

DBS.CO.OSMOS.BC.6/33.01.001/2003-04 name=Reference>

Confidential

DBS.CO.OSMOS.BC.6/33.01.001/2003-04

September 18, 2003

Chairman / Chairman & Managing Director,
State Bank of India / Bank of Baroda /
Punjab National Bank / Canara Bank /
Bank of India / Union Bank of India /
Oriental Bank of Commerce /
Vijaya Bank / ICICI Bank Ltd /
HDFC Bank Ltd

Dear Sir,

Setting up of Offshore Banking Units (OBUs) in Special Economic Zones (SEZs)

Please refer to our circular DBOD.IBS.BC.42/23.13.004/2002-03 dated November 11, 2002 forwarding therewith a scheme for setting up of OBUs in SEZs by banks along with a notification No.FEMA.71/2002-RB dated September 7, 2002 issued by Exchange Control Department in this regard. In terms of the above scheme, RBI has granted licence to a few banks for setting up OBUs in SEZs. In this connection, the Department of Banking Supervision (DBS) has devised a reporting format for capturing certain prudential information relating to OBUs on an ongoing basis. Since OBUs are treated as foreign branches of Indian banks, all prudential norms as applicable to overseas branches of Indian banks would apply to OBUs as well.

The reporting format has been finalised in consultation with certain banks which have been granted licence to set up OBUs in SEZs. The reporting system consists of seven returns to be submitted by the concerned banks on a quarterly basis effective from September 2003. The first set of such returns would be required to be submitted by the banks for the quarter ending September 2003 by October 31, 2003 and thereafter within one month from the end of each quarter. Pending stabilisation of the reporting framework, the returns would be collected in Excel format, and hence, a soft copy of the template in Excel workbook is enclosed for compiling the returns.

The details regarding the returns, mode of submission, and other related matters are explained in the enclosure. Banks are requested to ensure that no changes are made in the excel sheets / workbook to facilitate smooth consolidation at our end.

The completed returns as per the enclosed format may be submitted in soft as well as hard copies duly signed by authorised signatories to The Chief General Manager, Department of Banking Supervision, Central Office, OSMOS Division, Reserve Bank of India, World Trade Centre I, Cuffe Parade, Mumbai - 400005. Soft copy of the return may be mailed to osmos@rbi.org.in. Queries pertaining to the returns, if any, may be mailed to the above address or transmitted over telephone (Nos 022-22150721 / 22184251).

Please acknowledge receipt of the circular.

Yours faithfully,

Sd/-

(M. Palanisamy)
Chief General Manager

Enclosure

Reporting Framework for Offshore Banking Units (OBUs)

1. No of Returns

The reporting system consists of seven returns viz.

1. Report on Asset, Liability and Off-Balance Sheet Exposures
2. Report on Structural Liquidity
3. Report on Operating Results
4. Report on Asset Quality
5. Report on Large Exposures
6. Report on Country Exposure and Maturity
7. Report on Frauds

2. Who should report?

All commercial banks, which have set up OBUs in SEZs in India, are required to file these returns.

3. Periodicity of submission of the returns

This reporting system becomes formally operative from the quarter ending September 2003 and first set of the returns are to be submitted by 31st of October, 2003. Thereafter, these returns are to be submitted on quarterly basis and the due date for submission would be last working day of the following month.

3. Date of Reporting

As on the last day of the quarter

4. Where to file or mail the returns?

The returns should be addressed to -

The Chief General Manager, Department of Banking Supervision, Reserve Bank of India, Central Office, OSMOS Division, World Trade Centre I, Cuffe Parade, Mumbai 400 005, e-mail osmos@rbi.org.in

One copy of the complete set of returns should also be sent to the Officer-in-Charge of DBS of the Regional Office of RBI, which has supervisory jurisdiction over the bank and to which the bank submits the other regulatory returns.

5. Reporting Currency

In thousands of US Dollar

6. Conversion of Currency

LIBOR - closing rate as on the last day of the quarter may be used for currency conversions.

7. Mode of Submission

A template in excel workbook is enclosed for preparing the returns. The workbook has seven worksheets for the seven different returns. Formulas have been given for the calculated cells like sub-total, total, percentage, etc. No additional rows or columns should be added and similarly no existing rows or columns should be deleted.

If a bank has more than one OBU located in different SEZs, the returns should be submitted for each OBU located in each SEZ and in such a case, a different workbook should be used for each OBU. The returns should be collated and submitted by the international banking division or other centralised department of the bank and in no case, individual OBU should submit the return directly to RBI.