**Micro, Small and Medium Enterprises in India**

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| **Sr.No.** | **RBI Notifications** |
| 1 | Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation |
| 2 | External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition |
| 3 | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
| 4 | Integrated Ombudsman Scheme, 2021 |
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**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation**

RBI/2021-22/138  
DOR.RET.REC.73/12.01.001/2021-22

December 10, 2021

All Scheduled Banks

Madam/Sir,

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation**

Please refer to [circular DOR.RET.REC.36/12.01.001/2021-22 dated August 09, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0) and paragraph 15(i) of the [Master Direction DOR.No.RET.REC.32/12.01.001/2021-22 dated July 20, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12131), on Marginal Standing Facility (MSF), wherein the banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to three per cent of their net demand and time liabilities (NDTL) outstanding at the end of the second preceding fortnight. This facility, which was initially available up to June 30, 2020, was later extended up to December 31, 2021 vide [circular DOR.RET.REC.36/12.01.001/2021-22 dated August 09, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0).

2. As announced in the [Governor’s Statement dated December 08, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52686), it is proposed to return to the normal dispensation. Accordingly, banks will be able to dip into the Statutory Liquidity Ratio (SLR) up to two percent of NDTL instead of three percent for overnight borrowing under the MSF with effect from January 1, 2022.

Yours faithfully,

(Thomas Mathew)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12207&Mode=0>

**External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition**

RBI/2021-22/135  
A.P. (DIR Series) Circular No. 19

December 08, 2021

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition**

Please refer to paragraph 3 of the [Governor’s Statement on Developmental and Regulatory Policies dated December 08, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52688). In this connection, attention of Authorised Dealer Category-I (AD Category-I) banks is invited to paragraph 1.5, 2.1.vi. and 14.vi. of the of [Master Direction No.5 dated March 26, 2019](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510), on “External Commercial Borrowings, Trade Credits and Structured Obligations”, prescribing the benchmark rates and the maximum spread over benchmark for calculating the all-in-cost for foreign currency (FCY) ECBs and TCs.

2. In view of the imminent discontinuance of LIBOR as a benchmark rate, it has been decided, in consultation with stakeholders, to make the following changes to the all-in-cost benchmark and ceiling for FCY ECBs/ TCs:

**i. Redefining Benchmark Rate for FCY ECBs and TCs:** Currently, the benchmark rate is defined in paragraph 1.5 of the master direction as “benchmark rate in case of FCY ECB/TC refers to 6-months LIBOR rate of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, e.g., EURIBOR”. Henceforth, benchmark rate in case of FCY ECB/TC shall refer to any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing.

**ii. Change in all-in-cost ceiling for new ECBs/ TCs:** To take into account differences in credit risk and term premia between LIBOR and the ARRs, the all-in-cost ceiling for new FCY ECBs and TCs has been increased by 50 bps to 500 bps and 300 bps, respectively, over the benchmark rates.

**iii. One Time Adjustment in all-in-cost ceiling for existing ECBs/ TCs:** To enable smooth transition of existing ECBs/ TCs linked to LIBOR whose benchmarks are changed to ARRs, the all-in cost ceiling for such ECBs/ TCs has been revised upwards by 100 basis points to 550 bps and 350 bps, respectively, over the ARR. AD Category-I banks must ensure that any such revision in ceiling is only on account of transition from LIBOR to alternative benchmarks.

3. There is no change in the all-in-cost benchmark and ceiling for INR ECBs/ TCs.

4. All other provisions of the ECB/ TC policy remain unchanged. AD Category-I banks should bring the contents of this circular to the notice of their constituents/ customers.

5. The [Master Direction No. 5 dated March 26, 2019](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510), is being updated to reflect the changes.

6. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

Ajay Kumar Misra  
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12204&Mode=0>

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

RBI/2021-2022/125  
DOR.STR.REC.68/21.04.048/2021-22

November 12, 2021

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

Madam/Dear Sir,

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

Please refer to the [Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP norms) dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171). With a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions, certain aspects of the extant regulatory guidelines are being clarified and/or harmonized, which will be applicable *mutatis mutandis* to all lending institutions. Wherever references to circulars/instructions applicable to banks have been made, other lending institutions may refer to instructions as applicable to them. All the instructions in this circular cover aspects on:

**A. Specification of due date/repayment date**

**B. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

**C. Clarification regarding definition of ‘out of order’**

**D. NPA classification in case of interest payments**

**E. Upgradation of accounts classified as NPAs**

**F. Income recognition policy for loans with moratorium on payment of interest**

**G. Consumer Education**

Details under each aspect may be referred from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0>

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**DEPUTY GOVERNOR**

**Reserve Bank of India  
Mumbai**

**Reserve Bank - Integrated Ombudsman Scheme, 2021**

**NOTIFICATION**

Ref. CEPD. PRD. No.S873/13.01.001/2021-22

November 12, 2021

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), and in supersession of its Notifications Ref. (i) CEPD. PRS. No. 6317/13.01.01/2016-17 dated June 16, 2017; (ii) [CEPD. PRS. No. 3590/13.01.004/2017-18 dated February 23, 2018](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11220&Mode=0); and (iii) [CEPD. PRS. No. 3370/13.01.010/2018-19 dated January 31, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11461&Mode=0), the Reserve Bank of India, being satisfied that it is in public interest to do so, and to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, hereby integrates the three Ombudsman schemes – (i) [the Banking Ombudsman Scheme, 2006](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BOS2006_2302017.pdf), as amended up to July 01, 2017; (ii) [the Ombudsman Scheme for Non-Banking Financial Companies, 2018](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/NBFC23022018.pdf); and (iii) [the Ombudsman Scheme for Digital Transactions, 2019](https://rbidocs.rbi.org.in/rdocs/Content/PDFs/OSDT31012019.pdf) into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme).

2. The Scheme covers the following regulated entities:

1. all Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks and Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rupees 50 crore and above as on the date of the audited balance sheet of the previous financial year;
2. all Non-Banking Financial Companies (excluding Housing Finance Companies) which (a) are authorised to accept deposits; or (b) have customer interface, with an assets size of Rupees 100 crore and above as on the date of the audited balance sheet of the previous financial year;
3. all System Participants as defined under the Scheme.

3. The regulated entities shall comply with the Scheme from the date of its implementation.

4. The format for filing a complaint under the Scheme is [annexed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121_A.pdf).

5. The [Scheme](https://rbidocs.rbi.org.in/rdocs/content/pdfs/RBIOS2021_121121.pdf) shall come into force from November 12, 2021.

(M. K. Jain)

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12192&Mode=0>

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

RBI/2021-22/121  
DOR.STR.REC.66/13.07.010/2021-22

November 9, 2021

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

Dear Sir / Madam

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

Please refer to the [Master Circular DBR.No.Dir.BC.11/13.03.00/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9879) consolidating the instructions / guidelines issued to banks till June 30, 2015, relating to Guarantees and Co-acceptances. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12189&Mode=0#MC) consolidates the instructions on the above matter issued up to November 8, 2021.

Yours faithfully

Manoranjan Mishra  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12189&Mode=0>

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

RBI/2021-22/119  
DoR.STR.REC.65/09.27.000/2021-22

November 02, 2021

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

Dear Sir/ Madam,

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

Please refer to our [Master Circular DCBR. BPD (PCB) MC. No.8/09.27.000/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9813) on the captioned subject (available at RBI website <https://rbi.org.in/>). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued up to November 1, 2021 as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0#ANNEX).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0>

**Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks**

RBI/2021-22/118  
DOS.CO.PPG.SEC.No.4/11.01.005/2021-22

November 02, 2021

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

Madam/ Dear Sir,

**Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks**

Please refer to the [circular No. DBS.CO.PPD.BC.No.8/11.01.005/2016-17 dated April 13, 2017](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10921&Mode=0) on the Revised Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks (SCBs).

2. The existing PCA Framework for SCBs has since been reviewed and revised. The revised Framework is provided in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12186&Mode=0#AN_1).

3. The provisions of the revised PCA Framework will be effective from January 1, 2022.

4. The objective of the PCA Framework is to enable Supervisory intervention at appropriate time and require the Supervised Entity to initiate and implement remedial measures in a timely manner, so as to restore its financial health. The PCA Framework is also intended to act as a tool for effective market discipline. The PCA Framework does not preclude the Reserve Bank of India from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the Framework.

5. The contents of the circular may be brought to the attention of the bank’s Board of Directors.

Yours faithfully

**(Ajay Kumar Choudhary)  
Chief General Manager In-Charge**

Enclosure: PCA Framework for Scheduled Commercial Banks

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12186&Mode=0>

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

RBI/2021-22/117  
DOR.No.STR.REC.64/21.04.048/2021-22

November 1, 2021

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

Madam / Dear Sir,

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

Please refer to our [Master Circular DCBR.BPD. (PCB) MC No.12/09.14.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9850) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12185&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to October 31, 2021 as listed in the [Annex 9](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12185&Mode=0#ANNEX_9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12185&Mode=0>

**Opening of Current Accounts by Banks - Need for Discipline**

RBI/2021-22/116  
DOR.CRE.REC.63/21.04.048/2021-22

October 29, 2021

All Scheduled Commercial Banks  
All Payments Banks

Madam/Sir,

**Opening of Current Accounts by Banks - Need for Discipline**

Please refer to our [circular DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11945&Mode=0) on the captioned subject and associated circulars thereon[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12184&Mode=0#F1).

2. On a review and taking into account feedback received from Indian Banks’ Association (IBA) and other stakeholders, it has been decided that banks may open current accounts for borrowers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system as per the provisions below:

(i) For borrowers, where the exposure of the banking system is less than ₹5 crore, there is no restriction on opening of current accounts or on provision of CC/OD facility by banks, subject to obtaining an undertaking from such borrowers that they shall inform the bank(s), as and when the credit facilities availed by them from the banking system reaches ₹5 crore or more.

(ii) In respect of borrowers where exposure of the banking system is ₹5 crore or more, such borrower can maintain current accounts with any one of the banks with which it has CC/OD facility, provided that the bank has at least 10 per cent of the exposure of the banking system to that borrower.

Further details of the circular can be accessed in the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12184&Mode=0>

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

RBI/2021-22/115  
DoR.AUT.REC.62/23.67.001/2021-22

October 28, 2021

All Scheduled Commercial Banks  
(excluding Regional Rural Banks)

Dear Sir/Madam

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

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

2. A new sub-paragraph 2.2.2 (f) has been inserted to read as follows:

2.2.2 (f) Interest on premature closure of the deposit in case of death of depositor before and after lock-in period

The amount payable to the depositor shall be calculated as a sum of **(A) and (B)**, as indicated below:

(A) Actual market value of the gold deposit on the day of withdrawal.

(B) Interest payable on the value of the gold for the period of deposit at the applicable rate.

3. A new sub-paragraph 2.2.2 (g) has been inserted to read as follows:

2.2.2 (g) Interest on premature closure of the deposit due to default of loan taken against MLTGD before and after lock-in period

The amount payable to the depositor shall be calculated as a sum of **(A) and (B)**, as indicated below:

(A) Actual market value of the gold deposit on the day of withdrawal.

(B) Interest payable on the value of the gold for the period of deposit at the applicable rate.

4. The Reserve Bank of India [Master Direction No.DBR.IBD.45/23.67.003/2015-16 dated October 22, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10084) on Gold Monetization Scheme, 2015 has been updated incorporating the above changes.

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager

The interest rate applicable will be based on before the lock-in period or after the lock-in period and the type of deposit. These have been detailed out in a tabulated manner in the circular which can be referred to for more details in the link below.

**Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines – Consolidated**

RBI/2021-2022/114  
IDMD.CDD.1100/14.04.050/2021-22

October 22, 2021

All Scheduled Commercial Banks (Excluding RRBs)  
Designated Post Offices  
Stock Holding Corporation of India Ltd. (SHCIL)  
BSE & NSE  
Depositories  
Clearing Corporation of India Limited

Dear Sir/Madam,

**Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines - Consolidated**

The [Sovereign Gold Bond (SGB) Scheme was first launched by Government of India (GOI) on October 30, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10095&Mode=0).As the “Receiving Offices” (RO), are entrusted with the responsibility of performing certain functions relating to receipt of applications and servicing of the bonds, RBI has also issued operational guidelines from time to time and Procedural Guidelines vide [circular IDMD.CDD.No.1569/14.04.050/2016-17 dated December 23, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10792&Mode=0) for guidance to the Receiving Offices.

2. With a view to facilitate availability of all the current operative instructions on the above subject at one place, it has been decided to issue consolidated procedural guidelines. The rules and regulations applicable for servicing of these bonds have been updated with instructions issued till date and are given in [Annex I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12181&Mode=0#ANI). The same will be updated suitably and simultaneously whenever there is a change in the rules/regulations governing the operation of the Scheme.

3. This circular supersedes all operational/procedural guidelines issued till date. With the issuance of these instructions, no separate procedural/operational instructions will be issued henceforth. All the Receiving Offices shall be guided by these instructions while dealing with servicing of these bonds.

4. These Guidelines are issued in exercise of the powers conferred under Section 29(2) of the GS Act 2006, to the Receiving Offices, BSE/NSE and depositories.

Yours faithfully,

(Rajendra Kumar)  
Chief General Manager

Encl: as above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12181&Mode=0>

**Data Format for Furnishing of Credit Information to Credit Information Companies**

RBI/2021-22/111  
DoR.FIN.REC.59/20.16.056/2021-22

October 14, 2021

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

Madam/Dear Sir,

**Data Format for Furnishing of Credit Information to Credit Information Companies**

Please refer to our [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8968&Mode=0), inter alia setting out a Uniform Credit Reporting Format for reporting credit information to the Credit Information Companies (CICs). The Uniform Credit Reporting Format has two Annexes, Annex-I contains two formats for credit reporting, viz., Consumer Bureau and Commercial Bureau, whereas Annex-II contains credit reporting format for Micro Finance Institution (MFI) segment.

2. The Relationship Segment (RS) in the Commercial Bureau format inter alia captures information on relationship fields of the corporates, viz., business category and type of relationship (i.e. contains information on directors, shareholders, proprietors, partners, trustees, holding companies, subsidiary companies and associated companies related to the borrower). It is observed that there is a low level of RS details in the databases of CICs.

3. The RS details are very important in establishing cross-linkages across the three modules, viz., Consumer, Commercial and MFI Bureaus, while providing comprehensive credit information of a borrower to Credit Institutions (CIs) by CICs. Accordingly, it has now been decided that the reporting of RS data by CIs to CICs would henceforth be mandatory. In order to ensure implementation in a non-disruptive manner, the reporting requirement may be staggered in the manner indicated below.

(i) The reporting would be mandatory in respect of new loan accounts opened after July 1, 2022.

(ii) A phased approach shall be followed for reporting of legacy data as detailed below:

1. The accounts opened during the period (July 1, 2021 to June 30, 2022) have to be updated by January 1, 2023.
2. The accounts opened in past three years (July 1, 2018 to June 30, 2021) have to be updated by July 1, 2023.
3. A timeline for reporting of the remainder legacy data would be reviewed by the Technical Working Group and the CIs would be advised in due course.

4. The CIs are advised to commence reporting the aforesaid information as per the prescribed timelines to CICs.

Yours faithfully

(Sunil T S Nair)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12178&Mode=0>

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

RBI/2021-2022/104  
DOR.No.STR.REC.55/21.04.048/2021-22

October 1, 2021

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

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

Please refer to the [Master Circular No. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9908) consolidating instructions / guidelines issued to banks till June 30, 2015 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0#MD) consolidates instructions on the above matters issued as on date. A list of circulars consolidated in this Master Circular is contained in the [Annex 6](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0#AN6).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0>

**Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions**

RBI/2021-2022/101  
A.P. (DIR Series) Circular No.13

September 28, 2021

To

All Category-I Authorised Dealer Banks

**Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions**

Attention of Authorised Dealer Category– I banks (AD banks) is invited to extant Regulation 15 of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 notified vide [FEMA 23(R)/2015-RB dated January 12, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10256&Mode=0) and various directions issued to AD banks from time to time prescribing LIBOR linked interest payable in respect of export/import transactions.

2. In view of the impending cessation of LIBOR as a benchmark rate, it has been decided to permit AD banks to use any other widely accepted/Alternative reference rate in the currency concerned for such transactions. All other instructions in this regard shall remain unchanged. The necessary enabling amendment to FEMA 23(R)/2015-RB has since been notified vide [Notification No. FEMA 23(R)/(5)/2021-RB dated September 08, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12167&Mode=0) ([copy enclosed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/Gazette28092021.pdf)).

3. AD banks may bring the contents of this circular to the notice of their constituents concerned.

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

Yours faithfully,

(R. S. Amar)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12168&Mode=0>

**Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021**

RBI/DOR/2021-22/86  
DOR.STR.REC.51/21.04.048/2021-22

September 24, 2021

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

**Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021**

Please refer to the Draft Comprehensive Framework for Sale of Loan Exposures that was released on [June 8, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49920) for comments from various stakeholders.

2. Based on the examination of the comments received, the Reserve Bank has issued the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12166&Mode=0#MD). These directions 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.

3. These directions come into immediate effect replacing the existing instructions on the matter of sale / transfer of loan exposures. All lending institutions are advised to take necessary steps to ensure compliance with these directions.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12166&Mode=0>

**Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021**

RBI/DOR/2021-22/85  
DOR.STR.REC.53/21.04.177/2021-22

September 24, 2021

All Scheduled Commercial Banks (including Small Finance Banks but excluding Regional Rural Banks);  
All All-India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI);  
All Non-Banking Financial Companies (NBFCs) including Housing Finance Companies (HFCs)

**Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021**

Please refer to the Draft Framework for Securitisation of Standard Assets that was released on [June 8, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49920) for comments from various stakeholders.

2. Based on the examination of the comments received, the Reserve Bank has issued the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021, which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12165&Mode=0#ANC1). These directions 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.

3. These directions come into immediate effect replacing the existing instructions on the matter of securitisation of standard assets. All lending institutions are advised to take necessary steps to ensure compliance with these directions.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12165&Mode=0>

**Enhancements to Indo-Nepal Remittance Facility Scheme**

RBI/2021-22/94  
CO.DPSS.RPPD.No.S475/04.09.003/2021-22

August 27, 2021

The Chairman / Managing Director / Chief Executive Officer  
of all banks participating in NEFT

Madam / Dear Sir,

**Enhancements to Indo-Nepal Remittance Facility Scheme**

The Indo-Nepal Remittance Facility Scheme (Scheme) was launched by the Reserve Bank of India in May 2008 as an option for cross-border remittances from India to Nepal, with special focus on requirements of migrant workers of Nepali origin working in India. The Scheme leverages the National Electronic Funds Transfer (NEFT) ecosystem available in the country for origination of such remittances and entails a ceiling of ₹50,000 per remittance with a maximum of 12 remittances in a year. The beneficiary receives funds in Nepalese Rupees through credit to her / his bank account maintained with the subsidiary of State Bank of India (SBI) in Nepal, i.e., Nepal SBI Bank Limited (NSBL) or th q`1 rough an agency arrangement.

2. A review of the Scheme has since been made and to boost trade payments between the two countries, as also to facilitate person-to-person remittances electronically to Nepal, the following enhancements are announced –

1. Increase in the ceiling per transaction from ₹50,000 to ₹2 lakh.
2. Removal of the cap of 12 remittances in a year per remitter.
3. As hitherto, banks shall accept remittances by way of cash from walk-in customers or non-customers. The ceiling of ₹50,000 per remittance with a maximum of 12 remittances in a year shall, however, continue to apply for such remittances.
4. The charges for transactions up to ₹50,000 shall continue as provided in [circular DPSS (CO) No.1381/04.09.003/2008-09 dated February 09, 2009](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=4832&Mode=0). For transactions beyond ₹50,000, the charges prescribed by SBI shall apply.
5. The banks shall put in place suitable velocity checks and other risk mitigation procedures.

3. The enhancements are also expected to facilitate payments relating to retirement, pension, etc., to our ex-servicemen who have settled / relocated in Nepal.

4. These directions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect from October 01, 2021.

Yours faithfully,

(P Vasudevan)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12155&Mode=0>

**Resolution Framework for COVID-19-related Stress – Financial Parameters – Revised timelines for compliance**

RBI/2021-22/80  
DOR.STR.REC.38/21.04.048/2021-22

August 6, 2021

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

Madam / Dear Sir,

**Resolution Framework for COVID-19-related Stress – Financial Parameters – Revised timelines for compliance**

Please refer to the [circular DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11961&Mode=0) inter alia advising the key ratios and their sector specific thresholds to be considered by lending institutions while finalising the resolution plans in respect of eligible borrowers under Part B of the Annex to the [Resolution Framework for Covid-19 related stress issued on August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11941&Mode=0).

2. The key ratios consisted of four operational ratios, viz., Total Debt / EBITDA, Current Ratio, Debt Service Coverage Ratio (DSCR) and Average Debt Service Coverage Ratio (ADSCR), along with the ratio Total Outside Liabilities / Adjusted Tangible Net Worth (TOL/ATNW) representing the debt-equity mix of the borrower post implementation of the resolution plan.

3. In view of the resurgence of the Covid-19 pandemic in 2021 and recognising the difficulties it may pose for the borrowers in meeting the operational parameters, it has been decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBIDTA, Current Ratio, DSCR and ADSCR, to October 1, 2022.

4. The target date for achieving the ratio TOL/ATNW, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12140&Mode=0>

**Guidelines for Implementation of the circular on Opening of Current Accounts by Banks**

RBI/2021-22/77  
DOR.CRE.REC.35/21.04.048/2021-22

August 04, 2021

To,

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

**Guidelines for Implementation of the circular on  
Opening of Current Accounts by Banks**

Please refer to [circulars DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11945&Mode=0), [DOR.No.BP.BC.27/21.04.048/2020-21 dated November 2, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11990&Mode=0) and [DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12007&Mode=0) on Opening of Current Accounts by Banks - Need for Discipline.

2. The instructions were issued vide the above circulars in order to enforce credit discipline amongst the borrowers as well as to facilitate better monitoring by the lenders; and for this purpose, a graded approach had been prescribed on opening and operating of current accounts and CC/OD facilities. Banks were required to implement these instructions in a non-disruptive manner while keeping the bonafide business requirements of the borrowers in mind.

The timeline for implementing the notifications as mentioned in circular and resolving the operational issues is till October 31, 2021. For more details, click on the link below

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12137&Mode=0>

**Loans and Advances – Regulatory Restrictions**

RBI/2021-22/72  
DOR.CRE.REC.No.33/13.03.00/2021-22

July 23, 2021

All Scheduled Commercial Banks (excluding RRBs)  
All Small Finance Banks  
All Local Area Banks

Madam / Dear Sir,

**Loans and Advances – Regulatory Restrictions**

Please refer to paragraphs 2.2.1.2, 2.2.1.4 and paragraph 2.2.1.5 of [Master Circular on Loans and Advances - Statutory and Other Restrictions dated July 01, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902).

2. On a review, it has been decided that

i) For personal loans granted to any director of other banks, the threshold of Rupees twenty-five lakh, as mentioned in para 2.2.1.2, stands revised to Rupees five crore.

ii) Paragraph 2.2.1.4 has been revised as under –

Unless sanctioned by the Board of Directors/Management Committee, banks should not grant loans and advances aggregating Rupees five crore and above to -

(a) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of their own Chairmen/Managing Directors or other Directors;

(b) any relative other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children of the Chairman/Managing Director or other directors of other banks\*;

(c) any firm in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and

(d) any company in which any of the relatives other than spouse (spouse as specified in para 2.2.1.3 above) and minor / dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control.

Provided that a relative of a director shall also be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.

\*including directors of Scheduled Co-operative Banks, directors of subsidiaries/trustees of mutual funds/venture capital funds.

iii) Paragraph 2.2.1.5 has been revised as under -

The proposals for credit facilities of an amount less than Rupees twenty-five lakh or Rupees five crores (as the case may be) to these borrowers may be sanctioned by the appropriate authority in the financing bank under powers vested in such authority, but the matter should be reported to the Board.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12132&Mode=0>

**Roadmap for LIBOR Transition**

RBI/2021-22/69  
CO.FMRD.DIRD.S39/14.02.001/2021-22

July 08, 2021

To

The Chief Executive Officer/ Chairman/Managing Director,  
All Commercial and Co-operative Banks / All India Financial Institutions / Non-Banking Financial Companies including Housing Finance Companies and Standalone Primary Dealers

Madam / Dear Sir

**Roadmap for LIBOR Transition**

The Reserve Bank of India had, in August 2020, requested banks to frame a Board-approved plan, outlining an assessment of exposures linked to the London Interbank Offered Rate (LIBOR) and the steps to be taken to address risks arising from the cessation of LIBOR, including preparation for the adoption of the Alternative Reference Rates (ARR). The Financial Conduct Authority (FCA), UK has announced on March 05, 2021 that LIBOR will either cease to be provided by any administrator or no longer be a representative rate:

(a) Immediately after December 31, 2021, in the case of all Pound sterling, Euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and

(b) Immediately after June 30, 2023, in the case of the remaining US dollar settings.

More details on the roadmap for LIBOR transition can be referred to from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12128&Mode=0>

**New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade**

RBI/2021-2022/67  
FIDD.MSME & NFS.BC.No.13/06.02.31/2021-22

July 7, 2021

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

Dear Sir/Madam,

**New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade**

Please refer to the [circulars FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11934&Mode=0) on ‘Credit flow to Micro, Small and Medium Enterprises Sector’ and [FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0), on ‘New Definition of Micro, Small and Medium Enterprises- clarifications’.

2. In this connection, Ministry of Micro, Small and Medium Enterprises vide [Office Memorandum (OM) No. 5/2(2)/2021-E/P & G/Policy dated July 2, 2021](https://rbidocs.rbi.org.in/rdocs/content/pdfs/OMTRADER07072021.pdf), has decided to include Retail and Wholesale trade as MSMEs for the limited purpose of Priority Sector Lending and they would be allowed to be registered on Udyam Registration Portal for the following NIC Codes and activities mentioned against them:

|  |  |
| --- | --- |
| 45 | Wholesale and retail trade and repair of motor vehicles and motorcycles |
| 46 | Wholesale trade except of motor vehicles and motorcycles |
| 47 | Retail trade except of motor vehicles and motorcycles |

3. The Enterprises having Udyog Aadhaar Memorandum (UAM) under above three NIC Codes are now allowed to migrate to Udyam Registration Portal or file Udyam Registration afresh.

Yours faithfully

(Kaya Tripathi)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12126&Mode=0>

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

RBI/2021-22/65  
DOR.CRE(DIR).REC.28/04.02.001/2021-22

July 1, 2021

All Scheduled Commercial Banks (excluding RRBs),  
Small Finance Banks, Primary (Urban) Cooperative Banks  
and EXIM Bank

Dear Sir / Madam,

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

Please refer to the instructions issued vide [circular DOR.CRE.REC.06/04.02.001/2021-22 dated April 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12075&Mode=0).

2. Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit, with the same scope and coverage, for a further period of three months, i.e., up to September 30, 2021. The extension takes effect from July 01, 2021 and ends on September 30, 2021 covering a period of three months.

3. Consequently, the extant operational instructions issued by the Reserve Bank under the captioned Scheme shall continue to remain in force up to September 30, 2021.

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12124&Mode=0>