

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO.5040

TO BE ANSWERED ON THE 31st March 2017/ Chaitra 10, 1939 (SAKA)

Enforcement Department

5040. SHRI R. PARTHIPAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India proposes to set up separate Enforcement Department to monitor banks;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the said Enforcement Department will mainly deal with the penalties imposed on banks for violation of norms and if so, the details thereof; and
- (d) whether the above Enforcement Department will serve as centralised department to deal with banks and maintain record on banks performance and if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Reserve Bank of India (RBI) is setting up a separate Enforcement Department. The Enforcement Department (EFD) is proposed to be opened on April 3, 2017, to separate those who oversee the possible rule breaches and those who decide on punitive actions so that enforcement process operates fairly and is evidence based. The EFD shall, inter alia, develop a broad policy for enforcement and initiate enforcement action against the Regulated Entities (REs) for violation consistent with such policy. EFD would serve as a centralized department to deal with banks only for enforcement action.
