**Microfinance – Perspective & Operation**

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**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

RBI/2021-22/144
DOR.AML.REC.74/14.01.001/2021-22

December 30, 2021

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

Please refer to our [circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12083&Mode=0), on the captioned subject.

2. In view of the prevalent uncertainty due to new variant of Covid-19, the relaxation provided in the aforementioned circular is hereby extended till March 31, 2022.

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12213&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, 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>

**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>

**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>

**Priority Sector Lending- Banks’ lending to NBFCs for on-lending – Extension of facility**

RBI/2021-22/110
FIDD.CO.Plan.BC.No.15/04.09.01/2021-22

October 8, 2021

The Chairman/ Managing Director
Chief Executive Officer
All Scheduled Commercial Banks
(Excluding Regional Rural Banks, Small Finance Banks, Urban Co-operative Banks and Local Area Banks)

Dear Sir/Madam,

**Priority Sector Lending- Banks’ lending to NBFCs for on-lending – Extension of facility**

Please refer to para 22 of [Master Directions (MD) on PSL dated September 04, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) (updated as on June 11, 2021) wherein the facility of bank lending to NBFCs (other than MFIs) for on-lending was allowed to be classified as PSL up to September 30, 2021.

2. As announced in the ‘[Statement on Developmental and Regulatory Policies’ dated October 8, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52368), the facility has been extended till March 31, 2022 keeping in view the increased traction observed in delivering credit to the underserved/unserved segments of the economy. Loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier. Further, bank loans to HFCs for on-lending for the purpose of housing, as prescribed in para 23 of our [MD on PSL dated September 4, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959), will continue as hitherto.

3. All other guidelines as issued vide MD on PSL ibid will continue to apply.

Yours faithfully,

(Sonali Sen Gupta)
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12177&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>

**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>

**Master Circular on Investments by Primary (Urban) Co-operative Banks**

RBI/2021-22/100
DOR.MRG.REC.50/21.04.141/2021-22

September 20, 2021

All Primary (Urban) Co-operative Banks

Dear Sir / Madam,

**Master Circular on Investments by Primary (Urban) Co-operative Banks**

Please refer to our [Master Circular DCBR.BPD(PCB).MC.No.4/16.20.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9849) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12164&Mode=0#MC) consolidates and updates all the instructions/guidelines on the subject issued as on date.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12164&Mode=0>

**Master Direction on Financial Statements - Presentation and Disclosures (Updated as on November 15, 2021)**

RBI/DOR/2021-22/83
DOR.ACC.REC.No.45/21.04.018/2021-22

August 30, 2021
(Updated as on November 15, 2021)

All Commercial Banks and
Primary (urban) Cooperative Banks

Madam/ Dear Sir,

**Master Direction on Financial Statements - Presentation and Disclosures**

The Reserve Bank of India has, from time to time, issued several guidelines/instructions/directives to the banks on the presentation of financial statements, regulatory clarification on compliance with accounting standards, and disclosures in notes to accounts.

2. A Master Direction incorporating, updating and where required, harmonizing across the banking sector the extant guidelines/instructions/directives on the subject has been prepared to enable banks to have all current instructions on presentation and disclosure in financial statements at one place for reference. However, it may be noted that in addition to these disclosures, Commercial Banks shall comply with the disclosures specified under the applicable regulatory capital framework.

3. Reserve Bank of India has issued this [Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0#MC) in the exercise of its powers conferred under section 35A and section 56 of the Banking Regulation Act, 1949, and all the powers enabling it on this behalf.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0>

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

RBI/2021-22/82
DOR.RET.REC.36/12.01.001/2021-22

August 09, 2021

All Scheduled Banks

Madam/Sir

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity
Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

Please refer to [circular DOR.No.Ret.BC.36/12.01.001/2020-21 dated February 05, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12021&Mode=0), 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 an additional one per cent of their net demand and time liabilities (NDTL), i.e., cumulatively up to three per cent of NDTL. This facility, which was initially available up to June 30, 2020, was later extended in phases up to September 30, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.

2. As announced in the [Statement on Developmental and Regulatory Policies of August 06, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52010), with a view to providing comfort to banks on their liquidity requirements, banks are allowed to continue with the MSF relaxation for a further period of three months, i.e., up to December 31, 2021.

Yours faithfully

(Thomas Mathew)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&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>

**Review of Instructions on Interest on overdue domestic deposits**

RBI/2021-22/66
DoR.SPE.REC.29/13.03.00/2021-2022

July 02, 2021

All Scheduled Commercial Banks (including RRBs)
All Small Finance Banks
All Local Area Banks
All Primary (Urban) Co-operative Banks/ District Central Co-operative Banks/ State Co-operative Banks

Dear Sir / Madam,

**Review of Instructions on Interest on overdue domestic deposits**

Please refer to Section 9 (b) of [Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 3, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296), and the [Master Direction - Reserve Bank of India (Co-operative Banks - Interest Rate on Deposits) Directions, 2016 dated May 12, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10394) in terms of which if a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits.

2. On a review of these instructions, it has been decided that if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

3. The relevant section of Master Directions are amended accordingly as indicated in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12125&Mode=0#AN1).

Yours faithfully,

(Thomas Mathew)
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12125&Mode=0>