**RBI Circular Consolidation - Jan-Jun’22**

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**Provisioning Requirement for Investment in Security Receipts (SRs)**

RBI/2022-23/78  
DOR.STR.REC.51/21.04.048/2022-23

June 28, 2022

All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks  
All Local Area Banks and Regional Rural Banks  
All All-India Financial Institutions  
All Non-Banking Financial Companies

**Provisioning Requirement for Investment in Security Receipts (SRs)**

Please refer to clause 77 of the [Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12166) (“MD-TLE”).

2. In order to provide a glide path to the entities which were kept out of the ambit of [circular “Guidelines on Sale of Stressed Assets by Banks” dated September 1, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10588&Mode=0) and ensure smooth implementation of clause 77 of the MD-TLE, it is advised as under in respect of valuation of investments in SRs outstanding on the date of issuance of MD-TLE (September 24, 2021):

1. The difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date after the date of issuance of MD-TLE, in terms of clause 77 of the MD-TLE, may be provided over a five-year period starting with the financial year ending March 31, 2022 - i.e. from FY2021-22 till FY2025-26.
2. Subsequent valuations of investments in such SRs on an ongoing basis shall, however, be strictly in terms of the provisions of MD-TLE.

3. All lending institutions shall put in place a board approved plan to ensure that the provisioning made in each of the financial years in compliance of clause 2(a) above is not less than one fifth of the required provisioning on this count.

4. Valuation of investments in SRs made after the issuance of MD-TLE shall be strictly in terms of the provisions thereunder.

5. All other provisions of the MD-TLE shall continue to be applicable, as hitherto.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12346&Mode=0>

**Restriction on Storage of Actual Card Data [i.e. Card-on-File (CoF)]**

RBI/2022-23/77  
CO.DPSS.POLC.No.S-567/02-14-003/2022-23

June 24, 2022

All Payment System Providers and Payment System Participants

Madam / Dear Sir,

**Restriction on Storage of Actual Card Data [i.e. Card-on-File (CoF)]**

Reference is invited to [Reserve Bank of India (RBI) circulars DPSS.CO.PD.No.1810/02.14.008/ 2019-20 dated March 17, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11822&Mode=0) and [CO.DPSS.POLC.No.S33/02-14-008/2020-2021 dated March 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12050&Mode=0) on “Guidelines on Regulation of Payment Aggregators and Payment Gateways”, and [CO.DPSS.POLC.No.S-516/02-14-003/2021-22 dated September 07, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12159&Mode=0) on “Tokenisation – Card Transactions: Permitting Card-on-File Tokenisation (CoFT) Services”.

2. In terms of these circulars, with effect from January 1, 2022, no entity in the card transaction / payment chain, other than the card issuers and / or card networks, shall store the CoF data, and any such data stored previously shall be purged. Subsequently, to allow more time to the industry stakeholders for devising alternate mechanism(s) to handle any use case or post-transaction activity, this timeline was extended to June 30, 2022, vide [circular CO.DPSS.POLC.No.S-1211/02-14-003/2021-22 dated December 23, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12211&Mode=0) on “Restriction on storage of actual card data [i.e. Card-on-File (CoF)]”.

3. On a review of the issues involved and after detailed discussions with all stakeholders, it is observed that considerable progress has been made in terms of token creation. Transaction processing based on these tokens has also commenced, though it is yet to gain traction across all categories of merchants. Further, an alternate system in respect of transactions where cardholders decide to enter the card details manually at the time of undertaking the transaction (commonly referred to as “guest checkout transactions”) has not been implemented by the industry stakeholders, so far.

4. Given the above, it has been decided to extend the timeline for storing of CoF data by three months, i.e., till September 30, 2022, after which such data shall be purged.

5. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12345&Mode=0>

**Master Circular - Housing Finance for UCBs**

RBI/2022-23/76  
DOR.CRE.REC.No.49/09.22.010/2022-23

June 23, 2022

All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Master Circular - Housing Finance for UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.9/09.22.010/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9814) on the captioned subject (available at RBI website [https://rbi.org.in/](https://www.rbi.org.in/)). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: as above

**Master Circular**

**Housing Finance for UCBs**

|  |  |
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| • | [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#AP) |

Details under each of the above headings can be read from the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0>

**Extension of timeline for implementation of certain provisions of Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

RBI/2022-23/74  
DoR.AUT.REC.No.48/24.01.041/2022-23

June 21, 2022

All Scheduled Banks (excluding Payments Banks/State Co-operative Banks and District Central Co-operative Banks)  
All Non-Banking Financial Companies (NBFCs)

Madam/Dear Sir

**Extension of timeline for implementation of certain provisions of Master Direction – Credit  
Card and Debit Card – Issuance and Conduct Directions, 2022**

Please refer to paragraph 1 (b) of the [Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12300) (“Master Direction”) dated April 21, 2022, wherein the Reserve Bank had prescribed a timeline of July 01, 2022, for implementation of the provisions of the Master Direction.

2. Considering various representations received from the industry stakeholders, it has been decided to extend the timeline for implementation of the following provisions of the Master Direction to October 01, 2022:

1. Paragraph 6(a)(vi) - Card-issuers shall seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for more than 30 days from the date of issuance. If no consent is received for activating the card, card-issuers shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer.
2. Paragraph 6(b)(v) - Card-issuers shall ensure that the credit limit as sanctioned and advised to the cardholder is not breached at any point in time without seeking explicit consent from the cardholder.
3. Paragraph 9(b)(ii) - No capitalization of unpaid charges/levies/taxes for charging/ compounding of interest.

3. The stipulated timeline for implementation of rest of the provisions of the Master Direction remains unchanged.

Yours faithfully

**(Prakash Baliarsingh)**  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12342&Mode=0>

**Processing of e-mandates for recurring transactions**

RBI/2022-23/73  
CO.DPSS.POLC.No.S-518/02.14.003/2022-23

June 16, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Scheduled Commercial Banks, including Regional Rural Banks /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Payments Banks /  
Small Finance Banks / Local Area Banks /  
Non-bank Prepaid Payment Instrument Issuers / Authorised Card Payment Networks /  
National Payments Corporation of India

Madam / Dear Sir,

**Processing of e-mandates for recurring transactions**

A reference is invited to our circulars [DPSS.CO.PD.No.447/02.14.003/2019-20 dated August 21, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11668&Mode=0), [DPSS.CO.PD No.1324/02.23.001/2019-20 dated January 10, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11784&Mode=0), [DPSS.CO.PD No.754/02.14.003/2020-21 dated December 04, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12002&Mode=0) and [CO.DPSS.POLC.No.S34/02-14-003/2020-2021 dated March 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12051&Mode=0) (collectively referred to as “e-mandate framework”). The e-mandate framework prescribed an Additional Factor of Authentication (AFA), inter alia, while processing the first transaction in case of e-mandates / standing instructions on cards, prepaid payment instruments and Unified Payments Interface. For subsequent transactions with transaction values up to ₹5,000/- (AFA limit), prescription of AFA was waived.

2. On a review of implementation of the e-mandate framework and the protection available to customers, it has been decided to increase the aforesaid AFA limit from ₹5,000/- to ₹15,000/- per transaction.

3. This circular is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect immediately.

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12341&Mode=0>

**Individual Housing loans – Enhancement in limits**

RBI/2022-23/68  
DOR.CRE.REC.42/09.22.010/2022-23

June 08, 2022

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Individual Housing loans – Enhancement in limits**

Please refer to [circular UBD.BPD.(PCB). Cir.No.7/09.22.010/2011-12 dated October 31, 2011](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6784&Mode=0) on the above subject.

2. As announced in the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53831) ([para no.1 annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12336&Mode=0#EXTRACT)), it has been decided to revise the limits on individual housing loans sanctioned by urban co-operative banks to an individual borrower as under:

|  |  |  |
| --- | --- | --- |
| **Category of the bank** | **Existing Limit\* (per individual borrower)** | **Revised Limit\* (per individual borrower)** |
| (a) Tier-I UCBs | ₹30 lakh | ₹60 lakh |
| (b) Tier-II UCBs | ₹70 lakh | ₹140 lakh |
| \*subject to prescribed prudential exposure limits | | |

3. All other extant instructions in the matter shall remain unchanged. The above instructions will come into effect from the date of this circular.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For ‘Extract from Statement on Developmental and Regulatory Policies June 08, 2022’, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12336&Mode=0>

**Enhancement in Individual Housing Loan limits and credit to Commercial Real Estate - Residential Housing (CRE-RH)**

RBI/2022-23/67  
DOR.CRE.REC.43/09.22.010/2022-23

June 08, 2022

All State Co-operative Banks (StCBs)  
All District Central Co-operative Banks (DCCBs)

Madam / Dear Sir,

**Enhancement in Individual Housing Loan limits and credit to Commercial Real Estate - Residential Housing (CRE-RH)**

Please refer to our [circulars RPCD CO.RCBD.BC.No.15 /03.03.01/2009-10 dated August 13, 2009](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=5213&Mode=0), [RPCD.CO.RF.BC.No.109/07.38.01/2008-09 dated May 25, 2009](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=4999&Mode=0) and [RPCD.CO.RCBD. BC.No. 48 /03.03.01/2010-11 dated January 20, 2011](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=6230&Mode=0) issued on the above subject.

2. As announced in the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53831) ([para no.1 & 2 annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12335&Mode=0#Extract)), it has been decided to revise the limits on residential housing loans sanctioned by rural co-operative banks to an individual borrower as under:

|  |  |  |
| --- | --- | --- |
| **Category of the bank** | **Existing Limit (per individual borrower)** | **Revised Limit (per individual borrower)** |
| (a) StCBs/DCCBs having assessed net worth less than ₹100 crore | ₹20 lakh | ₹50 lakh |
| (b) StCBs/DCCBs having assessed net worth equal to or more than ₹100 crore | ₹30 lakh | ₹75 lakh |

3. Further, it has been decided to allow StCBs and DCCBs to extend finance to Commercial Real Estate-Residential Housing (CRE-RH) within the existing aggregate housing finance limit of 5% of their total assets. For this purpose, CRE-RH shall consist of loans to builders/developers for residential housing projects (except for captive consumption). Such projects should ordinarily not include non-residential commercial real estate. However, integrated housing projects comprising some commercial space (e.g. shopping complex, school, etc.) can also be classified under CRE-RH, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project. Standard asset provision of 0.75% and risk weight of 75% shall be maintained for CRE-RH advances.

4. Banks shall have a Board-approved policy for financing CRE-RH and a review note on the performance of the CRE-RH portfolio shall be placed before the Board at least on a half-yearly basis. All other extant instructions in the matter shall remain unchanged. The above instructions will come into effect from the date of this circular.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For ‘Extract from Statement on Developmental and Regulatory Policies June 08, 2022’ please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12335&Mode=0>

**Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking**

RBI/2022-23/66

DOR.REG.No.45/19.51.052/2022-23

June 8, 2022

All Primary (Urban) Co-operative banks

Madam / Dear Sir

Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking

In terms of Section 23 of the Banking Regulation Act, 1949 (AACS) Primary (Urban) Co-operative Banks (UCBs) are required to seek prior approval of the Reserve Bank for opening any new place of business including offering services at the doorstep of the customer.

2. Keeping in view the above, it has been decided to allow financially sound and well managed (FSWM) UCBs to provide Doorstep Banking Services to their customers on a voluntary basis. However, Non-FSWM UCBs would have to seek prior approval of concerned Regional Office of Department of Supervision of the Reserve Bank to provide Doorstep Banking Services.

3. Eligible UCBs may formulate a scheme for providing Doorstep Banking Services to their customers, with the approval of their Boards, in accordance with the guidelines enclosed to this letter.

4. UCBs are further advised to take into account the various risks that may arise on account of offering Doorstep Banking Services to customers either directly through own employees or through agents and take all necessary steps to manage the same.

5. The operation of the scheme may also be reviewed by the Boards of UCBs on a half-yearly basis during the first year of its operation. The scheme may be reviewed thereafter on an annual basis.

Yours faithfully

(Shrimohan Yadav)

Chief General Manager

Encl: as above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12334&Mode=0>

**Branches of Indian Banks operating in GIFT-IFSC – acting as Professional Clearing Member (PCM) of India International Bullion Exchange IFSC Limited (IIBX)**

RBI/2022-23/62  
DoR.AUT.REC.41/24.01.001/2022-23

June 07, 2022

All Scheduled Commercial Banks

Madam/Dear Sir

**Branches of Indian Banks operating in GIFT-IFSC – acting as Professional Clearing Member (PCM) of India International Bullion Exchange IFSC Limited (IIBX)**

On a review, it has been decided to allow the branches of Indian banks operating in GIFT-IFSC to act as PCM of IIBX.

2. Accordingly, in exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the instructions hereinafter specified.

**3. Applicability**

The instructions are applicable to domestic scheduled commercial banks (including foreign banks operating through a Wholly Owned Subsidiary incorporated in India), which are authorised to deal in foreign exchange and have a branch in GIFT-IFSC.

**4. Procedure for Application**

The parent bank (‘bank’) shall seek a No Objection Certificate (NoC) from the Reserve Bank of India prior to its branch in GIFT-IFSC seeking professional clearing membership of IIBX, subject to fulfilment of the prudential requirements as set out in Para 21 of the [Master Direction/DBR.FSD.No.101/24.01.041/2015-16 dated May 26, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10425). An eligible bank shall, with prior approval of its Board, make an application to the Department of Regulation, Reserve Bank of India with details of its proposed business plan as a PCM along with particulars of the risk management architecture instituted at its branch in GIFT-IFSC.

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12330&Mode=0>

**Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer**

RBI/2022-23/61  
DOR.STR.REC.40/21.04.048/2022-23

June 6, 2022

All Non-Banking Financial Companies  
(Including Housing Finance Companies)

Madam / Dear Sir,

**Provisioning for Standard assets by Non-Banking Financial Company – Upper Layer**

Please refer to the [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” wherein it was inter alia mentioned that RBI would issue guidelines on differential provisioning to be held by NBFCs classified as NBFC-Upper Layer (NBFC-UL) towards different classes of standard assets.

2. Accordingly, it has been decided that NBFCs classified as NBFC-UL shall maintain provisions in respect of ‘standard’ assets at the following rates for the funded amount outstanding:

|  |  |
| --- | --- |
| **Category of Assets** | **Rate of Provision** |
| Individual housing loans and loans to Small and Micro Enterprises (SMEs) | 0.25 per cent |
| Housing loans extended at teaser rates | 2.00 per cent, which will decrease to 0.40 per cent after 1 year from the date on which the rates are reset at higher rates (if the accounts remain ‘standard’) |
| Advances to Commercial Real Estate – Residential Housing (CRE - RH) Sector | 0.75 per cent |
| Advances to Commercial Real Estate (CRE) Sector (other than CRE-RH) | 1.00 per cent |
| Restructured advances | As stipulated in the applicable prudential norms for restructuring of advances |
| All other loans and advances not included above, including loans to Medium Enterprises | 0.40 per cent |

More details can be referred to in the below link

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12329&Mode=0>

**Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022**

RBI/2022-23/93  
FMRD.DIRD.02/14.01.023/2022-23

June 01, 2022

To

All Eligible Market Participants

Madam/Sir

**Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022**

Please refer to Paragraph 10 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49343) announced as a part of the [Bi-monthly Monetary Policy Statement for 2019-20 dated February 06, 2020](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49342), on issuance of the Directions regarding exchange of variation margin (VM) for non-centrally cleared derivatives (NCCDs).

2. Accordingly, the draft Variation Margin (Reserve Bank) Directions, 2020 were released for public comments on [September 07, 2020](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50322). Based on the feedback received from the market participants, the draft Directions were reviewed and have since been finalised. The Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022 are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12328&Mode=0#enclosed) herewith.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For the detailed Master Direction - Reserve Bank of India (Variation Margin) Directions, 2022, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12328&Mode=0>

**Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit – Extension**

RBI/2022-23/60

DOR.STR.REC.39/04.02.001/2022-23

May 31, 2022

All Scheduled Commercial Banks (excluding RRBs),

Small Finance Banks,

Primary (Urban) Cooperative Banks & State Cooperative Banks (scheduled banks having AD category-I license), andExim Bank

Dear Sir / Madam,

Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit - Extension

Please refer to paragraph 2.4 of the circular No. DOR.STR.REC.93/04.02.001/2021-22 dated March 8, 2022, wherein it was stated that the extended IES would not be available to those beneficiaries who were availing of the benefit under any Production Linked Incentive (PLI) scheme of the Government.

2. In this regard, Government has issued a clarification that the extended IES will also be available to such beneficiaries for segments other than for which they have availed of PLI benefits.

3. It is further advised that banks shall obtain a Self-Declaration under the IES from the exporters as per the format given in the Annex.

4. These provisions shall be deemed effective from October 1, 2021. Other provisions of the aforesaid circular shall remain unchanged.

Yours faithfully

(Manoranjan Mishra)

Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12327&Mode=0>

**Bharat Bill Payment System – Amendment to guidelines**

RBI/2022-2023/58

CO.DPSS.POLC.No. S-253/02-27-020/2022-23

May 26, 2022

The Chairman and Managing Director / Chief Executive Officer

NPCI Bharat BillPay Ltd. / Bharat Bill Payment System Providers /

Participants and prospective Bharat Bill Payment Operating Units

Madam / Dear Sir,

Bharat Bill Payment System – Amendment to guidelines

This has reference to the guidelines on Bharat Bill Payment System (BBPS) issued by the Reserve Bank of India (RBI) vide circular DPSS.CO.PD.No.940/02.27.020/2014-2015 dated November 28, 2014. As announced in the Statement on Development and Regulatory Policies dated April 08, 2022, the minimum net-worth requirement for non-bank Bharat Bill Payment Operating Units (BBPOUs) stands reduced to ₹25 crore. The BBPS guidelines have been suitably amended.

2. This circular is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect immediately.

Yours faithfully,

(P. Vasudevan)

Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12325&Mode=0>

**Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)**

RBI/2022-2023/57  
A.P. (DIR Series) Circular No.04

May 25, 2022

To

All Category-I Authorised Dealer Banks

Madam/Sir,

**Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)**

Directorate General of Foreign Trade (DGFT) formulate and implement the Foreign Trade Policy and Procedures in terms of Foreign Trade (Development and Regulation) Act, 1992, (FTDR Act 1992, hereinafter) as amended from time to time. In exercise of powers conferred by Section 3 read with Section 5 of FTDR Act 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government has amended the import policy conditions for gold in any form, other than monetary gold and silver in any form under Chapter 71 of ITC (HS), 2017, Schedule-I (Import Policy) vide Notification No. 49/2015-2020 dated January 5, 2022.

2. Attention of Authorised Dealer Category - I (AD) bank is invited to (a) Notification No. 49/2015-2020 dated January 5, 2022, in terms of which, in addition to nominated agencies as notified by RBI (in case of banks) and nominated agencies as notified by DGFT, Qualified Jewellers (QJ) as notified by International Financial Services Centers Authority (IFSCA) will be permitted to import gold under specific ITC(HS) Codes through India International Bullion Exchange IFSC Ltd. (IIBX); (b) [Master Direction – Import of Goods and Services](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10201) and the AP Dir Series Circulars issued for import of Gold by Reserve Bank of India under FEMA, 1999; (c) regulations issued by the International Financial Services Centers Authority (IFSCA) under International Financial Services Centers Authority Act, 2019.

More details can be referred to in the below link

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12324&Mode=0>

**Housing Finance – Loans for repairs/additions/alterations - Enhancement of limits**

RBI/2022-23/56  
DOR.CRE.REC.18/09.22.010/2022-23

May 24, 2022

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Housing Finance – Loans for repairs/additions/alterations - Enhancement of limits**

Please refer to para 2 of the [circular UBD.CO.BPD.(PCB).Cir.No.13/09.22.010/2013-14 dated September 10, 2013](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8390&Mode=0) on the captioned subject, wherein, the ceiling on loans to individuals for carrying out repairs/additions/alterations to their dwelling units was revised upwards to ₹2 lakh in rural and semi-urban areas and ₹5 lakh in urban areas.

2. The ceiling on such loans is now revised to ₹10 lakh in metropolitan centres (those centres with population of 10 lakh and above) and ₹6 lakh in other centres.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12323&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Reporting of reverse repos with Reserve Bank on the bank’s balance sheet**

RBI/2022-23/55  
DOR.ACC.REC.No.37/21.04.018/2022-23

May 19, 2022

Dear Sir/ Madam,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Reporting of reverse repos with Reserve Bank on the bank’s balance sheet**

Please refer to the ‘Notes and Instructions for Compilation’ given in Part A of Annexure II to the [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0), regarding the reporting of reverse repo transactions by the banks on their balance sheet.

2. In order to bring more clarity on the presentation of reverse repo on the balance sheet, it has now been decided as under:

(a) All type of reverse repos with the Reserve Bank including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) ‘In Other Accounts’ of item (II) ‘Balances with Reserve Bank of India’ under Schedule 6 ‘Cash and balances with Reserve Bank of India’.

(b) Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) ‘Money at call and short notice’ under Schedule 7 ‘Balances with banks and money at call and short notice’.

(c) Reverse repos with banks and other institutions having original tenors more than 14 days shall be classified under Schedule 9 – ‘Advances’ under the following heads:

1. A.(ii) ‘Cash credits, overdrafts and loans repayable on demand’
2. B.(i) ‘Secured by tangible assets’
3. C.(I).(iii) Banks (iv) ‘Others’ (as the case may be)

3. In addition, certain sections in the said Directions are being updated for editorial corrections as given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12322&Mode=0#A_1).

**Applicability**

4. This circular is applicable to all commercial banks. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0), stands updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12322&Mode=0>

**Interoperable Card-less Cash Withdrawal (ICCW) at ATMs**

RBI/2022-23/54  
CO.DPSS.POLC.No.S-227/02-10-002/2022-23

May 19, 2022

The Chairman and Managing Director / Chief Executive Officer  
Scheduled Commercial Banks including RRBs /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Payment Banks / Small Finance Banks /  
National Payments Corporation of India (NPCI) /  
ATM Networks / White Label ATM Operators (WLAOs)

Madam / Dear Sir,

**Interoperable Card-less Cash Withdrawal (ICCW) at ATMs**

Please refer to paragraph 7 of [Statement on Development and Regulatory Policies dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536), wherein the Reserve Bank of India (RBI) had announced introduction of ICCW.

2. All banks, ATM networks and WLAOs may provide the option of ICCW at their ATMs. NPCI has been advised to facilitate Unified Payments Interface (UPI) integration with all banks and ATM networks. While UPI would be used for customer authorisation in such transactions, settlement would be through the National Financial Switch (NFS) / ATM networks. The on-us / off-us ICCW transactions shall be processed without levy of any charges other than those prescribed under the circular on [Interchange Fee and Customer Charges](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12111).

3. Withdrawal limits for ICCW transactions shall be in-line with the limits for regular on-us / off-us ATM withdrawals. All other instructions related to [Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11693) shall continue to be applicable.

4. This directive is issued under Section 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12321&Mode=0>

**New Definition of Micro, Small and Medium Enterprises - Clarification**

RBI/2022-23/52  
FIDD.MSME & NFS.BC.No.7/06.02.31/2022-23

May 19, 2022

The Chairman/ Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks/  
District Central Co-operative Banks /All-India Financial Institutions/  
All Non-Banking Financial Companies

Dear Sir/Madam,

**New Definition of Micro, Small and Medium Enterprises - Clarification**

Please refer to our [circulars FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11934&Mode=0), [FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0) and [FIDD.MSME & NFS.BC.No.16/06.02.31/2021-22 dated February 18, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0), regarding revised criteria for classification of Micro, Small and Medium Enterprises.

2. Government of India, vide [Gazette Notification S.O. 2134(E) dated May 06, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GOIG19052022.pdf), has notified amendments in sub paragraph (3) paragraph (7) of the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number [S.O. 2119 (E), dated June 26, 2020](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate02072020.pdf), published in the Gazette of India.

3. In view of the above amendment, it is clarified that:

1. the existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAM) of the MSMEs obtained till June 30, 2020 shall remain valid till June 30, 2022 for classification as MSMEs; and
2. the validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated March 8, 2017 ([RBI Circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11050&Mode=0)), for classification of MSMEs upto June 30, 2020, has been extended upto June 30, 2022.

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12319&Mode=0>

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

RBI/2022-23/51  
FIDD.CO.FSD.BC.No.6/05.05.010/2022-23

May 18, 2022

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(including Small Finance Banks and  
excluding Regional Rural Banks)

Madam/ Dear Sir,

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

Please refer to Para 3.1.1.2 of our [circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11462&Mode=0) on Kisan Credit Card (KCC) Scheme: Working Capital for Animal Husbandry and Fisheries. It has been brought to our notice that licensing/authorisation related requirements pertaining to fishing/aquaculture in inland water bodies vary across states. Accordingly, the eligibility criteria for inland fisheries and aquaculture under Para 3.1.1.2 of the circular stand modified as follows:

The beneficiaries must own or lease any fisheries related assets such as ponds, tanks, open water bodies, raceways, hatcheries, rearing units, boats, nets and such other fishing gear as the case may be and possess necessary authorisation/certification as may be applicable in respective states for fish farming and fishing related activities and for any other state specific fisheries and allied activities.

2. All other terms and conditions of the scheme remain unchanged.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12318&Mode=0>

**Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors**

RBI/2022-23/50  
FIDD.CO.Plan.BC.No.5/04.09.01/2022-23

May 13, 2022

The Chairman/ Managing Director/  
Chief Executive Officer  
All Scheduled Commercial Banks (Including Small Finance Banks)  
(Excluding Regional Rural Banks, Urban Co-operative Banks and Local Area Banks)

Dear Sir/Madam,

**Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors**

Please refer to para nos. 21.2, 21.3, 22 and 24 of the [Master Directions on Priority Sector Lending dated September 4, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) (updated from time to time), along with [notifications FIDD.CO.Plan. BC.No.15/04.09.01/2021-22 dated October 8, 2021](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12177&fn=2754&Mode=0) and [FIDD.CO.Plan.BC.No.10/04.09.01/2021-22 dated May 5, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12081&Mode=0) wherein lending by commercial banks to NBFCs and lending by Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to certain priority sectors, was permitted up to March 31, 2022.

2. To ensure continuation of the synergies that have been developed between banks and NBFCs in delivering credit to the specified priority sectors, it has been decided to allow the above facility on an on-going basis.

3. Bank credit to NBFCs (including HFCs) for on-lending will be allowed up to an overall limit of 5 percent of an individual bank’s total priority sector lending in case of commercial banks. In case of SFBs, credit to NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognized ‘Self-Regulatory Organisation’ of the sector, will be allowed up to an overall limit of 10 percent of an individual bank’s total priority sector lending. These limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap.

4. SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a ‘gross loan portfolio’ (GLP) of up to ₹500 crore as on March 31 of the previous financial year, for the purpose of on-lending to priority sector. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all priority sector loans created prior to exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier.

Yours faithfully,

(Sonali Sen Gupta)  
Chief General Manager-in-Charge

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12317&Mode=0>

**Review of Minimum Investment Grade Credit Ratings for Deposits of NBFCs**

RBI/2022-23/37  
DOR.FIN.REC.No.30/03.10.001/2022-23

May 02, 2022

All Deposit taking NBFCs (including deposit taking HFCs)

Dear Sir/ Madam,

**Review of Minimum Investment Grade Credit Ratings for Deposits of NBFCs**

Please refer to para 9 of [Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10563) wherein the names of approved credit rating agencies and their respective minimum investment grade credit rating for the purpose of accepting public deposits by NBFCs have been listed.

2. On a review, it has been decided that the minimum investment grade credit rating for deposits of NBFCs shall be ‘BBB–’ from any of the SEBI-registered Credit Rating Agencies.

3. The [Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10563) is being modified accordingly.

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12304&Mode=0>

**Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs**

RBI/2022-23/36  
DOR.GOV.REC.No.29/18.10.002/2022-23

April 29, 2022

All Non-Banking Financial Companies

Madam/Sir,

**Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs**

As you are aware, a revised Scale Based Regulatory (SBR) framework for NBFCs was put in place vide [circular DOR.CRE.REC.No.60/03.10.001/2021-22 October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0). In terms of para 3.2.3 (h) of the said circular, in order to address issues arising out of excessive risk taking caused by misaligned compensation packages, NBFCs are required to put in place a Board approved compensation policy. The policy shall at the minimum include, (a) constitution of a Remuneration Committee, (b) principles for fixed/ variable pay structures, and (c) malus/ clawback provisions. Further, in terms of para 3.2.3 (i) it was also decided that the Board of NBFCs should delineate the role of various committees, including Nomination and Remuneration Committee (NRC). It was envisaged that detailed circulars will be issued in due course by the Reserve Bank. Accordingly, these guidelines have now been framed and furnished in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#AN_1).

2. The guidelines are intended only for providing broad guidance to NBFCs and their NRCs in formulating their compensation policy. While formulating the compensation policy, it has to be ensured that all statutory mandates and the rules and directions issued under them are fully complied with.

3. These guidelines will be applicable for fixing the compensation policy of Key Managerial Personnel[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F1) and members of senior management[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F2) of all Non-Banking Financial Companies under SBR framework, except those categorised under ‘Base Layer’[3](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F3) and Government owned NBFCs.

4. These guidelines shall come into effect from April 01, 2023.

**Yours faithfully**

**(Scenta Joy)  
Chief General Manager**

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0>

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

RBI/2022-23/35  
FIDD.CO.FSD.BC.No.3/05.02.001/2022-23

April 28, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Public Sector Banks, Private Sector Banks and  
Small Finance Banks

Madam/Dear Sir,

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

Please refer to our letter FIDD.CO.FSD.No.342/05.02.001/2020-21 dated October 16, 2020 conveying the decision of the Government of India for continuation of the Interest Subvention Scheme (modified) for short term loans for agriculture and allied activities for the year 2020-21 on interim basis.

2. In this regard, it is advised that Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modifications for the financial year 2021-22 with the following stipulations:

1. In order to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2021-22, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) which have been ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention of 2% per annum will be calculated on the loan amount from the date of disbursement/drawal up to the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2021-22 will be as follows:

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Lending rate to farmers** | **Rate for Interest Subvention** |
| 2021-22 | 7% | 2% |

For more details, kindly refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12302&Mode=0>

**Legal Entity Identifier (LEI) for Borrowers**

RBI/2022-23/34  
DOR.CRE.REC.28/21.04.048/2022-23

April 21, 2022

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

Madam/Dear Sir,

**Legal Entity Identifier (LEI) for Borrowers**

Please refer to Para 3 of [DBR.No.BP.BC.92/21.04.048/2017-18 dated November 2, 2017](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11154&Mode=0), on the captioned subject.

2. On a review, it has been decided that the guidelines on LEI stand extended to Primary (Urban) Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs). It is further advised that non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F1) and financial institutions (FIs)[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F2) shall be required to obtain LEI codes as per the timeline given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#AN_1).

“Exposure” for this purpose shall include all fund based and non-fund based (credit as well as investment) exposure of banks/FIs to the borrower. Aggregate sanctioned limit or outstanding balance, whichever is higher, shall be reckoned for the purpose. Lenders may ascertain the position of aggregate exposure based on information available either with them, or CRILC database or declaration obtained from the borrower.

c) Borrowers who fail to obtain LEI codes from an authorized Local Operating Unit (LOU) shall not be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure. However, Departments/Agencies[3](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F3) of Central and State Governments (not Public Sector Undertakings registered under Companies Act or established as Corporation under the relevant statute) shall be exempted from this provision.

3. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA and 45L of the Reserve Bank of India Act, 1934, section 30A of the National Housing Bank Act, 1987 and section 6 of the Factoring Regulation Act, 2011.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0>

**Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

RBI/2022-23/92  
DoR.AUT.REC.No.27/24.01.041/2022-23

April 21, 2022

**Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

In exercise of the powers conferred by Sections 35A and Section 56 of the Banking Regulation Act, 1949 and Chapter IIIB of the Reserve Bank of India Act, 1934, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

The direction details on the following:

**CHAPTER – I: PRELIMINARY**

**CHAPTER – II: CONDUCT OF CREDIT CARD BUSINESS**

**CHAPTER – III: ISSUE OF DEBIT CARD BY BANKS**

**CHAPTER – IV: CO-BRANDING ARRANGEMENT**

**CHAPTER – V: GENERAL GUIDELINES FOR CREDIT AND DEBIT CARDS**

**CHAPTER – VI: MISCELLANEOUS**

**CHAPTER – VII: EXEMPTIONS, INTERPRETATIONS AND REPEAL**

Details under each of the above chapters can be read from the below link

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12300&Mode=0>

**Creation of Honorary Designations at Board level in Urban Co-operative Banks**

RBI/2022-23/33  
DOR.GOV.REC.No.26/18.10.004/2022-23

April 21, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Creation of Honorary Designations at Board level in Urban Co-operative Banks**

It has been observed during the course of supervisory reviews that some of the Urban Co-operative Banks (UCBs) have adopted the practice of creating honorary designations (remunerated or otherwise)/conferring titles at Board level, such as Chairman Emeritus, Group Chairman, etc., which are not recognised in applicable statutes or regulations.

2. While such positions/titles may be indicative of certain privileges/rights for the incumbent to access all board materials and participate in board/committee meetings, enforcing liability or obligations on such person may be difficult. Such positions may be seen as creating conflicts of interest as well as creation of a parallel or shadow authority impeding effective and independent functioning of the legally constituted board in the best interest of all its stakeholders.

3. As such, UCBs are directed not to create any honorary positions/titles at Board level or confer such titles that are non-statutory in nature and to eliminate any such existing position/titles within one year from date of this circular.

4. These directions are issued under Section 35A and Section 36(1)(d) of the Banking Regulation Act, 1949 (AACS).

Yours faithfully,

(Shrimohan Yadav)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12299&Mode=0>

**Large Exposures Framework for Non-Banking Financial Company - Upper Layer (NBFC-UL)**

RBI/2022-23/32  
DOR.CRE.REC.24/21.01.003/2022-23

April 19, 2022

All Non-Banking Financial Companies

Madam / Dear Sir,

**Large Exposures Framework for Non-Banking Financial Company - Upper Layer (NBFC-UL)**

Please refer to paragraph 3.2.2 (d) of [RBI circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs”, in terms of which a Large Exposure Framework (LEF) is prescribed for NBFCs in the Upper Layer.

2. Detailed guidelines in this regard are [annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12298&Mode=0#AN1).

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12298&Mode=0>

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

RBI/2022-23/31  
DOR.CAP.REC.22/09.18.201/2022-23

April 19, 2022

The Chief Executive Officer  
All State and Central Co-operative Banks

Madam / Dear Sir,

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), has come into force with effect from April 01, 2021 for Rural Co-operative Banks (RCBs), i.e. State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs).

2. The extant instructions for RCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on Augmentation of capital funds, Refund of share capital, Repeal and Effective Date refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12297&Mode=0>

**Scale Based Regulation (SBR) for NBFCs: Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL)**

RBI/2022-23/30  
DOR.CAP.REC.No.21/21.06.201/2022-23

April 19, 2022

Dear Sir/ Madam,

**Scale Based Regulation (SBR) for NBFCs: Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL)**

Please refer to the [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs.

2. In terms of paragraph 3.2.1 (b) of the circular ibid, NBFC-UL shall maintain Common Equity Tier 1 capital of at least 9 per cent of Risk Weighted Assets. The detailed guidelines in this regard are provided below:

3.1. NBFC-UL shall maintain, on an on-going basis, Common Equity Tier 1 (CET1) ratio of at least 9 per cent, where,

Common Equity Tier 1 (CET1) ratio

For more details, the link to the notification is placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12296&Mode=0>

**Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)**

RBI/2022-23/28  
A.P. (DIR Series) Circular No. 01 (revised number)

April 19, 2022

To,

All Authorized Persons

Madam / Sir

**Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, vide [Notification No. FEMA. 396/2019-RB dated October 17, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0), as amended from time to time and the relevant Directions issued thereunder.

2. A reference is also invited to the following directions issued by the Reserve Bank:

1. [A.P. (DIR Series) Circular No. 25 dated March 30, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0);
2. [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);
3. [A.P. (DIR Series) Circular No. 05 dated May 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12102&Mode=0); and
4. [A.P. (DIR Series) Circular No. 23 dated February 10, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12227&Mode=0).

**3. Investment Limits for the financial year (FY) 2022-23:**

1. The limits for FPI investment in Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall remain unchanged at 6%, 2% and 15% respectively, of outstanding stocks of securities for FY 2022-23.
2. As hitherto, all investments by eligible investors in the ‘specified securities’ shall be reckoned under the Fully Accessible Route (FAR) in terms of [A.P. (DIR Series) Circular No. 25 dated March 30, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0).
3. The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – ‘General’ and ‘Long-term’ – shall be retained at 50:50 for FY 2022-23.
4. The entire increase in limits for SDLs (in absolute terms) has been added to the ‘General’ sub-category of SDLs.

For the revised limits (in absolute terms) for the different categories and other details, refer to the link provided below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12295&Mode=0>

**Loans and Advances – Regulatory Restrictions – NBFCs**

RBI/2022-23/29  
DOR.CRE.REC.No.25/03.10.001/2022-23

April 19, 2022

All Non-Banking Financial Companies

Madam/ Dear Sir,

**Loans and Advances – Regulatory Restrictions - NBFCs**

In terms of para 3.2.2 (c) and para 3.2.3 (b) & (c) of the [circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued on October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0), certain regulatory restrictions on lending were introduced in respect of NBFCs placed in different layers. Detailed guidelines in this regard are placed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0#AN) to this circular.

2. These guidelines shall be effective from October 01, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0>

**Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks**

RBI/2022-23/27  
DOR.CRE.REC.23/21.08.008/2022-23

April 19, 2022

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

**Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks**

Please refer to [circular DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11945&Mode=0) on Opening of Current Accounts by Banks - Need for Discipline and associated circulars thereon[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#F1). The [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#AN_1) consolidates all instructions/ guidelines issued on the subject till date.

Yours Faithfully,

(Manoranjan Mishra)  
Chief General Manager

Encl: Flowcharts

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0>

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

RBI/2022-23/26  
DOR.ACC.REC.No.20/21.04.018/2022-23

April 19, 2022

Dear Sir/ Madam,

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

Please refer to our [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework’ for NBFCs, which inter-alia envisages certain specific disclosures.

2. Non-Banking Finance Companies (NBFCs) are required to make disclosures in their financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws, and regulations. The additional disclosure requirements for NBFCs in accordance with the SBR framework are outlined in the [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTI26_AN.pdf).

3. These disclosures are in addition to and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards. More comprehensive disclosures than the minimum required are encouraged, especially if such disclosures significantly aid in the understanding of the financial position and performance.

**Applicability**

4. This circular is applicable to all NBFCs. The Annex specifies the applicability of specific disclosure requirements to specific NBFC layers as per Scale Based Regulation. It may be noted that disclosure requirements applicable to lower layers of NBFCs will be applicable to NBFCs in higher layers. These guidelines shall be effective for annual financial statements for year ending March 31, 2023, and onwards.

(Usha Janakiraman)  
Chief General Manager

Reference Links: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12292&Mode=0>

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR)**

RBI/2022-23/25  
DOR.LRG.REC.19/21.04.098/2022-23

April 18, 2022

Dear Sir/Madam,

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR)**

Please refer to our [circular DOR.BP.BC.No.65/21.04.098/2019-20 dated April 17, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11870&Mode=0) on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR).

2. In terms of the circular ibid, the assets allowed as Level 1 High Quality Liquid Assets (HQLAs) for the purpose of computing the LCR, inter alia, include (a) Government securities in excess of the mandatory SLR requirement and (b) within the mandatory SLR requirement, Government securities to the extent allowed under (i) Marginal Standing Facility (MSF) and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [15 per cent of the banks’ Net Demand and Time Liabilities (NDTL)].

3. Since MSF has been reduced to 2 per cent from 3 per cent of NDTL from January 1, 2022, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement, has reduced to 17 per cent of NDTL (2 per cent MSF plus 15 per cent FALLCR) from 18 percent.

4. On a review, it has been decided to permit banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

**Applicability:**

5. This circular is applicable to all Commercial Banks other than Regional Rural Banks, Local Area Banks and Payments Banks.

6. These instructions shall come into force with immediate effect.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12291&Mode=0>

**Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs**

RBI/2022-23/24  
Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23

April 11, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Non-Banking Financial Companies

Madam / Dear Sir,

**Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs**

Please refer to the Reserve Bank’s guidelines on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs’ issued vide [Circular Ref.DOR.CRE. REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0)[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#F1). As indicated therein, Non-Banking Financial Companies in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) would be required, inter alia, to have an independent Compliance Function and a Chief Compliance Officer (CCO). Accordingly, this Circular shall be applicable to all NBFC-UL and NBFC-ML. NBFCs in the Base Layer (NBFC-BL) shall continue to be governed under the existing guidelines[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#F2).

2. As part of the overall structure for Corporate Governance, Compliance Function serves a critical role. Accordingly, it has been decided to introduce certain principles, standards and procedures for Compliance Function in NBFC-UL and NBFC-ML, keeping in view the principles of proportionality.

3. NBFC-UL and NBFC-ML shall put in place a Board approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO), based on the Framework given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#AN1), latest by April 1, 2023 and October 1, 2023, respectively.

4. This Circular shall be placed in the immediate next meeting of the Board of Directors for information and devising an implementation strategy, under the Board’s supervision, in a time-bound manner.

Yours faithfully,

(Arnab Kumar Chowdhury)  
Chief General Manager-In-Charge

**Encl.: Annex**

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0>

**Section 24 and Section 56 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR)**

RBI/2022-23/23  
DOR.RET.REC.15/12.01.001/2022-23

April 08, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
Local Area Banks, Small Finance Banks, Payments Banks  
Primary (Urban) Co-operative Banks (UCBs)  
State and Central Co-operative Banks (StCBs / CCBs)

Madam/Sir,

**Section 24 and Section 56 of the Banking Regulation Act, 1949 –  
Maintenance of Statutory Liquidity Ratio (SLR)**

Please refer to [circular DBR.No.Ret.BC.10/12.02.001/2018-19 dated December 05, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11427&Mode=0) and relative notification on the captioned subject.

2. As announced in the[Statement on Developmental and Regulatory Policies on April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536), it has been decided to institute the Standing Deposit Facility (SDF) with immediate effect. Accordingly, it is decided that the balances held by banks with the RBI under the SDF shall be an eligible Statutory Liquidity Ratio (SLR) asset and such balances shall form part of “Cash” for SLR maintenance. Banks shall report the SDF balances under "Cash in hand" in Form VIII or Form I, as applicable.

3. The balances held by banks with RBI under the SDF shall not be eligible for Cash Reserve Ratio (CRR) maintenance.

4. A copy of the relative notification DOR.RET.REC.16/12.01.001/2022-23 dated April 08, 2022, is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0#AN1).

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager

For detailed notification, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0>

**Master Circular - Management of Advances – UCBs**

RBI/2022-23/22  
DOR.CRE.REC.No.17/13.05.000/2022-23

April 8, 2022

All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Management of Advances - UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.14/13.05.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9880) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#MC) consolidates and updates all the instructions / guidelines issued on the subject up to April 7, 2022 as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: as above

**Master Circular on Management of Advances – UCBs**

|  |  |
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| 2 | [Working Capital Requirements](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#2) |
| 3 | [Loan System for delivery of bank credit](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#3) |
| 4 | [Credit Administration](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#4) |
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| 8 | [Discounting/Rediscounting of Bills by Banks](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#8) |
| 9 | [Loans to Self Help Groups (SHGs) / Joint Liability Groups (JLGs)](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#9) |
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| [Annex - 1 Guidelines on Valuation of Properties – Empanelment of Valuers](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN1) | |
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| [Annex - 3 Format for reporting of borrowal accounts classified as doubtful, loss for suit filed with outstanding of Rs.1crore and above & Format for reporting of information on cases of wilful default of ₹ 25.00 lakh and above](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN3) | |
| [Annex - 4 Definition of Micro, Small and Medium Enterprises](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN4) | |
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| [Annex - 6 Recommendations of the Committee to Recommended Data Format of Credit Information to CICs](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN6) | |
| [Annex - 7 Credit information reporting in respect of Self Help Group (SHG) members](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN7) | |
| [Appendix List of circulars consolidated in the Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP) | |

For details under the above mentioned headings, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0>

**Review of SLR holdings in HTM category**

RBI/2022-23/21  
DOR.MRG.REC.14/21.04.141/2022-23

April 08, 2022

Dear Sir / Madam,

**Review of SLR holdings in HTM category**

Please refer to paragraph 4 of [Statement on Development and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536) of the [Monetary Policy Statement, 2022-23 dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53537) and Section 6(iv)(a) of [Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 dated August 25, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153).

2. At present, banks have been granted a special dispensation of enhanced Held to Maturity (HTM) limit of 22 per cent of Net Demand and Time Liabilities (NDTL), for Statutory Liquidity Ratio (SLR) eligible securities acquired between September 1, 2020 and March 31, 2022, until March 31, 2023.

3. On a review, it has now been decided to further enhance the existing HTM limit of 22 per cent of NDTL to 23 per cent of NDTL and allow banks to include securities acquired between April 1, 2022 and March 31, 2023 under the enhanced limit of 23 per cent.

4. The enhanced HTM limit of 23 per cent shall be restored to 19.5 percent in a phased manner, beginning from the quarter ending June 30, 2023, i.e. the excess SLR securities acquired by banks during the period September 1, 2020 to March 31, 2023 shall be progressively reduced such that the total SLR securities held in the HTM category as a percentage of the NDTL do not exceed:

1. 22.00 per cent as on June 30, 2023
2. 21.00 per cent as on September 30, 2023
3. 20.00 per cent as on December 31, 2023
4. 19.50 per cent as on March 31, 2024

All other instructions shall remain unchanged.

5. The relevant sections of the Master Direction are being amended to reflect the aforementioned changes.

**Applicability**

6. This circular is applicable to all Commercial Banks.

7. These instructions shall come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12287&Mode=0>

**Individual Housing Loans – Rationalisation of Risk Weights**

RBI/2022-23/20  
DOR.CRE.REC.13/08.12.015/2022-23

April 8, 2022

All Scheduled Commercial Banks  
(Excluding Local Area Banks and Regional Rural Banks)

Madam/ Dear Sir,

**Individual Housing Loans – Rationalisation of Risk Weights**

Please refer to [circular DOR.No.BP.BC.24/08.12.015/2020-21 dated October 16, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11984&Mode=0) on rationalization of risk weights on Individual Housing Loans in terms of which risk weights were rationalised irrespective of the amount, for all new housing loans sanctioned from October 16, 2020 and up to March 31, 2022.

2. On review, it has been decided to continue with the risk weights contained in the circular ibid for all new individual housing loans sanctioned up to March 31, 2023. All other instructions applicable in terms of the [circular dated October 16, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11984&Mode=0) remain unchanged.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12286&Mode=0>

**Establishment of Digital Banking Units (DBUs)**

RBI/2022-23/19  
DOR.AUT.REC.12/22.01.001/2022-23

April 7, 2022

All Scheduled Commercial Banks  
(excluding Regional Rural Banks, Local Area Banks & Payments Banks)

Dear Sir / Madam,

**Establishment of Digital Banking Units (DBUs)**

In recent times, digital banking has emerged as the preferred banking service delivery channel in the country along with ‘brick and mortar’ banking outlets. Reserve Bank has been taking progressive measures to improve availability of digital infrastructure for banking services. In furtherance of this objective and as a part of efforts to accelerate and widen the reach of digital banking services, the concept of “Digital Banking Units” (DBUs) is being introduced by the Reserve Bank.

2. In pursuance of announcements made in the Union Budget 2022-23, guidelines have been prepared for setting up of Digital Banking Units (DBUs) by commercial banks on the basis of recommendations of a Working Group formed by RBI which included representatives of banks and Indian Banks' Association (IBA).

3. The guidelines for establishment of DBUs are detailed in the [ANNEX](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12285&Mode=0#AN).

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager

Encl: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12285&Mode=0>

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs**

RBI/2022-23/17  
DOR.STR.REC.5/21.04.048/2022-23

April 1, 2022

The Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters - UCBs**

Please refer to our [Master Circular DOR.No.STR.REC.64/21.04.048/2021-22 dated November 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12185)on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex 9](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#ANN_9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

For the detailed Master Circular on Income Recognition, Asset Classification, Provisioning and Other Related Matters, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0>

**Master Circular – Housing Finance**

RBI/2022-23/16  
DOR.CRE.REC.No.06/08.12.001/2022-23

April 01, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DOR.CRE.REC.No.87/08.12.001/2021-22 dated February 18, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12243) consolidating the instructions / guidelines issued to banks till February 17, 2022 relating to Housing Finance. This[Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12282&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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| 12 | [Appendix: Housing Finance circulars](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12282&Mode=0#S16) |

For more details on the headings mentioned above, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12282&Mode=0>

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

RBI/2022-23/15  
DOR.STR.REC.4/21.04.048/2022-23

April 1, 2022

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

Please refer to the [Master Circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171) consolidating instructions / guidelines issued to banks till September 30, 2021 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2022. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

For the detailed ‘MASTER CIRCULAR - PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING PERTAINING TO ADVANCES’, refer to the link placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0>

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

RBI/2022-23/14  
DOR.CRE.REC.No.07/21.04.172/2022-23

April 01, 2022

All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

Please refer to our [Master Circular DOR.CRE.REC.No.77/21.04.172/2021-22 dated January 05, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12218)on the captioned subject. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12280&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For the detailed ‘Master Circular on Bank Finance to Non-Banking Financial Companies (NBFCs)’, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12280&Mode=0>

**Master Circular – Basel III Capital Regulations**

RBI/2022-23/12  
DOR.CAP.REC.3/21.06.201/2022-23

April 1, 2022

All Scheduled Commercial Banks  
(Excluding Small Finance Banks, Payments Banks  
and Regional Rural Banks)

Madam / Dear Sir,

**Master Circular – Basel III Capital Regulations**

Please refer to the [Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859), consolidating therein the prudential guidelines on Basel III capital adequacy issued to banks till June 30, 2015.

2. This [Master Circular](https://rbidocs.rbi.org.in/rdocs/content/pdfs/12MCBaselIII05042022_A.pdf) consolidates instructions on the above matters issued as on date. A list of circulars consolidated in this Master Circular is contained in Annex 27.

3. Small Finance Banks and Payments Banks may refer to their respective licensing guidelines and operating guidelines issued by Reserve Bank, for prudential guidelines on capital adequacy.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Encl.: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12278&Mode=0>

**Master Circular – Lead Bank Scheme**

RBI/2022-23/11  
FIDD.CO.LBS.BC.No.02/02.01.001/2022-23

April 01, 2022

The Chairman/ Managing Director/ Chief Executive Officer  
SLBC/ UTLBC Convenor Banks / Lead Banks

Madam/ Dear Sir,

**Master Circular – Lead Bank Scheme**

The Reserve Bank of India has issued a number of guidelines/instructions on Lead Bank Scheme from time to time. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0#MC) consolidates the relevant guidelines/ instructions issued by Reserve Bank of India on Lead Bank Scheme up to March 31, 2022 as listed in the [Appendix I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0#AP1).

2. This Master Circular has been placed on the RBI website [https://www.rbi.org.in](https://www.rbi.org.in/)

Yours faithfully,

(Sonali Sen Gupta)  
Chief General Manager-in-Charge

Encl.: As above

For the consolidated Master Circular on Lead Bank Scheme (upto 31st March, 2022) refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0>

**Master Circular - Guarantees and Co-acceptances**

RBI/2022-23/10  
DOR.STR.REC.8/13.07.010/2022-23

April 1, 2022

**All Scheduled Commercial Banks  
(excluding Payments Banks and RRBs)**

Dear Sir / Madam

**Master Circular - Guarantees and Co-acceptances**

Please refer to the [Master Circular DOR.STR.REC.66/13.07.010/2021-22 dated November 9, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12189) consolidating the instructions / guidelines issued to banks till November 8, 2021, relating to Guarantees and Co-acceptances. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12276&Mode=0#MC) consolidates the instructions on the above matter issued up to March 31, 2022.

Yours faithfully

Manoranjan Mishra  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12276&Mode=0>

**Master Circular - Disbursement of Government Pension by Agency Banks**

RBI/2022-23/09  
DGBA.GBD.No.S2/31.02.007/2022-23

April 01, 2022

All Agency Banks

Dear Sir/Madam

**Master Circular - Disbursement of Government Pension by Agency Banks**

Please refer to our [Master Circular RBI/2021-22/08 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12059) (updated as on May 17, 2021) on the above subject. We have now revised and updated the Master Circular which consolidates important instructions on the subject issued by the Reserve Bank of India till March 31, 2022.

2. A copy of the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12275&Mode=0#MC) is enclosed for your information. This circular may also be downloaded from our website [https://mastercirculars.rbi.org.in](https://mastercirculars.rbi.org.in/).

Yours faithfully

(R. Kamalakannan)  
Chief General Manager

Encl.: As above

For the detailed ‘Master Circular–Disbursement of Government Pension by Agency Banks’ refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12275&Mode=0>

**Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission**

RBI/2022-23/08  
CO.DGBA.GBD.No.S-1/31.12.010/2022-23

April 1, 2022

All Agency Banks

Dear Sir / Madam

**Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission**

Please refer to our [Master Circular RBI/2021-22/07 DGBA.GBD.No.S-2/31.12.010/2021-22 dated April 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12058) on the above subject. We have now revised and updated the Master Circular which consolidates important instructions on the subject issued by the Reserve Bank of India till March 31, 2022.

2. A copy of the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12274&Mode=0#MC1) is enclosed for your information. This Circular may also be downloaded from our website [https://mastercirculars.rbi.org.in](https://mastercirculars.rbi.org.in/).

Yours faithfully

(R. Kamalakannan)  
Chief General Manager

Encl: As above

For the detailed ‘MASTER CIRCULAR ON AGENCY COMMISSION’, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12274&Mode=0>

**Master Circular – Detection and Impounding of Counterfeit Notes**

RBI/2022-23/07  
DCM (FNVD) G –1/16.01.05/2022-23

April 1, 2022

The Chairman/ Managing Director /Chief Executive Officer  
All Banks

Dear Sir / Madam,

**Master Circular – Detection and Impounding of Counterfeit Notes**

Please refer to the [Master Circular DCM (FNVD) G - 1/16.01.05/2021-22 dated April 1, 2021](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12053) consolidating the instructions issued till April 1, 2021, relating to Detection and Impounding of Counterfeit Notes. The [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12273&Mode=0#MC) has since been updated by incorporating the instructions issued till date and has been placed on the RBI website [www.rbi.org.in](https://www.rbi.org.in/).

The Master Circular is a compilation of the instructions issued by RBI on the above subject which are operational as on the date of this Circular.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

For the detailed circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12273&Mode=0>

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit – UCBs**

RBI/2022-23/06  
DoR.STR.REC.9/09.27.000/2022-23

April 01, 2022

The Managing Director/ Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit - UCBs**

Please refer to our [Master Circular DoR.STR.REC.65/09.27.000/2021-22 dated November 2, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12187) on the captioned subject (available at RBI website [https://rbi.org.in/](https://www.rbi.org.in/)). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#AN).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

For more details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0>

**Master Circular on Investments by Primary (Urban) Co-operative Banks**

RBI/2022-23/05  
DOR.MRG.REC.10/21.04.141/2022-23

April 01, 2022

All Primary (Urban) Co-operative Banks

Dear Sir / Madam,

**Master Circular on Investments by Primary (Urban) Co-operative Banks**

Please refer to our [Master Circular DOR.MRG.REC.50/21.04.141/2021-22 dated September 20, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12164) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12271&Mode=0#MC1) consolidates and updates all the instructions/guidelines on the subject issued as on date.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

For the detailed ‘MASTER CIRCULAR ON INVESTMENTS BY PRIMARY (URBAN) CO-OPERATIVE BANKS’ refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12271&Mode=0>

**Master Direction on Penal Provisions in deficiencies in reporting of transactions/ balances at Currency Chests**

RBI/2022-23/91  
DCM (CC) No.G-4/03.35.01/2022-23

April 01, 2022

The Chairman/ Managing Director/Chief Executive Officer  
(All banks having Currency Chests)

Madam / Dear Sir

**Master Direction on Penal Provisions in deficiencies in reporting of transactions/ balances at Currency Chests**

In terms of the Preamble to & Section 45 of the RBI Act, 1934 and 35 A of the Banking Regulation Act, 1949, the Bank issues guidelines / instructions for realising the objectives of Clean Note Policy as part of currency management. With a view to sustain these efforts and to ensure discipline among the banks for timely and accurate reporting of currency chest transactions, instructions on the subject have been issued from time to time.

2. The [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12270&Mode=0#MD) enclosed incorporates updated guidelines / circulars on the subject. The Direction will be updated as and when fresh instructions are issued.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl : As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12270&Mode=0>

**Master Direction on Framework of Incentives for Currency Distribution & Exchange Scheme for bank branches including currency chests based on performance in rendering customer service to the members of public**

RBI/2022-23/90  
DCM (CC) No.G-3/03.41.01/2022-23

April 01, 2022

The Chairman/Managing Director/Chief Executive Officers  
All banks

Madam / Dear Sir,

**Master Direction on Framework of Incentives for Currency Distribution & Exchange Scheme for bank branches including currency chests based on performance in rendering customer service to the members of public**

In terms of the Preamble to & under Section 45 of the RBI Act, 1934 and 35 A of the Banking Regulation Act, 1949; the Bank issues guidelines / instructions for realising the objectives of Clean Note Policy as part of currency management. With a view to furthering these objectives, the Bank has formulated a framework of incentives titled Currency Distribution and Exchange Scheme (CDES) to encourage all bank branches to provide better customer services to the members of public.

2. The [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12269&Mode=0#MD) enclosed incorporates updated guidelines / circulars on the subject. The Direction shall be updated from time to time as and when fresh instructions are issued.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12269&Mode=0>

**Master Circular – Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public**

RBI/2022-23/04  
DCM (CC) No.G-5/03.44.01/2022-23

April 01, 2022

The Chairman/Managing Director/Chief Executive Officers  
All banks

**Master Circular – Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public**

Please refer to the [Master Circular DCM (CC) No.G-3/03.44.01/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12054) on the scheme of penalties.

2. An updated version on the subject is [annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12268&Mode=0#A_1) for information and necessary action.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12268&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2022-23/03  
DOR.SIG.FIN.REC 1/26.03.001/2022-23

April 01, 2022

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/guidelines](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No.DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0#Guidance) updated as on March 31, 2022 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0>

**Master Circular on SHG-Bank Linkage Programme**

RBI/2022-23/02  
FIDD.CO.FID.BC.No.1/12.01.033/2022-23

April 01, 2022

The Chairman / Managing Director /  
Chief Executive Officer  
All Scheduled Commercial Banks

Madam / Dear Sir

**Master Circular on SHG-Bank Linkage Programme**

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on SHG-Bank Linkage Programme. In order to enable banks to have instructions at one place, the [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12266&Mode=0#MC2) incorporating the existing guidelines/ instructions on the subject has been updated and enclosed. This Master Circular consolidates the circulars issued by Reserve Bank on the subject up to March 31, 2022, as indicated in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12266&Mode=0#AP1).

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager-in-Charge  
Encl: As above

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12266&Mode=0>

**Master Circular – Facility for Exchange of Notes and Coins**

RBI/2022-23/01  
DCM (NE) No.G-5/08.07.18/2022-23

April 01, 2022

The Chairman/The Managing Director/  
The Chief Executive Officer  
All Banks

Madam/Dear Sir

**Master Circular – Facility for Exchange of Notes and Coins**

Please refer to the [Master Circular DCM (NE) No.G-4/08.07.18/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12052) containing instructions on the facility for exchange of notes and coins. A revised version of [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12265&Mode=0#MC) on the subject is annexed for your information and necessary action.

Yours faithfully

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12265&Mode=0>

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment**

RBI/2021-22/191  
DOR.MRG.REC.98/21.04.141/2021-22

March 31, 2022

Dear Sir / Madam,

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 - Amendment**

Please refer to the [Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153) – ‘Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021’ (hereinafter referred as ‘Master Direction’).

2. In terms of Section 9 of the Master Direction ibid, investments classified under HTM shall be carried at acquisition cost, with the premium over the face value being amortised over the tenor of the instrument. It is expected that the acquisition of such instruments shall be at the fair value of the security at the time of its acquisition. This instruction also applies to re-capitalisation bonds received from the Government of India towards banks’ recapitalisation requirement and held in the investment portfolio (cf. Section 6 of the Master Direction ibid).

3. It is clarified that investments in special securities received from the Government of India towards bank’s recapitalisation requirement from FY 2021-22 onwards shall be recognised at fair value / market value on initial recognition in HTM. The fair value / market value of these securities shall be arrived on the basis of the prices / YTM of similar tenor Central Government securities put out by Financial Benchmarks India Pvt. Ltd. (FBIL). Any difference between the acquisition cost and fair value arrived as above shall be immediately recognized in the Profit and Loss Account.

**Applicability**

4. This circular is applicable to all Commercial Banks (excluding Regional Rural Banks).

5. The relevant sections of the Master Direction are being amended to reflect the aforementioned changes. These instructions come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12264&Mode=0>

**Cassette - Swaps in ATMs**

RBI/2021-22/190  
DCM (Plg.) No.S 1117/10.25.007/2021-22

March 31, 2022

The Chairman / Managing Director/  
Chief Executive Officer  
All Banks

Madam / Dear Sir,

**Cassette - Swaps in ATMs**

Please refer to the [circulars RBI/2017-18/162/ DCM (Plg.) No. 3641/10.25.007/2017-18 dated April 12, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11256&Mode=0) and [RBI/2021-22/71/ DCM (Plg.) No.S39/10.25.007/2021-22 dated July 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12130&Mode=0) on the captioned subject wherein banks were advised to consider using lockable cassettes in their ATMs which shall be swapped at the time of cash replenishment. The same was advised to be implemented in a phased manner covering at least one third ATMs operated by the banks every year, such that all ATMs achieve cassette swap by March 31, 2021, which was later extended to March 31, 2022.

2. In this regard, representations have been received from various banks and Indian Banks’ Association expressing difficulties in meeting the timeline. Accordingly, it has been decided to extend the timeline for implementation of cassette swap in all ATMs till March 31, 2023.

3. Banks shall set a Board approved internal timeline to adhere to the extended deadline and submit quarterly status reports. Boards of the banks shall monitor the progress to ensure compliance.

4. All other instructions contained in the circulars ibid remain unchanged.

Yours faithfully,

(Suman Ray)  
Chief General Manager-in-Charge

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12263&Mode=0>

**Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines**

RBI/2021-22/189  
DOR.CAP.REC.No.97/21.06.201/2021-22

March 31, 2022

Dear Sir/ Madam,

**Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines**

The Bilateral Netting of Qualified Financial Contracts Act, 2020 (hereafter referred to as “the Act”), has been notified by the Government of India vide Gazette Notification No. S.O. 3463(E) dated October 1, 2020. The Act provides a legal framework for enforceability of bilateral netting of qualified financial contracts (QFC).

2. In exercise of the powers conferred by section 4(a) of the Act, the Reserve Bank, vide Notification no. FMRD.DIRD.2/14.03.043/2020-21 dated March 9, 2021, has since notified (a) “derivatives”; and (b) “repo” and “reverse repo” transactions as defined under Section 45(U) of Chapter III-D of the Reserve Bank of India Act, 1934 as a QFC.

For more details, the reference link is provided below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12262&Mode=0>

**Framework for Geo-tagging of Payment System Touch Points**

RBI/2021-22/187  
CO.DPSS.OVRST.No.S1738/06-08-018/2021-2022

March 25, 2022

The Chairman / Managing Director / Chief Executive Officer  
Banks and Non-bank Payment System Operators (PSOs)

Madam / Dear Sir,

**Framework for Geo-tagging of Payment System Touch Points**

To facilitate nuanced spread of acceptance infrastructure and inclusive access to digital payments, the [Monetary Policy Statement 2020-21 on October 08, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52368#P4) had announced that a framework for geo-tagging of physical payment acceptance infrastructure would be prescribed by Reserve Bank. Accordingly, a framework for capturing geo-tagging information of payment system touch points deployed by banks / non-bank PSOs is laid out in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12260&Mode=0#ANN). The date from which the information shall be reported to Reserve Bank shall, however, be advised in due course.

2. This framework is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12260&Mode=0>

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment**

RBI/2021-22/185  
DOR.MRG.REC.96/21.04.141/2021-22

March 23, 2022

Dear Sir / Madam,

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 - Amendment**

Please refer to the [Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153) – ‘Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021’ (hereinafter referred as ‘Master Direction’).

2. The Master Direction outlines the prudential treatment for investment in Venture Capital Funds (VCFs). We have received queries from banks regarding the applicability of these instructions for investment in Alternative Investment Funds (AIFs).

3. Accordingly, on a review, it has been decided that the investment in Category I and Category II AlFs, which includes VCFs, shall receive the same prudential treatment as applicable for investment in VCFs.

4. In addition, based on feedback from banks, clarifications / updates have been provided regarding section 4(a)(vii), 10(c)(ix), 12(ii)(b), 12(ii)(d)(ix), 13(iv)(b), 16(i), 16(ii), 18(ii)(e)(ii) and Annex II of the Master Direction.

5. The relevant sections of the Master Direction have been amended to reflect the aforementioned changes.

**Applicability**

6. This circular is applicable to all Commercial Banks (excluding Regional Rural Banks).

7. These instructions shall come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12258&Mode=0>

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

RBI/DOR/2021-22/89  
DoR.FIN.REC.95/03.10.038/2021-22

March 14, 2022

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

Madam/ Dear Sir,

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

Please refer to paragraph 8 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078) announced as a part of the [Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077), regarding review of the regulatory framework for microfinance.

2. A consultative document on regulation of microfinance loans was issued for public comments on [June 14, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51725). Based on the feedback received, it has now been decided to put in place the directions for microfinance loans which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0#MD).

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0>

**Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension**

RBI/2021-22/180  
DOR.STR.REC.93/04.02.001/2021-22

March 8, 2022

All Scheduled Commercial Banks (excluding RRBs),  
Small Finance Banks,  
Primary (Urban) Cooperative Banks (scheduled banks having AD category-I license), and EXIM Bank

Dear Sir / Madam,

**Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension**

Please refer to the instructions issued vide [circular DOR.CRE(DIR).REC.28/04.02.001/2021-22 dated July 1, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12124&Mode=0).

2. Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit (‘Scheme’) up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. The modifications made by the Government to the Scheme are detailed below:

2.1 ‘Telecom Instruments’ sector having six HS lines[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0#F1) shall be out of the purview of the Scheme, except for MSME manufacturer exporters.

2.2 Revised interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines pertaining to Telecom Sector as mentioned above).

2.3 Banks, while issuing approval to the exporter, will necessarily furnish i) the prevailing interest rate, ii) the interest subvention being provided, and iii) the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the Scheme.

2.4 The extended Scheme will not be available to those beneficiaries who are availing the benefit under any Production Linked Incentive (PLI) scheme of the government.

For the details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0>

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

RBI/2021-22/179  
DOR.CAP.REC.92/09.18.201/2021-22

March 08, 2022

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), is deemed to have come into force with effect from June 29, 2020 for Primary (Urban) Co-operative Banks (UCBs).

2. The extant instructions for UCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on augmentation of capital funds, refund of share capital, repeal and effective date, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12251&Mode=0>

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

RBI/2021-22/177  
DOR.REC.MRG.90/16.20.000/2021-22

March 3, 2022

Madam / Dear Sir,

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

Please refer to [circular UBD.(PCB).BPD.Cir.No.46/16.20.000/2008-09 dated January 30, 2009](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=4808&Mode=0) on Investments in Non-SLR securities by Primary (Urban) Co-operative Banks. Paragraph 2(i) of the circular states that the non-SLR investments shall be limited to ten per cent of a bank’s total deposits as on March 31 of the previous year. Further, paragraph 2(iii)(b) states that investments in unlisted securities shall not exceed ten per cent of the total non-SLR investments at any time.

2. RBI has accorded regulatory approval to National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) in June 2019 for formation of Umbrella Organization (UO) for the UCB Sector. The approval inter-alia permits UCBs to subscribe to capital of the UO on voluntary basis.

3. It is advised that the investment made for subscribing to the capital of the UO, for acquiring its membership, shall be exempt from the limits prescribed in Paragraphs 2(i) and 2(iii)(b) of the circular ibid.

**Applicability**

4. This circular is applicable to all Primary (Urban) Co-operative Banks.

5. These instructions come into effect from the date of the circular.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12249&Mode=0>

**Implementation of ‘Core Financial Services Solution’ by Non-Banking Financial Companies (NBFCs)**

RBI/2021-22/175  
DoS.CO.PPG.SEC/10/11.01.005/2021-22

February 23, 2022

All Non-Banking Financial Companies

Madam / Dear Sir,

**Implementation of ‘Core Financial Services Solution’ by Non-Banking Financial Companies (NBFCs)**

A reference is invited to para 3.2.3 (j) of the [Reserve Bank’s Circular Ref. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs’ in terms of which NBFCs with 10 and more branches are mandated to adopt Core Banking Solution.

2. Accordingly, it has been decided that NBFCs – Middle Layer and NBFCs - Upper Layer with 10 and more ’Fixed point service delivery units’[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12247&Mode=0#F1) as on October 1, 2022 shall be mandatorily required to implement ‘Core Financial Services Solution (CFSS)’, akin to the Core Banking Solution (CBS) adopted by banks. The CFSS shall provide for seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, enable integration of NBFCs’ functions, provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting.

3. The timeframe for implementation of the requirement as indicated in Para 2 above shall be as under:

|  |  |
| --- | --- |
| **Category of NBFC** | **Timeframe for implementation** |
| NBFC – Middle and Upper Layers with 10 or more ‘Fixed point service delivery units’ | On or before September 30, 2025  However, NBFC-UL shall ensure that the CFSS is implemented at least in 70 per cent of ‘Fixed point service delivery units’ on or before September 30, 2024. |
| NBFC – Base Layer and NBFC – Middle and Upper Layers with fewer than 10 ’Fixed point service delivery units’ | Not mandatory. However, they may consider implementation of a Core Financial Services Solution for their own benefit. |

4. A quarterly progress report on implementation of the Core Financial Services Solution, along with various milestones as approved by the Board / Committee of the Board, shall be furnished by the NBFC to the Senior Supervisory Manager (SSM) Office of Reserve Bank starting from quarter ending March 31, 2023.

5. This circular is issued under Sections 45L and 45M of Reserve Bank of India Act,1934.

Yours faithfully,

(Arnab Kumar Chowdhury)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12247&Mode=0>

**Master Circular – Housing Finance**

RBI/2021-22/171  
DOR.CRE.REC.No.87/08.12.001/2021-22

February 18, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DBR.No.DIR.BC.13/08.12.001/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9851) consolidating the instructions / guidelines issued to banks till June 30, 2015 relating to Housing Finance. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12243&Mode=0#MC) consolidates instructions on the above matter issued up to February 17, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12243&Mode=0>

**New Definition of Micro, Small and Medium Enterprises – Clarification**

RBI/2021-2022/161  
FIDD.MSME & NFS.BC.No.16/06.02.31/2021-22

February 18, 2022

The Chairman/ Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks/  
District Central Co-operative Banks /All-India Financial Institutions/  
All Non-Banking Financial Companies

Dear Sir/Madam,

**New Definition of Micro, Small and Medium Enterprises - Clarification**

Please refer to the [circular FIDD.MSME & NFS.BC.No.12/06.02.31/2021-22 dated June 25, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12122&Mode=0) on ‘New Definition of Micro, Small and Medium Enterprises’.

2. In this connection, we inform that Government of India, vide their [Gazette Notification S.O. 278(E) dated January 19, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GOIJan192022_18022022.pdf), has notified amendments in the paragraph (7) sub-paragraph (3) in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number [S.O. 2119 (E), dated June 26, 2020](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate02072020.pdf), published in the Gazette of India.

3. In view of the above amendment, paragraph 3 of the said circular would stand modified as under:

“The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2022.”

4. Further, it is clarified that the validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated March 8, 2017 ([RBI Circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11050&Mode=0)), for classification of MSMEs upto June 30, 2020, are also valid upto March 31, 2022.

5. All other provisions of the circular remain unchanged.

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager-in-Charge

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0>

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications**

RBI/2021-2022/158  
DOR.STR.REC.85/21.04.048/2021-22

February 15, 2022

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) excluding Payments Banks  
All Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks  
All-India Financial Institutions (Exim Bank, NABARD, NHB and SIDBI)  
All Non-Banking Financial Companies (including Housing Finance Companies)

Madam/Dear Sir,

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications**

Please refer to the clarifications issued in respect of **Prudential norms on Income Recognition, Asset Classification and Provisioning** vide [circular DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0) (‘**Circular**’).

2. In view of several queries received seeking certain clarifications, it is advised as under:

1. The definition of ‘out of order’, as clarified in the Circular, shall be applicable to all loan products being offered as an overdraft facility, including those not meant for business purposes and/or which entail interest repayments as the only credits.
2. The ‘previous 90 days period’ for determination of ‘out of order’ status of a CC/OD account shall be inclusive of the day for which the day-end process is being run.
3. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.
4. The circular does not make any changes to the requirements related to reporting of information to CRILC, which will continue to be governed in terms of extant instructions for respective entities[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0#FN1).
5. The circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs.

3. Paragraph 10 of the Circular stipulates that loan accounts classified as NPAs may be upgraded as ‘standard’ asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision. All other instructions of the Circular shall continue to be applicable as per the timelines specified therein.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0>

**Rupee Interest Rate Derivatives (Reserve Bank) Directions – Review**

RBI/2021-22/157  
FMRD.DIRD.12/14.03.046/2021-22

February 10, 2022

To,

All Eligible Market Participants

Madam / Sir,

**Rupee Interest Rate Derivatives (Reserve Bank) Directions - Review**

Please refer to Paragraph 5 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248), issued as a part of the [sixth Bi-monthly Monetary Policy Statement for 2021-22 dated February 10, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53247) regarding permitting banks in India to deal in foreign currency settled Overnight Indexed Swaps (OIS). Attention is also invited to the [Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 dated June 26, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11602&Mode=0) (hereinafter, Directions).

2. Banks in India having Authorised Dealer Category-I (AD Cat-I) license under FEMA, 1999, shall be eligible to offer Foreign Currency Settled OIS (FCS-OIS) based on the Overnight Mumbai Interbank Outright Rate (MIBOR) benchmark published by Financial Benchmarks India Pvt. Ltd. (FBIL) to persons not resident in India as well as to other AD Cat-I banks. Banks can undertake these transactions through their branches in India, through their International Financial Services Centre (IFSC) Banking Units (IBUs) or through their foreign branches (in case of foreign banks operating in India, through any branch of the parent bank). Banks may undertake FCS-OIS transactions beyond onshore market hours.

3. The instructions shall be applicable with immediate effect. The [updated Directions](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11602&Mode=0) are attached.

4. The instructions contained in this circular 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. A reference is also invited to the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 ([Notification No. FEMA 1/2000-RB dated May 03, 2000](https://rbi.org.in/Scripts/BS_FemaNotifications.aspx?Id=155)) and Foreign Exchange Management (Debt Instruments) Regulations, 2019 ([Notification No. FEMA 396/2019-RB dated October 17, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0)), as amended from time to time.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12229&Mode=0>

**‘Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt**

RBI/2021-22/156  
A.P. (DIR Series) Circular No. 22

February 10, 2022

To

All Authorized Persons

Madam / Sir

**‘Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt**

Please refer to paragraph 3 of the [Statement on Developmental and Regulatory Policies dated February 10, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248) regarding enhancement of the investment limit under the Voluntary Retention Route (VRR).

2. Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the following regulations, as amended from time to time, and the relevant Directions issued under these regulations.

1. Foreign Exchange Management (Permissible Capital Accounts Transactions) Regulations, 2000 notified vide [Notification No. FEMA 1/2000-RB dated May 03, 2000](https://www.rbi.org.in/Scripts/BS_FemaNotifications.aspx?Id=155);
2. Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 notified vide [Notification No. FEMA 3(R)/2018-RB dated December 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11441&Mode=0);
3. Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide [Notification No. FEMA. 396/2019-RB dated October 17, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0); and
4. Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 notified vide [Notification No. FEMA 25/RB – 2000 dated May 03, 2000](https://www.rbi.org.in/Scripts/BS_FemaNotifications.aspx?Id=179).

3. AD Category – I banks may also refer to [A.P. (DIR Series) Circular No. 34 dated May 24, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11561&Mode=0), on ‘Voluntary Retention Route’ for Foreign Portfolio Investors investment in debt, read with[A.P. (DIR Series) Circular No. 19 dated January 23, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11798&Mode=0).

4. The investment limit under the VRR is increased to ₹2,50,000 crore from ₹1,50,000 crore. The updated Directions are as given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12228&Mode=0#AN1).

5. These Directions shall be applicable with effect from April 1, 2022.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

(Dimple Bhandia)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12228&Mode=0>

**Transactions in Credit Default Swap (CDS) by Foreign Portfolio Investors – Operational Instructions**

RBI/2021-22/155  
A.P. (DIR Series) Circular No. 23

February 10, 2022

To,

All Authorised Persons

Madam / Sir

**Transactions in Credit Default Swap (CDS) by Foreign Portfolio Investors – Operational Instructions**

Attention of Authorised Persons is invited to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 [[Notification No. FEMA. 396/2019-RB dated October 17, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0)], as amended from time to time. A reference is also invited to [A.P. (DIR Series) Circular No.31 dated June 15, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11303&Mode=0), [A.P. (DIR Series) Circular No. 05 dated May 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12102&Mode=0) and [Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022 dated February 10, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12226), as amended from time to time (hereinafter, Credit Derivatives Directions).

2. Foreign Portfolio Investors (FPIs) are eligible to be categorised as non-retail users and have been allowed to buy and sell CDS protection under the Credit Derivatives Directions. Necessary Directions to Authorised Persons that are eligible to deal with FPIs for transacting in Credit Derivatives in terms of the Credit Derivatives Directions are being issued hereunder.

3. Selling of CDS protection by all FPIs shall be subject to a limit specified by the Reserve Bank from time to time (hereinafter, aggregate limit). The aggregate limit of the notional amount of CDS sold by FPIs shall be 5% of the outstanding stock of corporate bonds. Clearing Corporation of India Ltd. (CCIL) shall disseminate the utilisation of aggregate limit based on the reporting by the market makers for transactions in OTC market and reporting by stock exchanges for transactions on exchanges. FPIs shall not sell any CDS protection once aggregate limit is utilised. The limit utilised for CDS protection sold by the FPI shall be released upon the exit of the CDS position by the FPIs.

For more details, refer to the link placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12227&Mode=0>

**Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022**

RBI/2021-22/88  
FMRD.DIRD.10/14.03.004/2021-22

February 10, 2022

To,  
All Eligible Market Participants

Madam/Sir,

**Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022**

Please refer to Paragraph 4 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248) announced as a part of the [Bi-monthly Monetary Policy Statement for 2021-22 dated February 10, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53247), regarding review of the Credit Default Swaps (CDS) Guidelines.

2. The draft Reserve Bank of India (Credit Derivatives) Directions, 2021 were released for public comments on [February 16, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51138). Based on the feedback received from the market participants, the draft Directions were reviewed and have since been finalised. The Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022 are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12226&Mode=0#MD) herewith.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For the detailed Master Direction, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12226&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2021-22/154  
DOR.SIG.FIN.REC 84/26.03.001/2021-22

February 10, 2022

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/guidelines](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No.DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0#Guidance) updated as on January 31, 2022 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0>

**Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022**

**RESERVE BANK OF INDIA  
DEPARTMENT OF REGULATION  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. DOR.FIN.081/CGM(JPS) – 2022**

**January 14, 2022**

**Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022**

In exercise of the powers conferred by section 19 (1A) read with Section 31A of the Factoring Regulation Act, 2011 (12 of 2012), the Reserve Bank of India, hereby makes the following regulations pertaining to the manner of filing of particulars of transactions with the Central Registry by a Trade Receivable Discounting System (TReDS) on behalf of Factors.

**1. Short title and commencement**

(1) These regulations may be called the Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

**2. Definitions**

For the purpose of these regulations, unless the context otherwise requires:

(1) “Act” means the Factoring Regulation Act, 2011 (12 of 2012);

(2) “Central Registrar” means a person appointed as such under subsection (1) of section 21 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(3) “Central Registry” means the Central Registry set up under section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).

For more information on the ‘Registration of assignments of receivables transactions’, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12223&Mode=0>

**Registration of Factors (Reserve Bank) Regulations, 2022**

**RESERVE BANK OF INDIA  
DEPARTMENT OF REGULATION  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. DOR.FIN.080/CGM(JPS) – 2022**

**January 14, 2022**

**Registration of Factors (Reserve Bank) Regulations, 2022**

In exercise of the powers conferred by section 3 read with Section 31A of the Factoring Regulation Act, 2011 (12 of 2012), the Reserve Bank of India, hereby makes the following regulations pertaining to the manner of granting Certificate of Registration to companies which propose to do factoring business.

**1. Short title and commencement**

(1) These regulations may be called the Registration of Factors (Reserve Bank) Regulations, 2022.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

**2. Definitions**

For the purpose of these regulations, unless the context otherwise requires:

(1) “Act” means the Factoring Regulation Act, 2011 (12 of 2012);

(2) “Reserve Bank” means the Reserve Bank of India constituted under Section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(3) “Company” means a company as defined in clause (20) of section 3 of Companies Act, 2013 (18 of 2013);

(4) “Non-Banking Financial Company – Factor (NBFC-Factor)” means a non - banking financial company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934, which has its principal business as per Regulation 4 of these regulations and has been granted a Certificate of Registration (CoR) under section 3 of the Act;

For more information, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12222&Mode=0>

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers**

RBI/2021-22/151  
DOR.No.PRD.LRG.79/21.04.098/2021-22

January 06, 2022

Dear Sir/Madam,

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers**

Please refer to the following instructions:

1. [Circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 09, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8934&Mode=0) on ‘Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards’;
2. [Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11278&Mode=0) on ‘Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines’;
3. [Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9631&Mode=0) on ‘Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments’; and,
4. [Circular DOR.No.BP.BC.23/21.06.201/2020-21 dated October 12, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11981&Mode=0) on ‘Regulatory Retail Portfolio – Revised Limit for Risk Weight’.

2. With the objective to better align our guidelines with the BCBS standard and enable banks to manage liquidity risk more effectively, it has been decided to increase the threshold limit for deposits and other extensions of funds made by non-financial Small Business Customers from ₹ 5 crore to ₹ 7.5 crore for the purpose of maintenance of Liquidity Coverage Ratio (LCR).

3. The above modification is also applicable to deposits and other extensions of funds received from Small Business Customers referred to in the [circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11278&Mode=0) on ‘Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines’.

4. The revised paragraphs after incorporating the above changes in the relevant circulars is given in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&Mode=0#AN1).

For more information on ‘Applicability’, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&Mode=0>

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

RBI/2021-22/149  
DOR.CRE.REC.No.77/21.04.172/2021-22

January 05, 2022

All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

Please refer to our [Master Circular DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9843&Mode=0) on the captioned subject. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12218&Mode=0#MC) consolidates instructions on the above matter issued up to January 04, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12218&Mode=0>

**Retail Direct Scheme – Market Making**

RBI/2021-22/147  
IDMD.PDRD.No.S1617/03.64.023/2021-22

January 04, 2022

All Primary Dealers

Dear Sir/Madam

**Retail Direct Scheme – Market Making**

[RBI Retail Direct Scheme has been launched on November 12, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52548) for providing one-stop access to facilitate investment in Government Securities by retail investors. In this connection, to provide liquidity in the secondary market, a market making arrangement, wherein the Primary Dealers shall be present on the NDS-OM platform (odd-lot and Request for Quotes segments) throughout market hours and respond to buy/sell requests from Retail Direct Gilt Account Holders (RDGAHs), is enclosed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12216&Mode=0#AN).

Yours faithfully

(Latha Vishwanath)  
General Manager

Encl: as above

For more details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12216&Mode=0>

**Framework for Facilitating Small Value Digital Payments in Offline Mode**

RBI/2021-22/146  
CO.DPSS.POLC.No.S1264/02-14-003/2021-2022

January 03, 2022

The Chairman / Managing Director / Chief Executive Officer  
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

**Framework for Facilitating Small Value Digital Payments in Offline Mode**

Reserve Bank had, vide [circular dated August 06, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11947&Mode=0), permitted a pilot scheme to encourage technological innovations that enable small value digital transactions in offline mode. It was stated therein that the decision on formalising such a system would be based on the experience gained.

2. Pilot testing was undertaken by some entities during the period from September 2020 to July 2021. With encouraging feedback from the pilots, it was announced in the [Statement on Developmental and Regulatory policies dated October 08, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52368), that a framework for carrying out small value digital payments in offline mode across the country would be introduced.

3. Accordingly, the framework to enable small value digital payments in offline mode using cards, wallets, mobile devices, etc., is detailed in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&Mode=0#AN1). Authorised Payment System Operators (PSOs) and Payment System Participants (PSPs) – Acquirers and Issuers (banks and non-banks) - shall ensure compliance with all the applicable instructions.

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect immediately.

Yours faithfully,

(P Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&Mode=0>