

**PRESS RELEASE**



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### **RBI releases Comprehensive Policy Framework for Ownership and Governance of Private Banks for Feedback**

The Reserve Bank of India (RBI) has formulated a draft comprehensive policy framework in regard to the ownership and governance of private sector banks. This is placed in public domain for discussion and feedback before finalising.

It may be recalled that in paragraph 68 of the Annual Policy Statement for 2004-05 announced on May 18, 2004, the Governor had indicated that keeping in view the special nature of banks, it is necessary to articulate in a comprehensive and transparent manner the policy in regard to ownership and governance of both, public and private sector banks.

It may be noted that the Reserve Bank had, on June 25, 2004, advised private sector banks that they should undertake a process of due diligence to determine the "fit and proper" status of persons for appointment as director on the board and ensure that in public interest the directors execute the deed of covenant as recommended by the Ganguly Group. The circular is available on the RBI website ([www.rbi.org.in](http://www.rbi.org.in))

**Alpana Killawala**  
**Chief General Manager**

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