

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UN-STARRED QUESTION No. 4116
TO BE ANSWERED ON 4 JANUARY 2019 (FRIDAY)/PAUSHA 14, 1940 (SAKA)

Standard Operating Procedure for ATMs

4116. ADV. JOICE GEORGE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has recently issued new Standard Operating Procedures (SOPs) for cash refilling of Automated Teller Machines (ATMs);
- (b) if so, the details thereof;
- (c) whether this comes in view of rising incidents of attacks on cash vans, cash vaults, ATM frauds and other internal frauds leading to increased sense of insecurity;
- (d) if so, the details thereof; and
- (e) whether the Government is planning for a new rigid framework/guidelines for ATM security and if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (e) As per Reserve Bank of India's advisory dated 6.4.2018 on "Cash Management activities of the banks-Standards for engaging the Service Provider and its sub-contractor", the cash held with the service providers and their sub-contractors continue to remain property of the banks and they are liable for all associated risks. Accordingly, banks are required to put in place appropriate Business Continuity Plan, approved by their respective boards to deal with any related contingencies.

As a part of this process, RBI has also stipulated standards for engaging the Service Provider and its sub-contractors, in terms of minimum net worth requirement and physical/security infrastructure.

Further, to mitigate risks involved in open cash replenishment/ top-up, RBI *vide* its circular dated April 12, 2018 has advised the banks to consider using lockable cassette in their ATMs, which shall be swapped at the time of cash replenishment. This is to be implemented in a phased manner covering at least one third ATMs operated by the banks every year, so that all ATMs achieve cassette swap by March 31, 2021.
