



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2010-11/520

Ref.DBS.ARS.BC. No. 07/ 08.91.020/ 2010-11

May 11, 2011

The Chief Executives Officers
All foreign banks operating in India

Dear Sir/Madam,

Regulatory and Audit Compliance

It is observed that Indian operations of foreign banks functioning in India as branches of the parent banks generally do not have a separate Audit Committee vested with the responsibility of examining and reviewing inspection/audit reports for their compliance. In the recent past, there have been concerns about the adequacy of regulatory compliance by foreign banks in India and it is felt that this is on account of Business Heads/Units reporting directly and being answerable to their 'Functional Heads' located overseas and not to the Chief Executive Officer (CEO) of Indian operations.

2. In this context, it has been decided that for all foreign banks operating in India, the Chief Executive Officer would be responsible for effective oversight of regulatory and statutory compliance as also the audit process and the compliance thereof in respect of all operations in India.

3. Please acknowledge receipt.

Yours faithfully,

Sd/-

(G. Jaganmohan Rao)
Chief General Manager-in-Charge