



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes Penalty on 19 Commercial Banks for Non-compliance of its instructions on Derivatives

The Reserve Bank of India has imposed penalties on 19 commercial banks, as detailed below, in exercise of the powers vested with it under the provisions of Section 47A(1)(b) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

The penalties have been imposed on these banks for contravention of various instructions issued by the Reserve Bank in respect of derivatives, such as, failure to carry out due diligence in regard to suitability of products, selling derivative products to users not having risk management policies and not verifying the underlying/adequacy of underlying and eligible limits under past performance route.

The Reserve Bank had issued Show Cause Notices to these banks. In response to this, the banks submitted their written replies. On a careful examination of the banks' written replies and the oral submissions made during the personal hearings, the Reserve Bank found that the violations were established and the penalties were thus imposed.

Sl. No.	Name of banks	Penalty (₹ in Lakh)
1	Axis Bank Ltd	15.00
2	Barclays Bank PLC	15.00
3	HDFC Bank Ltd	15.00
4	ICICI Bank Ltd	15.00
5	Kotak Mahindra Bank Limited	15.00
6	Yes Bank Ltd	15.00
7	BNP Paribas	10.00
8	Citi Bank NA	10.00
9	Credit Agricole - CIB	10.00
10	Development Credit Bank Ltd.	10.00
11	ING Vysya Bank Ltd	10.00
12	Royal Bank of Scotland	10.00
13	Standard Chartered Bank	10.00
14	State Bank of India	10.00
15	Bank of America NA	5.00
16	DBS Bank Ltd.	5.00
17	Deutsche Bank AG	5.00
18	Hongkong and Shanghai Banking Corporation Ltd.	5.00
19	JP Morgan Chase Bank NA	5.00