**Certificate in Treasury Professional**

|  |  |
| --- | --- |
| **Sr. No.** | **Important Notifications** |
| 1 | Reserve Bank of India Act, 1934 - Section 42(1A) - Requirement for maintaining additional CRR |
| 2 | Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 |
| 3 | Master Direction - Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023 |
| 4 | Reverse Repo transactions - Reporting in Form ‘A’ Return |
| 5 | ‘Fully Accessible Route’ for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds |
| 6 | Investments in Alternative Investment Funds (AIFs) |
| 7 | Reverse Repo transactions - Reporting in Form ‘A’ Return |
| 8 | Reserve Bank of India (Government Securities Lending) Directions, 2023 |

**Reserve Bank of India Act, 1934 - Section 42(1A) - Requirement for maintaining additional CRR**

RBI/2023-24/52
DOR.RET.REC.29/12.01.001/2023-24

August 10, 2023

The Chairperson / CEOs of all Scheduled Commercial Banks / Regional Rural Banks /
All Scheduled Primary (Urban) Co-operative Banks / All Scheduled State Co-operative Banks

Madam / Dear Sir,

**Reserve Bank of India Act, 1934 - Section 42(1A) - Requirement for maintaining additional CRR**

Under Section 42(1) of the Reserve Bank of India Act, 1934, all Scheduled Banks are required to maintain with Reserve Bank of India a Cash Reserve Ratio (CRR) of 4.50 per cent of Net Demand and Time Liabilities (NDTL).

2. On a review of the current liquidity conditions, it has been decided to issue a directive under Section 42(1A) of the Reserve Bank of India Act, 1934 requiring all Scheduled Commercial Banks / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks to maintain with the Reserve Bank of India, effective from the fortnight beginning August 12, 2023, an incremental CRR (I-CRR) of 10 per cent on the increase in NDTL between May 19, 2023 and July 28, 2023. The I-CRR will be reviewed on September 8, 2023 or earlier.

3. A copy of the relative notification DOR.RET.REC.30/12.01.001/2023-24 dated August 10, 2023 is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12526&Mode=0#AN1).

Yours faithfully,

(Brij Raj)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12526&Mode=0>

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023**

RBI/DOR/2023-24/104
DOR.MRG.36/21.04.141/2023-24

September 12, 2023

All Commercial Banks (excluding Regional Rural Banks)

Dear Sir / Madam,

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023**

The extant regulatory instructions on classification and valuation of investment portfolio by commercial banks, as contained in the [Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Commercial Banks) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153), are largely based on a framework introduced in October 2000 drawing upon the then prevailing global standards and best practices.

2. In view of the significant developments in the global standards on classification, measurement and valuation of investments, the linkages with the capital adequacy framework as well as progress in the domestic financial markets, a need was felt to review and update these norms. Pursuant to the announcement made in the [Statement on Developmental and Regulatory Policies dated December 8, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52688), a [discussion paper](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53103) on the subject was issued for public comments on January 14, 2022. Based on the inputs received, it has now been decided to put in place a revised regulatory framework for the investment portfolio.

3. The revised framework updates the regulatory guidelines with global standards and best practices while introducing a symmetric treatment of fair value gains and losses, a clearly identifiable trading book under Held for Trading (HFT), removing the 90-day ceiling on holding period under HFT, removal of ceilings on Held to Maturity and more detailed disclosures on the investment portfolio. Further, to facilitate smooth implementation, [illustrative guidance](https://rbidocs.rbi.org.in/rdocs/content/pdfs/104MDINVESTMEN12092023_AN5.pdf) has been developed on the revised framework and annexed to the Directions.

**Applicability**

4. The revised framework as detailed in the Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Commercial Banks) Directions, 2023 [annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12534&Mode=0#MD) hereto shall be applicable from April 1, 2024, to all Commercial Banks excluding Regional Rural Banks.

5. Reserve Bank of India is issuing these Directions in the exercise of its powers conferred under section 35A of the Banking Regulation Act, 1949, and all the powers enabling it on this behalf.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12534&Mode=0>

**Master Direction - Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023**

RBI/DoR/2023-24/105
DoR.FIN.REC.40/01.02.000/2023-24

September 21, 2023

**Master Direction - Reserve Bank of India (Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions) Directions, 2023**

In exercise of the powers conferred by Section 45L of the Reserve Bank of India Act, 1934, the Reserve Bank of India (hereinafter called the Reserve Bank) being satisfied that it is necessary and expedient in the public interest and in the interest of financial sector policy so to do, hereby, issues the [Directions](https://rbidocs.rbi.org.in/rdocs/content/pdfs/105MDAIFIS21092023.pdf) hereinafter specified.

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12538&Mode=0>

**Reverse Repo transactions - Reporting in Form ‘A’ Return**

RBI/2023-24/68
DoR.RET.REC.43/12.01.001/2023-24

October 16, 2023

The Chairperson / CEOs of all Commercial Banks

Madam / Dear Sir,

**Reverse Repo transactions - Reporting in Form ‘A’ Return**

Please refer to Form A Return in the [Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions - 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12131) (updated as on September 25, 2023) regarding the reporting of Reverse Repo transactions by Commercial Banks.

2. In order to bring uniformity in reporting of Reverse Repo transactions in the Form A Return by various banks, it is clarified that the banks should adhere to the following practice for presentation of Reverse Repo transactions in the above return:

A. Reverse Repo transactions with the banks should be reported as under:

i. For original tenors up to and inclusive of 14 days

1. Item III(b) of Form A (i.e. Money at call and short notice) and;
2. Memo item 2.1 of Annex A to Form A (i.e. under Inter Bank Assets)

ii. For original tenors more than 14 days

1. Item III(c) of Form A (i.e. Advances to banks) and;
2. Memo item 2.1 and 2.2 of Annex A to Form A (i.e. under Inter Bank Assets)

B. Reverse Repo transactions with non-banks (other institutions) for all tenors should be reported under Item VI(a) of Form A [i.e. Loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)].

Yours faithfully,

(Brij Raj)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12548&Mode=0>

**‘Fully Accessible Route’ for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds**

RBI/2023-24/81
FMRD.FMID.No. 04/14.01.006/2023-24

November 08, 2023

To

All participants in Government Securities market

Madam/Sir,

**‘Fully Accessible Route’ for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds**

A reference is invited to the [Press Release on ‘Issuance Calendar for Marketable Dated Securities for October 2023 - March 2024’ dated September 26, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56446), issued by the Reserve Bank, notifying, inter alia, the issuance calendar for Sovereign Green Bonds for the fiscal year 2023-24. Attention is also invited to the Fully Accessible Route (FAR) introduced by the Reserve Bank, vide [A.P. (DIR Series) Circular No. 25 dated March 30, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0), wherein certain specified categories of Central Government securities were opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well.

2. The Government Securities that are eligible for investment under the FAR (‘specified securities’) were notified by the Bank, vide [circular no. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11850&Mode=0), [circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12354&Mode=0) and [circular no. FMRD.FMID.No. 07/14.01.006/2022-23 dated January 23, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12444&Mode=0).

3. It has now been decided to also designate all Sovereign Green Bonds issued by the Government in the fiscal year 2023-24 as ‘specified securities’ under the FAR.

4. The Directions contained in this circular have been issued under Section 45W of Chapter IIID of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/ approvals, if any, required under any other law.

5. These Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12563&Mode=0>

**Investments in Alternative Investment Funds (AIFs)**

RBI/2023-24/90
DOR.STR.REC.58/21.04.048/2023-24

December 19, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks/ Central Co-operative Banks
All All-India Financial Institutions
All Non-Banking Financial Companies (including Housing Finance Companies)

**Investments in Alternative Investment Funds (AIFs)**

Regulated entities (REs) make investments in units of AIFs as part of their regular investment operations. However, certain transactions of REs involving AIFs that raise regulatory concerns have come to our notice. These transactions entail substitution of direct loan exposure of REs to borrowers, with indirect exposure through investments in units of AIFs.

2. In order to address concerns relating to possible evergreening through this route, it is advised as under:

(i) REs shall not make investments in any scheme of AIFs which has downstream investments either directly or indirectly in a debtor company of the RE.

Explanation: The debtor company of the RE, for this purpose, shall mean any company to which the RE currently has or previously had a loan or investment exposure anytime during the preceding 12 months.

(ii) If an AIF scheme, in which RE is already an investor, makes a downstream investment in any such debtor company, then the RE shall liquidate its investment in the scheme within 30 days from the date of such downstream investment by the AIF. If REs have already invested into such schemes having downstream investment in their debtor companies as on date, the 30-day period for liquidation shall be counted from date of issuance of this circular. REs shall forthwith arrange to advise the AIFs suitably in the matter.

(iii) In case REs are not able to liquidate their investments within the above-prescribed time limit, they shall make 100 percent provision on such investments.

3. In addition, investment by REs in the subordinated units of any AIF scheme with a ‘priority distribution model’ shall be subject to full deduction from RE’s capital funds.

Explanation: ‘Priority distribution model’ shall have the same meaning as specified in the SEBI circular SEBI/HO/AFD-1/PoD/P/CIR/2022/157 dated November 23, 2022.

4. These instructions have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.

5. The above instructions shall become effective immediately.

Yours faithfully,

(Vaibhav Chaturvedi)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12572&Mode=0>

**Reverse Repo transactions - Reporting in Form ‘A’ Return**

RBI/2023-24/92
DoR.RET.REC.59/12.01.001/2023-24

December 22, 2023

The Chairperson / CEOs of all Commercial Banks

Madam / Dear Sir,

**Reverse Repo transactions - Reporting in Form ‘A’ Return**

Please refer to the [circular DoR.RET.REC.43/12.01.001/2023-24 dated October 16, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12548&Mode=0) on the captioned subject.

2. On a review, it has been decided to revise the instructions contained in Para B of the above circular. Accordingly, the Reverse Repo transactions of a bank with non-banks (other institutions) should be reported as under:

1. For original tenors up to and inclusive of 14 days - Not required to be reported in Form A.
2. For original tenors more than 14 days - Item VI(a) of Form A [i.e. Loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)]

3. All other instructions specified in the above [circular dated October 16, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12548&Mode=0) remain unchanged.

Yours faithfully,

(Brij Raj)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12574&Mode=0>

**Reserve Bank of India (Government Securities Lending) Directions, 2023**

RBI/2023-24/97
FMRD.DIRD.No.05/14.03.061/2023-2024

December 27, 2023

All participants in Government Securities market

Madam/Sir,

**Reserve Bank of India (Government Securities Lending) Directions, 2023**

Please refer to paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55179), issued as a part of the [Bi-monthly Monetary Policy Statement for 2022-23 dated February 08, 2023](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55178) on introduction of Securities Lending and Borrowing in Government Securities. In pursuance of the announcement, the [Draft Reserve Bank of India (Government Securities Lending) Directions, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55238) were placed on the Reserve Bank’s website, on February 17, 2023, to invite comments from banks, market participants and other interested parties.

2. Based on the comments received, [the Directions](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12580&Mode=0#Directions) have been finalized and are being issued herewith.

3. These Directions have been issued in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 read with section 45U of the Act and of all the powers enabling it in this behalf.

4. These Directions shall come into immediate effect.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12580&Mode=0>