



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2012-13/81

DGBA.CDD No. H – 8576 /13.01.299/2012-13

July 2, 2012
Ashadha 10, 1934 (S)

The Chairman / Managing Director
Head Office (Government Accounts Department)
State Bank of India and Associates
All Nationalized banks
(Excluding Punjab and Sind Bank & Andhra Bank)
Axis Bank Ltd./ICICI Bank Ltd./HDFC Bank Ltd./
Stock Holding Corporation of India Ltd. (SHCIL)

Dear Sir/Madam,

Master Circular on Appointment & Delisting of Brokers and Payment of Brokerage on Relief/Savings Bonds

Please refer to our [Master Circular No RBI/2011-12/95 dated July 1, 2011](#) on the above subject.

2. In order to facilitate availability of all the current operative instructions on the above subject at one place, a Master Circular incorporating instructions issued up to June 30, 2012 is enclosed. The same has also been placed on RBI website <http://www.rbi.org.in>

Yours faithfully,

(Sangeeta Lalwani)
General Manager

Encl. Three sheets

यह विभाग आईएसओ 9001:2008 प्रमाणित है।

सरकारी एवं बैंक लेखा विभाग, केन्द्रीय कार्यालय, 4 थी मंजिल, मुंबई सेंट्रल रेलवे स्टेशन के सामने, भायखला, मुंबई-400008

This department is ISO 9001:2008 certified.

Department of Government & Bank Accounts, Central Office,
Opp. Mumbai Central Railway Station, Byculla, Mumbai – 8.

Telephone: (022)2300 3660, Fax No. (022) 2301 0095, e-mail: cgmicdgbaco@rbi.org.in

**MASTER CIRCULAR
RELIEF/SAVINGS BONDS**

A) APPOINTMENT / DELISTING OF BROKERS

1. Procedure for enrollment / registration of brokers

Agency banks may follow a simple procedure for enrollment/registration of brokers. The broker seeking enrollment/registration may submit the request for registration on their business letterhead together with business data to the agency banks. The agency banks should allot a code number to the broker which should be quoted by the broker on all applications tendered at the Receiving offices for claiming brokerage.

(Ref. No CO.DT./13.01.201 / 692 / 2000-01 dated 9.8.2000)

2. Appointment of sub-agents by Agency banks

It has come to our notice that some banks designated/authorized by Reserve Bank of India (RBI) have engaged the services of other banks as brokers/agents for receiving applications and the latter are using the name of RBI in their publicity material and billboards stating that RBI has appointed them as brokers for Relief/Savings bonds business. We advise that in cases where authorised banks engage the services of other banks/institutions as a broker or agent, the agency banks who have appointed them are solely responsible for their activities as an agent/broker. RBI's name should not be used by such banks.

(Ref. CO.DT./13.01.251/ 5341/2001-02 dated 4.1.2002)

3. Delisting of brokers

The names of the dormant brokers, who have been dormant for say 2 years, may be delisted after giving a due notice if, no fresh business is forthcoming from these brokers.

(Ref.CO.DT./13.01.201/4890/1999-00 dated 6.3.2000)

B) PAYMENT & RATES OF BROKERAGE FOR SAVINGS BONDS

1. Rates of brokerage

- a. Brokerage at the rate of ₹ 1.00 (Rupee One only) per ₹ 100/- will be paid to brokers registered/enrolled with agency banks on applications tendered for investment in the bonds in the form of Bond Ledger Account

(BLA) at designated branches on behalf of their clients and bearing their stamp.

**[Ref. CO.DT./13.01.201/432/2000-01 dated 25.7.2000
& GOI Notification No.F.4 (1-W&M/99 dated 21.7.2000)]**

b. No brokerage is payable in case the broker is one of the investors/applicants.

(Ref. CO.DT./13.01.298/H-2411/2003-04 dated 29.10.2003)

2. No TDS on payment of brokerage

No tax is required to be deducted at source by the agency banks while making payment of brokerage in respect of the Relief/Savings bonds business canvassed by brokers in terms of Section 194 (H) of the Income Tax Act, 1961.

**(Ref. CO.DT./201/5900/2000-01 dated 28.5.2001
& C.O.DT./13.01.298/H-3660/2003-04 dated 3.1.2004)**

3. Brokerage claims

a. Agency banks are to settle the brokerage claims expeditiously, and in any case, not later than 30 days from the date of subscription.

b. Agency banks are advised to first settle the brokerage claims and thereafter seek reimbursement from RBI.

(Ref. CO.DT./13.01.201/4668/2000-01 dated 8.3.2001)

c. As a measure towards improvement in customer service, agency banks may arrange to pay the brokerage to the agents, on a monthly basis by credit to their accounts through ECS after obtaining requisite mandate from them.

(Ref.CO.DT.13.01.298/H-4677/2002-03 dated 23.5.2003)

d. Reimbursement of brokerage claims in respect of Relief/Savings bonds has been centralized at CAS Nagpur from July 01, 2002, and it had been decided that 90% of the brokerage due to agencies, on the basis of funds remitted/reported to CAS as at the close of business of the month, will be paid on the 3rd working day of the succeeding month. The balance 10% is to be settled on submission of Appendix IV statement.

**(Ref.CO.DT.13.01.272/11032/2001-02 dated 25.6.2002
& CO.DT.13.01.272/H-2906 / 2002-03 dated 26.2.2003)**

(In case detailed clarifications are required on specific issues, the circulars indicated above may please be referred to)