



Ref No. NB.HO DFIBT/ 6955-6979 / DFIBT-23/2023-24
11 August 2023
Circular No. 171/DFIBT-04/2023

The Chairman/Managing Director/Chief Executive Officer

All Scheduled Commercial Banks (including Small Finance Banks and Payment Banks)/Regional Rural Banks/State Cooperative Banks/District Central Cooperative Banks
(Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim)

Madam/ Dear Sir,

Incentive Scheme for Customer Service Points (CSPs)/Business Correspondents (BCs) of Banks operating in North Eastern (NE) States

Department of Financial Services (DFS), Government of India had constituted a Monitoring Committee on the functioning of Business Correspondents (BCs) to discuss the findings of the report submitted by the Working Group on BCs which was earlier set up to study the gaps in the BC ecosystem. Further, in the 3rd meeting of the Monitoring Committee of BCs held on 13th October 2022, it was suggested that a scheme may be formulated by NABARD to compensate only those BCs who are operating in difficult areas with a direction that the Scheme be placed before the Advisory Board of Financial Inclusion Fund (FIF) for finalization.

2. Accordingly, a pilot scheme was formulated by NABARD and placed before the Advisory Board of FIF in its 30th meeting held on 12 January 2023. The Advisory Board after deliberating on the proposal, approved a pilot scheme for providing financial assistance from the FIF to CSPs/BCs (RBI Master Circular on Customer Service in Banks) of Banks operating in North Eastern States to offset some of their costs towards transport and increase their net income to make them earn sufficient income for continued operations in these areas.
3. The incentive under this scheme will be over and above the fixed commission and variable commission already being paid by the Banks. The amount is an incentive payable directly to individual BC or BC agent or CSP operator henceforth referred to as "Operator" facilitating customer transactions upon meeting the minimum level of transactions.
4. The details of the pilot scheme are as follows:
 - a) **Operative Period:** The operative period of the scheme will be 3 years, i.e., from 01 April 2023 to 31 March 2026. Further extension of the scheme, if needed, will be decided based on outcome achieved under the scheme.

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

वित्तीय समावेशन और बैंकिंग प्रौद्योगिकी विभाग

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- b) **Eligible Institutions:** The scheme will be applicable to all Banks operating in North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim).
- c) **Eligible Individuals:** Operators directly engaged by Banks or Operators engaged by Banks through Corporate BCs. In other words, the individual providing the service will be eligible for the incentive and not the agency which has engaged them. The operator will be eligible for one incentive irrespective of the number of villages served by him/her.
- d) **Eligible Locations:** The Operators working in rural centres, i.e., Tier 5 & Tier 6 Centres (population up to 9,999) as per population Census 2011.
- e) **Eligibility for claiming incentive under the Scheme:** Financial Incentive of Rs.1,000/- per month to be paid to Operators of banks placed in North Eastern States for performing 50 and above financial transactions per month on an average, subject to a maximum of two top performing Operators per village.

5. **Activities eligible for Support:** The indicative list of broad activities that may be made available at Operator outlets is indicated in Annexure 1.

6. **Procedure for claiming reimbursement from NABARD:**

- a) The incentive of Rs.1, 000/- per month per Operator is to be given to maximum two top performing Operators per village.
- b) Banks to submit the proposal to the respective Regional Office of NABARD in the state where the Operators are providing their services with details. Banks are required to obtain prior approval from the concerned Regional Office of NABARD. The format of the application to be submitted by Banks is enclosed (Appendix I).
- c) Upon sanction by NABARD, Banks to submit the annual reimbursement claim of the previous Financial Year by 30th June of the next Financial Year in the prescribed format (Appendix II).
- d) Banks will be eligible to claim incentive under FIF only for those Operators who were attached to them for the entire 12 months. However, for new Operators engaged midstream during any financial year, performance of minimum six months will be taken into consideration.
- e) In order to work out the monthly average number of financial transactions done by the Operator, the total financial transactions done by the Operator in a financial year will be divided by 12 or number of months of engagement of Operator (subject to minimum of 6 months).
- f) Banks need to submit a declaration that they have credited the incentive to the eligible Operator's bank account within 30 days from the close of the Financial Year.



- g) Banks to ensure review of performance of Operators on a quarterly basis by their branches and on a half-yearly basis by the Controlling Offices for taking stock of performance and for providing guidance and trouble shooting.
- h) All the Operators to be supported will have to be enrolled by the concerned Banks on Jan Dhan Darshak portal or any such portal maintained by DFS/IBA/RBI/NABARD.
- i) Banks will advise the district coordinator in the district to finalize the list of eligible top performing operator in a village in consultation with the LDM.

7. Other important conditions:

- a) Banks to make sincere efforts to enhance the credit flow in the financially excluded areas by setting self-imposed targets.
- b) All the Operators under the scheme may be covered under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) & Atal Pension Yojana (APY).
- c) Banks are encouraged to obtain a group medical insurance scheme for such Operators.
- d) Banks to connect with Lead District Manager (LDM) & State Government Authorities for prioritizing placing of Operators within a radius of 5 km of every uncovered village.

Yours faithfully

-Sd/-

(C Udayabhaskar)
Chief General Manager

Encl: as above

Annexure – 1

List of mandatory services to be made available at all Fixed Point Outlets (*subject to approval of such a service by Regulatory Agencies for the Bank)

Sr. No	Services	
1	Opening of Savings Accounts	*
2	Cash Deposit (ON-US through Local Biometric / AePS / Rupay Card)	*
3	Cash Deposit (OFF-US through AePS / Rupay Card)	*
4	Cash Withdrawal (ON-US through Local Biometric / AePS / Rupay Card)	*
5	Cash Withdrawal (OFF-US through AePS / Rupay Card)	*
6	Cash Transfer (ON-US through Local Biometric / AePS / Rupay Card)	*
7	Cash Transfer (OFF-US through AePS / Rupay Card)	*
8	IMPS	
9	NEFT	
10	Collection in standard loan accounts up to bank approved limits	*
11	SHG Dual Authentication transactions	*
12	Opening / Renewal of TDR Account	
13	Opening of RD Account	
14	Enrolment under Micro Accidental Death Insurance (PMSBY)	*
15	Enrolment under Micro Life Insurance (PMJJBY)	*
16	Enrolment under Social Security Pension Scheme (APY)	*
17	Issuance of RuPay Debit Cards	
18	Blocking of Debit Card	
19	Balance enquiry (ON-US through Local Biometric / AePS / Rupay Card)	*
20	Balance enquiry (OFF-US through AePS / Rupay card)	*
21	Mini Statement (ON-US through Local Biometric / AePS / Rupay Card)	*
22	Mini Statement (OFF-US through AePS / Rupay card)	*
23	Request new cheque book	
24	Stop payment of cheque	
25	Cheque status enquiry	
26	Cheque collection	
27	Aadhaar seeding, Mobile seeding	
28	Updation of Passbook	
29	Request for SMS alert / email statement	
30	Pension life certificate	
31	Payment of Utility Bills (Bharat Bill Payment System)	
32	Launch & tracking of complaints	
33	Lead generation for Retail Asset Products viz. Home Loan, Auto Loan, Personal Loan, Gold Loan, Mudra Loan, Kisan Credit Card etc.	
34	Leads for Microfinance and SHG Loans	*
35	Lead generation for third party products viz. Micro Insurance, Investment (Mutual Fund), Credit Card etc.	*
36	Lead generation for opening of Current Account	*

* Indicates services that can be initially offered by Non-fixed point Operators.
Banks are encouraged to expand Bouquet of Services over a period.

(To be submitted on the letterhead of the Bank)

The Chief General Manager/ General Manager/ Officer-in-Charge
NABARD

_____ Regional Office

_____.

Madam/Dear Sir,

Incentive Scheme for Customer Service Points (CSPs)/Business Correspondents (BCs) of Banks operating in North Eastern (NE) States

Please refer to your Circular No. 171/DFIBT-04/2023 dated 11 August 2023 on the above subject. In this connection, we inform you that our Bank has already placed/propose to place CSPs/BCs/Operators in the districts as per details furnished. (Appendix I-A).

1. We undertake to submit the detailed location wise CSPs/BCs/Operators report as per prescribed MIS of NABARD at the time of submission of claim application.
2. We will monitor the performance of CSPs/BCs/Operators at quarterly / half yearly intervals for which claim is submitted.
3. We undertake to upload details in respect of all the Operators to be supported under the scheme on Jan Dhan Darshak portal or any such portal maintained by DFS / IBA / RBI / NABARD.
4. We undertake to accept terms and conditions advised in your Circular under reference and the terms and conditions issued by NABARD from time to time.
5. We request you to accord in-principle approval for claiming the assistance from FIF towards reimbursement of incentive in respect of _____ CSPs/BCs/Operators of Banks operating in North Eastern States for the financial year _____, as per the norms advised above and in your Circular under reference.
6. We undertake to furnish required information in the prescribed format along with claim.

Yours faithfully

(Signature of Chairman/MD/Zonal Head/General Manager)

Seal

Appendix I-A**CSPs/BCs/Operators already placed/proposed to be placed by Bank
(to be submitted by Banks along with proposal)**

Sr. No	State	District	Village	Bank	No of CSPs/ BCs (Operators)	Incentive Eligibility per CSP/BC per Month (₹) @	Sanction sought per year (₹)
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>
1							
2							
3							
4							
5							

@ Claims will be based on graded actual achievement.

Signature with Seal

Data to be submitted in MS Excel format also.

Appendix -II
(Claim/Reimbursement Format)

(To be submitted on the letter-head of the Bank)

The Chief General Manager/General Manager/OIC
NABARD

_____Regional Office

Madam/Dear Sir

Claim for reimbursement of Incentive Scheme for Customer Service Points (CSPs)/Business Correspondents (BCs) of Banks operating in North Eastern (NE) States

Please refer to your letter No. _____ dated _____, conveying approval for _____ CSPs/BCs/Operators for claiming assistance from FIF towards reimbursement of incentive paid to them under Incentive Scheme for Customer Service Points (CSPs)/Business Correspondents (BCs) of Banks operating in North Eastern (NE) States.

We furnish below the information relating to payment of incentive paid by us to CSPs/BCs/Operators during Financial Year (FY) _____ and request you to reimburse us an amount of ₹_____ (Rupees _____) as per the details furnished below.

Sr.No	Particulars	Details
i	Number of CSPs/BCs/Operators sanctioned for reimbursement under the scheme by NABARD	
ii	Details of incentive paid to CSPs/BCs/Operators	₹_____
iii	Amount of reimbursement sought from NABARD	₹_____

2. Certified that the services of the CSPs/BCs/Operators are fully utilized for providing banking facilities to the people in areas/villages allocated to them.
3. Certified that the amount of ₹_____ (Rupees _____) at Sr. No (ii) of the table above has been actually paid towards incentive under the scheme to CSPs/BCs/Operators.
4. Certified that details of the CSPs/BCs/Operators for which the reimbursement is sought under the scheme are uploaded on Jan Dhan Darshak portal or any such portal maintained by DFS/IBA/RBI/NABARD.
5. Certified that no claim for assistance under the present claim has been made to any other agency/organization.
6. Certified that there has been a significant increase of credit flow subsequent to the placement of an operator.

Yours faithfully,

Sign

(Chairman/MD/Zonal Head/General Manager)