

FAQ on eBG

eBG Model related

1. What is the Legal framework for eBG? Does it have legal sanctity and validity?

- The enabling framework for electronic issuance of e-BG:
 - Insolvency and Bankruptcy Code (2016), the Regulations and Guidelines thereunder. NeSL is an Information Utility registered with the Insolvency and Bankruptcy Board of India under the aegis of the IBC.
 - IT Act, 2000 and rules thereunder.
 - Orders issued by various state governments enabling NeSL to facilitate the process of digital e-stamping.
 - Related article codes for digital stamping enabled by the states

2. Can a bank share and store information with NeSL? Is NeSL allowed to store BG information?

- NeSL as Information Utility **under IBC (2016) is required and mandated** to store debt related financial information across all segments of the economy
- This covers fund based and non-fund based (including Guarantees) debt Information, in the form of data and related documents
- NeSL already holds debt information across all bank/NBFCs

3. Is banks' information stored with NeSL safe and secure?

- As per IU Regulations, NeSL maintains stringent information access processes for all financial information held by it.
- NeSL technology infrastructure is highly secured and scalable, consistent with Regulatory guidelines.
- The information security policies, organization, processes and internal controls of NeSL are ISO 27001:2013 certified. NeSL security processes are subjected to period external audits, regulatory inspections, IDRBT cybersecurity drills etc.

4. Is eBG different from the Digital Document Execution (DDE) facility of NeSL

- eBG process is run on the DDE platform of NeSL which is a product agnostic platform. eBG is just another product on the same platform.
- DDE platform is already being used by nearly 27 banks/NBFCs for digital contract execution of a variety of banking products

5. Is the eBG process only for issuance or also for other BG lifecycle events?

- eBG through NeSL covers all lifecycle events from issuance to amendment, invocation, cancellation etc.

6. How is the NeSL eBG model different from any other electronic facilities available elsewhere e.g. for digital stamping?

- NeSL process is end-to-end digital one where the BG document itself, not just the stamp issuing process, is in digital form
- NeSL serves as a central repository for verification and access by all concerned parties i.e. beneficiary, applicant and the issuing bank.

7. Is a standardized format necessary for BG documentation in eBG model?

- NeSL eBG model is agnostic to the BG template used and does not impose any standardized format for the BG document. Beneficiaries and banks can continue to use their own BG templates.

8. Can eBG be issued in States not supported in digital stamping currently?

- The NeSL eBG process is essentially a fully digital one. For states where stamp paper is available only in physical mode, banks may continue to issue BG in traditional paper mode outside of NeSL system, until such states also transition to digital stamping.

9. How to determine the jurisdiction and value for digital stamping

- Banks should follow their existing process for determining jurisdiction and applicable stamp value. NeSL will only facilitate procurement of digital stamping based on request received from the bank.

eBG Operational Aspects for Banks

10. Can an existing paper BG be converted to eBG?

- No. A paper BG will continue to remain so unless cancelled and reissued as eBG

11. Can eBG process be used for amendment etc. of a paper BG?

- No. eBG process flow for amendment, invocation etc. covers BGs issued in digital mode only

12. Can a bank use a paper based process for amendment, invocation etc. for an eBG issued through NeSL?

- No. Any subsequent amendment, invocation etc. for an eBG issued in digital mode should be done only through digital mode. This will also ensure the central repository of NeSL is always updated with the latest status of such eBG

13. What happens to SFMS? Will the bank still need to send SFMS for eBG?

- The NeSL eBG model provides direct intimation and access to the beneficiary. Hence in this model, there is no requirement of SFMS confirmation. However, banks may obtain suitable clarification from relevant authorities regarding continuation of SFMS for eBGs.

14. Since no original to be returned by beneficiary, how will the bank verify the authenticity of request/consent from beneficiary?

- eBG process through NeSL facilitates beneficiaries to submit request for invocation or any other consents through digitally signed submission in NeSL portal. Beneficiaries and their authorized representatives are required to register with NeSL before submitting such electronic requests. Thus where such electronic request is received through NeSL, it can be treated as authentic and verifiable.

15. How the stamp duty payment is to be made by the bank?

- The bank is required to maintain a Digital Ledger (DL) with NeSL and top-up the DL with sufficient fund. Stamp Duty amounts, where applicable, are automatically deducted from the available balance in the DL before stamp procurement. This is the same process followed by all the banks using other DDE transaction on NeSL platform.

16. What are the digital signature (for bank officials) processes supported on NeSL platform?

- Bank officials can sign either
 - (i) on NeSL portal through Aadhaar e-Sign or token based digital signature, or
 - (ii) implement digital signature at its own end through any process (e.g. server based signature) as recognized under the Information Technology Act

17. What is the expected availability of the interface (24X7, Working days only etc.)..

- The facility is available 24x7 including non-working days (except any brief maintenance time which are notified by NeSL).
- eBG runs on the current DDE platform of NeSL where over 20% of DDE transactions are today performed outside of banking hours and on weekends.

18. How will the bank get proof of BG delivery to beneficiary?

- NeSL maintains delivery status of email notifications and also audit trail for the download of eBG by beneficiary. These information will be made available on NeSL portal. Suitable MIS may also be planned for bank usage.

19. Commercial implications for bank, applicant and beneficiary

- A nominal charge is applicable for each eBG transaction. Please refer to the fee policy published under DDE charges in NeSL portal (*IU Services->Fee Structure->DDE services Table VI*)
- This is billed to the bank periodically based on all DDE transactions done during the period. This is in addition to the stamp duty value which is debited directly from the Digital Ledger of the bank.
- No fees are applicable currently for the beneficiary or applicant for registration or access in NeSL.

Beneficiary Related

20. How will NeSL notify beneficiary on issuance or for any other status changes of an eBG?

- NeSL will send notification to the **email ID** of the beneficiary provided by the issuing bank as part of API request to NeSL during issuance or subsequent event of eBG (amendment/ invocation, cancellation etc.)
- NeSL will also send notification at the registered email ID of the beneficiary

21. What are the ways a beneficiary can access eBG for verification

- NeSL portal provides access with search and download feature
- System based API access planned for large beneficiaries to receive eBG in straight through manner
- Integration with Government procurement portals (CPPP, GeM, State Govt procurement portals) are being explored to facilitate eBG access through such portals without the need to log into NeSL portal
- Bank can additionally arrange to forward the eBG through applicant or any other mechanism. Beneficiary can directly verify the authenticity from NeSL portal through any of the access mechanism mentioned above

22. Does the beneficiary still need to verify BG with issuing bank/branch?

- eBG is stored in NeSL only after it is issued and confirmed by the issuing bank.
- Verification of the eBG stored in NeSL is adequate and will help beneficiaries to avoid the inconvenience and delays associated with verification with the issuing bank

23. What if the email notification is not received by beneficiary

- Even if email is missed out or not delivered for any reason, the beneficiary can still access eBG directly from NeSL portal under its login

24. Is the beneficiary required to register with NeSL to access eBG information

- Yes, beneficiary must be registered with NeSL in order to be able to view and download eBG
- The email notification can be received by beneficiary even without being registered. But such email will not have the eBG document attachment.
- Beneficiary must register with the same **Unique Identification Number (UIN)** as was recorded by the issuing bank at the time of issuing eBG to be able to view
- Beneficiary should ensure that the applicant is informed of its UIN and email ID (to be specified to the issuing bank).

25. What UIN will be used if PAN is not applicable for the beneficiary (e.g. Govt Department)

- Such a beneficiary will be issued a UIN by NeSL which needs to be quoted at the time of issuing eBG
- Issuing bank can request a UIN to be reserved for such beneficiary while issuing the BG. Such UIN will need to be specified during eBG API request to NeSL

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