**CERTIFIED BANKING COMPLIANCE PROFESSIONAL**

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

RBI/2023-24/51  
DOR.CRE.REC.No.27/07.10.002/2023-24

July 25, 2023

All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

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

Please refer to our [Mater Circular DOR.CRE.REC.No.17/13.05.000/2022-23 dated April 8, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12288) on the captioned subject. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12525&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: as above

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12525&Mode=0>

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

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

August 10, 2023

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

Madam / Dear Sir,

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

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

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

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

Yours faithfully,

(Brij Raj)  
Chief General Manager

**For more details, Kindly refer:**

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

**Fair Lending Practice - Penal Charges in Loan Accounts**

RBI/2023-24/53  
DoR.MCS.REC.28/01.01.001/2023-24

August 18, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks, excluding Payments Banks)  
All Primary (Urban) Co-operative Banks  
All NBFCs (including HFCs) and  
All India Financial Institutions (EXIM Bank, NABARD, NHB, SIDBI and NaBFID)

Madam / Dear Sir,

**Fair Lending Practice - Penal Charges in Loan Accounts**

Reserve Bank has issued various guidelines to the Regulated Entities (REs) to ensure reasonableness and transparency in disclosure of penal interest. Under the extant guidelines, lending institutions have the operational autonomy to formulate Board approved policy for levy of penal rates of interest. It has been observed that many REs use penal rates of interest, over and above the applicable interest rates, in case of defaults / non-compliance by the borrower with the terms on which credit facilities were sanctioned.

2. The intent of levying penal interest/charges is essentially to inculcate a sense of credit discipline and such charges are not meant to be used as a revenue enhancement tool over and above the contracted rate of interest. However, supervisory reviews have indicated divergent practices amongst the REs with regard to levy of penal interest/charges leading to customer grievances and disputes.

3. On a review of the practices followed by REs for charging penal interest/charges on loans, the following instructions are issued for adoption.

(i) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as ‘penal charges’ and shall not be levied in the form of ‘penal interest’ that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

(ii) The REs shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

(iii) The REs shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.

(iv) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

(v) The penal charges in case of loans sanctioned to ‘individual borrowers, for purposes other than business’, shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

(vi) The quantum and reason for penal charges shall be clearly disclosed by REs to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on REs website under Interest rates and Service Charges.

(vii) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

(viii) These instructions shall come into effect from January 1, 2024. REs may carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of this circular, whichever is earlier.

4. The above instructions 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, and section 30A of the National Housing Bank Act, 1987 and shall be updated in the relevant Master Directions / Master Circulars of the applicable REs. The list of amendments to the Master Directions / Master Circulars has been provided in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12527&Mode=0#AS).

5. These instructions shall, however, not apply to Credit Cards, External Commercial Borrowings, Trade Credits and Structured Obligations which are covered under product specific directions.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

Encl: As above

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12527&Mode=0>

**Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**

RBI/2023-24/55  
DOR.MCS.REC.32/01.01.003/2023-24

August 18, 2023

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

Madam / Dear Sir,

**Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans**[**1**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0#F1)

Please refer to our [circular no. DBR.No.Dir.BC.10/13.03.00/2015-16 dated July 01, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902), [Master Directions no. DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10585), [DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10586) and [DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030) vide which the guidelines pertaining to Fair Practices Code for lenders have been issued to SCBs, NBFCs and HFCs, respectively. In terms of extant instructions of Reserve Bank of India, regulated entities (REs) have the freedom to offer all categories of advances either on fixed or on floating interest rates basis.

2. At the time of sanction of EMI based floating rate personal loans, REs are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, the REs are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance:

1. At the time of sanction, REs shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.
2. At the time of reset of interest rates, REs shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.
3. The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.
4. All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the REs from time to time.
5. REs shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
6. REs shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. The REs shall ensure that the statements are simple and easily understood by the borrower.

3. Apart from the equated monthly instalment loans, these instructions would also apply, mutatis mutandis, to all equated instalment based loans of different periodicities. In case of loans linked to an external benchmark under the External Benchmark Lending Rate (EBLR) regime, the banks should follow extant instructions and also put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.

4. REs shall ensure that the above instructions are extended to the existing as well as new loans suitably by December 31, 2023. All existing borrowers shall be sent a communication, through appropriate channels, intimating the options available to them.

5. The above instructions 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, and sections 30A and 32 of the National Housing Bank Act, 1987.

Yours faithfully

Santosh Kumar Panigrahy  
(Chief General Manager)

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12529&Mode=0>

**Enhancing transaction limits for Small Value Digital Payments in Offline Mode**

RBI/2023-24/57  
CO.DPSS.POLC.No.S526/02-14-003/2023-24

August 24, 2023

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

Madam / Dear Sir,

**Enhancing transaction limits for Small Value Digital Payments in Offline Mode**

This has reference to the Reserve Bank of India [circular CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12215&fn=9&Mode=0) on “Framework for Facilitating Small Value Digital Payments in Offline Mode”.

2. As announced in the [Statement on Development and Regulatory Policies dated August 10, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56174), the upper limit of an offline payment transaction is increased to ₹500. Other instructions mentioned in the framework shall continue to remain applicable as before.

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

Yours faithfully,

(Gunveer Singh)  
Chief General Manager-in-Charge

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12531&Mode=0>

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

RBI/2023-24/59  
DOR.RET.REC.34/12.01.001/2023-24

September 08, 2023

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

Madam / Dear Sir,

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

Please refer to the [circular DOR.RET.REC.29/12.01.001/2023-24 dated August 10, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12526&Mode=0) and relative notification on the captioned subject.

2. As announced in the [RBI Press Release dated September 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56336), on a review, it has been decided to discontinue the incremental CRR (I-CRR) in a phased manner. Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. The release of funds would be as follows:

|  |  |
| --- | --- |
| **Date** | **Amount to be released** |
| September 09, 2023 | 25 per cent of the I-CRR maintained |
| September 23, 2023 | 25 per cent of the I-CRR maintained |
| October 07, 2023 | 50 per cent of the I-CRR maintained |

3. A copy of the relative notification DOR.RET.REC.35/12.01.001/2023-24 dated September 08, 2023 is [enclosed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12533&Mode=0#NT35).

Yours faithfully,

(Brij Raj)  
Chief General Manager

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12533&Mode=0>

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

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

September 12, 2023

All Commercial Banks (excluding Regional Rural Banks)

Dear Sir / Madam,

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

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

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

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

**Applicability**

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

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12534&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12534&Mode=0)

**Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans**

RBI/2023-24/60  
DoR.MCS.REC.38/01.01.001/2023-24

September 13, 2023

All Commercial Banks (including Small Finance Banks  
and Regional Rural Banks, excluding Payments Banks)  
All Local Area Banks  
All Primary (Urban) Co-operative Banks  
All State Co-operative Banks and District Central Co-operative Banks  
All NBFCs (including HFCs)  
All Asset Reconstruction Companies

Madam / Dear Sir,

**Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal**[**1**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0#F1)**Loans**

In terms of the guidelines on Fair Practices Code issued to various Regulated Entities (REs) since 2003, REs are required to release all movable / immovable property documents upon receiving full repayment and closure of loan account. However, it has been observed that the REs follow divergent practices in release of such movable / immovable property documents leading to customer grievances and disputes. To address the issues faced by the borrowers and towards promoting responsible lending conduct among the REs, the following Directions are being issued:

**Release of Movable / Immovable Property Documents**

2. The REs shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

3. The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the RE where the documents are available, as per her / his preference.

4. The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.

5. In order to address the contingent event of demise of the sole borrower or joint borrowers, the REs shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the REs along with other similar policies and procedures for customer information.

**Compensation for delay in release of Movable / Immovable Property Documents**

6. In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the RE shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

7. In case of loss/damage to original movable / immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at paragraph 6 above. However, in such cases, an additional time of 30 days will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

8. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

**Applicability**

9. These Directions shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

10. The above Directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA and 45L of the Reserve Bank of India Act, 1934, and section 30A of the National Housing Bank Act, 1987.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0)

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

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

September 21, 2023

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

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

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12538&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12538&Mode=0)

**Display of information - Secured assets possessed under the SARFAESI Act, 2002**

RBI/2023-24/63  
DoR.FIN.REC.41/20.16.003/2023-24

September 25, 2023

All Commercial Banks including Small Finance Banks, Local Area Banks and Regional Rural Banks and excluding Payment Banks  
All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ 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 Asset Reconstruction Companies

Dear Sir/ Madam

**Display of information - Secured assets possessed under the SARFAESI Act, 2002**

As a part of the move towards greater transparency, it has been decided that the Regulated Entities (REs) of the Reserve Bank which are secured creditors as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, shall display information in respect of the borrowers whose secured assets have been taken into possession by the REs under the Act.

2. REs shall upload this information on their website in the format as prescribed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0#AN1). The first such list shall be displayed on the website of REs within six (6) months from the date of this circular, and the list shall be updated on monthly basis.

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

Encl: Annex

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0)

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

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

October 16, 2023

The Chairperson / CEOs of all Commercial Banks

Madam / Dear Sir,

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

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

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

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

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

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

ii. For original tenors more than 14 days

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

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

Yours faithfully,

(Brij Raj)  
Chief General Manager

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12548&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12548&Mode=0)

**Appointment of Whole-Time Director(s)**

RBI/2023-24/70  
DOR.HGG.GOV.REC.46/29.67.001/2023-24

October 25, 2023

All Private Sector Banks and  
Wholly-Owned Subsidiaries of Foreign Banks  
(excluding Payment Banks and Local Area Banks)

Madam / Dear Sir

**Appointment of Whole-Time Director(s)**

Please refer to paragraph 10 and 11 of our instructions [DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12078&Mode=0) on ‘Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board’.

2. Given the growing complexity of the banking sector, it becomes imperative to establish an effective senior management team in the banks to navigate ongoing and emerging challenges. Establishment of such a team may also facilitate succession planning, especially in the background of the regulatory stipulations in respect of tenure and upper age limit for Managing Director and Chief Executive Officer (MD&CEO) positions.

3. To address these issues and challenges, banks are advised to ensure the presence of at least two Whole Time Directors (WTDs), including the MD&CEO, on their Boards. The number of WTDs shall be decided by the Board of the bank by taking into account factors such as the size of operations, business complexity, and other relevant aspects. In compliance to these instructions, banks that currently do not meet the minimum requirement as above are advised to submit their proposals for the appointment of WTD(s) under Section 35B(1)(b) of the Banking Regulation Act, 1949, within a period of four months from the date of issuance of this circular. Those banks which do not already have the enabling provisions regarding appointment of WTDs in their Articles of Association may first seek necessary approvals under Section 35B(1)(a) of the Act ibid, expeditiously, so as to be in a position to comply with the requirements under these instructions. While ensuring compliance to the above instructions, careful consideration shall also be given to meet the requirements under other applicable statutory/regulatory provisions.

Yours faithfully

(Scenta Joy)  
Chief General Manager

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12551&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12551&Mode=0)

**Framework for compensation to customers for delayed updation/ rectification of credit information**

RBI/2023-24/72  
DoR.FIN.REC.48/20.16.003/2023-24

October 26, 2023

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

Dear Sir/ Madam.

**Framework for compensation to customers for delayed updation/ rectification of credit information**

Please refer to para 4 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55473) released with the [Bi-monthly Monetary Policy Statement 2023-24 on April 6, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55472), wherein it was announced, inter alia, that a compensation mechanism will be put in place for delayed updation/rectification of credit information by the credit institutions (CIs) and credit information companies (CICs).

2. Accordingly, in exercise of the powers conferred by sub-section (1) of section 11 of the Credit Information Companies (Regulation) Act, 2005 (CICRA, 2005), the Reserve Bank of India directs CICs and CIs to implement the compensation framework for delayed updation/rectification of credit information by CIs and CICs as detailed below:

(a) Complainants shall be entitled to a compensation of ₹100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with a CI/ CIC.

**Explanation:**

1. Section 21 (3) of CICRA, 2005 provides that a complainant may request a CIC or CI to update the credit information by making an appropriate correction, addition or otherwise, and on such request the CI or CIC shall take steps to update the credit information within thirty (30) days after being requested to do so.
2. Rule 20 (3) (c) of CIC Rules, 2006 provides that the CI shall forward the corrected particulars of the credit information to the CIC or complainant within a period of twenty-one (21) days from the date when the CI was informed of the inaccuracy in the credit information.
3. The combined reading of Section 21(3) of CICRA, 2005 and Rule 20 (3) (c) of Credit Information Companies Rules, 2006 provide the CI and the CIC, collectively, an overall limit of thirty (30) days to resolve/ dispose of the complaint. In effect, this would mean that a CI would get twenty-one (21) days and CICs would effectively get the remainder of nine (9) days for complete resolution of the complaint.

(b) A CI shall pay compensation to the complainant if the CI has failed to send updated credit information to the CICs by making an appropriate correction or addition or otherwise within twenty-one (21) calendar days of being informed by the complainant or a CIC.

(c) A CIC shall pay compensation to the complainant if the CIC has failed to resolve the complaint within thirty (30) calendar days of being informed by the complainant or a CI, despite the CI having furnished the updated credit information to the CIC within twenty-one (21) calendar days of being informed by the complainant or the CIC.

(d) The complainant shall be advised by the CI/ CIC of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by CI and CIC.

(e) Compensation to be provided by the CICs/ CIs to the complainant (for delayed resolution beyond thirty (30) calendar days of filing the complaint) shall be apportioned among the CIs/ CICs concerned proportionately. Illustrative examples of the same are given in [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTI72FCCD261023_AN.pdf).

(f) Where the grievance/ complaint involves inaccurate credit information provided by more than one CI, the complaint shall be registered by the complainant with the concerned CIC. The CIC shall coordinate with all the CIs concerned and furnish the complainant with a comprehensive resolution of the grievance.

(g) Where the complaint has been received and registered by a CIC and there has been a delay in the resolution of the complaint, the CIC shall inform the concerned CI(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the CI(s) and/ or CIC.

(h) Where the complaint has been received and registered by a CI and there has been a delay in the resolution of the complaint, the CI shall inform the concerned CIC(s) and the complainant after the final resolution, regarding total delay (in calendar days) and the amount of compensation to be paid by the CI and/ or CIC(s).

(i) The date of the resolution of the grievance shall be the date when the rectified Credit Information Report (CIR) has been sent by the CIC or CI to the postal address or email ID provided by the complainant.

(j) The CICs/ CIs shall make appropriate provision in their complaint submission format (both online and offline) for enabling the complainant to submit the contact details, email ID, and bank account details/ Unified Payment Interface (UPI) ID for crediting the compensation amount. The onus of providing accurate details will lie with the complainant and the CIs/ CICs will not be held responsible for any incorrect information provided by the complainant.

(k) The compensation amount shall be credited to the bank account of the complainant within five (5) working days of the resolution of the complaint.

(l) The complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by CIs or CICs.

(m) In case of wrongful denial of compensation by CIs which are yet to be covered under the Reserve Bank - Integrated Ombudsman Scheme, 2021, the complainant can approach Consumer Education and Protection Cell (CEPC) functioning from Regional Offices (ROs) of Reserve Bank of India.

(n) **Non-Maintainability:** The compensation framework shall not be applicable in the following cases:

1. disputes for which remedy has been provided under Section 18 of CICRA, 2005. The Section 18 of CICRA, 2005 provides that for disputes arising amongst, CICs, CIs, borrowers, and clients on matters relating to the business of credit information and for which no remedy has been provided under CICRA, 2005, such disputes shall be settled by conciliation or arbitration as provided in the Arbitration and Conciliation Act, 1996.
2. complaints/ references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff, and (d) references in the nature of suggestions and commercial decisions of the CIC/CI.
3. complaints pertaining to disputes/ grievances regarding the computation of the credit score/ credit score model.
4. complaints that have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, Courts, Tribunals, etc.

3. The compensation framework shall come into effect six (6) months from the date of this circular. CICs and CIs are directed to put in place necessary systems and processes to implement the compensation framework within this period.

4. CICs and CIs which contravene or default in adherence to the above directions shall be liable for penal action as per the provisions of CICRA, 2005.

Yours faithfully,

(R. Lakshmi Kanth Rao)  
Chief General Manager-in-Charge

Encl. Annex

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12554&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12554&Mode=0)

**Non-Callable Deposits - Master Direction on Interest Rate on Deposits**

RBI/2023-24/74  
DOR.SPE. REC. No 51/13.03.000/2023-24

October 26, 2023

**Non-Callable Deposits - Master Direction on Interest Rate on Deposits**

Please refer to the instructions contained in Section 7 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 [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 these instructions, banks have been permitted to offer domestic term deposits (TDs) without premature withdrawal option, provided that all TDs accepted from individuals for an amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility. Further, the banks have also been permitted to offer differential rate on interest on TDs based on non-callability of deposits (i.e., non-availability of premature withdrawal option) in addition to tenor and size of deposits.

2. On a review, it has been decided that (i) the minimum amount for offering non-callable TDs may be increased from Rupees fifteen lakh to Rupees one crore i.e., all domestic term deposits accepted from individuals for amount of Rupees one crore and below shall have premature-withdrawal-facility and (ii) these instructions shall also be applicable for Non-Resident (External) Rupee (NRE) Deposit / Ordinary Non-Resident (NRO) Deposits.

3. Accordingly, the relevant sections of the Master Direction have been amended as indicated in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12555&Mode=0#ANN1).

4. All other instructions shall remain unchanged.

**Applicability**

5. This circular is applicable to all Commercial Banks and Co-operative Banks.

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

Yours faithfully,

(Sunil T S Nair)  
Chief General Manager

**For more details, Kindly refer:**

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12555&Mode=0>

**Review of Instructions on Bulk Deposits for Regional Rural Banks (RRBs)**

RBI/2023-24/75  
DoR.SPE.REC.50/13.03.00/2023-2024

October 26, 2023

All Regional Rural Banks

Sir / Madam,

**Review of Instructions on Bulk Deposits for Regional Rural Banks (RRBs)**

Please refer to Para 3 (a) (i) of [Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 3, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296), in terms of which “Bulk Deposit” means:

1. Single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural Banks) and Small Finance Banks.
2. Single Rupee term deposits of Rupees fifteen lakhs and above for RRBs.

2. On a review, it has been decided to enhance the bulk deposit limit for Regional Rural Banks. Accordingly, “Bulk Deposit” for Regional Rural Banks would now mean Single Rupee term deposits of Rupees one crore and above. The relevant sections of the Master Direction as amended are indicated in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12556&Mode=0#ANN_1).

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

Yours faithfully,

(Sunil T. S. Nair)  
Chief General Manager

Enclosure: As above

**For more details, Kindly refer:**

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12556&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12556&Mode=0)

**Clarification regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by District Central Co-operative Banks (DCCBs) and Guidelines on Closure of Branches and Extension Counters by DCCBs**

RBI/2023-24/78  
DoR.REG/LIC.No.54/19.51.052/2023-24

October 30, 2023

Madam / Sir

**Clarification regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by District Central Co-operative Banks (DCCBs) and Guidelines on Closure of Branches and Extension Counters by 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, guidelines for opening of new place of business by District Central Co-operative Banks (DCCBs) – Section 23 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) were issued vide [Circular DOR.REG.No.63/19.51.052/2022-23 dated August 11, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12375&Mode=0).

2. In this regard, RBI has been receiving references seeking clarifications on shifting of branches within the same locality and closure of un-remunerative branches by District Central Co-operative Banks (DCCBs).

3. On examination of the matter, it has been decided to issue requisites clarifications regarding Shifting of Branches/Offices/Extension Counters within the same city, town or village by DCCBs and Guidelines on Closure of Branches and Extension Counters by DCCBs, as enclosed in [Annex - 1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12559&Mode=0#ANN1).

**Commencement**

4. These guidelines will come into effect from the date of issue of this circular.

**Applicability**

5. This circular is applicable to all District Central Co-operative Banks.

Yours faithfully

(Manoranjan Padhy)  
Chief General Manager

Encl: Annex - 1 & 2

For more details, Kindly refer:

[**https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12559&Mode=0**](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12559&Mode=0)

**Banking Regulation (Amendment) Act 2020 - Change in Name of Co-operative Banks**

RBI/2023-24/79  
DoR.REG/LIC.No.55/07.01.000/2023-24

October 30, 2023

Chairman / Managing Director / Chief Executive Officer  
All Primary (Urban) Co-operative Banks  
All State Co-operative Banks and  
All District Central Co-operative Banks

Madam / Dear Sir

**Banking Regulation (Amendment) Act 2020 - Change in Name of Co-operative Banks**

Pursuant to the notification of the Banking Regulation (Amendment) Act (No. 39 of 2020), Sections 49B and 49C of Banking Regulation Act, 1949 (‘BR Act’) are applicable to Co-operative Banks. In terms of Section 49B, the Central Registrar of Cooperative Societies (CRCS)/Registrar of Cooperative Societies (RCS) shall not signify its approval to the change of name of any co-operative bank unless the Reserve Bank certifies in writing that it has no objection to such change. Further, in terms of Section 49C, no application for the confirmation of the alteration of bye-laws of a co-operative bank shall be maintainable unless Reserve Bank certifies that there is no objection to such alteration.

2. Accordingly, it has been decided to issue guidelines with regard to the procedure to be followed for any change in name by a Co-operative Bank as enclosed in [Annex -1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12560&Mode=0#ANN1).

**Commencement**

3. These guidelines will come into effect from the date of issue of this circular.

Yours faithfully

(Manoranjan Padhy)  
Chief General Manager

Encl: Annex – 1 and 2

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12560&Mode=0>

**Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices**

RBI/2023-24/107  
DoS.CO.CSITEG/SEC.7/31.01.015/2023-24

November 7, 2023

The Chairman/Managing Director/Chief Executive Officer  
Scheduled Commercial Banks (excluding Regional Rural Banks);  
Small Finance Banks; Payments Banks;  
Non-Banking Financial Companies;  
Credit Information Companies; and  
All India Financial Institutions (EXIM Bank, NABARD, NaBFID, NHB and SIDBI)

Madam/Dear Sir,

**Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices**

Please refer to paragraph IV (8) of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248) released with the [Bi-monthly Monetary Policy Statement 2021-22 on February 10, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53247), wherein it was announced that draft guidelines, updating and consolidating the instructions relating to Information Technology (IT) Governance and Controls, Business Continuity Management and Information Systems Audit, will be issued by the Reserve Bank of India.

2. Accordingly, a draft Master Direction on the subject was published in [October 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54571) seeking public comments.  Based on feedback received, the final Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 are enclosed herewith.

Yours faithfully,

(T.K.Rajan)  
Chief General Manager

Encl: Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12562&Mode=0>

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

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

November 08, 2023

To

All participants in Government Securities market

Madam/Sir,

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

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

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

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

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

5. These Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12563&Mode=0>

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

RBI/2023-2024/83  
A.P. (DIR Series) Circular No. 07

November 10, 2023

To,

All Category-I Authorised Dealer Banks

Madam/Sir

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

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to [A.P. (DIR Series) Circular No.04 dated May 25, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12324&Mode=0), in terms of which AD Category-I banks have been permitted to remit advance payments on behalf of Qualified Jewellers as notified by International Financial Services Centres Authority (IFSCA) for eleven days for import of gold through India International Bullion Exchange IFSC Ltd (IIBX).

2. Further, attention of AD Category-I banks is invited to Notification No.35/2023 dated October 11, 2023 issued by DGFT, in terms of which, in addition to nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies), Qualified Jewellers as notified by International Financial Services Centres Authority (IFSCA) have been permitted to import silver under specific ITC(HS) Codes through IIBX.

3. Accordingly, it has been decided that AD Category-I banks may allow Qualified Jewellers to remit advance payment for eleven days for import of silver through IIBX subject to the conditions as mentioned in [A.P. (DIR Series) Circular No.04 dated May 25, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12324&Mode=0).

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 Section 10(4) and Section 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Puneet Pancholy)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12565&Mode=0>

**Regulatory measures towards consumer credit and bank credit to NBFCs**

RBI/2023-24/85  
DOR.STR.REC.57/21.06.001/2023-24

November 16, 2023

Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
Non-Banking Financial Companies (including HFCs)

Madam/Dear Sir,

**Regulatory measures towards consumer credit and bank credit to NBFCs**

Please refer to [Governor’s Statement dated October 6, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56501) flagging the high growth in certain components of consumer credit and advising banks and non-banking financial companies (NBFCs) to strengthen their internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards, in their own interest. The high growth seen in consumer credit and increasing dependency of NBFCs on bank borrowings were also highlighted by Governor in the interactions with MD/CEOs of major banks and large NBFCs in July and August 2023, respectively.

2. In this context, it has been decided to effect the following measures as under:

**A. Consumer credit exposure**

(a) Consumer credit exposure of commercial banks

As per extant instructions applicable to commercial banks[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0#F1), consumer credit attracts a risk weight of 100%. On a review, it has been decided to increase the risk weights in respect of consumer credit exposure of commercial banks (outstanding as well as new), including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, by 25 percentage points to 125%.

(b) Consumer credit exposure of NBFCs

In terms of extant norms, NBFCs’ loan exposures generally attract a risk weight of 100%[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0#F2). On a review, it has been decided that the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125%.

(c) Credit card receivables

As per extant instructions, credit card receivables of scheduled commercial banks (SCBs) attract a risk weight of 125%[3](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0#F3) while that of NBFCs attract a risk weight of 100%[4](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0#F4). On a review, it has been decided to increase the risk weights on such exposures by 25 percentage points to 150% and 125% for SCBs and NBFCs respectively.

**B. Bank credit to NBFCs**

In terms of extant norms, exposures of SCBs to NBFCs, excluding core investment companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions (ECAI)[5](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0#F5). On a review, it has been decided to increase the risk weights on such exposures of SCBs by 25 percentage points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded.

**C. Strengthening credit standards**

(a) The REs shall review their extant sectoral exposure limits for consumer credit and put in place, if not already there, Board approved limits in respect of various sub-segments under consumer credit as may be considered necessary by the Boards as part of prudent risk management. In particular, limits shall be prescribed for all unsecured consumer credit exposures. The limits so fixed shall be strictly adhered to and monitored on an ongoing basis by the Risk Management Committee.

(b) All top-up loans extended by REs against movable assets which are inherently depreciating in nature, such as vehicles, shall be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes.

3. The above instructions have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.

4. The above instructions, other than paragraph 2C(a), shall come into force with immediate effect. All REs shall endeavour to comply with the provisions at paragraph 2C(a) at the earliest, but in any case shall implement them by no later than February 29, 2024.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0>

**International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for exports proceeds**

RBI/2023-2024/86  
FED Circular No.08

November 17, 2023

To

All Scheduled Commercial Banks (holding AD Category-I license)

Madam/Sir

**International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for exports proceeds**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to [A.P. (DIR Series) Circular No.10 dated July 11, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12358&Mode=0), in terms of which an additional arrangement has been put in place for invoicing, payment, and settlement of exports/imports in INR through Special Rupee Vostro Accounts of the correspondent bank/s of the partner trading country maintained with AD Category-I banks in India.

2. Further, attention of AD Category-I banks is invited to Para 4.1 of [circular DOR.CRE.REC.23/21.08.008/2022-23 dated April 19, 2022](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12293&fn=2&Mode=0) on Opening of Current Accounts and CC/OD Accounts by Banks. In terms of this provision and in order to provide greater operational flexibility to the exporters, AD Category-I banks maintaining Special Rupee Vostro Account as per the provisions of the Reserve Bank circular dated July 11, 2022 referred above are permitted to open an additional special current account for its exporter constituent exclusively for settlement of their export transactions.

Yours faithfully,

(Puneet Pancholy)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12568&Mode=0>

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

RBI/2023-2024/88  
CO.DPSS.POLC.No.S-882/02.14.003/2023-24

December 12, 2023

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

Madam / Dear Sir,

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

A reference is invited to our [circular CO.DPSS.POLC.No.S-518/02.14.003/2022-23 dated June 16, 2022](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12341&fn=9&Mode=0) in terms of which relaxation in Additional Factor of Authentication (AFA) was permitted while processing e-mandates / standing instructions on cards, Prepaid Payment Instruments and Unified Payments Interface, for subsequent recurring transactions with values up to ₹15,000/-, subject to conditions listed therein.

2. In this regard, as announced in the [Statement on Developmental and Regulatory Policies dated December 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56889), it has been decided to increase the limit from ₹15,000/- to ₹1,00,000/- per transaction for the following categories: (a) subscription to mutual funds, (b) payment of insurance premiums, and (c) credit card bill payments.

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

Yours faithfully,

(Gunveer Singh)  
Chief General Manager-in-Charge

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12570&Mode=0>

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

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

December 19, 2023

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

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

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

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

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

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

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

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

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

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

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

5. The above instructions shall become effective immediately.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, Kindly refer:

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

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

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

December 22, 2023

The Chairperson / CEOs of all Commercial Banks

Madam / Dear Sir,

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

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

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

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

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

Yours faithfully,

(Brij Raj)  
Chief General Manager

For more details, Kindly refer:

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

**Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023**

**RESERVE BANK OF INDIA  
(FOREIGN EXCHANGE DEPARTMENT)  
CENTRAL OFFICE  
MUMBAI 400 001**

**No. FEMA 14(R)/2023-RB**

**December 21, 2023**

**Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023**

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of [Notification No. FEMA 14(R)/2016-RB dated May 02, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10392&Mode=0), except as respects things done or omitted to be done before such supersession, the Reserve Bank makes the following regulations, namely:

**1. Short title and commencement. -** (1) These regulations shall be called the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023.

(2) They shall come into force on the date of their publication in the [Official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FEMA14R22122023.pdf).

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

1. 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);
2. 'Authorised Bank' shall have the same meaning as given in the Foreign Exchange Management (Deposit) Regulations, 2016 as amended from time to time.

(2) The words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act.

**3. Manner of receipt and payment. –** (1) Save as otherwise in a manner as provided in the Act or the rules or regulations made or directions issued under the Act, no person resident in India shall make or receive payment from a person resident outside India:

Provided that the Reserve Bank may, on an application made to it, permit a person resident in India to make or receive payment under the Act.

(2) The receipt and payment between a person resident in India and a person resident outside India shall, unless provided otherwise, be made through an Authorised Bank or Authorised Person and in the manner as specified below:

**(I) Trade transactions -** (a) receipt/payment for export to or import from the countries given below of eligible goods and services shall be made as under:

**(i) Nepal and Bhutan -** in Indian Rupees provided that in case of exports from India where the importer in Nepal has been permitted by the Nepal Rashtra Bank to make payment in foreign currency, such receipts towards the amount of the export may be in foreign currency;

**(ii) Member countries of ACU, other than Nepal and Bhutan -** through ACU mechanism or as per the directions issued by the Reserve Bank to authorised dealer from time to time:

Provided that in case of imports where the goods are shipped to India from a member country of the ACU (other than Nepal and Bhutan) but the supplier is resident of a country other than a member country of the ACU, the payment may be made in a manner as specified at (iii) below.

**(iii) Countries other than member countries of ACU -** In Indian Rupees or in any foreign currency.

(b) Notwithstanding anything contained in this sub-regulation, receipts and payments may also be made in a manner as may be provided in the extant Foreign Trade Policy framed by the Central Government.

Explanation: The expression ‘ACU’ (Asian Clearing Union) shall have the same meaning assigned to it under Article I of the ACU agreement and the ACU mechanism shall be construed accordingly.

**(II) Transactions other than trade transactions -** receipt and payment shall be made as under:

**(i) Nepal and Bhutan -** In Indian Rupees provided that in case of overseas investment in Bhutan, payment may also be made in foreign currency;

**(ii) Other Countries –** In Indian Rupees or any foreign currency.

(3) Payment and receipt in India for any current account transaction, other than a trade transaction, between any person resident in India and a person resident outside India, who is on a visit to India, may be made only in Indian Rupees.

Provided that any payment or receipt under regulation 3 may also be made by debit/ credit to a bank account maintained in terms of the rules, regulations or directions issued under the Act.

**(Dr Aditya Gaiha)  
Chief General Manager-in-Charge**

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12579&Mode=0>

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

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

December 27, 2023

All participants in Government Securities market

Madam/Sir,

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

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

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

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

4. These Directions shall come into immediate effect.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For more details, Kindly refer:

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

**MHP Exemption for Transfer of Receivables**

RBI/2023-24/99  
DOR.STR.REC.60/21.04.048/2023-24

December 28, 2023

All Scheduled Commercial Banks (excluding Regional Rural Banks)  
All All-India Financial Institutions  
All Non-Banking Financial Companies (including Housing Finance Companies)

**MHP Exemption for Transfer of Receivables**

Please refer to clause 39, of the [Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (“MD-TLE”)](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12166), regarding requirement of Minimum Holding Period (MHP) on transfer of loans.

2. In order to develop secondary market operations of receivables acquired as part of ‘factoring business’ as defined under the Factoring Regulation Act, 2011, it has been decided that transfer of such receivables by eligible transferors will be exempted from MHP requirement, subject to fulfilment of the following conditions:

1. The residual maturity of such receivables, at the time of transfer, should not be more than 90 days, and
2. As specified under clauses 10 and 35 of these directions, the transferee conducts proper credit appraisal of the drawee of the bill, before acquiring such receivables.

3. Accordingly, a suitable proviso has been added to clause 39 of MD-TLE, through amendment dated December 28, 2023.

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

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12582&Mode=0>

**Fair Lending Practice - Penal Charges in Loan Accounts: Extension of Timeline for Implementation of Instructions**

RBI/2023-24/102  
DoR.MCS.REC.61/01.01.001/2023-24

December 29, 2023

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks, excluding Payments Banks)  
All Primary (Urban) Co-operative Banks  
All NBFCs (including HFCs) and  
All India Financial Institutions (EXIM Bank, NABARD, NHB, SIDBI and NaBFID)

Madam / Dear Sir,

**Fair Lending Practice - Penal Charges in Loan Accounts: Extension of Timeline for Implementation of Instructions**

Reference is invited to [RBI circular DoR.MCS.REC.28/01.01.001/2023-24 dated August 18, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12527&Mode=0) on ‘Fair Lending Practice - Penal Charges in Loan Accounts’.

2. In terms of paragraph 3 (viii) of the circular, the instructions were to come into effect from January 1, 2024. However, considering that certain clarifications and additional time has been sought by some regulated entities (REs) to reconfigure their internal systems and operationalize the circular, it has been decided to extend the timeline for implementation of the instructions by three months. Accordingly, REs shall ensure that the instructions are implemented in respect of all the fresh loans availed from April 1, 2024 onwards. In the case of existing loans, the switchover to new penal charges regime shall be ensured on the next review/ renewal date falling on or after April 1, 2024, but not later than June 30, 2024.

3. A set of [frequently asked questions (FAQs)](https://www.rbi.org.in/Scripts/FAQView.aspx?Id=162) providing clarifications related to implementation of the circular will be uploaded in the FAQs section of the RBI website shortly.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12585&Mode=0>

**Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023**

RBI/CEPD/2023-24/108  
CEPD.PRD.No.S1228/13.01.019/2023-24

December 29, 2023

(1) Chairman/Managing Director/CEO of All Scheduled Commercial Banks (excluding RRBs)  
(2) Chairman/Managing Director/CEO of All NBFCs  
(3) Chairman/Managing Director/CEO of Non-Bank System Participants  
(4) Chairman/Managing Director/CEO of All Credit Information Companies

Dear Sir / Madam,

**Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023**

The Reserve Bank institutionalized the Internal Ombudsman mechanism in various regulated entities vide instructions / guidelines contained in the [Internal Ombudsman Scheme 2018- Implementation by banks dated September 3, 2018](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=44900), Internal Ombudsman Scheme for Non-Bank System Participants, 2019 dated October 22, 2019, [Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12195&Mode=0) and [Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Direction, 2022 dated October 6, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12395&Mode=0). The Internal Ombudsman mechanism has been set up with a view to strengthen the Internal Grievance Redress system of the regulated entities.

2. A review of Internal Ombudsman schemes has been undertaken by the Reserve Bank in line with the integration of the erstwhile three RBI Ombudsman Schemes as also with the objective to improve the customer service standards in regulated entities. The framework reaffirms that the Internal Ombudsman mechanism should work as envisaged and the Internal Ombudsman shall be positioned as an independent, apex level authority on consumer grievance redress within the regulated entities.

3. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, Section 45L read with 45M of the Reserve Bank of India Act, 1934, sub-section (1) of Section 11 of Credit Information Companies (Regulation) Act, 2005 and Section 18 of the Payment and Settlement Systems Act, 2007, the Reserve Bank of India, being satisfied that it is necessary and expedient in public interest to do so, hereby directs that all the regulated entities as indicated in Clause 4 of the Master Direction shall comply with the Direction with immediate effect.

4. The regulated entities are further advised as follows:

1. The Internal Ombudsman appointed by the regulated entity, under the erstwhile Internal Ombudsman Schemes / Direction shall continue to hold office till the expiry of their tenure.
2. The regulated entities not currently falling under the Internal Ombudsman Schemes / Direction may closely monitor their eligibility as per the prescribed provisions for timely appointment of Internal Ombudsman in their entity, as required.
3. The regulated entities are advised to forward the contact details of the Internal Ombudsman / Deputy Internal Ombudsman to Consumer Education and Protection Department, Central Office, Reserve Bank of India, 1st Floor, Amar Building, Sir P M Road, Fort, Mumbai 400 001 (e-mail: [iocepd@rbi.org.in](mailto:iocepd@rbi.org.in)) and ensure to update the same as and when there is any change.

Yours faithfully,

(Neena Rohit Jain)  
Chief General Manager

Encl: Master Direction - Reserve Bank of India - (Internal Ombudsman for Regulated Entities) Directions, 2023

For more details, Kindly refer:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12586&Mode=0>