



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

CIRCULAR

IFSCA-FMPP0BR/5/2024-Banking/1

April 22, 2024

To all IFSC Banking Units (IBUs)

Dear Sir/ Madam

Internet banking services to clients of IBUs

1.Application

This circular applies to all IFSC Banking Units (IBUs)

2.Definition

'Internet banking services' shall mean the provision of information service, interactive information exchange service and transactional service via electronic delivery channels based on computer networks or internet technologies, including fixed line, cellular or wireless networks, web-based applications and mobile devices.

3.Types of Internet Banking Services to be offered by IBUs:

At minimum, IBUs shall provide the following internet banking services:

i. Information Service

Providing information (one way communication), on its website/a separate webpage on parent bank's website, on the products and services that are being offered including other relevant information relating to such products like rates of interest, associated terms and conditions etc. Such information shall be updated on an ongoing basis.

ii. Interactive information exchange service

Providing internet banking services that enable its clients to communicate with the IBU, make account enquiries and submit application forms to avail additional services or purchase new products offered by IBUs.

iii. Transactional service:

Providing transactional service as a part of their internet banking services so as to allow clients to execute transactions such as the transfer of funds, payment of bills and executing other financial transactions.

4. General Directions:

- i. IBUs shall provide internet banking services only to its clients.
- ii. IBUs shall ensure that the platform through which the internet banking services are provided are secure, user-centric, provides seamless digital experience and is available to clients throughout the day, with minimum system down time.
- iii. IBUs shall comply with the following risk management and security measures:
 - a. IBUs shall put in place a policy for internet banking service approved by its Governing Body.
 - b. The policy should fit into their Parent bank's overall Information technology and Information Security Policy and ensure confidentiality of records and security systems.
 - c. The policy should clearly lay down the procedure to be followed in respect of 'Know Your Customer' requirements.
 - d. The policy should cover technology and security standards and also address the applicable legal, regulatory and supervisory issues.
 - e. The IBUs shall put in place sound internal control systems and consider the operational risks involved in providing the service.
 - f. Adequate disclosure should be made regarding the risk, responsibilities, and liabilities to the customers before offering the facility.
 - g. IBUs shall also benchmark itself with the quality of customer experience of similar services offered by top global banks in international financial centres like Singapore. Hong Kong etc. while rolling out their internet banking services.

5. Timeline for implementation:

- i. IBUs shall submit an implementation plan to the Authority for providing internet banking services, within 45 days from date of issue of this circular. The action plan should clearly outline the internet banking services that the IBU intends to offer along with the proposed implementation strategy and timelines.
- ii. IBUs must establish internet banking services within six months from date of issue of this circular. Delay in implementation may attract restrictions on the operations of the IBU as deemed appropriate by the Authority.

6. IBUs are directed to ensure compliance to the directions of this circular

Yours faithfully

(Supriyo Bhattacharjee)
Chief General Manager
Department of Banking