

May 21, 2007

The General Manager
Government Accounts Department, Head Office
State Bank of India / State Bank of Indore / State Bank of Patiala
State Bank of Bikaner & Jaipur / State Bank of Saurashtra
State Bank of Travancore / State Bank of Hyderabad / State Bank of Mysore
Allahabad Bank / Bank of Baroda / Bank of India / Bank of Maharashtra/
Canara Bank / Central Bank of India / Corporation Bank / Dena Bank / Indian Bank/
Indian Overseas Bank / Punjab National Bank / Syndicate Bank /UCO Bank /
Union Bank of India / United Bank of India / Vijaya Bank / ICICI Bank Ltd

Dear Sir,

**Agency Commission - Public Provident Fund Scheme, 1968 (PPF)
and Senior Citizens Savings Scheme, 2004 (SCSS) - Clarifications**

Please refer to our Circular No. RBI/2006-07/289 dated March 16, 2007 conveying the decision to pay only one channel of agency commission to Agency banks handling PPF and SCSS. While our Regional Offices (PADs-Public Accounts Departments) / Central Accounts Section (CAS), Nagpur have received claims from some banks under the new dispensation, a few banks have sought clarification on various aspects of agency commission.

2. With a view to bringing uniform practice in claiming agency commission which would facilitate our PADs / CAS to settle the claims expeditiously, we advise you as under:

- i) Agency banks may submit their claims in the Formats enclosed (Annex I & II). The claims should be prepared for each quarter separately and a summary of the claim may be submitted as per Annex III.
- ii) Agency commission is payable on PPF w.e.f. July 1, 2005 and on SCSS from April 1, 2006.
- iii) Claim for arrears of agency commission due upto March 31, 2007 shall be submitted by Agency banks latest by June 10, 2007.
- iv) In case of PPF, there is no change in reporting arrangements and the Agency banks are required to submit their claims to the concerned PADs or CAS, Nagpur, as was being done earlier. As regards SCSS, all the Agency banks are required to submit the claim to CAS, Nagpur.
- v) Claims for agency commission shall be certified by Auditors / Concurrent Auditors of the Agency banks to the effect that no ineligible item is included and the claim is made as per extant instructions of RBI.
- vi) A few banks have already received remuneration on PPF& SCSS accounts from Government of India (Gol) for the period after July 1, 2005 and April 1, 2006 respectively. Since there will be only one channel of agency commission payable, the remuneration if any already paid by Gol will be recovered by the Bank.
- vii) Brokerage / Commission paid to small savings agents for mobilising deposits under the two schemes will be reimbursed by Gol as hitherto, hence and the same should not be claimed as a part of the agency commission payable by the Bank.
- viii) Those banks which have already submitted claims / received payment from the Bank are advised to furnish a fresh claim as indicated in this Circular.

3. Please acknowledge receipt.

Yours faithfully,

(Imtiyaz Ahmad)
Assistant General Manager

**To be prepared on the letter head of the bank
Claim for Agency Commission on PPF Transactions for the Quarter Ended ____**

Receipt	No. of Transactions	Amount (Rs.)
Gross Receipt (Subscriptions)		
Less: Refunds / Any other adjustment	Not Applicable	
Less: Error scroll transactions	Not Applicable	
NET PPF RECEIPTS		
Payment	No. of Transactions	Amount (Rs.)
Gross Payments (Principal plus Interest)		
Less: Recovery / Any other adjustment	Not Applicable	
Less: Error scroll transactions	Not Applicable	
NET PPF PAYMENTS		
Agency Commission on Net PPF Receipts (No. of Transactions * Rs.45/-)	Not Applicable	
Agency Commission on Net PPF Payments (Net PPF Payments in Rs. * 0.09%)	Not Applicable	
TOTAL	Not Applicable	

Note:

- Separate quarterly claims should be prepared for the period July 2005 to March 2007 (7 quarters).

To be prepared on the letter head of the bank
Claim for Agency Commission on SCSS Transactions for the Quarter Ended ____

Receipt	No. of Transactions	Amount (Rs.)
Gross Receipt (Subscriptions)		
Less: Refunds / Any other adjustment	Not Applicable	
Less: Error scroll transactions	Not Applicable	
NET SCSS RECEIPTS		
Payment	No. of Transactions	Amount (Rs.)
Gross Payments (Principal plus Interest)		
Less: Recovery / Any other adjustment	Not Applicable	
Less: Error scroll transactions	Not Applicable	
NET SCSS PAYMENTS		
Agency Commission on Net SCSS Receipts (No. of Transactions * Rs.45/-)	Not Applicable	
Agency Commission on Net SCSS Payments (Net SCSS Payments in Rs. * 0.09%)	Not Applicable	
TOTAL	Not Applicable	

Note:

- Separate quarterly claims should be prepared for the period April 2006 to March 2007 (4 quarters).

To be prepared on the letter head of the bank
Summary of the claim for Agency commission on PPF and SCSS

(Amount in Rs)

Quarter ending	PPF	SCSS
September 2005		NOT ELIGIBLE
December 2005		
March 2006		
June 2006		
September 2006		
December 2006		
March 2007		
Total		

Signature
(Agency bank)