



## Indian Banks' Association

**IBA Legal Circular dated 30.9.2019**

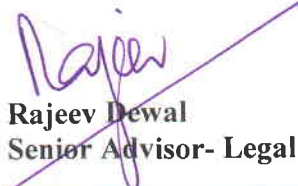
**To: Chief Executives of all Member Banks and Other Members Organizations**

Dear Sir/ Madam,

**Status of IBA- Obviating arraying of IBA into complaints and litigations**

1. It has been observed that parties having grievance against a bank or other player in financial services often array IBA into the related complaint/ litigation.
2. This is presumably done with a mistaken understanding of IBA being the controller of banks and other players in financial services and also plausibly as litigation strategy to broad base the grievance by adding more parties to the complaint/ litigation.
3. The above situation creates unnecessary confusion causing cost and inconvenience to all parties to such complaint/ litigation finally leading to delay in the disposal of the complaint/ litigation and hence it is avoidable in the interest of all parties to the complaint/ litigation.
4. Hence this circular to clarify IBA's status as follows.
  - IBA is merely a voluntary association of banks and other financial services players;
  - IBA is neither Government/ Government Department nor a Regulator and not even a Self- Regulator/ Self- Regulatory Organization;
  - IBA has no authority over banks and other financial services players;
  - IBA does not issue direction to banks and financial services players; and
  - IBA at times, as decided by its members, merely facilitates matters of common purpose for its members and even then does not make any decision in such matters.
5. It may be further stated that IBA is not amendable to writs for the reason of IBA not being Government/ Government Department/ Regulator/ Authority/ Instrumentality of State as also judicially held by Hon. Bombay High Court on 6.9.2018 in re Writ Petitions 2796 of 2005 and 1388 of 2006 (Kishor S. Bhat Vs IBA).
6. We request, in view of the above that, in the situations where IBA is arrayed into a complaint/ litigation (suit/ writ petition etc) along with a IBA member bank and other IBA member organization, such IBA member bank/ other IBA member organization party to such complaint or suit may bring to the notice of the concerned parties to the complaint/ suit including the courts about IBA's status as above so as to obviate the need for IBA to submit its say in the matter separately, there being generally no separate say for IBA given IBA's status as clarified above and also so to save delay, cost and convenience as stated above thereby facilitating early disposal of the complaint/ litigation.

Yours faithfully,

  
**Rajeev Dewal**  
**Senior Advisor- Legal**