**RBI Circular Consolidation - Jul-Dec’22**

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**Note Sorting Machines - Authentication and Fitness Sorting Parameters**

RBI/2022-23/79  
DCM(NPD)No.S488/18.00.14/2022-23

July 1, 2022

The Chairman/ Managing Director/ Chief Executive Officers  
All Banks

Dear Sir/Madam

**Note Sorting Machines - Authentication and Fitness Sorting Parameters**

Please refer to our [circular DCM(R&D)No.G-26/18.00.14/2009-10 dated May 11, 2010](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=5671&Mode=0) setting out ''Note Authentication and Fitness Sorting Parameters'' for the Note Sorting Machines installed in the banks.

2. In the backdrop of introduction of the new series banknotes, these parameters have been reviewed and a revised set of guidelines are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12347&Mode=0#GL) for implementation.

3. The guidelines shall be implemented with immediate effect.

Yours faithfully

(Sanjeev Prakash)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12347&Mode=0>

**Requirement for obtaining prior approval in case of takeover / acquisition of control of non-bank PSOs and sale / transfer of payment system activity of non-bank PSO**

RBI/2022-23/80  
CO.DPSS.POLC.No.S-590/02-14-006/2022-23

July 04, 2022

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

Madam / Dear Sir,

**Requirement for obtaining prior approval in case of takeover / acquisition of control of non-bank PSOs and sale / transfer of payment system activity of non-bank PSO**

A reference is invited to Reserve Bank of India (RBI) instructions contained in paragraph 5.10 of [Master Directions on Prepaid Payment Instruments dated August 27, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12156), paragraph 5.2 of [Guidelines on Regulation of Payment Aggregators and Payment Gateways dated March 17, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11822&Mode=0) and paragraph 3.1 of Annex-A to [White Label ATM Guidelines dated June 20, 2012](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=7286&Mode=0).

2. The operations of non-bank PSOs (authorised to operate any Payment System) have been reviewed and they shall require prior approval of RBI in the following cases –

1. Takeover / Acquisition of control, which may / may not result in change of management.
2. Sale / Transfer of payment activity to an entity not authorised for undertaking similar activity.

3. The non-bank PSOs shall inform RBI within 15 calendar days in the following cases –

1. Change in management / directors.
2. Sale / Transfer of payment activity to an entity authorised for undertaking similar activity.

4. Details of the requirements are given in [Annex-1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12348&Mode=0#AN1).

5. 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

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12348&Mode=0>

**Master Direction on Interest Rate on Deposits - Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)] and Non-Resident (External) Rupee (NRE) Deposit**

RBI/2022-23/82  
DOR.SOG (SPE).REC.No 53/13.03.000/2022-23

July 06, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
All Small Finance Banks  
All Local Area Banks  
All Payment Banks  
All Primary (Urban) Co-operative Banks/ DCCBs /State Cooperative Banks

Dear Sir / Madam,

**Master Direction on Interest Rate on Deposits - Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)] and Non-Resident (External) Rupee (NRE) Deposit**

Please refer to the instructions regarding interest rates on FCNR (B) deposits contained in Section 19 of the [Master Direction (MD) on Interest Rate on Deposits dated March 03, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296) and Section 18 of the [Master Direction (MD) on Interest Rate on Deposits dated May 12, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10394). In this connection, banks are advised that with effect from July 07, 2022, the interest rate ceiling applicable to FCNR (B) deposits is being temporarily withdrawn for incremental FCNR (B) deposits mobilized by banks for the period until October 31, 2022.

2. Further, in terms of Section 15 (d) and Section 14 (d) of the above-mentioned MDs respectively, interest rates on NRE deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits. In this regard, the said restriction with respect to interest rates offered on incremental NRE deposits mobilized by banks shall be temporarily withdrawn with effect from July 07, 2022, for the period until October 31, 2022. The above relaxation shall not be applicable to Ordinary Non-Resident (NRO) Deposits.

3. These concessions will be subject to review.

4. All other instructions in this regard shall remain unchanged.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12350&Mode=0>

**Section 42 of the Reserve Bank of India Act, 1934 and Section 18 and 24 of the Banking Regulation Act, 1949 – FCNR (B)/NRE Term deposits - Exemption from maintenance of CRR/SLR**

RBI/2022-23/83  
DOR.RET.REC.54/12.01.001/2022-23

July 06, 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/Dear Sir,

**Section 42 of the Reserve Bank of India Act, 1934 and Section 18 and 24 of the Banking Regulation Act, 1949 – FCNR (B)/NRE Term deposits - Exemption from maintenance of CRR/SLR**

At present, banks are required to include all Foreign Currency Non-Resident (Bank) [FCNR (B)] and Non-Resident (External) Rupee (NRE) deposit liabilities for computation of Net Demand and Time Liabilities (NDTL) for maintenance of CRR and SLR.

2. Banks are advised that with effect from the reporting fortnight beginning July 30, 2022, incremental FCNR (B) deposits as also NRE Term deposits with reference to base date of July 1, 2022, mobilised by banks will be exempt from maintenance of CRR and SLR. To amplify, if a bank had total FCNR (B) deposit of say USD 100 as on the base date, and mobilises an incremental deposit of say USD 20, that portion of USD 20 will not be part of liabilities reckoned for the purpose of NDTL computation for CRR and SLR maintenance with effect from the fortnight beginning July 30, 2022. The same principle will apply for calculation of NRE Term deposits for exemption from maintenance of CRR/SLR requirements. However, any transfer from Non-Resident (Ordinary) (NRO) accounts to NRE accounts will not qualify for such exemptions.

3. The above exemptions are valid for deposits raised till November 04, 2022. The exemption on reserves maintenance will be available for the original deposit amounts till such time the deposits are held in the bank books.

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12351&Mode=0>

**Investment by Foreign Portfolio Investors (FPI) in Debt - Relaxations**

RBI/2022-23/87  
A.P. (DIR Series) Circular No.07

July 07, 2022

To  
All Authorised Persons

Madam/Sir,

**Investment by Foreign Portfolio Investors (FPI) in Debt - Relaxations**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the paragraph 3 of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979) regarding relaxations in the regulatory regime under the Medium-Term Framework. A reference is also invited to:

1. 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; and
2. the [A.P. (DIR Series) Circular No. 31 dated June 15, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11303&Mode=0) (hereinafter, Directions), as amended from time to time.

2. In terms of paragraphs 4(b)(i) and 4(b)(ii) of the Directions, short-term investments by an FPI in government securities (Central Government securities, including Treasury Bills and State Development Loans) and corporate bonds shall not exceed 30% of the total investment of that FPI in any category. It has been decided that investments by FPIs in government securities and corporate bonds made between July 08, 2022 and October 31, 2022 (both dates included) shall be exempted from the limit on short-term investments till maturity or sale of such investments.

3. In terms of paragraph 4(b)(ii) of the Directions, FPI investments in corporate bonds were subject to a minimum residual maturity requirement of one year. It has been decided to allow FPIs to invest in commercial papers and non-convertible debentures with an original maturity of up to one year, during the period between July 08, 2022 and October 31, 2022 (both dates included). These investments shall be exempted from the limit on short-term investments till maturity or sale of such investments.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. 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/approval, if any, required under any other law.

6. These Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)

Chief General Manager

More details can be referred to in the below link.

Reference Link <https://rbi.org.in/scripts/FS_Notification.aspx?Id=12355&fn=6&Mode=0>

**Overseas foreign currency borrowings of Authorised Dealer Category-I banks**

RBI/2022-23/88  
A. P. (DIR Series) Circular No. 08

July 07, 2022

All Authorised Dealer Category-I Banks

Madam/Sir,

**Overseas foreign currency borrowings of Authorised Dealer Category-I banks**

Attention of Authorised Dealer Category-I (AD Cat-I) banks is invited to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 [[Notification no. FEMA 3(R)/2018-RB dated December 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11441&Mode=0)] and [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time.

2. As announced in paragraph 4 of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979), AD Cat-I banks can utilise the funds raised from overseas foreign currency borrowings between July 08, 2022 and October 31, 2022 (both dates included) in terms of paragraph Part-C(5)(a) of the [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time, for lending in foreign currency to constituents in India. Such lending shall be subject to the end-use prescriptions as applicable to External Commercial Borrowings (ECBs) in terms of paragraph 2.1(viii) of the [Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510), as amended from time to time. This facility will be available till the maturity / repayment of the overseas foreign currency borrowings.

3. 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

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12356&Mode=0>

**International Trade Settlement in Indian Rupees (INR)**

RBI/2022-2023/90  
A.P. (DIR Series) Circular No.10

July 11, 2022

To

All Category-I Authorised Dealer Banks

Madam/Sir

**International Trade Settlement in Indian Rupees (INR)**

In order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, it has been decided to put in place an additional arrangement for invoicing, payment, and settlement of exports / imports in INR. Before putting in place this mechanism, AD banks shall require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai.

2. The broad framework for cross border trade transactions in INR under Foreign Exchange Management Act, 1999 (FEMA) is as delineated below:

1. Invoicing
2. Exchange Rate
3. Settlement

3. In terms of Regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016, AD banks in India have been permitted to open Rupee Vostro Accounts. Accordingly, for settlement of trade transactions with any country, AD bank in India may open Special Rupee Vostro Accounts of correspondent bank/s of the partner trading country. In order to allow settlement of international trade transactions through this arrangement, it has been decided that:

1. Indian importers undertaking imports through this mechanism shall make payment in INR which shall be credited into the Special Vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller /supplier.
2. Indian exporters, undertaking exports of goods and services through this mechanism, shall be paid the export proceeds in INR from the balances in the designated Special Vostro account of the correspondent bank of the partner country.

4. Documentation

5. Advance against exports

6. Setting-off of export receivables

7. Bank Guarantee

8. Use of Surplus Balance

9. Reporting Requirements

10. Approval Process

Yours faithfully,

(Vivek Srivastava)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12358&Mode=0>

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

RBI/2022-23/92

FIDD.GSSD.CO.BC.No.09/09.01.003/2022-23

July 20, 2022

The Chairman/Managing Director & CEO  
Public Sector Banks,  
Private Sector Banks (including Small Finance Banks)

Madam/Dear Sir,

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

Please refer to the [Master Circular FIDD.GSSD.CO.BC.No.04/09.01.01/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12062) on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. The enclosed [Master Circular](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12360&Mode=0#MC) consolidates and updates all the instructions/guidelines on the subject issued till date and replaces the earlier Master Circular issued on the subject.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12360&Mode=0>

**Board approved Loan Policy – Management of Advances – UCBs**

RBI/2022-23/93  
DOR.CRE.REC.56/13.05.000/2022-23

July 26, 2022

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Board approved Loan Policy – Management of Advances - UCBs**

Please refer to para 1 of the [Master Circular DOR.CRE.REC.No.17/13.05.000/2022-23 dated April 8, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12288) on Management of Advances – UCBs in terms of which, UCBs are required to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank from time to time.

2. It has been observed in several UCBs that these policies not only lack comprehensive coverage, but also do not require a periodic review. In order to ensure that the loan policy reflects approved internal risk appetite and remains in alignment with the extant regulations, it is advised that the loan policy of the bank shall be reviewed by the Board at least once in a financial year.

3. The above instructions will come into effect immediately.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12361&Mode=0>

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

RBI/2022-2023/95  
CO.DPSS.POLC.No.S-760/02-14-003/2022-23

July 28, 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”, [circular 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” and, [circulars 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) and [CO.DPSS.POLC.No.S-567/02-14-003/2022-23 dated June 24, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12345&Mode=0) on “Restriction on Storage of Actual Card Data [i.e. Card-on-File (CoF)]”.

2. In terms of the above circulars, with effect from October 1, 2022, no entity in the card transaction / payment chain, other than the card issuers and / or card networks, shall store CoF data, and any such data stored previously shall be purged.

3. On a review of the issues involved and after detailed discussions thereon with all stakeholders, as also keeping in view that sufficient time has elapsed since the requirements were specified, the following are advised –

a) There shall be no change in the effective date of implementation of the requirements – all entities, except card issuers and card networks, shall purge the CoF data before October 1, 2022.

b) For ease of transition to 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”), the following are being permitted as an interim measure –

1. Other than the card issuer and the card network, the merchant or its Payment Aggregator (PA) involved in settlement of such transactions, can save the CoF data for a maximum period of T+4 days (“T” being the transaction date) or till the settlement date, whichever is earlier. This data shall be used only for settlement of such transactions, and must be purged thereafter.
2. For handling other post-transaction activities, acquiring banks can continue to store CoF data until January 31, 2023.

4. Appropriate penal action, including imposition of business restrictions, shall be considered by the RBI in case of any non-compliance.

5. 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

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=12363>

**Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022**

Reserve Bank of India

Foreign Exchange Department

Central Office

Mumbai

Notification No. FEMA.3(R)(3)/2022-RB

July 28, 2022

**Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022**

In exercise of the powers conferred by sub-section (2) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (Notification No. FEMA.3(R)/2018-RB dated December 17, 2018) (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short Title & Commencement:

(i) These Regulations may be called the Foreign Exchange Management (Borrowing and Lending) (Third Amendment) Regulations, 2022.

(ii) They shall come into force from the date of notification in the official gazette.

2. Amendment to Paragraph 2 of Schedule 1:

After Paragraph 8 of Schedule 1 to the Principal Regulations, the following shall be added;

“8A: The limit of USD 750 million or equivalent per financial year is temporarily increased to USD 1500 million or equivalent. This dispensation will be available for ECBs raised till December 31, 2022.”

(Ajay Kumar Misra)

Chief General Manager-in-charge

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12377&fn=5&Mode=0#:~:text=%E2%80%9C8A%3A%20The%20limit%20of%20USD,till%20December%2031%2C%202022.%E2%80%9D&text=Foot%20Note%3A%20%2D%20The%20Principal%20Regulations,No>.

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

RBI/2022-2023/97  
FIDD.CO.GSSD.BC.No.10/09.09.001/2022-23

August 1, 2022

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

Madam/ Dear Sir,

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs). The enclosed [Master Circular](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12365&Mode=0#MC1) consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the below points.

1. Planning Process

2. Role of Banks

3. Role of SC/ST Development Corporations

4. Reservations for SC/ST beneficiaries under major Centrally Sponsored Schemes.

5. Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC)

6. Monitoring and Review

7. Reporting Requirements

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12365&Mode=0>

**External Commercial Borrowings (ECB) Policy – Liberalisation Measures**

|  |
| --- |
| RBI/2022-23/98 A.P. (DIR Series) Circular No. 11  August 1, 2022  To  All Category-I Authorised Dealer Banks  Madam / Sir,  **External Commercial Borrowings (ECB) Policy – Liberalisation Measures**  Attention is invited to paragraph 2.2 of [FED Master Direction No.5 on External Commercial Borrowings, Trade Credits and Structured Obligations, dated March 26, 2019](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510) (as amended from time to time), in terms of which eligible ECB borrowers are allowed to raise ECB up to USD 750 million or equivalent per financial year under the automatic route, and paragraph 2.1.vi. ibid, wherein the all-in-cost ceiling for ECBs has been specified.  2. As announced in paragraph five of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979), it has been decided, in consultation with the Central Government, to:  i) increase the automatic route limit from USD 750 million or equivalent to USD 1.5 billion or equivalent.  ii) increase the all-in-cost ceiling for ECBs, by 100 bps. The enhanced all-in-cost ceiling shall be available only to eligible borrowers of investment grade rating from Indian Credit Rating Agencies (CRAs). Other eligible borrowers may raise ECB within the existing all-in-cost ceiling, as hitherto.  The above relaxations would be available for ECBs to be raised till December 31, 2022.  3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.  4. The aforesaid Master Direction No. 5, is being updated to reflect these changes.  5. Necessary amendments to the relevant regulations have been made through the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022, notified vide [notification No. FEMA.3(R)(3)/2022-RB dated July 29, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GN3RFEMA01082022.pdf).  6. The directions contained in this circular have been issued under section 10(4) and 11(2) 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,  (Ajay Kumar Misra) Chief General Manager-in-Charge |

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12366&Mode=0>

**Master Circular on Credit Facilities to Minority Communities**

RBI/2022-23/99  
FIDD.GSSD.BC.No.11/09.10.001/2022-23

August 2, 2022

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(excluding RRBs and Foreign Banks with less than 20 branches)

Madam/ Dear Sir,

**Master Circular on Credit Facilities to Minority Communities**

The Reserve Bank of India has periodically issued guidelines/instructions/directives to banks with regard to providing credit facilities to Minority Communities. The [Master Circular](https://m.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=12367#MC) consolidates the circulars issued by Reserve Bank on the subject till date, on the below points:

1. Credit Facilities to Minority Communities

2. Definition of Minority Communities

3. Creation of Special Cell and designating an exclusive Officer

4. Role of Lead Banks

5. Advances under DRI Scheme

6. Monitoring

7. Training

8 Publicity

9. National Minorities Development and Finance Corporation (NMDFC)

10. Prime Minister’s New 15 Point Programme for the Welfare of Minorities

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=12367>

**Gold Monetization Scheme (GMS), 2015**

RBI/2022-23/100  
DoR.AUT.REC.58/23.67.001/2022-23

August 04, 2022

All Scheduled Commercial Banks  
(excluding Regional Rural Banks)

Dear Sir/Madam

**Gold Monetization Scheme (GMS), 2015**

In exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, the RBI makes the following amendments in the Reserve Bank of India (Gold Monetization Scheme, 2015) [Master Direction No.DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10084), with immediate effect.

2. The existing sub-para 2.2.2.(v) stands deleted (and hence the existing sub-paras 2.2.2.(vi) to 2.2.2.(viii) have accordingly been renumbered). The corresponding provisions have been suitably incorporated in sub-para 2.4.i.(a) and 2.4.i.(b).

3. The sub-para 2.2.2.(vii) has been amended to read as follows:

“Central Government has decided that with effect from November 5, 2016, designated banks will be paid handling charges (including gold purity testing, refining, transportation, storage and any other relevant costs) for a new MLTGD at a flat rate of 1.5% and commission at the rate of 1% of the rupee equivalent of the amount of gold mobilized under the scheme until further notice. In case of renewal of deposits, as banks will not incur any expenses on purity testing, refining, transportation, storage and insurance etc., the banks will only be given a fixed commission of 1% of the rupee equivalent of the amount of gold on the date of renewal towards their administrative and account maintenance cost.”

4. A new sub-para 2.4 has been inserted (and hence the existing sub-paras 2.4 to 2.10 have accordingly been renumbered) which reads as follows -

**Guidelines for Renewal/Redemption of MLTGD**

i. General

ii. Redemption in Gold

iii. Redemption in INR – Modalities

iv. Renewal of Deposit – Modalities

v. Partial Renewal and Partial Redemption in gold/INR – Modalities

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12368&Mode=0>

**Reserve Bank - Integrated Ombudsman Scheme, 2021 (RBIOS, 2021)**

**EXECUTIVE DIRECTOR**

**Reserve Bank of India  
Mumbai**

**Reserve Bank - Integrated Ombudsman Scheme, 2021 (RBIOS, 2021)**

**NOTIFICATION**

Ref.CEPD.PRD.No.S544/13.01.001/2022-23

August 5, 2022

In exercise of the powers conferred by sub section (1) of Section 11 of the Credit Information Companies (Regulation) Act, 2005, and in partial modification of its [notification CEPD. PRD. No. S873/13.01.001/2021-22 dated November 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12192&Mode=0), the Reserve Bank of India, being satisfied that it is in public interest to do so, and to provide an avenue for cost free alternate grievance redress to customers of regulated entities covered under the RBIOS 2021 (the Scheme) for grievances against Credit Information Companies, hereby directs that the ‘Credit Information Company’ as defined in the Credit Information Companies (Regulation) Act, 2005, shall also be treated as a ‘Regulated Entity’ for the purpose of the Scheme.

2. As a result, the Scheme shall also be applicable to Credit Information Companies to the extent not specifically excluded under the Scheme.

3. The amendment in the Scheme shall come into force w.e.f. September 1, 2022.

4. An updated version of the Scheme is [annexed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_amendments05082022.pdf).

(Anil Kumar Sharma)

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12371&Mode=0>

**Authorised Dealer Category-I License eligibility for Small Finance Banks**

RBI/2022-23/104  
DOR.LIC.REC.60/16.13.218/2022-23

August 8, 2022

Managing Director and Chief Executive Officers of Small Finance Banks

Madam/ Dear Sir,

**Authorised Dealer Category-I License eligibility for Small Finance Banks**

Please refer to the [‘Guidelines for Licensing of Small Finance Banks in Private Sector’ dated November 27, 2014](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=32614) and the [‘Guidelines for ‘on-tap’ Licensing of Small Finance Banks in Private Sector’ released by Reserve Bank on December 5, 2019](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=48807).

2. In terms of paragraph 4 of the aforesaid Licensing Guidelines, a small finance bank (SFB) can also become Authorised Dealer Category-II in foreign exchange business for its clients’ requirements.

3. With the objective of giving more flexibility to SFBs to meet their customers’ foreign exchange business requirement, it has been decided that all the scheduled SFBs, after completion of at least two years of operations as Authorised Dealer Category-II, will be eligible for Authorised Dealer Category-I license, subject to compliance with the eligibility norms given in the [Annex-I](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12373&Mode=0#AN1). The eligible SFBs may approach Foreign Exchange Department, Central Office, Reserve Bank of India with their applications along with the supporting documents with regard to their eligibility and requisite documents as specified in [Annex-II](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12373&Mode=0#AN2) for grant of Authorised Dealer Category-I license.

4. The other terms and conditions of the Licensing Guidelines remain unchanged.

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12373&Mode=0#:~:text=It%20should%20have%20a%20minimum,in%20the%20preceding%20two%20years>.

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

RBI/2022-23/105  
FMRD.DIRD.05/14.03.046/2022-23

August 08, 2022

To,

All Eligible Market Participants

Madam / Sir,

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

Please refer to Paragraph 4 of the [Statement on Developmental and Regulatory Policies](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54149), issued as a part of the [Bi-monthly Monetary Policy Statement for 2022-23 dated August 05, 2022](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54148) regarding permitting stand-alone primary dealers (SPDs) in India to deal in Foreign Currency Settled Overnight Indexed Swaps (FCS-OIS). Attention is also invited to the [Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 dated June 26, 2019](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11602&Mode=0), as amended from time to time (hereinafter, Directions).

2. Banks in India having Authorised Dealer Category-I (AD Cat-I) license under FEMA, 1999 have been permitted under the above Directions to offer FCS-OIS to persons not resident in India as well as to other AD Cat-I banks vide [circular FMRD.DIRD.12/14.03.046/2021-22 dated February 10, 2022](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=12229&Mode=0). On a review, it has been decided that SPDs, authorized under section 10(1) of FEMA, 1999 shall also be eligible to offer FCS-OIS to persons not resident in India as well as to other AD Cat-I banks and eligible SPDs.

3. The instructions shall be applicable with immediate effect. The [updated Directions](https://m.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.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12374&fn=6&Mode=0>

**Section 23 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) – Opening of new place of business by District Central Co-operative Banks (DCCBs)**

RBI/2022-23/106  
DOR.REG.No.63/19.51.052/2022-23

August 11, 2022

All District Central Co-operative Banks

Madam/Sir,

**Section 23 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) – Opening of new place of business by District Central Co-operative Banks (DCCBs)**

Pursuant to the amendment to the Banking Regulation Act (No.39 of 2020) dated September 29, 2020, District Central Co-operative Banks (DCCBs) are permitted to open new place of business/install ATMs or shift the location of such offices only after obtaining prior approval of the Reserve Bank of India (RBI). Accordingly, it has been decided to issue guidelines with details of the criteria and procedure for submission of application by DCCBs for opening new place of business/installation of ATMs.

2. The criteria for opening of branches/extension counters/specialized branches/regional offices/zonal offices/administrative offices/shifting of branches/upgradation of extension counters into full-fledged branches by a DCCB are as follows:

1. A licensed DCCB should have completed at least three years of operation
2. CRAR not being less than 9 per cent
3. No default in maintenance of CRR/SLR during the preceding financial year
4. Net NPA being less than 5 per cent
5. The bank should have made a net profit during the preceding two financial years
6. The bank should have a good track record of regulatory compliance and no monetary penalty should have been imposed on the bank for violation of Reserve Bank of India directives/guidelines during last two financial years
7. The bank should not have been placed under any specific direction issued by Reserve Bank of India during the preceding two financial years

The above parameters will be considered as they appear in the latest inspection report of NABARD.

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12375&Mode=0>

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

RBI/2022-23/107  
DOR.MRG.REC.64/00-00-005/2022-23

August 11, 2022

Dear Sir / Madam,

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

Please refer to the [circular DOR.CAP.51/21.06.201/2020-21 dated March 30, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12048&Mode=0) and [circular DOR.CAP.REC.No.97/21.06.201/2021-22 dated March 31, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12262&Mode=0) on the captioned subject.

2. At present, while computing capital requirements for counterparty credit risk, the following exposures, wherever allowed to be undertaken, are exempted or capped:

1. foreign exchange (except gold) contracts which have an original maturity of 14 calendar days or less are excluded from capital requirements for counterparty credit risk.
2. ‘sold options’, provided the entire premium / fee or any other form of income is received / realised, are excluded from capital requirements for counterparty credit risk.
3. For Credit Default Swap transaction where bank is protection seller, the exposure is capped at the amount of premium unpaid by the protection buyer.

3. We have received queries from regulated entities (REs) regarding the applicability of the above exemptions / caps under the Bilateral Netting framework. In this connection, it is clarified that:

1. the exemption for foreign exchange (except gold) contracts which have an original maturity of 14 calendar days or less shall be applicable to entities calculating the counterparty credit risk under Original Exposure Method without taking the benefit of bilateral netting. Accordingly, the exemption would be applicable only to Regional Rural Banks, Local Area Banks and Co-operative Banks, where the bank has not adopted the bilateral netting framework. For other entities, the exemption shall stand withdrawn.
2. ‘sold options’, provided the entire premium / fee or any other form of income is received / realised, can be excluded only when such ‘sold options’ are outside the netting and margin agreements.
3. For Credit Default Swaps where the bank is the protection seller and that are outside netting and margin agreements, the exposure may be capped to the amount of premium unpaid. Banks have the option to remove such credit derivatives from their legal netting sets in order to apply the cap.

Yours faithfully,  
(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12376&Mode=0>

**Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents**

RBI/2022-23/108  
DOR.ORG.REC.65/21.04.158/2022-23

August 12, 2022

Madam/ Sir,

**Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents**

The Reserve Bank of India has from time to time advised regulated entities (REs) that the ultimate responsibility for their outsourced activities vests with them and they are, therefore, responsible for the actions of their service providers including Recovery Agents (hereafter referred to as ‘agents’).

2. It has been observed that the agents employed by REs have been deviating from the extant instructions governing the outsourcing of financial services. In view of concerns arising from the activities of these agents, it is advised that the REs shall strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently[1](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#F1) calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc.

3. The instructions contained in para 2 above shall supplement and be read in conjunction with the existing guidelines/directions issued by the Reserve Bank of India, as amended from time to time, including those tabulated in [Annex](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#AN).

4. Any violation in this regard by REs will be viewed seriously.

**Applicability**

5. This circular shall apply to the following REs:

1. All Commercial Banks (including Local Area Banks, Regional Rural Banks, and Small Finance Banks) excluding Payments Banks;
2. All All-India Financial Institutions (viz. Exim Bank, NABARD, NHB, SIDBI, and NaBFID);
3. All Non-Banking Financial Companies including Housing Finance Companies;
4. All Primary (Urban) Co-operative Banks, State Co-operative Banks, and District Central Co-operative Banks; and
5. All Asset Reconstruction Companies.

6. This circular shall not apply to microfinance loans covered under [‘Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022’, dated March 14, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12256).

Yours faithfully,

(Sunil T. S. Nair)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/scripts/FS_Notification.aspx?Id=12378&fn=2&Mode=0#:~:text=The%20Reserve%20Bank%20of%20India,to%20as%20'agents>').

**Foreign Exchange Management (Overseas Investment) Regulations, 2022**

**No. FEMA 400/2022-RB**

**August 22, 2022**

**Foreign Exchange Management (Overseas Investment) Regulations, 2022**

In exercise of the powers conferred by sub-section (1) and clause (a) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank hereby makes the following regulations, namely:–

**1. Short title and commencement.–** (1) These regulations may be called the Foreign Exchange Management (Overseas Investment) Regulations, 2022.

(2) They shall come into force on the date of their publication in the [Official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRegulations230822.pdf).

**2. Definitions.–** (1) In these regulations, unless the context otherwise requires,–

(a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) “debt instruments” shall have the same meaning as assigned to it in the [Foreign Exchange Management (Overseas Investment) Rules, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRules23082022.pdf);

(2) The words and expressions used but not defined in these regulations shall have the meanings respectively assigned to them in the Act or the [Foreign Exchange Management (Overseas Investment) Rules, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRules23082022.pdf).

3. Financial commitment by Indian entity by modes other than equity capital

4. Financial commitment by Indian entity by way of debt

5. Financial commitment by way of guarantee

6. Financial commitment by way of pledge or charge

7. Acquisition or transfer by way of deferred payment

8. Mode of payment

9. Obligations of person resident in India

10. Reporting requirements for Overseas Investment

11. Delay in reporting

12. Restriction on further financial commitment or transfer

(Ajay Kumar Misra)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12380&Mode=0>

**Foreign Exchange Management (Overseas Investment) Directions, 2022**

RBI/2022-2023/110  
A.P. (DIR Series) Circular No.12

August 22, 2022

All Category – I Authorised Dealer Banks

Madam/Sir

**Foreign Exchange Management (Overseas Investment) Directions, 2022**

Overseas investments by persons resident in India enhance the scale and scope of business operations of Indian entrepreneurs by providing global opportunities for growth. Such ventures through easier access to technology, research and development, a wider global market and reduced cost of capital along with other benefits increase the competitiveness of Indian entities and boost their brand value. These overseas investments are also important drivers of foreign trade and technology transfer thus boosting domestic employment, investment and growth through such interlinkages.

2. In keeping with the spirit of liberalisation and to promote ease of doing business, the Central Government and the Reserve Bank of India have been progressively simplifying the procedures and rationalising the rules and regulations under the Foreign Exchange Management Act, 1999. In this direction, a significant step has been taken with operationalisation of a new Overseas Investment regime. [Foreign Exchange Management (Overseas Investment) Rules, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRules23082022.pdf) have been notified by the Central Government vide Notification No. G.S.R. 646(E) dated August 22, 2022 and [Foreign Exchange Management (Overseas Investment) Regulations, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12380&Mode=0) have been notified by the Reserve Bank vide Notification No. FEMA 400/2022-RB dated August 22, 2022 in supersession of the [Notification No. FEMA 120/2004-RB dated July 07, 2004](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=2126&Mode=0) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] and [Notification No. FEMA 7 (R)/2015-RB dated January 21, 2016](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10257&Mode=0) [Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015]. The new regime simplifies the existing framework for overseas investment by persons resident in India to cover wider economic activity and significantly reduces the need for seeking specific approvals. This will reduce the compliance burden and associated compliance costs.

3. Some of the significant changes brought about through the new rules and regulations are summarised below:

(i) enhanced clarity with respect to various definitions;

(ii) introduction of the concept of “strategic sector”;

(iii) dispensing with the requirement of approval for:

1. deferred payment of consideration;
2. investment/disinvestment by persons resident in India under investigation by any investigative agency/regulatory body;
3. issuance of corporate guarantees to or on behalf of second or subsequent level step down subsidiary (SDS);
4. write-off on account of disinvestment;

(iv) introduction of “Late Submission Fee (LSF)” for reporting delays.

Yours faithfully

Ajay Kumar Misra  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12381&Mode=0>

**Guidelines on Digital Lending**

RBI/2022-23/111  
DOR.CRE.REC.66/21.07.001/2022-23

September 02, 2022

All Commercial Banks,  
Primary (Urban) Co-operative Banks, State Co-operative Banks,  
District Central Co-operative Banks; and  
Non-Banking Financial Companies (including Housing Finance Companies)

Madam/ Sir,

**Guidelines on Digital Lending**

A reference is invited to para 7 of the [RBI Press Release “Recommendations of the Working Group on Digital Lending – Implementation” dated August 10, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54187). Detailed guidelines on recommendations of the Working Group accepted for immediate implementation are attached as [Annex I](https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12382#AN1) to this circular.

2. It is reiterated that outsourcing arrangements entered by Regulated Entities (REs) with a Lending Service Provider (LSP)/ Digital Lending App (DLA) does not diminish the REs’ obligations and they shall continue to conform to the extant guidelines on outsourcing[1](https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12382#F1). The REs are advised to ensure that the LSPs engaged by them and the DLAs (either of the RE or of the LSP engaged by the RE) comply with the guidelines contained in this circular.

3. It is further advised that the instructions contained in this circular shall be applicable to the ‘existing customers availing fresh loans’ and to ‘new customers getting onboarded’, from the date of this circular. However, in order to ensure a smooth transition, REs shall be given time till November 30, 2022, to put in place adequate systems and processes to ensure that ‘existing digital loans’ (sanctioned as on the date of the circular) are also in compliance with these guidelines in both letter and spirit.

4. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934, sections 30A and 32 of the National Housing Bank Act, 1987, section 6 of the Factoring Regulation Act, 2011 and section 11 of the Credit Information Companies (Regulation) Act, 2005.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12382>

**Incentive for improving service to non-chest branches**

RBI/2022-23/112  
DCM (NPD) No.S770/09.40.002/2022-23

September 06, 2022

The Chairman & Managing Director  
Managing Director/ Chief Executive Officer  
All Banks having Currency Chests

Madam/ Sir,

**Incentive for improving service to non-chest branches**

Please refer to [circulars RBI/ 2015-16/ 293 DCM (NPD) No. 2564/ 09.40.02/ 2015-16 dated January 21, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10233&Mode=0) and [DCM (Plg.) No 2845/ 10.25.007/2018-19 dated May 23, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11560&Mode=0) on the captioned subject.

2. We have been receiving queries regarding the applicability of GST on the service charges levied on cash deposited by non-chest bank branches to the Currency Chests. It is clarified that the amount indicated in the aforesaid circulars are exclusive of applicable taxes. Accordingly, the service charges mentioned in the aforesaid circulars is to be read as ₹5 plus applicable taxes per packet and ₹8 plus applicable taxes per packet, as the case may be.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12383&Mode=0>

**Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS)**

RBI/2022-23/113  
DOR.STR.REC.67/21.06.201/2022-23

September 07, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
All Primary (Urban) Co-operative Banks  
All Non-Banking Financial Companies (including Housing Finance Companies)  
All All-India Financial Institutions

Dear Sir/Madam,

**Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS)**

Please refer to paragraph 5.2 of the [Master Circular on Basel III Capital Regulations dated April 1, 2022](https://m.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) in terms of which banks are permitted to apply zero percent risk weights in respect of claims on Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and individual schemes under National Credit Guarantee Trustee Company Ltd (NCGTC).

2. In order to have a consistent approach with regard to risk weights for exposures guaranteed by such Trust Funds, it is advised that the risk weight of zero percent shall be applicable in respect of exposures guaranteed under any existing or future schemes launched by CGTMSE, CRGFTLIH and NCGTC satisfying the following conditions:

1. **Prudential Aspects:** The guarantees provided under the respective schemes should comply with the requirements for credit risk mitigation in terms of paragraph 7.5 of the [Master Circular on Basel III Capital Regulations dated April 1, 2022](https://m.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) which inter alia requires such guarantees to be direct, explicit, irrevocable and unconditional;
2. **Restrictions on permissible claims:** Where the terms of the guarantee schemes restrict the maximum permissible claims through features like specified extent of guarantee coverage, clause on first loss absorption by member lending institutions (MLI), payout cap, etc., the zero percent risk weight shall be restricted to the maximum permissible claim and the residual exposure shall be subjected to risk weight as applicable to the counterparty in terms of extant regulations.
3. In case of a portfolio-level guarantee, effective from April 1, 2023, the extent of exposure subjected to first loss absorption by the MLI, if any, shall be subjected to full capital deduction and the residual exposure shall be subjected to risk weight as applicable to the counterparty in terms of extant regulations, on a pro rata basis. The maximum capital charge shall be capped at a notional level arrived at by treating the entire exposure as unguaranteed.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12384&fn=2&Mode=0>

**Rupee Drawing Arrangement - Enabling Bharat Bill Payment System (BBPS) to process cross-border inbound Bill Payments**

RBI/2022-23/115  
A.P. (DIR Series) Circular No. 14

September 15, 2022

To  
All Category-I Authorised Dealer Banks

Madam/Sir,

**Rupee Drawing Arrangement - Enabling Bharat Bill Payment System (BBPS) to process  
cross-border inbound Bill Payments**

Please refer to [A.P. (DIR Series) Circular No. 120 dated April 10, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8832&Mode=0) on ‘Rupee Drawing Arrangement – Direct to Account Facility’, in terms of which, foreign inward remittances received under Rupee Drawing Arrangement (RDA) can be transferred to the KYC compliant beneficiary bank accounts through electronic mode, such as, NEFT, IMPS, etc. subject to the procedure and conditions mentioned therein.

2. As announced in Para 6 of the [Statement on Developmental and Regulatory Policies issued on August 05, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54149), it has been decided to allow foreign inward remittances received under the Rupee Drawing Arrangement (RDA), to be transferred to the KYC compliant bank account of the biller (beneficiary) through Bharat Bill Payment System (BBPS), subject to the conditions mentioned in Para 3 of [A.P. (DIR Series) Circular No.120 dated April 10, 2014](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=8832&Mode=0).

3. AD Cat-I Banks may bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under Section 10(4) and Section 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,

(Vivek Srivastava)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12386&Mode=0>

**Master Directions on Interest Rate on Deposits**

RBI/2022-2023/117  
DOR.SOG (SPE).REC.No 68/13.03.00/2022-23

September 16, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
All Small Finance Banks  
All Payment Banks  
All Local Area Banks  
All Primary (Urban) Co-operative Banks/ DCCBs /State Cooperative Banks

Sir / Madam,

**Master Directions on Interest Rate on Deposits**

Please refer to the instructions on the Foreign Currency (Non-resident) Accounts (Banks) Scheme contained in Section 19 (h) of the [Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296) and Section 18 (h) of the [Master Direction – Reserve Bank of India (Co-operative Banks – Interest Rate on Deposits) Directions, 2016 dated May 12, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10394) in terms of which, reference rates for arriving at the interest rates on FCNR (B) deposits shall be quoted / displayed by Foreign Exchange Dealers Association of India (FEDAI).

2. In terms of the guidance provided by RBI, the reference rates mentioned above are being quoted / displayed by Financial Benchmarks India Pvt. Ltd. (FBIL) with effect from January 31, 2022. In this regard, the relevant sections of both the Master Directions on Interest Rate on Deposits have been suitably modified.

3. Further, the instructions regarding eligibility for opening of savings account contained in Section 28 (h) and Section 27 (h) of the above-mentioned [Master Directions (MDs) dated March 03, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296) and [May 12, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10394), respectively, and item No. 6 in Schedule I of the two MDs have been modified to make them more explicit.

4. The relevant sections of the Master Directions as amended are indicated in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12388&Mode=0#A_N).

5. All other instructions in this regard shall remain unchanged.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12388&Mode=0>

**Compliance Function and Role of Chief Compliance Officer (CCO)- Urban Co-operative Banks**

RBI/2022-2023/118  
Ref.No.DoS.CO.PPG/SEC.04/11.01.005/2022-23

September 19, 2022

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

Madam / Dear Sir,

**Compliance Function and Role of Chief Compliance Officer (CCO)-  
Urban Co-operative Banks**

As part of the overall structure for Corporate Governance, the Compliance Function serves a critical role. Therefore, it has been decided to introduce certain principles, standards and procedures for Compliance Function in UCBs, keeping in view the principles of proportionality. Accordingly, this Circular shall be applicable to all UCBs under Tier 3 and Tier 4 categories[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0#FN1) except UCBs under All Inclusive Directions (AID)[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0#FN2). UCBs under Tier 1 and Tier 2 categories shall continue to be governed under the existing guidelines[3](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0#FN3).

2. The UCBs under Tier 4 category 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://rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0#AN), latest by April 1, 2023. The UCBs under Tier 3 category shall implement the same latest by October 1, 2023.

3. 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,

(Tarun Singh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0>

**Late Submission Fee for reporting delays under Foreign Exchange Management Act, 1999 (FEMA)**

RBI/2022-23/122  
A.P. (DIR Series) Circular No. 16

September 30, 2022

To  
All Category-I Authorised Dealer Banks

Madam / Sir

**Late Submission Fee for reporting delays under Foreign Exchange Management Act, 1999 (FEMA)**

The Late Submission Fee (LSF) was introduced for reporting delays in Foreign Investment (FI), External Commercial Borrowings (ECBs) and Overseas Investment related transactions with effect from November 07, 2017, January 16, 2019 and August 22, 2022 respectively. It has now been decided to bring uniformity in imposition of LSF across functions. The following matrix shall be used henceforth for calculation of LSF, wherever applicable:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Type of Reporting delays** | **LSF Amount (INR)** |
| 1 | Form ODI Part-II/ APR, FCGPR (B), FLA Returns, Form OPI, evidence of investment or any other return which does not capture flows or any other periodical reporting | 7500 |
| 2 | FC-GPR, FCTRS, Form ESOP, Form LLP(I), Form LLP(II), Form CN, Form DI, Form InVi, Form ODI-Part I, Form ODI-Part III, Form FC, Form ECB, Form ECB-2, Revised Form ECB or any other return which captures flows or returns which capture reporting of non-fund transactions or any other transactional reporting | [7500 + (0.025% × A × n)] |

2. The above provisions shall come into effect immediately for the delayed filings made on or after the date of this circular.

3. All other provisions of reporting under FEMA remain unchanged. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.

4. The ‘[Master Direction – Reporting under Foreign Exchange Management Act, 1999](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10202)’ and ‘[Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510)’ are being updated to reflect the changes.

Yours faithfully

Ajay Kumar Misra  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12393&Mode=0>

**Appointment of Internal Ombudsman by the Credit Information Companies**

RBI/2022-23/124  
CEPD.PRD.No.S806/13-01-008/2022-23

October 6, 2022

All Credit Information Companies

Madam/ Sir,

**Appointment of Internal Ombudsman by the Credit Information Companies**

Please refer to paragraph 2 of the [Statement on Developmental and Regulatory Policies dated August 5, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54149), wherein the decision to bring Credit Information Companies (CICs) under the Internal Ombudsman (IO) Framework was announced with a view to strengthen and improve the efficiency of the internal grievance redressal mechanisms of CICs.

2. Accordingly, in exercise of the powers conferred by sub section (1) of Section 11 of the Credit Information Companies (Regulation) Act, 2005 (the Act), the Reserve Bank of India, being satisfied that it is in public interest to do so, directs all Credit Information Companies holding a Certificate of Registration under sub-section (2) of Section 5 of the Act, to comply with the Reserve Bank of India (Credit Information Companies- Internal Ombudsman) Directions, 2022 [annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12395&Mode=0#AN) herewith, by April 1, 2023.

Yours faithfully,

(Anupam Sonal)  
Chief General Manager

More details can be referred to in the below link.

Reference Link:<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12395&Mode=0>

**Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs**

RBI/2022-23/125  
DOR.STR.REC.71/21.06.201/2022-23

October 10, 2022

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

Madam/Dear Sir,

**Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs**

Please refer to paragraph 6.8.1 (i) of [Master Circular on Basel III capital regulations dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) in terms of which banks are permitted to derive risk weights for their unrated exposures based on the ratings available for a specific rated debt subject to the conditions specified that the bank’s facility ranks pari passu or senior to the specific rated debt in all respects and the maturity of the unassessed claim is not later than the maturity of the rated claim. Banks may also refer to paragraph 6.2.5 of the Master Circular ibid regarding publication of bank loan ratings by External Credit Assessment Institutions (ECAIs).

2. It is observed that the Press Releases (PRs) issued by ECAIs on rating actions are often devoid of the lenders’ details. Absence of such information may result in banks applying the derived risk weights for unrated exposures, without satisfying themselves regarding adherence to prescribed conditions. This may, consequentially, lead to potentially lower provision of capital as well as underpricing of risks. In order to address the above information asymmetry, the Reserve Bank had advised the ECAIs vide letter dated June 4, 2021 to disclose the name of the banks and the corresponding credit facilities rated by them in the PRs issued on rating actions by August 31, 2021, after obtaining requisite consent from the borrowers.

3. However, on a review it has been observed that the above disclosures are not available in a large number of PRs issued by ECAIs owing to the absence of requisite consent by the borrowers to the ECAIs. It is, therefore, advised that a bank loan rating without the above disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. Banks shall treat such exposures as unrated and assign applicable risk weights in terms of paragraph 5.8.1 of the Master Circular ibid read with amendments carried out from time to time.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12396&Mode=0>

**Diversification of activities by SPDs – Review of permissible non-core activities**

RBI/2022-23/126  
DOR.FIN.REC.No.72/03.10.117/2022-23

October 11, 2022

All Standalone Primary Dealers (SPDs)

Dear Sir/ Madam,

**Diversification of activities by SPDs – Review of permissible non-core activities**

A reference is invited to [circular DNBR (PD) CC.No.094/03.10.001/2018-19 dated July 27, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11347&Mode=0) in terms of which SPDs, as part of their non-core activities, are permitted to offer foreign exchange products, as allowed from time to time, to their Foreign Portfolio Investor (FPI) clients.

2. As announced in the Statement on Developmental and Regulatory Policies ([Para 3 annexed](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12397&Mode=0#AN1)) dated August 05, 2022, it has been decided to allow SPDs to offer all foreign exchange market-making facilities to users, as currently permitted to Category-I Authorized Dealers, subject to adherence to the prudential regulations and other guidelines to be issued separately in this regard.

3. Further, with effect from January 01, 2023 all financial transactions involving the Rupee undertaken globally by related entities of the SPD shall be reported to CCIL’s Trade Repository before 12:00 noon of the business day following the date of transaction.

4. SPDs shall comply with other regulations contained in the aforementioned [circular dated July 27, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11347&Mode=0) and prudential regulations issued by Reserve Bank from time to time. Further, all the instructions contained in the [Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 (FMRD.FMD.07/02.03.247/2021-22) dated September 16, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12163) shall also apply, mutatis-mutandis, to SPDs.

5. The [Master Direction – Standalone Primary Dealers (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10567), is being modified accordingly.

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12397&Mode=0>

**Diversification of activities by SPDs – Review of permissible non-core activities – Prudential regulations and other instructions**

RBI/2022-23/127  
DOR.FIN.REC.No.73/03.10.117/2022-23

October 11, 2022

All Standalone Primary Dealers (SPDs)

Dear Sir/ Madam,

**Diversification of activities by SPDs – Review of permissible non-core activities – Prudential regulations and other instructions**

Please refer to the [circular DOR.FIN.REC.No.72/03.10.117/2022-23 dated October 11, 2022](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=12397&Mode=0) allowing SPDs to undertake foreign exchange activities as part of their non-core activities. In this connection, SPDs shall adhere to the prudential regulations and other instructions contained in this circular and other associated guidelines applicable to SPDs.

2. The foreign exchange activities permitted to SPDs shall continue to be part of their non-core activity. SPDs desirous of undertaking this activity may approach the Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai for necessary authorization. It may be noted that in case of failure of SPDs to meet the obligations of Primary Dealership (PD) business in the Government securities market or any other violations on regulations on conducting the PD business, the Reserve Bank reserves the right to impose restrictions or withdraw permission to undertake the foreign exchange business.

3. The SPDs shall adhere to the following prudential regulations:

1. As prescribed in the existing capital adequacy guidelines for SPDs, the capital charge for market risk in foreign exchange exposures shall be higher of the charges worked out by the standardised approach and the internal risk management framework-based Value at Risk (VaR) model. Further, under the standardised approach, SPDs shall maintain a market risk capital charge of 15% for net open positions (limits or actual, whichever is higher) arising out of forex business with a risk weight of 100%. The net open position for foreign exchange exposures shall be calculated as per the methodology prescribed in para 8.5 of [Master Circular – Basel III Capital Regulations dated April 01, 2022](https://m.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) (as amended from time to time) to the extent applicable to SPDs. Capital charge for market risk shall be over & above the capital charge for credit risk of 15% as per directions prescribed in [Master Directions – Standalone Primary Dealers (Reserve Bank) Directions, 2016 dated August 23, 2016](https://m.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10567) (as amended from time to time).
2. In addition to the foreign exchange exposure limits prescribed under [Master Direction – Risk Management & Inter-Bank Dealings dated July 05, 2016](https://m.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485) (as amended from time to time), the capital charge for market risk (calculated as per provisions of [Master Direction – Standalone Primary Dealers (Reserve Bank) Directions, 2016](https://m.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10567)) for all the permissible non-core activities, including foreign exchange activities, shall not be more than 20% of the Net Owned Fund of the SPD as per last audited balance sheet.

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12398&fn=6&Mode=0>

**Review of Regulatory Framework for Asset Reconstruction Companies (ARCs)**

RBI/2022-23/128  
DoR.SIG.FIN.REC.75/26.03.001/2022-23

October 11, 2022

All Asset Reconstruction Companies

Dear Sir/ Madam,

**Review of Regulatory Framework for Asset Reconstruction Companies (ARCs)**

ARCs play a vital role in the management of distressed financial assets of banks and financial institutions. Considering their critical role, a need was felt to review their functioning and operating framework. Accordingly, as part of the [Statement on Developmental and Regulatory Policies](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51382) released along with the [Monetary Policy Statement on April 7, 2021](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51381), the Reserve Bank of India had set up a Committee to undertake a comprehensive review of the working of ARCs and recommend suitable measures for enabling them to function in a more transparent and efficient manner.

2. Based on the Committee’s recommendations and feedback from the stakeholders, the extant regulatory framework for ARCs has been amended as detailed in the [Annex](https://m.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12399#AN1).

3. These guidelines shall be effective immediately or as indicated otherwise in the [Annex](https://m.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12399#AN1).

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12399>

**Multiple NBFCs in a Group: Classification in Middle Layer**

RBI/2022-23/129  
DOR.CRE.REC.No.78/03.10.001/2022-23

October 11, 2022

All Non-Banking Financial Companies

Madam / Dear Sir,

**Multiple NBFCs in a Group: Classification in Middle Layer**

Please refer to para 1 of the Annex to 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) delineating the four layered regulatory structure for NBFCs under Scale Based Regulatory Framework.

**2.** As per para 16 of the [Master Direction – Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10586), applicable NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. In line with the existing policy on consolidation of assets of the NBFCs in a Group, the total assets of **all the NBFCs**[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#F1) **in a Group**[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#F2) shall be consolidated to determine the threshold for their classification in the Middle Layer.

**3.** If the consolidated asset (consolidation as per para 2 above) size of the Group is ₹1000 crore and above, then each Investment and Credit Company (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factor and Mortgage Guarantee Company (NBFC-MGC) lying in the Group shall be classified as an NBFC in the Middle Layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them. Illustrative examples are provided in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#AN1) to this circular.

**4.** Statutory Auditors are required to certify the asset size (as on March 31) of all the NBFCs in the Group every year. The certificate shall be furnished to the Department of Supervision of the Reserve Bank under whose jurisdiction the NBFCs are registered.

**5.** These guidelines shall be effective from October 01, 2022.

**6.** Provisions contained in this circular will not be applicable for classifying an NBFC in the Upper Layer.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning**

RBI/2022-23/130  
DOR.ACC.REC.No.74/21.04.018/2022-23

October 11, 2022

Madam / Dear Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning**

In terms of paragraph C.4(e) of Annexure III to the [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158), commercial banks (excluding Regional Rural Banks (RRBs)) are required to disclose details of divergence in asset classification and provisioning where such divergence assessed by the Reserve Bank of India (RBI) exceeds certain specified thresholds. In order to strengthen compliance with income recognition, asset classification and provisioning norms, it has now been decided to introduce similar disclosure requirements for Primary (Urban) Co-operative Banks (UCBs) and revise the specified thresholds for commercial banks.

2. Accordingly, for the financial statements for the year ending March 31, 2023, banks shall make suitable disclosures in the manner specified in paragraph C.4(e) of Annex III to the afore-mentioned Directions, if either or both of the following conditions are satisfied:

1. the additional provisioning for non-performing assets (NPAs) assessed by the RBI exceeds 10 per cent of the reported profit before provisions and contingencies[1](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#F1) for the reference period; and
2. the additional Gross NPAs identified by the RBI exceed 10 per cent of the reported[2](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#F2) incremental Gross NPAs for the reference period.

Provided further that in the case of UCBs the threshold for reported incremental Gross NPAs specified in paragraph 2(b) above shall be 15 per cent, which shall be reduced progressively in a phased manner, after review.

3. The thresholds specified in paragraph (2) above shall be revised for disclosures in annual financial statements for the year ending March 31, 2024, and onwards, as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref.** | **Threshold linked to:** | **Commercial Banks (%)** | **UCBs (%)** |
| 2(a) | Reported profit before provisions and contingencies | 5 | 5 |
| 2(b) | Reported incremental Gross NPA | 5 | 15\* |
| \*May be reduced subject to review | | | |

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#:~:text=4(e)%20of%20Annexure%20III,by%20the%20Reserve%20Bank%20of>

**Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022**

RBI/2022-23/131  
DOR.MRG.REC.76/00-00-007/2022-23

October 11, 2022

Dear Sir / Madam,

**Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Unhedged Foreign Currency Exposure (UFCE) of the entities which have borrowed from banks.

2. We have received references from banks seeking clarification on various aspects including inter-alia clarity in the definition of ‘entities’ for which banks shall assess UFCE, exempted exposures / entities, alternative method for smaller entities, assessment of UFCE of entities incorporated outside India by overseas subsidiaries / branches of Indian banks etc.

3. Accordingly, a comprehensive review of the extant guidelines has been undertaken and all the existing instructions on the subject including the revisions / clarifications on the issues stated above have been consolidated in the [Directions enclosed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12402&Mode=0#DI77) herewith. An [Explanatory Note](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12402&Mode=0#EN) providing the background for these Directions is also enclosed.

**Applicability**

4. This circular is applicable to all commercial banks (excluding Payments Banks and Regional Rural Banks).

5. These instructions shall come into force from January 1, 2023.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12402&Mode=0>

**Claims Received from the National Credit Guarantee Trustee Company Ltd (NCGTC) - Classification for the Purpose of Maintenance of Cash Reserve Ratio (CRR)/Statutory Liquidity Ratio (SLR)**

RBI/2022-23/132  
DOR.RET.REC.79/12.01.001/2022-23

October 13, 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/Dear Sir,

**Claims Received from the National Credit Guarantee Trustee Company Ltd (NCGTC) - Classification for the Purpose of Maintenance of Cash Reserve Ratio (CRR)/Statutory Liquidity Ratio (SLR)**

Please refer to para 9 (Liabilities not to be included for NDTL computation) of [Master Direction on CRR/SLR – 2021 dated July 20, 2021, as amended on April 06, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12131).

2. In this connection, it has been decided that the amounts received by a bank from the National Credit Guarantee Trustee Company Ltd towards claims in respect of guarantees invoked and held by them pending adjustment of the same towards the relative advances, need not be treated as outside liabilities for the purpose of computation of NDTL for CRR and SLR.

3. Accordingly, para 9 of the Master Direction on CRR/SLR – 2021 will henceforth include “Amount received by the eligible banks from National Credit Guarantee Trustee Company Limited (NCGTC) by invoking the guarantee towards claims and pending adjustments thereof”.

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12403&fn=2&Mode=0>

**Eligibility Criteria for offering Internet Banking Facility by Regional Rural Banks, 2022**

RBI/2022-23/135  
DoR.AUT.REC.81/24.01.001/2022-23

November 01, 2022

Madam / Sir,

**Eligibility Criteria for offering Internet Banking Facility by Regional Rural Banks, 2022**

In exercise of the powers conferred by Sections 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, amends the instructions issued vide [circular DBR.RRB.BC.No.59/31.01.001/2015-16 dated November 19, 2015](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10128&Mode=0) on ‘Internet Banking Facility for Customers of Regional Rural Banks’.

Keeping in view the need to promote the spread of digital banking for customers in rural areas, the eligibility criteria applicable to Regional Rural Banks for offering Internet Banking with transactional facility to their customers have been revised, the details of which are enclosed in the [Annex](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12407&fn=2&Mode=0#AN).

**2. Commencement**

The circular comes into force from November 01, 2022.

**3. Applicability**

This circular is applicable to all Regional Rural Banks (RRBs).

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link:<https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12407&fn=2&Mode=0>

**Agency Commission for Direct Tax collection under TIN 2.0 regime**

RBI/2022-23/136  
CO.DGBA.GBD.No.S957/43-33-005/2022-2023

November 14, 2022

All Agency banks (authorised to collect direct taxes)

Madam / Dear Sir

**Agency Commission for Direct Tax collection under TIN 2.0 regime**

Please refer to Para 21 of our [Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12274) related to claiming of agency commission.

2. After implementation of TIN 2.0 regime for collection of direct taxes, it has been decided to modify paragraph 21 of the captioned Master Circular. The modified paragraph 21 will read as follows:

“Agency banks are required to submit their claims for agency commission in the prescribed format to CAS Nagpur in respect of Central government transactions and the respective Regional Office of Reserve Bank of India for State government transactions. However, agency commission claims with respect to GST receipt transactions and transactions related to direct tax collection under TIN 2.0 regime will be settled at Mumbai Regional Office of Reserve Bank of India only and accordingly all agency banks, authorized to collect GST and direct tax collection under TIN 2.0, are advised to submit their agency commission claims pertaining to the respective receipt transactions at Mumbai Regional Office only. The agency commission for transactions related to direct tax under OLTAS will be continued to be settled at CAS, Nagpur, RBI. The formats for claiming agency commission for all agency banks and separate and distinctive set of certificates to be signed by the branch officials and Chartered Accountants or Cost Accountants are given in Annex 2, Annex 2A and Annex 2B respectively. These certificates would be in addition to the usual Certificate from ED / CGM (in charge of government business) to the effect that there are no pension arrears to be credited / delays in crediting regular pension / arrears thereof.”

3. All other instructions of the said Master Circular remain unchanged.

Yours faithfully

(Indranil Chakraborty)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12408&Mode=0>

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial years 2022-23 and 2023-24**

RBI/2022-23/139  
FIDD.CO.FSD.BC.No.13/05.02.001/2022-23

November 23, 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 years 2022-23 and 2023-24**

Please refer to our [circular FIDD.CO.FSD.BC.No.3/05.02.001/2022-23 dated April 28, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12302&Mode=0) conveying the decision of the Government of India for continuation of the Modified Interest Subvention Scheme for short term loans for agriculture and allied activities for the year 2021-22.

2. In this regard, it is advised that Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modification for the financial years 2022-23 and 2023-24 with the following stipulations:

(i) 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 years 2022-23 and 2023-24, it has been decided to provide interest subvention 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 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 years 2022-23 and 2023-24 will be as follows:

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Lending rate to farmers** | **Rate of Interest Subvention to Lending Institutions** |
| 2022-23 | 7% | 1.50% |
| 2023-24 | 7% | 1.50% |

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12411&Mode=0>

**Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework**

RBI/2022-23/140  
DoR.FIN.REC.82/03.10.123/2022-23

November 23, 2022

To All Regulated Entities of the Bank

Madam/Dear Sir,

**Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework**

Please refer to the [Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 dated September 02, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10598).

2. With a view to facilitate cash flow-based lending to MSMEs, it has been decided to include Goods and Services Tax Network (GSTN) as a Financial Information Provider (FIP) under the Account Aggregator (AA) framework. Department of Revenue shall be the regulator of GSTN for this specific purpose and Goods and Services Tax (GST) Returns, viz. Form GSTR-1 and Form GSTR-3B, shall be the Financial Information.

3. Accordingly, the select instructions contained in the Master Direction referred to above have been amended, as detailed in the [Annex](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12412&Mode=0#AN1).

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12412&Mode=0>

**Basel III Framework on Liquidity Standards – Standing Deposit Facility**

RBI/2022-23/141  
DOR.LRG.REC.83/03.10.001/2022-23

November 23, 2022

Madam/Dear Sir,

**Basel III Framework on Liquidity Standards – Standing Deposit Facility**

Please refer to [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’ and the [Press Release 2022-2023/41 dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53539) on operationalising of Standing Deposit Facility (SDF).

2. We have received queries from banks seeking clarification on the treatment of SDF under Liquidity Risk Management Framework.

3. Accordingly, it is advised that the overnight balances held by banks with RBI under SDF shall be eligible as ‘Level 1 High Quality Liquid Assets (HQLA)’ for computation of LCR.

**Applicability**

4. This circular is applicable to all Commercial Banks (excluding Local Area Banks, Regional Rural Banks and Payments Banks).

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

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12413&Mode=0>

**Notification of Significant Benchmark**

RBI/2022-23/142  
FMRD.FMSD.06/03.07.25/2022-23

December 01, 2022

To

All the Financial Benchmark Administrators

Madam/Sir

**Notification of Significant Benchmark**

Please refer to the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019 (hereinafter referred to as ‘the Directions’), dated June 26, 2019](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0)and [RBI circular dated January 01, 2020](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11777&Mode=0), notifying six financial benchmarks administered by Financial Benchmarks India Pvt. Ltd. (FBIL) as ‘significant benchmark’.

2. In terms of paragraph 3(i) of the Directions, the Reserve Bank hereby notifies Modified Mumbai Interbank Forward Outright Rate (MMIFOR) administered by Financial Benchmarks India Pvt. Ltd. (FBIL) as a ‘significant benchmark’.

3. The updated list of ‘significant benchmarks’ administered by FBIL is given below:

(i) Overnight Mumbai Interbank Outright Rate (MIBOR)

(ii) Mumbai Interbank Forward Outright Rate (MIFOR)

(iii) USD/INR Reference Rate

(iv) Treasury Bill Rates

(v) Valuation of Government Securities

(vi) Valuation of State Development Loans (SDL)

(vii) Modified Mumbai Interbank Forward Outright Rate (MMIFOR)

4. Further, in terms of paragraph 3(ii) of the Directions, the person administering the ‘significant benchmark’, shall make an application to the Reserve Bank within a period of three months from the date of this notification for authorization to continue administering MMIFOR.

5. The MIFOR, administered by FBIL, shall continue to remain a ‘significant benchmark’ till further notice.

6. This notification has been issued by the Reserve Bank as required under the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019, dated June 26, 2019](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0).

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12414&fn=6&Mode=0#:~:text=(FBIL)%20as%20a%20'significant%20benchmark'.&text=4.,authorization%20to%20continue%20administering%20MMIFOR>.

**Review of norms for classification of Urban Co-operative Banks (UCBs) as Financially Sound and Well Managed (FSWM)**

RBI/2022-23/143  
DOR.REG.No.85/07.01.000/2022-23

December 01, 2022

Madam / Sir

**Review of norms for classification of Urban Co-operative Banks (UCBs) as Financially Sound and Well Managed (FSWM)**

In order to ensure a financially sound and stable co-operative sector, select UCBs are termed as Financially Sound and Well Managed (FSWM) subject to fulfillment of certain parameters. In this context, a reference is made to our [circular DCBR.CO.LS (PCB) Cir.No.4/07.01.000/2014-15 dated January 28, 2015](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=9526&Mode=0) on “Review of norms for classification of Urban Co-operative Banks (UCBs) as Financially Sound and Well Managed (FSWM)” for criteria prescribed for considering the UCBs as FSWM.

2. It has been decided to revise the criteria for UCBs to be classified as FSWM. The revised criteria in view of [Revised Regulatory Framework for Urban Co-operative Banks (UCBs) released by RBI on July 19, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54059) based on the recommendation of the [Expert Committee on Primary (Urban) Co-operative Banks](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52094) are given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12415&Mode=0#AN1).

3. Further, the UCBs are now permitted to classify themselves as FSWM based on this revised FSWM criteria.

**Commencement**

4. The revised instructions shall be applicable with immediate effect.

**Applicability**

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

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12415&Mode=0>

**Revised Regulatory Framework - Categorization of Urban Co-operative Banks (UCBs) for Regulatory Purposes**

RBI/2022-23/144  
DOR.REG.No.84/07.01.000/2022-23

December 01, 2022

Madam / Sir

**Revised Regulatory Framework - Categorization of Urban Co-operative Banks (UCBs) for Regulatory Purposes**

Given the heterogeneity in the cooperative sector, a tiered regulatory framework is required to balance the spirit of mutuality and co-operation more prevalent in banks of smaller sizes and those with limited area of operation vis-à-vis the growth ambitions of the large-sized UCBs to spread their area of operation and undertake more complex business activities.

2. The Reserve Bank of India had constituted the [Expert Committee on Urban Co-operative Banks](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52094) to examine the issues in urban cooperative banking sector and to review regulatory/ supervisory approach for strengthening the sector. Based on the recommendations of the Expert Committee, RBI had released the [Revised Regulatory Framework for Urban Co-operative Banks (UCBs) on July 19, 2022](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54059).

3. Accordingly, it has been decided to adopt a four-tiered regulatory framework, as against the existing two-tiered framework, for categorization of UCBs. Going forward, this categorization may be used for differentiated regulatory prescriptions aimed at strengthening the financial soundness of the UCBs.

4. The categorization of UCBs, based on their deposit size, is enclosed in [Annex](https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12416&fn=2755&Mode=0#AN1).

**Commencement**

5. The instructions shall be applicable with immediate effect.

**Applicability**

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

(Prakash Baliarsingh)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12416&fn=2755&Mode=0>

**Operations of subsidiaries and branches of Indian banks and All India Financial Institutions (AIFIs) in foreign jurisdictions and in International Financial Services Centers (IFSCs) - Compliance with statutory/regulatory norms**

RBI/2022-23/145  
DOR.MRG.REC.87/00-00-020/2022-23

December 1, 2022

**Operations of subsidiaries and branches of Indian banks and All India Financial Institutions (AIFIs) in foreign jurisdictions and in International Financial Services Centers (IFSCs) - Compliance with statutory/regulatory norms**

As you are aware, Reserve Bank had vide [circular DBOD.No.BP.BC.89/21.04.141/2008-09 dated December 1, 2008](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=4676&Mode=0) and [circular DBOD.No.BP.BC.111/21.04.157/2013-14 dated May 12, 2014](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=8874&Mode=0) issued instructions to Indian banks and AIFIs on the issue of dealing in financial products by their branches/subsidiaries operating outside India. On a review, it was felt that a framework needs to be in place to allow them to undertake activities which are not specifically permitted in the Indian domestic market and also to specify the applicability of these instructions to International Financial Services Centers (IFSCs) in India including Gujarat International Finance Tec-City (GIFT City).

**1. Applicability and commencement**

**2. Dealing in financial products**

**3. Conditions for dealing in financial products**

**4. Compliance with prudential norms**

**5. Activities subject to Indian laws**

**6. Repeal of earlier instructions**

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12417&fn=14&Mode=0>

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

RBI/2022-23/146  
DOR.CAP.REC.No.86/09.18.201/2022-23

December 1, 2022

Dear Sir/Madam,

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

Please refer to the Revised Regulatory Framework for Urban Co-operative Banks (UCBs) emanating from the recommendations of Expert Committee on Urban Co-operative Banks ([Press Release: 2022-2023/561 dated July 19, 2022](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54059)) and [circular no. DOR.REG.No.84/07.01.000/2022-23 dated December 1, 2022](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), on Revised Regulatory Framework - Categorization of Urban Co-operative Banks (UCBs) for Regulatory Purposes. The detailed guidelines are provided below:

**A. Net Worth**

2. UCBs shall have minimum net worth as under:

* Tier 1 UCBs operating in a single district shall have minimum net worth of ₹2 crore.
* All other UCBs (of all tiers) shall have minimum net worth of ₹5 crore.
* UCBs which currently do not meet the minimum net worth requirement, as above, shall achieve the minimum net worth of ₹2 crore or ₹5 crore (as applicable) in a phased manner. Such UCBs shall achieve at least 50 per cent of the applicable minimum net worth on or before March 31, 2026 and the entire stipulated minimum net worth on or before March 31, 2028.

**B. Minimum capital to risk weighted assets ratio (CRAR) requirement**

3. UCBs shall maintain minimum CRAR as under:

* Tier 1 UCBs shall maintain, as hitherto, a minimum CRAR of 9 per cent of Risk Weighted Assets (RWAs) on an ongoing basis.
* Tier 2 to 4 UCBs shall maintain a minimum CRAR of 12 per cent of RWAs on an ongoing basis.
* UCBs in Tier 2 to 4, which do not currently meet the revised CRAR of 12 per cent of RWAs, shall achieve the same in a phased manner. Such UCBs shall achieve the CRAR of at least 10 per cent by March 31, 2024, 11 per cent by March 31, 2025, and 12 per cent by March 31, 2026.

**C. Revaluation Reserves**

5. Revaluation reserves, arising out of change in the carrying amount of a bank’s property consequent upon its revaluation, may henceforth be reckoned as Tier 1 capital at a discount of 55 per cent.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12418&fn=2755&Mode=0#:~:text=UCBs%20shall%20have%20minimum%20net,worth%20of%20%E2%82%B95%20crore>.

**Review of SLR holdings in HTM category**

RBI/2022-23/150  
DOR.MRG.REC.89/21.04.141/2022-23

December 8, 2022

**Review of SLR holdings in HTM category**

Please refer to paragraph 1 of [Statement on Development and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54819) of the [Monetary Policy Statement, 2022-23 dated December 7, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54818) 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://rbi.org.in/Scripts/NotificationUser.aspx?Id=12153&Mode=0).

2. At present, banks have been granted a special dispensation of enhanced Held to Maturity (HTM) limit of 23 per cent of Net Demand and Time Liabilities (NDTL), for Statutory Liquidity Ratio (SLR) eligible securities acquired between September 1, 2020 and March 31, 2023, until March 31, 2023.

3. On a review, it has been decided to further extend the dispensation of enhanced HTM limit of 23 per cent of NDTL upto March 31, 2024 and allow banks to include securities acquired between September 1, 2020 and March 31, 2024 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, 2024, i.e., the excess SLR securities acquired by banks during the period September 1, 2020 to March 31, 2024 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, 2024
2. 21.00 per cent as on September 30, 2024
3. 20.00 per cent as on December 31, 2024
4. 19.50 per cent as on March 31, 2025

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

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12422&fn=2&Mode=0#:~:text=Review%20of%20SLR%20holdings%20in%20HTM%20category&text=3.,4>

**Hedging of Gold Price Risk in Overseas Markets**

RBI/2022-23/151  
A. P. (DIR Series) Circular No. 19

December 12, 2022

All Authorised Dealer Category – I Banks

Madam / Sir,

**Hedging of Gold Price Risk in Overseas Markets**

Please refer to Paragraph 4 of the [Statement on Developmental and Regulatory Policies](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54819) announced as a part of the [Bi-monthly Monetary Policy Statement for 2022-23 dated December 07, 2022](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54818) regarding hedging of price risk of gold in overseas markets. Attention is also invited to the [Hedging of Commodity Price Risk and Freight Risk in Overseas Markets (Reserve Bank) Directions, 2018 dated March 12, 2018](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11226&Mode=0), as amended from time to time.

2. Resident entities in India are currently not permitted to hedge their exposure to price risk of gold in overseas markets. On a review, it has been decided to permit eligible entities to hedge their exposure to price risk of gold on exchanges in the International Financial Services Centre (IFSC) recognised by the International Financial Services Centres Authority (IFSCA).

3. The Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022 ([A. P. (DIR Series) Circular No. 21 dated December 12, 2022](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=12428&Mode=0)) have been issued today and are enclosed herewith.

4. 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

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12423&fn=6&Mode=0#:~:text=Hedging%20of%20Gold%20Price%20Risk%20in%20Overseas%20Markets&text=Resident%20entities%20in%20India%20are,of%20gold%20in%20overseas%20markets>.

**Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022**

RBI/2022-2023/94  
A. P. (DIR Series) Circular No. 20

December 12, 2022

All Authorised Dealer Category – I Banks

Madam / Sir,

**Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk  
and Freight Risk in Overseas Markets) Directions, 2022**

Attention of Authorised Dealer Category - I (AD Cat-I) banks is invited to Regulation 6 and 6A of the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA. 25/RB-2000 dated May 3, 2000](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=179&Mode=0)), as amended from time to time, issued under clause (h) of sub-section (2) of Section 47 of Foreign Exchange Management Act, 1999 (Act 42 of 1999) as amended from time to time.

2. Within the contours of the Regulations, the Reserve Bank issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act, 1999 (Act 42 of 1999). These Directions lay down the modalities for the AD Cat-I banks for facilitating hedging of commodity price risk and freight risk in overseas markets by their customers / constituents.

3. The Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022 are [enclosed](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12427#enclosed) herewith. AD Cat-I banks may bring the contents of these Directions to the notice of their customers / constituents concerned.

4. 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

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12427>

**Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures**

RBI/2022-23/154  
DoR.FIN.REC.90/20.16.056/2022-23

December 13, 2022

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 (Exim Bank, NABARD, NHB, SIDBI and NaBFID)  
All Non-Banking Financial Companies (including Housing Finance Companies)  
All Credit Information Companies

Madam/Dear Sir,

**Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures**

Please refer to the [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=8968&Mode=0), inter alia setting out a Uniform Credit Reporting Format for reporting credit information to the Credit Information Companies (CICs).

2. It is clarified that cases admitted with National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT) under the Insolvency and Bankruptcy Code, 2016 are also required to be reported under the suit-filed cases in reporting to the CICs.

3. Credit Institutions (CIs) shall ensure implementation of this circular latest by February 28, 2023.

Yours faithfully

(J.P. Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=12425>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items**

RBI/2022-23/155  
DOR.ACC.REC.No.91/21.04.018/2022-23

December 13, 2022

Madam/Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items**

Please refer to the notes and instructions for compilation of Balance Sheet and Profit and Loss Account, for commercial banks, as specified in Annexure II to the [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) (hereinafter referred to as “Directions”).

2. In terms of Part A of Annexure II to the Directions, in case any item under the subhead “Miscellaneous Income” under the head “Schedule 14-Other Income” exceeds one per cent of total income, particulars shall be given in the notes to accounts. Similar instructions exist in case of subhead “Other expenditure” under the head “Schedule 16-Operating Expenses”.

3. In order to ensure greater transparency, it has been decided that banks shall also disclose the particulars of all such items in the notes to accounts wherever any item under the Schedule 5(IV)-Other Liabilities and Provisions-“Others (including provisions)” or Schedule 11(VI)-Other Assets-“Others” exceeds one per cent of the total assets.

4. Further, Payments Banks shall also disclose particulars of all such items in the notes to accounts, wherever any item under the Schedule 14(I)-Other Income-“Commission, Exchange and Brokerage” exceeds one per cent of the total income.

5. We also invite attention to Clause 6 of the Chapter IV of the Directions ibid, in terms of which more comprehensive disclosures than the minimum required are encouraged, especially if such disclosures significantly aid in the understanding of the financial position and performance of banks.

**Applicability**

6. These instructions are applicable to all commercial banks. These instructions shall come into effect for disclosures in the notes to the annual financial statements for the year ending March 31, 2023 and onwards.

7. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) shall stand updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12426&Mode=0>

**Central Payments Fraud Information Registry – Migration of Reporting to DAKSH**

RBI/2022-23/158  
CO.DPSS.OVRST.No.S1619/06-08-005/2022-2023

December 26, 2022

The Chairman / Managing Director / Chief Executive Officer  
Banks, Non-bank Payment System Operators (PSOs) and  
Credit Card issuing Non-Banking Financial Companies (NBFCs)

Madam / Dear Sir,

**Central Payments Fraud Information Registry – Migration of Reporting to DAKSH**

As announced in the [Monetary Policy Statement 2019-20 on August 07, 2019](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=47819), the Reserve Bank of India (RBI) had operationalised the Central Payments Fraud Information Registry (CPFIR) in March 2020 with reporting of payment frauds by scheduled commercial banks and non-bank Prepaid Payment Instrument (PPI) issuers.

2. To streamline reporting, enhance efficiency and automate the payments fraud management process, the fraud reporting module is being migrated to [DAKSH – Reserve Bank’s Advanced Supervisory Monitoring System](https://prism.rbi.org.in/DAKSH/portal/#/login). The migration will be effective from **January 01, 2023**, i.e., entities shall commence reporting of payment frauds in DAKSH from this date. In addition to the existing bulk upload facility to report payment frauds, DAKSH provides additional functionalities, viz. maker-checker facility, online screen-based reporting, option for requesting additional information, facility to issue alerts / advisories, generation of dashboards and reports, etc. The reporting guidelines are mentioned in the [Annex](https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12431&fn=9&Mode=0#AN1).

3. These directions are 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

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12431&fn=9&Mode=0>

**Individual Housing loans – Revised limits under four-tiered regulatory framework**

RBI/2022-23/159  
DOR.CRE.REC.92/07.10.002/2022-23

December 30, 2022

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Individual Housing loans – Revised limits under four-tiered regulatory framework**

Please refer to [circular DOR.REG.No.84/07.01.000/2022-23 dated December 1, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), in terms of which UCBs have been categorised into four tiers for regulatory purposes.

2. In terms of the [circular DOR.CRE.REC.42/09.22.010/2022-23 dated June 8, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12336&Mode=0), ceilings on housing loans to individuals are prescribed as ₹60 lakh for Tier-I UCBs and ₹140 lakh for Tier-II UCBs. Consequent upon classification of UCBs into four tiers under the revised regulatory framework, it has been decided to specify the limits on housing loans sanctioned by UCBs to an individual borrower as ₹60 lakh for Tier-1 UCBs and ₹140 lakh for UCBs categorised in Tier-2 to 4. Other terms and conditions of the circular ibid, remain unchanged.

3. The limits prescribed under this circular are effective from the date of this circular. However, existing housing loans sanctioned prior to the date of this circular, which may be in breach of the ceiling, will be allowed to run off till maturity.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12432#:~:text=010%2F2022%2D23%20dated%20June,lakh%20for%20Tier%2DII%20UCBs>.