

RBI to strenghten PCR 'for a 360-degree view of borrowers'

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The Deputy Governor of the Reserve Bank of India (RBI), Viral Acharya, said that the RBI plans to engage with the government and other regulators in the coming months to ensure that the Public Credit Registry (PCR) Act is comprehensive. This is aimed at bringing in data not only from regulated lenders, but also from the section of lenders that do not directly fall under the central bank's regulations.

The RBI has set up an Implementation Task Force, which is putting the systems infrastructure in place to kick-start the PCR with data from regulated entities that can be covered either under, or with minor tweaking, of the

extant legislative framework, said Acharya in a speech, uploaded on the RBI's website on Thursday.

By having a centralised registry of all loans in the form of a PCR, and recording all material events for each loan during its life cycle, the credit delivery system can be tuned more efficiently so that the populace without access to formal credit, or with limited or no credit history, can be brought within its ambit.

The resulting increase in credit flow to the micro, small and medium enterprise sector, and the underserved populace, could propel the Indian economy to a higher growth path.

The PCR has been envisaged as a database of core credit information – an infrastructure of sorts on which users of credit data can build further analytics.

Acharya elaborated that PCR will strive to cover all regulated entities (financiers) in phases and, in this way, get a 360-degree view of borrowers.

It will facilitate linkages with related ancillary information systems outside the banking system, including corporate filings, tax systems (including the Goods and Services Network or GSTN), and utility payments.

The PCR will have to be backed and governed by a comprehensive PCR Act to be brought in consultation with the government. It will have to follow the latest privacy guidelines based on a laid down consent framework.

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