**Certified Banking Compliance Professional**

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| **S.No.** | **RBI Notification** |
|  | Note Sorting Machines - Authentication and Fitness Sorting Parameters |
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|  | Gold Monetization Scheme (GMS), 2015 |
|  | Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents |
|  | Foreign Exchange Management (Overseas Investment) Regulations, 2022 |
|  | Foreign Exchange Management (Overseas Investment) Directions, 2022 |
|  | Guidelines on Digital Lending |
|  | Incentive for improving service to non-chest branches |
|  | Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS) |
|  | Compliance Function and Role of Chief Compliance Officer (CCO)- Urban Co-operative Banks |
|  | Late Submission Fee for reporting delays under Foreign Exchange Management Act, 1999 (FEMA) |
|  | Appointment of Internal Ombudsman by the Credit Information Companies |
|  | Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs |
|  | Review of Regulatory Framework for Asset Reconstruction Companies (ARCs) |
|  | Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning |
|  | 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) |
|  | Agency Commission for Direct Tax collection under TIN 2.0 regime |
|  | 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 |
|  | Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework |
|  | 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 |
|  | Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy |
|  | Review of SLR holdings in HTM category |
|  | Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures |
|  | Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items |
|  | Central Payments Fraud Information Registry – Migration of Reporting to DAKSH |

**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>

**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>

**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>

**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/2022-23/98A.P. (DIR Series) Circular No. 11August 1, 2022ToAll Category-I Authorised Dealer BanksMadam / 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>

**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://www.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://www.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://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12384&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>

**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>

**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>

**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>

**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>

**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>

**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>