**CERTIFICATE EXAMINATION IN MICROFINANCE**

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| **Sr. No.** | **RBI Notifications** |
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**Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**

RBI/2023-24/55
DOR.MCS.REC.32/01.01.003/2023-24

August 18, 2023

All Scheduled Commercial Banks
Regional Rural Banks
Primary (Urban) Co-operative Banks
State Co-operative Banks and District Central Co-operative Banks
Non-Banking Financial Companies (including Housing Finance Companies)

Madam / Dear Sir,

**Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**[**1**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0#F1)

Please refer to our [circular no. DBR.No.Dir.BC.10/13.03.00/2015-16 dated July 01, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902), [Master Directions no. DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10585), [DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10586) and [DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030) vide which the guidelines pertaining to Fair Practices Code for lenders have been issued to SCBs, NBFCs and HFCs, respectively. In terms of extant instructions of Reserve Bank of India, regulated entities (REs) have the freedom to offer all categories of advances either on fixed or on floating interest rates basis.

2. At the time of sanction of EMI based floating rate personal loans, REs are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, the REs are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance:

1. At the time of sanction, REs shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
2. At the time of reset of interest rates, REs shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.
3. The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.
4. All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the REs from time to time.
5. REs shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
6. REs shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. The REs shall ensure that the statements are simple and easily understood by the borrower.

3. Apart from the equated monthly instalment loans, these instructions would also apply, mutatis mutandis, to all equated instalment based loans of different periodicities. In case of loans linked to an external benchmark under the External Benchmark Lending Rate (EBLR) regime, the banks should follow extant instructions and also put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.

4. REs shall ensure that the above instructions are extended to the existing as well as new loans suitably by December 31, 2023. All existing borrowers shall be sent a communication, through appropriate channels, intimating the options available to them.

5. The above instructions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934, and sections 30A and 32 of the National Housing Bank Act, 1987.

Yours faithfully

Santosh Kumar Panigrahy
(Chief General Manager)

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0)

**Enhancing transaction limits for Small Value Digital Payments in Offline Mode**

RBI/2023-24/57
CO.DPSS.POLC.No.S526/02-14-003/2023-24

August 24, 2023

The Chairman / Managing Director / Chief Executive Officer
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

**Enhancing transaction limits for Small Value Digital Payments in Offline Mode**

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12215&fn=9&Mode=0) on “Framework for Facilitating Small Value Digital Payments in Offline Mode”.

2. As announced in the [Statement on Development and Regulatory Policies dated August 10, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56174), the upper limit of an offline payment transaction is increased to ₹500. Other instructions mentioned in the framework shall continue to remain applicable as before.

3. This directive is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect immediately.

Yours faithfully,

(Gunveer Singh)
Chief General Manager-in-Charge

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12531&Mode=0>

**Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans**

RBI/2023-24/60
DoR.MCS.REC.38/01.01.001/2023-24

September 13, 2023

All Commercial Banks (including Small Finance Banks
and Regional Rural Banks, excluding Payments Banks)
All Local Area Banks
All Primary (Urban) Co-operative Banks
All State Co-operative Banks and District Central Co-operative Banks
All NBFCs (including HFCs)
All Asset Reconstruction Companies

Madam / Dear Sir,

**Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal**[**1**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0#F1)**Loans**

In terms of the guidelines on Fair Practices Code issued to various Regulated Entities (REs) since 2003, REs are required to release all movable / immovable property documents upon receiving full repayment and closure of loan account. However, it has been observed that the REs follow divergent practices in release of such movable / immovable property documents leading to customer grievances and disputes. To address the issues faced by the borrowers and towards promoting responsible lending conduct among the REs, the following Directions are being issued:

**Release of Movable / Immovable Property Documents**

2. The REs shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

3. The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the RE where the documents are available, as per her / his preference.

4. The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.

5. In order to address the contingent event of demise of the sole borrower or joint borrowers, the REs shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the REs along with other similar policies and procedures for customer information.

**Compensation for delay in release of Movable / Immovable Property Documents**

6. In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the RE shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

7. In case of loss/damage to original movable / immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at paragraph 6 above. However, in such cases, an additional time of 30 days will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

8. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

**Applicability**

9. These Directions shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

10. The above Directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA and 45L of the Reserve Bank of India Act, 1934, and section 30A of the National Housing Bank Act, 1987.

Yours faithfully,

(Santosh Kumar Panigrahy)
Chief General Manager

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0)

**PM Vishwakarma Scheme**

RBI/2023-24/61
FIDD.CO.MSME.BC.No.10/06.02.031/2023-24

September 13, 2023

The Chairman/ Managing Director/Chief Executive Officer
All Scheduled Commercial Banks
(including Small Finance Banks and Regional Rural Banks, excluding Payments Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks
/ District Central Co-operative Banks
All Non-Banking Financial Companies (excluding housing finance companies)

Madam / Dear Sir,

**PM Vishwakarma Scheme**

Government of India (GoI) has introduced the ‘PM Vishwakarma Scheme’ which aims to provide support to artisans and craftspeople to enable them to move up the value chain in their respective trades. The Scheme envisages, among other measures, credit support to the beneficiaries at concessional interest rate, with interest subvention support by GoI.

2. In this regard, eligible lending institutions may refer to the Scheme [guidelines](https://pmvishwakarma.gov.in/FileHandling/ViewFile/MiscFiles%5CPM%20Vishwakarma-Guidelines.pdf) issued by the Ministry of Micro, Small and Medium Enterprises, for appropriate action.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12536&Mode=0>

**Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies**

RBI/2023-24/62
DoR.FIN.REC.39/20.16.056/2023-24

September 20, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks/ Central Co-operative Banks
All-India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
All Non-Banking Financial Companies (including Housing Finance Companies)
All Asset Reconstruction Companies
All Credit Information Companies

Dear Sir/ Madam,

**Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies**

Please refer to our [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8968&Mode=0), inter alia setting out a common Data Quality Index (DQI) for assessing the quality of data submissions by Credit Institutions (CIs) to Credit Information Companies (CICs) and improving the same over a period of time. Currently, the DQI is being used for data submitted under the consumer segment.

2. With a view to enable further implementation of DQI, it has been decided that CICs shall prepare DQIs for Commercial and Microfinance segments also as per [Annex I](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CommercialDQI20092023_AN1.pdf) and [II](https://rbidocs.rbi.org.in/rdocs/content/pdfs/MFIDQI20092023_AN2.pdf), respectively. CICs shall provide the DQIs for Commercial and Microfinance segments to all CIs latest by March 31, 2024.

3. Further, CICs are advised as under:

1. CICs shall provide DQIs for Commercial and Microfinance segments in the form of numeric scores on a monthly basis to all member credit institutions.
2. DQI scores for Commercial and Microfinance segments shall be provided at CI and file level. The DQI scores for Commercial and Microfinance segments at CI level shall be computed as weighted average of file level DQI scores of commercial and microfinance segment respectively of that CI.
3. CICs shall compute industry level DQIs for each of the three reporting segments[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12537&Mode=0#FT1) as weighted average of the CI level DQI in their respective category (e.g. Public Sector Banks, Private Sector Banks, Foreign Banks, Co-operative Banks, RRBs, NBFCs etc.) on monthly basis. Further, a half yearly Industry Benchmark shall be calculated as a rolling average of preceding six months Industry level DQI score of respective category of CIs.
4. CICs shall provide reasons for decline in score to each CI, if its (a) CI level score has declined over the previous month or (b) CI level score is lower than the half yearly industry benchmark.
5. CICs shall provide monthly data of CI level DQI and industry level DQI of all segments to Department of Supervision, Reserve Bank of India, Central Office at half yearly intervals as on September 30 and March 31 each year, for information and monitoring purposes.

4. CIs are advised to undertake half yearly review of the DQI for all segments to improve the quality of the data being submitted to CICs. Corrective steps taken on the above issues along with a report on the same shall be placed before its top management by each CI for review within two months from the end of that half-year.

Yours faithfully

(J. P. Sharma)
Chief General Manager

Encl: Annex I and II

For more details, Kindly refer:

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12537&Mode=0

**Display of information - Secured assets possessed under the SARFAESI Act, 2002**

RBI/2023-24/63
DoR.FIN.REC.41/20.16.003/2023-24

September 25, 2023

All Commercial Banks including Small Finance Banks, Local Area Banks and Regional Rural Banks and excluding Payment Banks
All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co-operative Banks
All India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
All Non-Banking Financial Companies including Housing Finance Companies
All Asset Reconstruction Companies

Dear Sir/ Madam

**Display of information - Secured assets possessed under the SARFAESI Act, 2002**

As a part of the move towards greater transparency, it has been decided that the Regulated Entities (REs) of the Reserve Bank which are secured creditors as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, shall display information in respect of the borrowers whose secured assets have been taken into possession by the REs under the Act.

2. REs shall upload this information on their website in the format as prescribed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0#AN1). The first such list shall be displayed on the website of REs within six (6) months from the date of this circular, and the list shall be updated on monthly basis.

Yours faithfully,

(J.P. Sharma)
Chief General Manager

Encl: Annex

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0>

**Gold Loan – Bullet Repayment – Primary (Urban) Co-operative Banks (UCBs)**

RBI/2023-24/66
DOR.CRE.REC.42/07.10.002/2023-24

October 6, 2023

Primary (Urban) Co-operative Banks other than Salary Earners’ Banks

Madam / Dear Sir,

**Gold Loan – Bullet Repayment – Primary (Urban) Co-operative Banks (UCBs)**

Please refer to the [circular UBD.BPD.(PCB).Cir.No.25/13.05.001/2014-15 dated October 30, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9307&Mode=0), in terms of which UCBs were permitted to extend gold loans up to ₹2.00 lakh with bullet repayment option, subject to certain conditions.

2. Reference is also invited to para 5 of our [circular DOR.CRE.REC.18/07.10.002/2023-24 dated June 8, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0) wherein it is stated that incentives to UCBs meeting the Priority Sector Lending (PSL) targets shall be announced separately. Accordingly, as announced vide para 3 of [Statement on Developmental and Regulatory Policies dated October 6, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56503), it has been decided to increase the monetary ceiling of gold loans that can be granted under the bullet repayment scheme, from ₹2.00 lakh to ₹4.00 lakh for those UCBs who have met the overall PSL target and sub targets as on March 31, 2023 and continue to meet the targets and sub-targets as prescribed at para 2 of our [circular dated June 8, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0), ibid.

3. The limits prescribed above are effective from the date of this circular. All other provisions of the aforesaid circulars remain unchanged.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12542&Mode=0>

**Strengthening of customer service rendered by Credit Information Companies and Credit Institutions**

RBI/2023-24/73
DoR.FIN.REC.49/20.16.003/2023-24

October 26, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks, and excluding Payments Banks)
All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co-operative Banks
All Non-Banking Financial Companies (including Housing Finance Companies)
All-India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
All Asset Reconstructions Companies
All Credit Information Companies

Dear Sir/ Madam

**Strengthening of customer service rendered by Credit Information Companies and Credit Institutions**

Please refer to para 4 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55473) released with the [Bi-monthly Monetary Policy Statement 2023-24 on April 6, 2023](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55472), wherein it was announced that a comprehensive framework will be put in place for strengthening and improving the efficacy of the grievance redress mechanism and customer service provided by the Credit Institutions (CIs) and Credit Information Companies (CICs).

2. Accordingly, in exercise of the powers conferred by sub-section (1) of section 11 of the Credit Information Companies (Regulation) Act, 2005 (CICRA, 2005), the Reserve Bank of India directs CICs and CIs to implement the directions as detailed below:

2.1. **Intimation of access to Credit Information Report and updation of credit information with Credit Information Companies**

1. CICs shall send alerts through SMS/ email to customers when their Credit Information Report (CIR) is accessed by the Specified Users (SUs) as defined in sub-section (l) of section 2 of CICRA, 2005, wherever mobile number/ email ID details of the customers are available. The alerts shall be sent by CICs only when the CIR enquiry reflects in the CIR of the customer.
2. CIs shall send alerts through SMS/ email to customers while submitting information to CICs regarding default/ Days Past Due (DPD) in existing credit facilities, wherever the mobile number/email ID details are available.
3. To enable sending of alerts through SMS/ email, the Uniform Credit Reporting Format for reporting credit information by CIs to CICs has been modified as detailed in [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/73NT26102023_AN1.pdf) (Item 1).
4. CIs are advised to organise special awareness campaigns to sensitise their customers about benefits of submission of their mobile numbers/ email IDs.

2.2. **Setting up of Nodal points/ officials by CIs**

1. CIs shall have a dedicated nodal point/ official of contact for CICs for redress of customer grievances. Details of the nodal point/ official along with email ID and telephone/ mobile number shall be furnished by CIs to CICs.
2. CIs shall inform CICs of any changes in the nodal points/ official within five (5) calendar days of such a change.

2.3. **Root Cause Analysis of the Complaints by CIs**

1. CIs shall undertake Root Cause Analysis (RCA) of the customer grievances at least on a half yearly basis. CIs shall also use, among others, information on data rejected by the CICs and Data Quality Index (DQI) provided by CICs as sources of information for carrying out RCA.
2. Analysis of the RCA shall be reviewed by the Top Management of CIs, at least, on an annual basis.

2.4. **Reasons for rejection of requests for data correction by CIs**

1. CIs shall inform the customers the reasons for the rejection of their request for data correction, if any, to enable such customers to better understand the issues in the CIR.
2. A list of reasons for rejection of requests shall be circulated by CICs to all CIs. CIs shall use the same while communicating the rejections of the request for data correction made by customers/ CICs during the grievance redress process.

2.5. **Periodic review of match logic algorithm by CICs**

1. CICs shall have a board-approved policy for undertaking periodic review (at least on a half-yearly basis) of the ‘Search & Match’ logic algorithm implemented by them to provide Credit Information Report (CIR) of a borrower.
2. Root Cause Analysis (RCA) of the complaints being undertaken by CICs shall be used to identify issues in the existing ‘Search & Match’ logic algorithm.
3. Results of the RCA and subsequent changes in the search and match logic shall be placed before the Board of Directors of the CIC for review.

2.6. **Ingestion of credit information data by CICs**

1. CICs shall ingest credit information data received from the Credit Institutions (CIs) as per its data acceptance rules, into their databases within seven (7) calendar days of its receipt from the CIs.
2. In case of data rejection, CICs shall communicate to the concerned CI, regarding rejection of the data with reasons, within seven (7) calendar days of receipt of the data.

2.7. **Disclosure of complaints on credit information reporting by CICs**

CICs shall disclose on their websites, details of complaints registered against them and CIs as per the format given in [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/73NT26102023_AN1.pdf) (Table 1 and 2).

2.8. **Easy access to Free Full Credit Report for the individuals by CICs**

CICs shall provide easy access to Free Full Credit Report[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12553&Mode=0#FT1) (FFCR) including credit score, once in a year (January- December), to individuals whose credit history is available with the CIC by displaying the link prominently on their website (on the Home page itself) so that individuals are able to access their FFCR conveniently.

3. The directions shall come into effect six (6) months from the date of this circular. CICs and CIs are directed to put in place necessary systems and processes to implement these directions within this period.

4. CICs and CIs which contravene or default in adherence to the above directions shall be liable for penal action as per the provisions of CICRA, 2005.

Yours faithfully,

(R. Lakshmi Kanth Rao)
Chief General Manager-in-Charge

Encl. Annex

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12553&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12553&Mode=0)

**Framework for compensation to customers for delayed updation/ rectification of credit information**

RBI/2023-24/72
DoR.FIN.REC.48/20.16.003/2023-24

October 26, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks, and excluding Payments Banks)
All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co-operative Banks
All Non-Banking Financial Companies (including Housing Finance Companies)
All-India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
All Asset Reconstruction Companies
All Credit Information Companies

Dear Sir/ Madam.

**Framework for compensation to customers for delayed updation/ rectification of credit information**

Please refer to para 4 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55473) released with the [Bi-monthly Monetary Policy Statement 2023-24 on April 6, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55472), wherein it was announced, inter alia, that a compensation mechanism will be put in place for delayed updation/rectification of credit information by the credit institutions (CIs) and credit information companies (CICs).

2. Accordingly, in exercise of the powers conferred by sub-section (1) of section 11 of the Credit Information Companies (Regulation) Act, 2005 (CICRA, 2005), the Reserve Bank of India directs CICs and CIs to implement the compensation framework for delayed updation/rectification of credit information by CIs and CICs as detailed below:

(a) Complainants shall be entitled to a compensation of ₹100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with a CI/ CIC.

**Explanation:**

1. Section 21 (3) of CICRA, 2005 provides that a complainant may request a CIC or CI to update the credit information by making an appropriate correction, addition or otherwise, and on such request the CI or CIC shall take steps to update the credit information within thirty (30) days after being requested to do so.
2. Rule 20 (3) (c) of CIC Rules, 2006 provides that the CI shall forward the corrected particulars of the credit information to the CIC or complainant within a period of twenty-one (21) days from the date when the CI was informed of the inaccuracy in the credit information.
3. The combined reading of Section 21(3) of CICRA, 2005 and Rule 20 (3) (c) of Credit Information Companies Rules, 2006 provide the CI and the CIC, collectively, an overall limit of thirty (30) days to resolve/ dispose of the complaint. In effect, this would mean that a CI would get twenty-one (21) days and CICs would effectively get the remainder of nine (9) days for complete resolution of the complaint.

(b) A CI shall pay compensation to the complainant if the CI has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC.

(c) A CIC shall pay compensation to the complainant if the CIC has failed to resolve the complaint within thirty (30) calendar days of being informed by the complainant or a CI, despite the CI having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.

(d) The complainant shall be advised by the CI/ CIC of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by CI and CIC.

(e) Compensation to be provided by the CICs/ CIs to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the CIs/ CICs concerned proportionately. Illustrative examples of the same are given in [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTI72FCCD261023_AN.pdf).

(f) Where the grievance/ complaint involves inaccurate credit information provided by more than one CI, the complaint shall be registered by the complainant with the concerned CIC. The CIC shall coordinate with all the CIs concerned and furnish the complainant with a comprehensive resolution of the grievance.

(g) Where the complaint has been received and registered by a CIC and there has been a delay in the resolution of the complaint, the CIC shall inform the concerned CI(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the CI(s) and/ or CIC.

(h) Where the complaint has been received and registered by a CI and there has been a delay in the resolution of the complaint, the CI shall inform the concerned CIC(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the CI and/ or CIC(s).

(i) The date of the resolution of the grievance shall be the date when the rectified Credit Information Report (CIR) has been sent by the CIC or CI to the postal address or email ID provided by the complainant.

(j) The CICs/ CIs shall make appropriate provision in their complaint submission format (both online and offline) for enabling the complainant to submit the contact details, email ID, and bank account details/ Unified Payment Interface (UPI) ID for crediting the compensation amount. The onus of providing accurate details will lie with the complainant and the CIs/ CICs will not be held responsible for any incorrect information provided by the complainant.

(k) The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.

(l) The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by CIs or CICs.

(m) In case of wrongful denial of compensation by CIs which are yet to be covered under the Reserve Bank - Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.

(n) **Non-Maintainability:** The compensation framework shall not be applicable in the following cases:

1. disputes for which remedy has been provided under Section 18 of CICRA, 2005. The Section 18 of CICRA, 2005 provides that for disputes arising amongst, CICs, CIs, borrowers, and clients on matters relating to the business of credit information and for which no remedy has been provided under CICRA, 2005, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996.
2. complaints/ references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff, and (d) references in the nature of suggestions and commercial decisions of the CIC/CI.
3. complaints pertaining to disputes/ grievances regarding the computation of the credit score/ credit score model.
4. complaints that have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.

3. The compensation framework shall come into effect six (6) months from the date of this circular. CICs and CIs are directed to put in place necessary systems and processes to implement the compensation framework within this period.

4. CICs and CIs which contravene or default in adherence to the above directions shall be liable for penal action as per the provisions of CICRA, 2005.

Yours faithfully,

(R. Lakshmi Kanth Rao)
Chief General Manager-in-Charge

Encl. Annex

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12554&Mode=0>

**Payments Infrastructure Development Fund – Extension of Scheme and Enhancements**

RBI/2023-24/101
CO.DPSS.POLC.No.S940/02-29-005/2023-24

December 29, 2023

The Chairman / Managing Director / Chief Executive Officer
Card Issuing and Acquiring Banks and Non-banks / Authorised Card Networks

Madam / Dear Sir,

**Payments Infrastructure Development Fund – Extension of Scheme and Enhancements**

Please refer to the Reserve Bank of India [circular DPSS.CO.AD No.900/02.29.005/2020-21 dated January 05, 2021](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12009&fn=9&Mode=0), on “Operationalisation of Payments Infrastructure Development Fund (PIDF) Scheme” and subsequent amendments made thereto.

2. As announced in the [Statement on Development and Regulatory Policies dated October 06, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56503), the PIDF Scheme is being extended by two years, i.e., upto December 31, 2025. Further, with a view to provide impetus to deployment of acceptance infrastructure, the following enhancements are being made to the Scheme:

1. The beneficiaries identified as part of the PM Vishwakarma Scheme, across the country, shall be included as merchants for deployment under the PIDF Scheme. All eligible installations since the inception of the PM Vishwakarma Scheme, i.e., September 17, 2023, may prefer claims under the PIDF Scheme.
2. The PIDF Scheme presently subsidises deployment of acceptance infrastructure based on category of device – physical or digital. It has been decided to enable other contemporary devices, viz., (i) Soundbox devices – providing instant audio payment confirmation along with payment acceptance by “scan & pay” and Near Field Communication (NFC), and (ii) Aadhaar-enabled biometric devices – certified biometric scanner devices facilitating Aadhaar authentication for acceptance of payment by merchant through BHIM Aadhaar Pay, would be eligible for subsidy under the Scheme, for installations made from October 01, 2023 onwards.
3. The amount of subsidy for devices deployed in special focus areas, viz., North Eastern States, Union Territories of Jammu & Kashmir and Ladakh, is increased from 75% to 90% of the total cost, irrespective of the type of device, for installations made from October 01, 2023 onwards.

3. The above enhancements, along with detailed guidelines, have been incorporated in the framework of PIDF Scheme, enclosed as [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&Mode=0#ANN).

4. These instructions are issued under Section 18 read with Section 10 (2) of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(Gunveer Singh)
Chief General Manager-in-Charge

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&Mode=0>