



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2015-16/153

DGBA.GAD.No. 617/31.12.010(C)/2015-16

August 13, 2015

The Chairman/Chief Executive Officer  
All Agency Banks

Dear Sir / Madam,

**Conduct of Government Business by Agency Banks – Payment of Agency Commission**

Please refer to paragraphs 2 to 7 of our [Master Circular No RBI /2015-16/81 dated July 01, 2015](#) on the captioned subject, wherein government transactions eligible for and not eligible for agency commission are discussed.

2. In this connection, it is clarified that the following activities do not come under the purview of agency bank business and are therefore not eligible for payment of agency commission.

- (a) Furnishing of bank guarantees/security deposits, etc through private sector banks by government contractors/suppliers, which constitute banking transactions undertaken by banks for their customers.
- (b) The banking business of autonomous/statutory bodies.
- (c) Payments of a capital nature such as capital contributions/subsidies/grants made by governments to cover losses incurred by autonomous/statutory bodies.
- (d) Prefunded schemes which may be implemented by a Central Government Ministry/Department (in consultation with CGA) and a State Government Department through any bank without reference to RBI.

Yours faithfully,

(Monisha Chakraborty)  
General Manager