

## New customer registry to help banks check fraud

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*The centralised searchable database can be accessed by banks*

Mumbai, January 21:

To minimise incidents of frauds, the Reserve Bank of India has operationalised a Central Fraud Registry (CFR) with effect from January 20.

The registry will make available more information to banks at the time of starting a banking relationship, extending credit facilities or at any time during the operation of an account.

The CFR is a centralised searchable database which can be accessed by banks. The launch of the registry comes in the backdrop of the RBI expressing serious concern over the rising trend in loan-related frauds. According to the RBI, early detection of fraud and corrective action are important to reduce the quantum of loss.

Meanwhile, the RBI, after reviewing the fraud reporting mechanism to the Regional Offices/Central Fraud Monitoring Cell (CFMC), said frauds of Rs. 1 lakh and above but below Rs. 5 crore will be monitored by the Regional Offices of the RBI under whose jurisdiction the Head Office or the Senior Supervisory Manager (SSM) of the bank falls.

Fraud of Rs. 5 crore and above will be monitored by CFMC, Bengaluru. Further, flash reports are to be sent in cases of fraud of Rs. 5 crore and above to the Department of Banking Supervision at the RBI central office with a copy to CFMC as against the present level of Rs. 1 crore and above.

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