



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India imposes monetary penalty on Union Bank of India

The Reserve Bank of India (RBI) has, on July 09, 2019, imposed a monetary penalty of ₹ one million on Union Bank of India (the bank) for non-compliance with the directions on cyber security framework in banks issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A (1) (c) read with Section 46(4) (i) and section 51 (1) of the Banking Regulation Act, 1949. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Background

Based on reports of generation of seven fraudulent messages of a total value of 171 million USD through SWIFT system of the bank in 2016, an examination of the cyber security framework of the bank was carried out which revealed several deficiencies. Based on the findings, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the extant directions. After considering the replies received from the bank, and submissions made during the personal hearing, RBI decided to impose the aforesaid monetary penalty, based on the extent of non-compliance and the corrective action taken by the bank.

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Yogesh Dayal
Chief General Manager