**PRINCIPLES AND PRACTICES OF BANKING**

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| **Sr. No.** | **Important Notifications** |
| 1 | Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Consolidated) |
| 2 | Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments) |
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| 18 | Payments Infrastructure Development Fund – Extension of Scheme and Enhancements |
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**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Consolidated)**

RBI/2023-24/47  
DOR.AML.REC.23/14.06.001/2023-24

July 04, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Consolidated)**

Please refer to Section 52 and Section 53 of our [Master Direction on Know Your Customer dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566) as amended on May 04, 2023 (MD on KYC), in terms of which “the Regulated Entities (REs) shall ensure meticulous compliance with the “Procedure for Implementation of Section 12A of the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005” as laid down in terms of Section 12A of the WMD Act, 2005 vide Order dated January 30, 2023 by the Ministry of Finance, Government of India (Ref. Annex III of the MD on KYC).”

2. In this connection, the Ministry of External Affairs (MEA), Government of India has informed about the Consolidated Lists of UNSC Designated / Sanctioned Individuals and Entities under the UNSC Resolutions relating to non-proliferation on the Democratic People's Republic of Korea (DPRK) and Iran. The consolidated lists are enclosed in the [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/ConsolidatedList04072023.pdf). It is also informed that this is the ‘**designated list**’ as referred in Para 2.1 and other relevant Paras of the aforementioned Order dated January 30, 2023, and for the purposes of implementation of the provisions of Section12A of the WMD Act 2005.

3. The latest version of the UNSC sanctions lists on DPRK & Iran are accessible on the UN Security Council’s website at the following URLs:

<https://www.un.org/securitycouncil/sanctions/1718>

<https://www.un.org/securitycouncil/content/2231/list>

4. All REs are advised to take note of the aforementioned communications and ensure meticulous compliance.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager  
Encl: As above

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12521&Mode=0>

**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments)**

RBI/2023-24/48  
DOR.AML.REC.24/14.06.001/2023-24

July 04, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments)**

Please refer to Section 52 and Section 53 of our [Master Direction on Know Your Customer dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566) as amended on May 04, 2023 (MD on KYC), in terms of which “REs shall ensure meticulous compliance with the “Procedure for Implementation of Section 12A of the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005” laid down in terms of Section 12A of the WMD Act, 2005 vide Order dated January 30, 2023, by the Ministry of Finance, Government of India (Annex III of the Master Direction on Know Your Customer).”

2. In this connection, a reference is invited to our [circular DOR.AML.REC.23/14.06.001/2023-24 dated July 04, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12521&Mode=0), communicating thereby the Consolidated Lists of UNSC Designated / Sanctioned Individuals and Entities under the UNSC Resolutions relating to non-proliferation.

3. In this regard, Ministry of External Affairs (MEA), GoI has informed that the UNSC Committee established pursuant to resolution 1718(2006) enacted the amendments specified with strikethrough and/or underline in certain entries on its Sanctions List of individuals and entities ([enclosed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT48_04072023.pdf) with this circular). Hence, the ‘designated list’ as referred in Para 2.1 and other relevant paras of the aforementioned Order dated January 30, 2023 is amended in accordance with the changes in these relevant entries.

4. The latest version of the UNSC Sanctions lists on DPRK & Iran are accessible on the UN Security Council’s website at the following URLs:

<https://www.un.org/securitycouncil/sanctions/1718>

<https://www.un.org/securitycouncil/content/2231/list>

5. The REs are advised to take note of the aforementioned communications and ensure meticulous compliance.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager  
Encl: As above

For more details, kindly refer:<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12522&Mode=0>

**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://www.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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12525&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://www.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

For more details, kindly refer:

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

**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments)**

RBI/2023-24/56  
DOR.AML.REC.33/14.06.001/2023-24

August 18, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005: Designated List (Amendments)**

Please refer to Section 52 of our [Master Direction on Know Your Customer dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566) as amended on May 04 , 2023 (MD on KYC), in terms of which, inter alia, “REs shall ensure meticulous compliance with the “Procedure for Implementation of Section 12A of the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005” laid down in terms of Section 12A of the WMD Act, 2005 vide Order dated January 30, 2023, by the Ministry of Finance, Government of India (Annex III of the Master Direction on Know Your Customer).”

2. Further, in terms of Section 53 of our MD on KYC, “REs shall verify every day, the ‘UNSCR 1718 Sanctions List of Designated Individuals and Entities‘, as available at <https://www.mea.gov.in/Implementation-of-UNSC-Sanctions-DPRK.htm>, to take into account any modifications to the list in terms of additions, deletions or other changes and also ensure compliance with the ‘Implementation of Security Council Resolution on Democratic People’s Republic of Korea Order, 2017’, as amended from time to time by the Central Government”.

3. A reference is also invited to our [circular DOR.AML.REC.23/14.06.001/2023-24 dated July 04, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12521&Mode=0), communicating thereby the Consolidated List of UNSC Designated / Sanctioned Individuals and Entities under the UNSC Resolutions relating to non-proliferation. Certain amendments to the entries in the List were notified vide our [circular DOR. AML.REC.24/14.06.001/2023-24 dated July 04, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12522&Mode=0).

4. In this regard, Ministry of External Affairs (MEA), GoI has informed that the UNSC Committee established pursuant to resolution 1718(2006) enacted the amendments, specified with strikethrough and/or underline in certain entries on its Sanctions List of individuals and entities ([enclosed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/enclosed18082023.pdf) with this circular). Hence, the ‘**designated list**’ (as referred in Para 2.1 and other relevant paras of the aforementioned Order dated January 30, 2023) communicated vide our [circular DOR.AML.REC.23/14.06.001/2023-24 dated July 04, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12521&Mode=0) is amended in accordance with the changes in these relevant entries.

5. The latest version of the UNSC Sanctions lists on DPRK & Iran are accessible on the UN Security Council’s website at the following URLs:  
<https://www.un.org/securitycouncil/sanctions/1718>  
<https://www.un.org/securitycouncil/content/2231/list>

6. The REs are advised to take note of the aforementioned communications and ensure meticulous compliance.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager  
Encl: As above

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12530&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://www.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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12533&Mode=0#NT35).

Yours faithfully,

(Brij Raj)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12533&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://www.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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12535&Mode=0>

**PM Vishwakarma Scheme**

RBI/2023-24/61  
FIDD.CO.MSME.BC.No.10/06.02.031/2023-24

September 13, 2023

The Chairman/ Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(including Small Finance Banks and Regional Rural Banks, excluding Payments Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks  
/ District Central Co-operative Banks  
All Non-Banking Financial Companies (excluding housing finance companies)

Madam / Dear Sir,

**PM Vishwakarma Scheme**

Government of India (GoI) has introduced the ‘PM Vishwakarma Scheme’ which aims to provide support to artisans and craftspeople to enable them to move up the value chain in their respective trades. The Scheme envisages, among other measures, credit support to the beneficiaries at concessional interest rate, with interest subvention support by GoI.

2. In this regard, eligible lending institutions may refer to the Scheme [guidelines](https://pmvishwakarma.gov.in/FileHandling/ViewFile/MiscFiles%5CPM%20Vishwakarma-Guidelines.pdf) issued by the Ministry of Micro, Small and Medium Enterprises, for appropriate action.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12536&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://www.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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12539&Mode=0>

**Amendment to the Master Direction (MD) on KYC**

RBI/2023-24/69  
DOR.AML.REC.44/14.01.001/2023-24

October 17, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir / Madam,

**Amendment to the Master Direction (MD) on KYC**

Please refer to the [Master Direction (MD) on KYC dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566), as amended from time to time, in terms of which Regulated Entities (REs) have to undertake Customer Due Diligence (CDD), as per the process laid out therein, for their customers.

2. In this regard, on a review, it has been decided to amend the MD on KYC to:

(a) Update certain instructions considering amendments to the PML Rules vide Government notifications dated September 4, 2023 and October 17, 2023;

(b) Update Annex II of the MD considering the changes to Government of India Order related to Unlawful Activities (Prevention) Act (UAPA), 1967, vide corrigendum dated August 29, 2023;

(c) Update Annex III of the MD by replacing the Government of India Order dated January 30, 2023, related to Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMD Act, 2005) with the Government of India Order dated September 1, 2023 (which has been issued by the Government in suppression of the earlier WMD Act Order dated January 30, 2023), on the matter;

(d) Update certain instructions in accordance with the FATF Recommendations;

(e) Add a new Section 55A, on FCRA, in the MD on KYC; and

(f) Update certain other instructions post review.

The changes carried out in the MD in this regard are provided in [Annexure](https://rbidocs.rbi.org.in/rdocs/content/pdfs/MDKYC17102023_Annexure.pdf).

3. Accordingly, the relevant Sections of the [MD on KYC](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566) are hereby amended to reflect the changes furnished in Annexure. The amended provisions in the MD shall come into force with immediate effect.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12549&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://www.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

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12554&Mode=0>

**Review of Financial Information Provider (FIP) under Account Aggregator Framework**

RBI/2023-24/76  
DoR.FIN.REC.52/03.10.123/2023-24

October 26, 2023

All Regulated Entities of the Bank

Madam/ Dear Sir,

**Review of Financial Information Provider (FIP) under Account Aggregator Framework**

Please refer to the paragraph 3(1)(xi) of [Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10598) defining the term ‘Financial Information Provider’.

2. As per National Pension System (NPS) architecture, Central Recordkeeping Agency (CRA), registered under section 27 of the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, acts as an interface between the different intermediaries in the NPS system. CRAs hold information pertaining to the subscribers including the balances under NPS. Accordingly, and as suggested by the PFRDA, it has been decided to replace ‘Pension Fund’ with ‘Central Recordkeeping Agency’ as the financial information provider in the AA ecosystem.

3. The [Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10598), is being modified accordingly.

Yours faithfully,

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

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12557&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

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12562&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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12570&Mode=0>

**Payments Infrastructure Development Fund – Extension of Scheme and Enhancements**

RBI/2023-24/101  
CO.DPSS.POLC.No.S940/02-29-005/2023-24

December 29, 2023

The Chairman / Managing Director / Chief Executive Officer  
Card Issuing and Acquiring Banks and Non-banks / Authorised Card Networks

Madam / Dear Sir,

**Payments Infrastructure Development Fund – Extension of Scheme and Enhancements**

Please refer to the Reserve Bank of India [circular DPSS.CO.AD No.900/02.29.005/2020-21 dated January 05, 2021](https://rbi.org.in/scripts/FS_Notification.aspx?Id=12009&fn=9&Mode=0), on “Operationalisation of Payments Infrastructure Development Fund (PIDF) Scheme” and subsequent amendments made thereto.

2. As announced in the [Statement on Development and Regulatory Policies dated October 06, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56503), the PIDF Scheme is being extended by two years, i.e., upto December 31, 2025. Further, with a view to provide impetus to deployment of acceptance infrastructure, the following enhancements are being made to the Scheme:

1. The beneficiaries identified as part of the PM Vishwakarma Scheme, across the country, shall be included as merchants for deployment under the PIDF Scheme. All eligible installations since the inception of the PM Vishwakarma Scheme, i.e., September 17, 2023, may prefer claims under the PIDF Scheme.
2. The PIDF Scheme presently subsidises deployment of acceptance infrastructure based on category of device – physical or digital. It has been decided to enable other contemporary devices, viz., (i) Soundbox devices – providing instant audio payment confirmation along with payment acceptance by “scan & pay” and Near Field Communication (NFC), and (ii) Aadhaar-enabled biometric devices – certified biometric scanner devices facilitating Aadhaar authentication for acceptance of payment by merchant through BHIM Aadhaar Pay, would be eligible for subsidy under the Scheme, for installations made from October 01, 2023 onwards.
3. The amount of subsidy for devices deployed in special focus areas, viz., North Eastern States, Union Territories of Jammu & Kashmir and Ladakh, is increased from 75% to 90% of the total cost, irrespective of the type of device, for installations made from October 01, 2023 onwards.

3. The above enhancements, along with detailed guidelines, have been incorporated in the framework of PIDF Scheme, enclosed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&Mode=0#ANN).

4. These instructions are issued under Section 18 read with Section 10 (2) of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(Gunveer Singh)  
Chief General Manager-in-Charge

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&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://www.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

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12586&Mode=0>