



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2012-13/155
DBOD.DIR.No.34/04.02.001/2012-13

August 1, 2012

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir / Madam

Advances - Out of pocket expenses

Please refer to the instructions contained in para 3 of our circular DBOD.No. Dir.BC. 131/C.96-97 dated November 15, 1976 and Note (i) of [Annex](#) to RBI Directive DBOD. DIR.BC.No.51/04.02.001/2011-12 dated November 15, 2011 on the captioned subject.

2. Hitherto, Indian Banks' Association (IBA) had been prescribing out of pocket expenses for member banks. IBA has since reviewed the matter in consultation with member banks and it has been observed that out of pocket expenses are linked to actual costs incurred by banks towards specific activities like courier / dispatch of documents, telecommunications and Swift operations and that the rates vary depending on the agencies involved as well as the efficacy of services, which differ from bank to bank.

3. It has, therefore, been decided that the practice of IBA prescribing out of pocket expenses on behalf of member banks should be done away with and the decision to recover out of pocket expenses should be left to the individual banks. Banks are advised that while recovering out of pocket expenses, they should ensure that the charges are reasonable and on an actual cost basis.

Yours faithfully

(Sudha Damodar)
Chief General Manager

बैंकिंग परिचालन और विकास विभाग , केंद्रीय कार्यालय , 13 माला , शहीद भगतसिंह मार्ग , मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13th floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001
टेलिफोन /Tel No: 91-22-22601000 फैक्स/Fax No: 91-22-22701241 Email ID:cgmicdbodco@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए