



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2013-14/81

DGBA.CDD. No. 7921/13.01.299/2013-14

July 01, 2013

The Chairman/Managing Director
Head Office (Government Accounts Department)
State Bank of India and Associates,
All Nationalized banks (Excluding Punjab and Sind Bank & Andhra Bank),
Axis Bank Ltd./ICICI Bank Ltd./HDFC Bank Ltd./
Stock Holding Corporation of India Ltd. (SHCIL)

Dear Sir/Madam,

**Master Circular on Appointment & Delisting of Brokers and
Payment of Brokerage on Relief/Savings Bonds**

Please refer to our [Master Circular DGBA.CDD No. H-8576/13.01.299/2012-13 dated July 2, 2012](#) on the above subject.

2. In order to facilitate availability of all the current operative instructions on the above subject at one place, instructions issued up to June 30, 2013 by us are enclosed. This circular has also been placed on RBI website <http://www.rbi.org.in>.

Yours faithfully,

(Sangeeta Lalwani)
General Manager

Encl. : One

सरकारी और बैंक लेखा विभाग, केन्द्रीय कार्यालय, 4थी मंजिल, मुंबई सेंट्रल स्टेशन के सामने, भायखला, मुंबई-400 008

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हिन्दी आसान है. इसका प्रयोग बढ़ाइये

चेतावनी : रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन-काल के जरिये किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिये।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, Passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

**Master Circular on Appointment & Delisting of Brokers and
Payment of Brokerage on Relief/Savings Bonds**

A) APPOINTMENT/DELISTING OF BROKERS

1. Procedure for enrollment/registration of brokers

Agency banks may follow a simple procedure for enrollment/registration of brokers. The broker seeking enrollment/registration may submit the request for registration on their business letterhead together with business data to the agency banks. The agency banks should allot a code number to the broker which should be quoted by the broker on all applications tendered at the Receiving offices for claiming brokerage.

(Ref. No CO.DT./13.01.201/692/2000-01 dated August 9, 2000)

2. Appointment of sub-agents by Agency banks

It has come to our notice that some banks designated/authorized by Reserve Bank of India (RBI) have engaged the services of other banks as brokers/agents for receiving applications and the latter are using the name of RBI in their publicity material and billboards stating that RBI has appointed them as brokers for Relief/Savings bonds business. We advise that in cases where authorised banks engage the services of other banks/institutions as a broker or agent, the agency banks who have appointed them are solely responsible for their activities as an agent/broker. RBI's name should not be used by such banks.

(Ref. CO.DT./13.01.251/ 5341/2001-02 dated January 4, 2002)

3. Delisting of brokers

The names of the dormant brokers, who have been dormant for say 2 years, may be delisted after giving a due notice if, no fresh business is forthcoming from these brokers.

(Ref. CO.DT./13.01.201/4890/1999-00 dated March 6, 2000)

B) PAYMENT & RATES OF BROKERAGE FOR SAVINGS BONDS

1. Rates of brokerage

- a. Brokerage at the rate of ₹ 1.00 (Rupee One only) per ₹100/- will be paid to brokers registered/enrolled with agency banks on applications tendered for investment in the bonds in the form of Bond Ledger Account (BLA) at designated branches on behalf of their clients and bearing their stamp.

**[Ref. CO.DT./13.01.201/432/2000-01 dated July 25, 2000 and
& GOI Notification No.F.4 (1)-W&M/99 dated July 21, 2000]**

- b. No brokerage is payable in case the broker is one of the investors/applicants.

(Ref. CO.DT./13.01.298/H-2411/2003-04 dated October 29, 2003)

2. No TDS on payment of brokerage

No tax is required to be deducted at source by the agency banks while making payment of brokerage in respect of the Relief/Savings bonds business canvassed by brokers in terms of Section 194 (H) of the Income Tax Act, 1961.

**(Ref. CO.DT./201/5900/2000-01 dated May 28, 2001 and
C.O.DT./13.01.298/H-3660/2003-04 dated January 3, 2004)**

3. Brokerage claims

- a. Agency banks are to settle the brokerage claims expeditiously, and in any case, not later than 30 days from the date of subscription.
- b. Agency banks are advised to first settle the brokerage claims and thereafter seek reimbursement from RBI.

(Ref. CO.DT./13.01.201/4668/2000-01 dated March 8, 2001)

- c. As a measure towards improvement in customer service, agency banks may arrange to pay the brokerage to the agents, on a monthly basis by credit to their accounts through ECS after obtaining requisite mandate from them.

(Ref. CO.DT.13.01.298/H-4677/2002-03 dated May 23, 2003)

- d. Reimbursement of brokerage claims in respect of Relief/Savings bonds has been centralized at CAS Nagpur from July 01, 2002, and it has been decided that 90% of the brokerage due to agencies, on the basis of funds remitted/reported to CAS as at the close of business of the month, will be paid on the 3rd working day of the succeeding month. The balance 10% is to be settled on submission of Appendix IV statement.

**(Ref. CO.DT.13.01.272/11032/2001-02 dated June 25, 2002 and
CO.DT.13.01.272/H-2906 / 2002-03 dated February 26, 2003)**

(In case detailed clarifications are required on specific issues, the circulars indicated above may please be referred to)