

“Rules framed by IBA for BR provided that the security was deliverable later as soon as possible preferably within 90 days extendable by fresh issue of BR against old BR.”

INDIAN BANKS' ASSOCIATION

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Chief Executives of All Member Banks

Dear Sirs,

STANDARDISED FORMAT OF BANK RECEIPT (BR)

In the inter-bank market, large number of transactions in securities are concluded by means of BR deliveries, particularly when the selling bank is not in a position to effect physical delivery of scrips for various reasons. It is common practice among banks to issue BRs which acknowledge receipt of funds for the securities sold and undertake to hold the same in trust, until these are physically delivered. There is, however, no uniformity in the format of the BR being used by the banks at present.

It was considered necessary to devise a standard format of BR and frame rules therefor for uniform adoption by member banks, financial institutions, public sector undertakings and other IBA/RBI specified institutions. Accordingly, the standardised formats etc. for the above evolved by Investment Dealers' Club and reviewed by the IBA Committee on Funds and Investments (COFI) were placed before the Managing Committee of the IBA in its meeting on 23rd April, 1991 for approval.

The Managing Committee approved the standard format of the SR, BR Rules and monthly statement of BRs held and issued and recommended these for uniform adoption by member banks, financial institutions like IDBI/IFCI/ICICI/NABARD/UTI/GIC/LIC, public sector undertakings and other IBA/RBI specified institutions.

At present, different BR formats are being accepted by the IBA non-member institutions; there should therefore, be no difficulty in their accepting the uniform BR format which is being recommended now. The RBI is being informed and requested to consider the eligible institutions from its end also.

Member banks may adopt standard format of BR, BR Rules and monthly statement of BRs held and issued, the specimen of which are enclosed.

Yours faithfully,

(A. K. BAKSHY)
SECRETARY

BANK RECEIPT RULES

1. The Bank Receipt should be issued in the prescribed format only. Receipt issued in any other format will not be accepted.
2. Normally no BR should be issued where SGL facility is available. In all other cases, the scrips shall be delivered to the buyer as soon as possible, except for R/F transactions.
3. A separate BR should be issued for each type of security.
4. BR is non-transferable.
5. Banks should issue BRs serially numbered on Security Paper.
6. BR must be exchanged with actual scrips as early as possible, and in any case within 90 days of issue. However, it would be open for banks to issue fresh receipt in the event BRs are not discharged within 90 days and the reason for the same should be mentioned in the renewed BR.
7. BR should be signed by two authorised signatories whose signatures should be registered with the buyer-bank to verify the signatures.
8. BR can be accepted from any of the following institutions.
 - a) All member banks of the IBA
 - b) Financial institutions like IDBI, IFCI, ICICI, NABARD, UTI, GIC, LIC
 - c) Public Sector Undertakings
 - d) Any other institution specified by the IBA/RBI.