



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

June 28, 2024

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

The Reserve Bank of India (RBI) has, by an order dated June 24, 2024, imposed a monetary penalty of ₹29.60 lakh (Rupees Twenty-Nine lakh and Sixty thousand only) on The Hongkong and Shanghai Banking Corporation Limited (the bank) for non-compliance with certain directions issued by RBI on 'Credit Card, Debit Card and Rupee Denominated Co-branded Pre-paid Card operations of Banks' reiterated in '[Reserve Bank of India \(Credit Card and Debit Card – Issuance and Conduct\) Directions, 2022](#)'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty. The bank failed to ensure that there was no negative amortisation while computing Minimum Payment Due in certain credit card accounts.

The action is based on deficiencies in statutory and regulatory compliance and is not intended to pronounce upon the validity of any transactions or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)
Chief General Manager