RBI/2014-15/435  
DCBR.BPD.(PCB/RCB).Cir No.13/16.74.000/2014-15  
January 29, 2015

The Chief Executive Officers  
All Primary (Urban) Co-operative Banks  
All State and Central Co-operative Banks

Dear Sir/Madam

Membership of Credit Information Companies (CICs) by Co-operative Banks

Please refer to our circulars UBD.BPD (PCB) Cir.No.25/09.11.200/2009-10 dated December 03, 2009 and RPCD.CO.RF.BC.No.44/07.40.06/2009-10 dated December 01, 2009 advising co-operative banks to take membership of at least one CIC and provide credit data (positive as well as negative) in the prescribed format to CIC.

2. Presently, four CICs, viz. Credit Information Bureau (India) Limited, Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and CRIF High Mark Credit Information Services Private Limited have been granted Certificate of Registration by RBI. In terms of Section 15 of the Credit Information Companies (Regulation) Act, 2005 (CICRA), every Credit Institution shall become member of at least one CIC. Further, Section 17 of CICRA stipulates that a CIC may seek and obtain credit information from its members (Credit Institution / CIC) only. As a result, when a Specified User, as defined in CICRA and Credit Information Companies Regulations, 2006, obtains credit information on a particular borrower/client from a CIC, it gets only such information that has been provided to the CIC by its members. This does not include credit history related to those non-member Credit Institutions with which the borrower/client has/had a current or a past exposure. To overcome this problem of
incomplete/inaccurate credit information, pros and cons of certain possible alternatives have been discussed in the Report of the Committee to Recommend Data Format for Furnishing of Credit Information to Credit Information Companies (Chairman: Shri Aditya Puri) constituted by the Reserve Bank of India (RBI). The Report of the Committee can be accessed on the following URL: http://rbi.org.in/scripts/PublicationReportDetails.aspx?UrlPage=&ID=763. These alternatives along with suggestions/comments obtained from IBA and the CICs have been examined by RBI. It has been decided that the best option would be to mandate all Credit Institutions to become members of all CICs and moderate the membership and annual fees suitably. These instructions would be reviewed in due course.

3. Accordingly all Co-operative banks are advised to comply with the directive issued by Department of Banking Regulation, Central Office vide DBR.No.CID.BC.59/20.16.056/2014-15 dated January 15, 2015 and become member of all CICs and submit data (including historical data) to them.

Yours faithfully

(Suma Varma)
Principal Chief General Manager