



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI 2012-13 / 293

DBS.FrMC.BC.No. 04/23.04.001/2012-13

November 15, 2012

The Chairmen & Chief Executive Officers of all
Scheduled Commercial Banks (excluding RRBs)
and All India Select Financial Institutions

Dear Sir,

Frauds – Classification and Reporting

Please refer to our [circular DBS. FrMC. BC. No.1 /23.04.001/2012-13 dated July 02, 2012](#) i.e., the Master Circular on “Frauds – Classification and Reporting”.

2. As per para 3.4 of the above mentioned circular, cases of attempted fraud, where the likely loss would have been ₹ 10.00 million or more had the fraud taken place, should be reported by the banks to the Fraud Monitoring Cell, Department of Banking Supervision, Reserve Bank of India, Central Office, Mumbai within two weeks of the banks coming to know that the attempt to defraud the bank had failed or was foiled.

3. On a review and as a part of rationalisation of process and procedures, it has been decided to amend para 3.4 of Master Circular DBS. FrMC. BC. No. 1/23.04.001/2012-13 dated July 02, 2012 on 'Frauds – Classification and Reporting'. Accordingly, the practice of reporting attempted fraud cases of ₹ 10 million and above to Reserve Bank of India, Fraud Monitoring Cell, Department of Banking Supervision, Central office may be discontinued from **the date of the circular**.

4. However, the banks should continue to place the individual cases involving ₹10 million and above before the Audit Committee of its Board as hitherto as per the instructions contained in above mentioned Master Circular. The report containing attempted frauds which is to be placed before the Audit committee of the Board should cover the following viz.

Department of Banking Supervision, Central Office, World Trade Centre 1, Cuffe Parade, Colaba, Mumbai - 400 005, INDIA

Tele: (9122) 22181281 Fax: 022 22152461 e-mail: cgmicbsco@rbi.org.in

"Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers."

- The modus operandi of the attempted fraud.
- How the attempt did not materialize in the fraud or how the attempt failed / was foiled.
- The measures taken by the bank to strengthen the existing systems and controls
- New systems and controls put in place in the area where fraud was attempted.
- In addition yearly consolidated review of such cases detected during the year containing information such area of operations where such attempts were made, effectiveness of new process and procedures put in place during the year, trend of such cases during the last three years, need for further change in process and procedures, if any, etc as on March 31 every year starting from the year ending March 31, 2013 within three months of the end of the relative year.

Yours faithfully

(A. Madasamy)
Chief General Manager