



Indian Banks' Association

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No.Leg/Cir/5159
22nd February 2012

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DT. 28 FEB 2012

**NOTAX MAHINDRA BANK LTD.
COMPLIANCE DEPT.**

The Chief Executives of all Member Banks

Dear Sirs/Madam

**Fictitious offers of funds transfer from abroad –
Involving banks in the awareness campaign**

Please refer to our circular no.CE/CIR/LEGAL/2599 dated 26th February 2011 (copy enclosed) wherein we had brought out the concerns expressed by RBI on the captioned subject and the need for bank employees to be alert and educate members of the public with a view to create awareness on the prevalence of such frauds. We trust that banks would have taken note of the measures suggested by RBI to widely publicize the matter by taking suitable steps at their end.

In a recent communication, RBI has requested us to advise all the banks to give wider publicity to the issue through the display of posters on the topic at all their branches and within ATM kiosks. It has further suggested that the posters may also be uploaded on the ATMs of the banks so that the same are visible when the machines are idle.

Given the importance of the issue, we request member banks to kindly take appropriate steps in this regard. A copy of RBI's letter no.FED.CO.PCD.18568/15.02.42/2011-12 dated 9th February 2012 addressed to IBA is enclosed.

Thanking you

Yours faithfully

V Ramchandran
OSD-Legal & Operations



Indian Banks' Association

No.CE/CIR/LEGAL/ 2599

28th February 2011

The Chief Executives of all Member Banks

Dear Sirs/Madam

Fictitious offers of funds transfer from abroad - Awareness Campaign

As you would be aware, RBI has been for some time now conveying its concerns on the issue of fraudulent communications being received by individuals, trusts, educational institutions etc. from both residents and non-residents on fictitious offers of cheap funds in foreign currency. Some time back, RBI had informed of an integrated media campaign to build awareness among common man across the country and requested IBA to advise the member banks to actively involve in the awareness campaign.

We have now received letter from the RBI stating that in spite of numerous steps taken by them to create awareness about the menace, the malpractice continues and the fraudsters have now started targeting people in the semi-urban and rural areas where there was a general lack of awareness about such attempted frauds. The RBI has once again reiterated the need for employees of the banks to be alert and educate members of the public whenever they are approached with enquiries about the veracity of such offers. Towards this, they have prepared a message for circulation among employees of member banks. A copy of the above message by the RBI is enclosed for your information. It is expected that the message will help create awareness among bank staff on the prevalence of such frauds, who in turn, could educate the account holders/general public to be vigilant to these fictitious offers.

We request you to kindly do the needful in this regard.

Yours faithfully

K Unnikrishnan
Deputy Chief Executive

Fictitious Offers of Cheap Funds from Abroad - Awareness Campaign

Dear Sir /Madam,

The Reserve Bank of India has, on several occasions in the past, cautioned the members of public not to fall prey to fictitious offers / lottery winnings / remittance of cheap funds in foreign currency from abroad by foreign entities/ individuals including Indian residents acting as representatives of such entities/individuals. The fraudsters send attractive offers to gullible public through letters, e-mails, mobile phones, SMSs, etc. To lend credence to such offers, the communication is sent on/through fake letterheads/ websites that appear to be like that of the public authorities including the Reserve Bank of India, with the fake signatures of its top executives/senior officials. There have also been several instances of fraudulent offers being sent from fake websites which resemble the website of the RBI/ other public authorities. The offer document would contain contact details of a so-called RBI / public official. The fraudsters initially ask potential victims to deposit small sums of money for different official sounding reasons, such as, processing fees/ transaction fees/tax clearance charges/conversion charges, clearing fees, etc. The victims are asked to deposit the money in accounts in banks. The fraudsters often have multiple accounts in the name of individuals or proprietary concerns in different bank branches for collecting such charges. Often gullible account holders are persuaded by the fraudsters to lend their accounts for such activities on the premise of receiving commission/ other monetary benefits. Once the initial amount is deposited, demands for more money follow with more official sounding reasons. The fraudsters immediately withdraw or transfer the money abroad and vanish leaving the victims in the lurch. Many residents have already become victims and have lost huge sums of money by falling for such fictitious offers.

2. The banking community as well as the Reserve Bank of India is concerned about such fraudulent methods as they result in monetary losses and cause mental agony to innocent victims. The reputation of the Indian banks is also tainted as the fraudsters use the accounts maintained with the Indian banks to carry out their

dubious schemes. Further, the remittance of such funds outside India is a clear violation of the provisions of the Foreign Exchange Management Act, 1999.

3. The Reserve Bank has taken several steps to create awareness about such fictitious offers, as under:

- A.P. (DIR Series) Circular no 54 was issued on May 26, 2010, in addition to the two circulars issued in the past viz. A.P. (DIR Series) Circular no. 2 dated July 27, 2001 and A.P. (DIR Series) Circular no. 49 dated June 4, 2002.
- Detailed press releases in the matter are available on the Reserve Bank website www.rbi.org.in as a permanent ticker on the home page. These Press Releases are also available at the multi language site.
- Regional Directors of the Reserve Bank have given briefings / short interviews to the local media and the local television networks including cable TV networks.
- The publicity material to counter the fictitious offers campaign has been included as a part of the outreach programme / financial literacy campaigns being undertaken by the RBI Regional Offices.
- They have released advertisements in the electronic media, FM Radio channels, popular email portals, cinema halls across the country, etc.
- SMS alert campaigns involving 5 consecutive messages to 18 crore subscribers have been made recently.

4. The Reserve Bank vide its A.P. (DIR Series) Circular no. 54 issued on May 26, 2010 has already advised the banks to exercise due caution and to be extra vigilant concerning the fictitious offers whereby bank accounts are opened and/or transactions made in the accounts for receiving payments styled as transaction charges, etc. towards the so-called transfer of prize money/award money, etc.

5. Each and every employee of the bank can play an important role in curbing the increasing menace of such fictitious offers. All of us owe a duty to our citizens to protect them against such frauds. I would therefore, appreciate if you extend your wholehearted cooperation by :

- educating the public on the need for being vigilant about such fraudulent offers.
- cautioning all account holders about the risks of directly or indirectly getting involved with the fraudsters.

- displaying the press releases issued by the Reserve Bank in the matter at a prominent place inside the bank's premises and advising your customers to visit the websites of the RBI/ IBA/ your bank for receiving clarifications in regard to such nefarious schemes.
- advising your customers, family members, friends and neighbours about the perils of such schemes and need for registering a complaint immediately with the local police/cyber crime authorities whenever they come across such offers or incidents.

(Chairman/ Managing Director / Executive Director of the bank)

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भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

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SVP	DMP

FED.CO.PCD/18568/15.02.42/2011-12

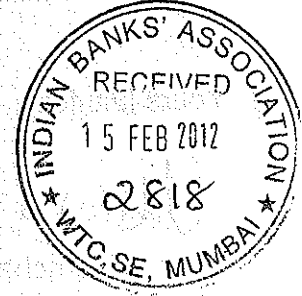
*Ramchandran
to
17/2*

February 9, 2012

*Let's talk to
Kany...*

The Chief Executive
Indian Banks Association
World Trade Centre
6th Floor, Centre 1, World Trade Centre Complex,
Cuffe Parade,
Mumbai - 400 005

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Dear Sir,

Fictitious offers of funds transfer from abroad – Involving banks in the awareness campaign

Please refer to the D.O. letter Nos. FED.CO.PCD/ 30043 and 19414 / 15.02.42/ 2009-10 / 2010-11 dated June 03, 2010 and February 15, 2011, respectively, from Shri H.R. Khan, Deputy Governor, Reserve Bank of India on the captioned subject.

2. As you are aware, the problem relating to fictitious offers of funds transfer persists, in spite of numerous steps undertaken by the Reserve Bank to create awareness about the menace. In order to lend credence to such offers, the fraudsters send the communication on/ from letterheads /websites that appear to be like that of some public authorities. The websites and names and signatures of the Top officials of the Reserve Bank of India have been particularly forged by the fraudsters.

3. It has been observed in most of the cases that the fraudsters misuse the domestic formal banking channels as a conduit for carrying out such illegal activities. In this connection, we had vide our aforementioned letters, solicited your cooperation for involving the banking community in the campaign and making them and the general public alert and vigilant about such fraudulent offers.

विदेशी मुद्रा विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पो.बॉ.सं. 1055, मुंबई - 400 001. भारत
फोन : के.का. - (91-22) 2260 1000, 2266 1602 अमर भवन - (91-22) 2260 3000, 2266 0500 ई-मेल : cgmincfed@rbi.org.in
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Foreign Exchange Department, Central Office, Central Office Bldg., Shahid Bhagat Singh Marg, P.B. No. 1055, Mumbai - 400 001, India
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Fax : C.O. - (91-22) 2261 0630, Amar Bldg., - (91-22) 2269 4935

As an additional measure, we request you to advise all the banks to give wider publicity to the issue through the display of posters on the topic in all their branches and within the ATM kiosks. The posters may also be uploaded on the ATMs of the banks so that the same are visible when the machines are idle.

4. We shall be glad to know the steps taken by you in this regard.

Yours faithfully,

Meena

(Meena Hemchandra)
Chief General Manager-in-Charge