



केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-10023

सं./No. 024/VGL/160

01.04.2025

दिनांक / Dated.....

Circular No. 02/04/25

**Subject: Framework for timely detection, reporting etc. relating to large value
Frauds-reg.**

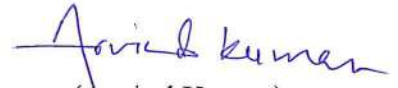
Attention is invited to Para 8.13.2 of Chapter VIII of Central Vigilance Commission's Vigilance Manual 2021, in which instructions issued by D/o Financial Services (DFS), vide their letter no. 4/5/2014-Vig. dated 13.05.2015 are referred as part of guidelines for "reporting of large value frauds by banks".

2. Later on, Reserve Bank of India (RBI) vide their letter no. RBI/DOS/2024-25/119 DOS.CO.FMG.SEC.No.6/23.04.001/2024-25 dated 15.07.2024 issued updated 'Master Directions on Fraud Risk Management in Commercial Banks and All India Financial Institutions'. Taking note of the same, DFS issued letter no. 4/5/2014-Vig. dated 16.08.2024 (copy enclosed), withdrawing its earlier instructions contained in letter no. 4/5/2014-Vig. dated 13.05.2015 and all subsequent instruction related thereto.

3. In view of the preceding paras, Para 8.13.2 of Central Vigilance Commission's Vigilance Manual-2021 also stands amended and may be read as follows:

" for reporting of large value frauds by Public Sector Banks, Regional Rural Banks and All India Financial Institutions, the instructions contained in RBI's updated Master Directions on Fraud Risk Management in Commercial Banks and All India Financial Institutions' issued vide their letter no. RBI/DOS/2024-25/119 DOS.CO.FMG.SEC.No.6/23.04.001/2024-25 dated 15.07.2024, may be followed in letter and spirit."

4. It may be noted for compliance.


(Arvind Kumar)

Officer on Special Duty

Encl: As above.

To

- (i) All Chaiman / MDs of Public Sector Banks and Public Sector Financial Institutions
- (ii) All CVOs of Public Sector Banks and Public Sector Financial Institutions
- (iii) Website of CVC

Copy to:- CVO, Department of Financial Services,
3rd Floor, Jeevan Deep Building,
Parliament Street, New Delhi - 110001

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F. No. 4/5/2014-Vig.
Government of India
Ministry of Finance
Department of Financial Services
(Vigilance Section)

Parliament Street, New Delhi
Dated the 16th August, 2024

To,

Chairman, SBI
MD & CEOs of Public Sector Banks/IDBI Bank
Chairman/MD & CEOs of AIFIs

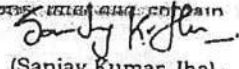
Sub: Adherence to Master directions issued by RBI on Fraud Risk Management in Commercial Banks (including RRBs) and All India Financial Institutions - regarding.

Madam/Sir,

Reference is invited to Master Directions on Fraud Risk Management in Commercial Banks (including RRBs) and All India Financial Institutions issued by Reserve Bank of India (RBI) on 15th July, 2024. The said instructions, *inter alia*, contain provisions related to compliance with principles of natural justice in declaration of account as fraud, governance structure for fraud risk management, framework for Early Warning Signals (EWS) and Red Flag Accounts (RFA) and reporting of frauds to Law Enforcement Agencies (LEAs) etc. It is requested that the directions issued by RBI on the said subject may kindly be scrupulously adhered to.

2. Attention is further invited to instructions issued by this Department to public sector banks vide letter of even number dated 13th May, 2015 titled "*Framework for timely detection, reporting, investigation etc. relating to large value bank frauds*". The instructions contained in DFS letter dated 13.05.2015 were reiterated for clarification and for enlarging scope to FIs etc. vide various communications dated 27.02.2018, 13.09.2018, 06.11.2019 and 28.01.2020 etc.

3. In view of master directions issued by RBI on fraud risk management, which provide a detailed framework for timely detection, reporting, investigation etc. for large value bank frauds, the instructions issued by this Department vide letters dated 13.05.2015 and subsequent instructions related thereto stand withdrawn. Banks/FIs shall follow directions issued by RBI on the matter. On other matters of vigilance administration directions issued by Central Vigilance Commission from time to time may be strictly followed.


(Sanjay Kumar Jha)
Under Secretary to the Government of India
Tel. 23748709

Copy to: -

1. Governor, RBI
2. Secretary, Ministry of Corporate Affairs
3. Director, CBI
4. Principal Director General, DRI
5. Director, Enforcement Directorate
6. Director General, CEIB
7. CVOs of all PSBs/IDBI Bank/FIs