



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on The Hongkong and Shanghai Banking Corporation Limited

The Reserve Bank of India (RBI) has, by an order dated May 02, 2023 imposed a monetary penalty of ₹1,73,75,000/- (Rupees one crore seventy three lakh and seventy five thousand only) on The Hongkong and Shanghai Banking Corporation Limited (the bank) for contravention of Rule 20(1) of Credit Information Companies Rules, 2006 (CIC Rules). This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of section 25 (1) (iii) read with section 23 (4) of Credit Information Companies (Regulation) Act, 2005.

This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Background

The Statutory Inspection for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2021, and the examination of the Risk Assessment Report and all related correspondences pertaining to the same revealed, *inter alia*, contravention of the aforesaid rules by the bank to the extent that it furnished incorrect credit information in respect of a number of expired credit cards with nil dues, to all the four Credit Information Companies. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the said provisions of CIC Rules, as stated therein.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of contravention of the aforesaid CIC Rules was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager