



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on Cooperatieve Rabobank U.A.

The Reserve Bank of India (RBI) has imposed, by an order dated August 11, 2021, a monetary penalty of ₹1 Crore (Rupees One Crore only) on Cooperatieve Rabobank U.A. (the bank) for contravention of provisions of Section 11 (2) (b) (ii) of the Banking Regulation Act, 1949 (the Act), and Reserve Bank directions on [‘Sections 17\(1\) and 11\(2\)\(b\)\(ii\) of Banking Regulation Act, 1949- Transfer to Reserve Funds’ dated September 23, 2000](#). The penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Act.

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

The statutory Inspection for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2020, and the examination of the Risk Assessment Report pertaining to the same, revealed, *inter-alia*, contravention of above- mentioned provisions of the Act and the directions issued by RBI. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for contravention of the provisions of the Act and the RBI directions, as stated therein.

After considering the bank’s reply to the notice, oral submission made during the personal hearing and examination of additional submissions made by the bank, RBI came to the conclusion that the charge of contravention of aforesaid provisions of the Act and RBI directions was substantiated and warranted imposition of monetary penalty on the bank.