

IBA- Indian Banks' Association

Indian Banks' Association is acronymed as IBA, is the representative body of management of banking in India operating in India. IBA over the years have emerged as the voice of Indian banking Industry.

Indian Banks' Association - IBA Overview

1. IBA is an association of Indian banks and financial institutions. It is the representative body of management of banking in India that is operating in India.
2. Indian Bank Association was formed on September 26 1946, in Mumbai.
3. IBA adopts a consultative approach to give its view on any issue pertaining to the banking sector.
4. Indian Banks' Association is managed by a managing committee, and the current managing committee consists of one chairman, 3 deputy chairmen, 1 honorary secretary and 26 members.
5. Shri Rajkiran Rai G is the Chairman of IBA and Shri Sunil Mehta Chief Executive at IBA.
6. With an initial membership representing 22 banks in India in 1946, IBA currently represents 241 banking companies operating in India.
7. The members of IBA comprise of -
 - Public Sector Banks
 - Private Sector Banks
 - Foreign Banks having offices in India
 - Co-operative Banks
 - Regional Rural Banks and
 - All India Financial Institution.

Vision of Indian Banking Association- IBA

To work proactively for the growth of a healthy professional and forward looking banking and financial services industry in a manner consistent with [public goods](#).

Objectives of IBA

1. To contribute to the developments of creative banking.
2. To promote and develop sound and progressive banking principles, practices and conventions in India.
3. To develop and implement new ideas and innovations in banking services, operations and procedures.
4. To organize co-ordination and co-operation on procedural, legal, technical, administrative or professional problems and practices of banks and the banking industry.
5. To collect, classify and circulate statistical and other information on the structure and working of the banking system.

6. To act as a clearing house for dissemination and exchange of statistical data and other information.
7. To explore, plan, coordinate and organize detailed surveys on banking, business, resources, personnel and management development programmes of banks and the banking industry.
8. To promote education and knowledge of the law and practice of banking.
9. To organize exchange of credit information and opinions, export information or information and views on the banking industry.
10. To project a good public image of banking as a service industry and develop good public relations.
11. To promote harmonious personnel relations in banking industry and to devise ways and means for involving banking personnel in the endeavours of banks for growth and development of banking and the economy of the country.
12. To maintain close coordination and liaison with [Reserve Bank of India RBI](#), All Financial Institutions, Chambers of Commerce, Organisations of Banking Industry, Management or Educational Institutes, Universities and such other Organisations for realizing the subject and purposes of the Association.

IBA - Issues Associated

- IBA claims it to be a voluntary association of member banks which is neither a governmental entity nor a regulatory authority.
- It says that it is not compliant to the writ jurisdictions of courts and not subjected to [Right to Information Act, 2005](#).
- It has not designated any Central Public Information Officer (CPIO) till now.
- But IBA is financed by member banks and the public does not know the financial status of IBA though all PSBs and listed private banks contribute to its functioning.

Details of R K Jain and Indian Banks' Association Case

1. Since, IBA performs functions as state agency and majority of its control vests in the Managing Directors of PSB appointed by the Government of India.
2. The [CIC - Central Information Commission](#) said that Indian Banks Association qualifies to be a public authority under the RTI Act, 2005 and directed it to designate an official as the CPIO and to comply with Section 4 of the RTI Act.
3. IBA filed a writ petition before the Delhi High Court the order of Central information Commission was stayed by the Court.
4. As per the Court's observation IBA is an association of banks which has 241 members and only 9 members are from the PSBs.

Take Away from the IBA Case

1. Ideally, who controls the IBA, the financial contribution to run the IBA and how the positions are held should have been considered.

2. The number of Public Sector banks mentioned was incorrect as there were 16 Public Sector Banks before the merger of 10 PSBs into 4 banks effective from April 1, 2020.
3. More than 50% of management committee members of the Indian Banks' Association are from PSBs & the amount of money that flows from Public Sector Banks to IBA is not available in the public domain.
4. Moreover, the comparison on the number of PSBs and the private banks is inappropriate.
5. Transparency and accountability in administration is a precondition for a participatory democracy.
6. Hence the government must instruct the Managing Committee of IBA from PSBs to ensure that IBA comes under the RTI Act.