Reserve Bank.
- (xi) The subsidiary should not make any portfolio investment in another existing company with an intention of acquiring controlling interest, without prior approval of the Reserve Bank.
- (xii) The bank should submit a Business Plan to the Reserve Bank highlighting the business projections of the subsidiary for the first five years so as to determine whether subsidiary would be able to comply with the solvency margin as may be prescribed by PFRDA and not fall back on the bank for augmenting its capital for the purpose.

- (xiii) The permission granted by the Reserve Bank to a bank to set up the subsidiary shall be without prejudice to the decision of PFRDA to grant a license to the subsidiary to do the pension fund management business.
- (xiv) The subsidiary should abide by all the instructions, guidelines etc., on pension fund management issued by PFRDA from time to time.
- (xv) The bank should ensure that the subsidiary does not have on-line access to the customers' accounts maintained with the bank.
- (xvi) In order to maintain systems integrity of the bank, adequate safeguards between the systems of the bank and that of the subsidiary should be put in place by the bank.
- (xvii) The bank should strictly comply with the reporting requirements prescribed under the "financial conglomerates" framework, wherever applicable.
- (xviii) The bank should not grant any unsecured advances to the JV or subsidiary without the prior approval of the Reserve Bank.

## **Appendix**

## List of Circulars consolidated by the Master Circular

No	Circular No.	Date	Subject
1.	RBI/2009-10/283 DBOD.No.FSD.BC.67/24.01.001/2009- 10	January 07, 2010	Disclosure in Balance Sheet - Bancassurance Business
2.	RBI/2009-10/225 DBOD.No.FSD.BC.60/24.01.001/2009- 10	November 16, 2009	Marketing/ Distribution of Mutual Fund/ Insurance etc., Products by Banks
3.	RBI/2009-10/65 DBOD.No.FSD.BC.18/24.01.001/2009- 10	July 1, 2009	Master Circular on Para Banking Activities
4.	RBI/2006 -2007/446 DBOD.No.FSD.BC.102/24.01.022/200 6-07	June 28, 2007	Pension Fund Management (PFM) by banks
5.	RBI/2006-07/140 IDMD.PDRS.1431/03.64.00/ 2006-2007	October 5, 2006	Operational Guidelines for Banks undertaking/proposing to undertake Primary DealerBusiness
6.	RBI/2006-07/104 DBOD.FSD.BC.No.25/ 24.92.001/2006-07	August 9, 2006	Guidelines for banks undertaking PD business
7.	RBI 2005-06/ 308 DBOD. FSD. BC. No. 64/ 24.92.001/ 2005-06	February 27, 2006	Guidelines for banks' undertaking PD Business
8.	RBI/2004/260 DBOD.BP.BC.No.100/21.03. 054/2003-04	June 21, 2004	Annual Policy Statement for the year 2004-05 - Prudential Credit Exposure Limits by Banks
9.	DBOD.FSC.BC.27/24.01.018/ 2003-2004	September 22, 2003	Entry of banks into Insurance business
10.	DBOD.FSC.BC.88/24.01.011 A/2001-02	April 11, 2002	Issue of Smart Cards by banks
11.	DBOD.FSC.BC.32/24.01.019/ 2001-02	September 29, 2001	Issue of Debit Cards by banks
12.	DBOD.FSC.BC.133/24.01.01 9/2000-01	June 18, 2001	Guidelines for the issue of Smart/Debit Cards by banks
13.	DBOD.FSC.BC.41/24.01.011/ 2000-01	October 30, 2000	Issue of Credit/Debit Cards by banks
14.	DBOD.FSC.BC/16/24.01.018/ 2000-2001	August 9, 2000	Entry of banks into Insurance business
15.	DBOD.FSC.BC.145/24.01.013-2000	March 7, 2000	Guidelines relating to Money Market Mutual Funds (MMMFs)
16.	DBOD.FSC.BC.123/24.01.019/99-2000	November 12, 1999	Guidelines for the issue of Smart/Debit Cards by banks