

Annex- II: Eligibility criteria for entities to be categorised as SU under clause (j) of Regulation 3 of CIC Regulations

1. The entity shall be a company incorporated in India or a Statutory Corporation established in India.
2. The governing statute of the Statutory Corporation or Memorandum of Association of the Company, as the case may be, should allow the business/activity of processing of information for the support or benefit of credit institutions.
3. In the case of a company, it should have a net worth of not less than rupees two crores as per the latest audited balance sheet and shall meet the requirement on a continuing basis.
4. In the case of a company, it shall be owned and controlled by resident Indian citizens/Indian company owned and controlled by resident Indian citizens⁵.
5. The ownership of the company shall be well diversified^{5 6}.
6. In the case of a company, it shall have not less than three (3) years of experience in running the business/activity of processing information for the support or benefit of credit institutions and shall have a clean track record.
7. The company, nor its promoter (s), or any director(s) of the company should not have at any time in the past been convicted of any offence involving moral turpitude or any economic offence.
8. The entity should have a certification from CISA certified auditor that it has a robust and secure Information Technology (IT) system in place for preserving and protecting the data relating to the credit information as per the provision of the Credit Information Companies (Regulation) Act, 2005 and Rules and Regulations framed thereunder and any other applicable Regulations, Guidelines in this regard.

The entities meeting the above-mentioned criteria may apply to the Credit Information Companies (CICs) for obtaining the membership of CICs as a SU.

⁵ Entities authorized by Reserve Bank to operate the Trade Receivables Discounting System (TReDS) platform are exempted from complying with clause 4 and 5 of the eligibility criteria.

⁶ However, this condition shall not apply to the holding of shares or voting rights by the Central Government/State Government/Central or State PSUs.

Clarifications on the Eligibility criteria

- (a) The ownership and control requirements as prescribed in the eligibility criteria shall be as per the provisions of FEMA, 1999 and Rules and Regulations framed thereunder.
- (b) CICs shall include in their membership contract/ agreement with the SUs, a suitable clause that, whenever there is change in ownership in SUs the same must be reported to CICs immediately, and not later than 30 days.
- (c) For an entity to be considered as well diversified, the shareholding by the promoter group and non-promoter shareholders, shall not be more than 26 per cent and 10 per cent respectively, of the paid-up voting equity share capital of the entity. The computation of 26 per cent shareholding limit will include the aggregate holding of all promoters, promoter group and their relatives [as defined under section 2 (77) of the Companies Act, 2013 and Rules made thereunder]. The terms 'promoter' and 'promoter group' would have the same meaning as defined in the Companies Act, 2013 and '[Guidelines for on tap licensing of Small Finance Banks in private sector' of RBI dated December 5, 2019](#), as amended from time to time, respectively.
- (d) Entities not fulfilling the 'well diversified' criteria and desirous of obtaining membership of CIC as SU shall comply with the above criteria within 5 years from the date of issue of the eligibility criteria by the Reserve Bank. CICs, however, are free to prescribe a lesser period for achieving the dilution path by the entity.
- (e) Enquiries done by the SU shall be in the nature of soft enquiry and the enquiries shall not be tagged to the SU in the Credit Information Report of the individual.
- (f) Sharing of credit information by Specified Users with any other person (including credit institutions) is in violation of Section 17 (4) of CICRA and Regulation 9 of CIC Regulations, 2006. CICs shall inform all their Specified Users to not share the credit information received under the Act (CICRA) with any other person.