

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

UNSTARRED QUESTION NO. 3525

TO BE ANSWERED ON THE 16TH MARCH 2018/ PHALGUNA 25, 1939 (SAKA)

Banks to Link SWIFT

3525. SHRI C. MAHENDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has recently directed banks to link SWIFT (Society for World Interbank Financial Telecommunication System Platform) with their Core Banking System (CBS);
- (b) if so, the details thereof along with the reasons behind such a decision;
- (c) whether the Government has studied in detail the practical difficulties during its implementation and if so, the details thereof; and
- (d) whether this move will check fraud activities and if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(SHRISHIV PRATAPSHUKLA)

- (a) and (b): Reserve Bank of India (RBI) has informed that, in the wake of SWIFT-related fraud involving significant amount reported recently by Punjab National Bank, RBI has reiterated its instructions regarding “Cyber Security Controls- SWIFT” and “Cyber Security Controls – frauds related to trade finance transactions – misuse of SWIFT”, and mandated banks to implement the prescribed measures for strengthening the SWIFT operating environment in banks within the stipulated deadlines.
- (c): Further, in view of the rising incidence of frauds in the Indian banking system, RBI has constituted an Expert Committee to, *inter-alia*, look into the factors leading to increasing incidence of frauds in banks, and the measures (including information technology interventions) needed to curb and prevent it.
- (d): The instructions issued by RBI aim to strengthen SWIFT-related operational controls and reinforce fraud prevention and detection frameworks in place in banks, with a view to avoid misuse of SWIFT.
