



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 26, 2023

RBI imposes monetary penalty on Standard Chartered Bank-India

The Reserve Bank of India (RBI) has, by an order dated June 26, 2023, imposed a monetary penalty of ₹30.00 lakh (**Rupees Thirty Lakh only**) on Standard Chartered Bank-India (the bank) for non-compliance with certain provisions of the '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949.

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 2021) of the bank was conducted by RBI with reference to its financial position as on March 31, 2021. The examination of the Risk Assessment Report/Inspection Report pertaining to ISE 2021 and review of compliance with KYC directions in the bank carried out by RBI and all related correspondence in that regard, revealed, *inter-alia*, that the bank allotted multiple customer identification code to some of its individual customers. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the directions issued by RBI, as stated therein.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and additional submissions made by it, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty on the bank, to the extent of non-compliance with such directions.

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(Yogesh Dayal)
Chief General Manager