



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 16, 2019

Reserve Bank of India imposes monetary penalty on SBM Bank (India) Ltd.

The Reserve Bank of India (RBI) has, by an order dated October 15, 2019, imposed a monetary penalty of ₹3 crore on SBM Bank (India) Ltd. for non-compliance by SBM Bank (Mauritius) Ltd. (amalgamated with SBM Bank (India) Ltd. on November 30, 2018) with certain provisions of directions issued by RBI on “Time-bound implementation and strengthening of SWIFT - related operational controls” and “Cyber Security Framework in Banks”. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account the failure to adhere to the aforesaid directions issued by RBI.

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

A scrutiny was carried out by RBI to examine the implementation of SWIFT related operational controls in SBM Bank (Mauritius) Ltd. at its Indian operations and it was observed that it had failed to comply with certain provisions of the aforesaid directions. Based on the findings of the scrutiny and taking into account that Indian undertaking of the said bank was amalgamated with SBM Bank (India) Ltd., a notice was issued to SBM Bank (India) Ltd. advising it to show cause as to why penalty should not be imposed for non-compliance with the directions. After considering the reply received from SBM Bank (India) Ltd., oral submissions made in the personal hearing, and examination of additional submissions, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were sustained and warranted imposition of monetary penalty.

(Yogesh Dayal)

Chief General Manager

Press Release: 2019-2020/967