



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

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## Reserve Bank of India imposes monetary penalty on Syndicate Bank

The Reserve Bank of India (RBI) has imposed, on December 12, 2017, a monetary penalty of ₹ 50 million on Syndicate Bank (the bank) for non-compliance with the directions/guidelines issued by RBI on cheque purchase/discounting, bill discounting, and Know Your Customer (KYC)/Anti-Money Laundering (AML) norms. 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) of the Banking Regulation Act, 1949, taking into account failure of the bank to adhere to the aforesaid directions/guidelines issued by RBI.

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

A scrutiny was conducted by RBI of certain branches of the bank in the aftermath of a fraud reported in these branches. Based on the findings of the scrutiny and examination of related documents obtained in this regard, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with directions/guidelines issued by RBI.

After considering the bank's reply and oral submissions made in the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions/guidelines were substantiated and warranted imposition of monetary penalty.

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