Advisory Board on Banking and Financial Frauds (ABBFF)

August 22, 2023 • vajiramandravi.com

About Advisory Board on Banking and Financial Frauds

- It conducts **the first level examination of bank frauds** before recommendations or references are made to investigative by agencies such as Central Bureau of Investigation (CBI).
- **Composition:** It consist of **the Chairman and four other members** and the **tenure** of the Chairman/ Members **would be for two years.**
- It has been empowered to examine **the role of officials/ wholetime directors** (including ex-officials/ ex-wholetime directors) in **public sector banks, public sector insurance** companies; and public sector financial institutions in case of frauds amounting to ₹ 3 crore and above.

- The **Central Vigilance Commission or the Central Bureau of Investigation** (CBI) can also refer any case or **technical matter to the board** for its advice, the order stated.
- The board can also **give inputs for policy formulation related to frauds** to the Reserve Bank of India and the Central Vigilance Commission.
- It will ordinarily, within a month of receipt of initial reference, tender its advice as may be requisitioned by ministries, departments, the Central Vigilance Commission or the CBI.

Key facts about Central Vigilance Commission

- It was set up by the Government in 1964 on **the recommendations of the** Committee on Prevention of Corruption, headed **by K. Santhanam.**
- It is a statutory body governed by the **Central Vigilance Commission Act 2003.**
- The CVC is **not controlled by any Ministry/Department**. It is responsible to the Parliament.
- **Mandate:** To inquire into offences alleged to have been committed under the Prevention of Corruption Act, 1988 by certain categories of public servants of the Central Government, corporations established by or under any Central Act, Government Companies, societies and local authorities owned or controlled by Central Government.
- **Composition:** The Commission shall consist of a Central Vigilance Commissioner (Chairperson); and not more than two Vigilance Commissioners (Members).
- **Appointment:** They are appointed by the President on recommendation of a Committee consisting of the Prime Minister (Chairperson), the Minister of home affairs and the Leader of the Opposition in the Lok Sabha.
- **Term:** The term of office of the chairperson and the **members is four years** from the date on which they enter their **office or till they attain the age of 65 years,** whichever is earlier. Central Vigilance Commission reconstitutes advisory board on bank frauds.

Q1) What is the Central Bureau of Investigation?

The Central Bureau of Investigation (CBI) is the premier investigative agency of the Government of India. It is responsible for investigating various types of crimes, including corruption, economic offenses, special crimes, and cases of national importance.

Source: Central Vigilance Commission reconstitutes advisory board on bank frauds