

No. 02-07-1-CTE-30/309204
Central Vigilance Commission
Chief Technical Examiner's Organization

Satarkta Bhavan, Block-A
GPO Complex, INA, New Delhi
Dated, the 04.03.2016

Circular No. 04/03/2016

OFFICE MEMORANDUM

Sub: Acceptance of Bank Guarantee (BG) – Reg.

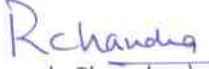
Reference is invited to the Commission's Circular No. 01/01/08 dated 31.12.2007 (issued vide OM No. 02-07-1-CTE-30 dated 09.05.2006), wherein necessity for ensuring verification of genuineness of Bank Guarantee prior to its acceptance was emphasized and steps were suggested.

2. It is, however, observed that the practice of paper based verification of BGs followed by the organizations is not only time consuming causing delay in acceptance/award of works or advance related payments but also its trustworthiness cannot always be ensured due to human intervention in it.

3. In this background, organizations are advised to follow IT enabled confirmation system which is swift and secured in addition to their existing paper based confirmation system. The following methods for verification may be considered by the organizations:-

- a) Getting confirmation through digitally signed secured e-mails from issuing Banks;
- b) Online verification of Company portal with user ID and password followed by 2nd stage authentication system generated One Time Password (OTP) on portal for reconfirmation;
- c) E-mail confirmation followed by 2nd stage authentication by system generated SMS through registered mobile and reconfirmation through SMS to the verifying officer.

4. Keeping above in view, organizations may evolve their own procedure adopting any one or more of the above methods for ensuring genuineness of BGs, which is compatible with the guidelines of Banks/Reserve Bank of India.


(Ramesh Chandra)
Chief Technical Examiner
4/3/2016

To

All Chief Vigilance Officers