



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2009-10/246

UBD.BPD (PCB). Cir No. 25/09.11.200/2009-10

December 3, 2009

Chief Executive Officer  
All Primary (Urban) Cooperative Banks

Dear Sir / Madam,

### **Credit Information Companies (Regulation) Act, 2005**

As you are aware, the Credit Information Companies (Regulation) Act, 2005 (the Act) has been operationalised with effect from December 14, 2006. In terms of Section 15(1) of the Act, every credit institution has to become member of at least one credit information company within a period of three months from commencement of the Act or any extended time allowed by the Reserve Bank on application.

2. The Government had in exercise of powers conferred by Section 35 of the Act issued (Removal of Difficulties) Order, 2008 dated January 24, 2008 extending the last date for taking membership of at least one credit information company by credit institutions to December 31, 2008. A copy of captioned Notification dated January 24, 2008 is enclosed for information and necessary action. Further extension of time is under consideration.

3. In this connection it is advised that as per the provisions of sub section (1) of Section 21 of the Credit Information Companies (Regulation) Act, 2005, "any person, who applies for grant or sanction of credit facility, from any credit institution, may request such institution to furnish him a copy of the credit information obtained by such institution from the credit information company". Further, sub-section (2) of the said Section also specifies that every credit institution shall on receipt of

request, as indicated in sub-section (1), furnish to such person a copy of the credit information subject to payment of charges specified by the bank under the Regulations. You might be aware that Reserve Bank, in Credit Information Companies Regulations, 2006, framed under the Act, has already prescribed in Regulation 12(3) a maximum fees of Rs. 50/- (Rupees fifty only) for the purpose.

4. As the Urban Cooperative Banks fall under the category of credit institutions as defined in sub-section (f) of Section 2 of the Act, they would be required to take membership of at least one credit information company and provide credit data (positive as well as negative) to the credit information company in the format prescribed by the credit information company. The success of credit information collection and dissemination system depends on the data supplied by banks to the credit information companies. Therefore it is desirable that the Urban Cooperative Banks should be in readiness to supply data to credit information companies as and when they become operational. In view of this, Urban Cooperative Banks are advised to initiate steps to build up database and be in readiness for effective exchange of credit information.

Yours faithfully

(A.K. Khound)  
Chief General Manager-in-Charge

Encl:1

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Notification

**Credit Information Companies (Regulation) (Removal of Difficulties) Order, 2008**

Whereas the Credit Information Companies (Regulation) Act, 2005 (30 of 2005) (hereinafter referred to as "the Act") came into force on 14th December, 2006;

And Whereas the provisions contained in sub-section (1) of Section 15 of the Act require every credit institution in existence on the commencement of the Act to become member of at least one credit information company before the expiry of three months from such commencement;

And Whereas the provisions contained in sub-section (1) of Section 15 contemplate a choice to the credit institutions amongst the credit information companies, in at least one of which they may become a member;

And Whereas on the commencement of the Act, only one company is in existence carrying on the business of credit information and which has applied for a certificate of registration under Section 4 of the Act;

And Whereas the time limit of three months prescribed under sub-section (1) of Section 15 had expired on 13th March, 2007;

And Whereas no company has so far been granted a certificate of registration under Section 5 of the Act to commence or carry on the business of credit information;

And Whereas it has become necessary for giving effect to the provisions of the Act to extend the aforesaid time limit from 14th March, 2007 to 31st December, 2008 in order to facilitate the credit institutions to exercise their choice amongst the credit information companies in at least one of which they may become a member;

Now, therefore, in exercise of the powers conferred by Section 35 of the Credit Information Companies (Regulation) Act, 2005 (30 of 2005), the Central Government hereby makes the following Order; namely :

**Short Title and Commencement**

1. (1) This Order may be called the Credit Information Companies (Regulation) (Removal of Difficulties) Order, 2008.

(2) It shall come into force with immediate effect.

**Time Limit for being Member of a Credit Information Company**

A credit institution in existence on the commencement of this Act, shall become member of at least one credit information company by 31.12.2008 under sub-section (1) of Section 15 of the Act.

Sd/-

**(D. P. Bhardwaj)**

Deputy Secretary to the Govt. of India