**Operations of Small Finance Banks**

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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>

**Government Agency Business Arrangement – Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India (RBI)**

RBI/2021-22/140  
CO.DGBA.GBD.No.S1112/42-01-033/2021-2022

December 15, 2021

All Scheduled Payments Banks and Scheduled Small Finance Banks in India

Dear Sir / Madam

**Government Agency Business Arrangement – Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India (RBI)**

Please refer to [RBI Circular RBI/2021-22/36; CO.DGBA.GBD.No.S77/42.01.033/2021-22 dated May 10, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12090&Mode=0) on the captioned subject.

2. It has now been decided in consultation with the Department of Financial Services, Ministry of Finance, Government of India, to make scheduled payments banks and scheduled small finance banks eligible to conduct Government agency business. Any payment bank or small finance bank that intends to undertake Government agency business may be appointed as an agent of RBI upon execution of an agreement with RBI, provided that the overarching regulatory framework prescribed for these banks is complied with.

3. All the instructions/conditions prescribed in our aforesaid [Circular dated May 10, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12090&Mode=0) will henceforth be applicable to the scheduled payments banks and scheduled small finance banks also.

Yours faithfully

(R. Kamalakannan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12209&Mode=0>

**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>

**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>

**Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)] - Master Direction on Interest Rate on Deposits**

RBI/2021-2022/123  
DOR.SOG (SPE).REC.No 67/13.03.00/2021-22

November 11, 2021

All Scheduled Commercial Banks (including Regional Rural Banks)  
All Small Finance Banks  
All Local Area Banks  
All Payment Banks  
All Primary (Urban) Co-operative Banks/ DCCBs /State Cooperative Banks

Dear Sir / Madam,

**Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)] - Master Direction on Interest Rate on Deposits**

Please refer to the instructions on the Foreign Currency (Non-resident) Accounts (Banks) Scheme contained in Section 19 of the [Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296) and Section 18 of the [Master Direction – Reserve Bank of India (Co-operative Banks – Interest Rate on Deposits) Directions, 2016 dated May 12, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10394).

2. In view of the impending discontinuance of LIBOR as a benchmark rate, it has been decided to permit banks to offer interest rates on FCNR (B) deposits using widely accepted ‘Overnight Alternative Reference Rate (ARR) for the respective currency’ with upward revision in the interest rates ceiling by 50 bps.

3. As a measure to handle the information asymmetry during the transition, FEDAI may publish the ARR till such time the widely accepted benchmark is established. The relevant sections of the Master Directions as amended are indicated in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12191&Mode=0#AN).

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

Yours faithfully,

(Neeraj Nigam)  
Chief General Manager-in-Charge  
Encl: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12191&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.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12183&Mode=0>

**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>

**Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification**

RBI/2021-22/95  
DOR.GOV.REC.44/29.67.001/2021-22

August 30, 2021

**All Private Sector Banks (including Local Area Banks, Small Finance  
Banks, Payments Banks) and Foreign Banks operating in India**

Dear Sir/Madam,

**Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff - Clarification**

Please refer to para 2.1.2 (f) of our [circular DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11720&Mode=0) on the captioned subject. In terms of the extant guidelines, share-linked instruments are required to be fair valued on the date of grant using Black-Scholes model. However, it has been observed that banks do not recognise grant of the share-linked compensation as an expense in their books of account concurrently. Therefore, in the interest of better clarity, the following sentence is being added to the extant instructions contained in the said paragraph:

**“The fair value thus arrived at should be recognised as expense beginning with the accounting period for which approval has been granted”.**

2. Banks should ensure compliance to above instructions for all share-linked instruments granted after the accounting period ending March 31, 2021.

Yours faithfully,

**(Shrimohan Yadav)  
Chief General Manager**

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12157&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>

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021**

RBI/DOR/2021-22/81  
DOR.MRG.42/21.04.141/2021-22

August 25, 2021

All Commercial Banks (excluding RRBs)

Dear Sir / Madam,

**Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks.

2. To enable banks to have current instructions at one place, a [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12153&Mode=0#MD) incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

3. This Direction has been issued by RBI in exercise of its powers conferred under Section 35A of the Banking Regulation Act 1949 and of all the powers enabling it in this behalf.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12153&Mode=0>

**Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions**

RBI/2021-2022/86  
DOR.LEG.REC/40/09.07.005/2021-22

August 18, 2021

All Scheduled Commercial Banks (including RRBs)  
All Co-operative Banks  
All Small Finance Banks  
All Payments Banks  
All Local Area Banks

Madam/Sir,

**Safe Deposit Locker/Safe Custody Article Facility provided by the banks- Revised Instructions**

Please refer to the extant instructions issued to Regulated Entities (REs) by the Reserve Bank on the above subject. Taking into consideration the various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks’ Association (IBA), Reserve Bank of India (‘the Reserve Bank’) has reviewed the guidelines/instructions issued on the above subject. The review also takes into account, the principles enumerated by the Hon’ble Supreme Court in ‘Amitabha Dasgupta vs United Bank of India’, (Judgment dated February 19, 2021 in CA No. 3966 of 2010).

2. Accordingly, in exercise of the powers conferred by Section 35A and Sections 45ZC to 45ZF of the Banking Regulation Act, 1949, read with Section 56 of the Act ibid and all other provisions of this Act or any other law enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in public interest to do so, hereby issues the detailed revised instructions on the above subject. The revised instructions, attached as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0#AN_1) to this circular, are issued in supersession of the earlier instructions issued by the Reserve Bank on the subject as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0#AP_1). The banks are advised to frame their own Board approved policy/ operational guidelines in this regard taking into account the revised instructions.

3. The revised instructions shall come into force with effect from January 1, 2022 (except where otherwise specified) and be applicable to both new and existing safe deposit lockers and the safe custody of articles facility with the banks.

Yours faithfully,

(Thomas Mathew)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0>

**Monitoring of Availability of Cash in ATMs**

RBI/2021-22/84  
DCM (RMMT) No.S153/11.01.01/2021-22

August 10, 2021

The Chairman /  
Managing Director & CEO  
All Banks

Dear Sir / Madam,

**Monitoring of Availability of Cash in ATMs**

As you are aware, the Reserve Bank of India has a mandate to issue banknotes and the banks are fulfilling this mandate by dispensing banknotes to the public through their wide network of branches and ATMs. In this connection, a review of downtime of ATMs due to cash-outs was undertaken and it was observed that ATM operations affected by cash-outs lead to non-availability of cash and cause avoidable inconvenience to the members of the public.

2. It has, therefore, been decided that the banks/ White Label ATM Operators (WLAOs) shall strengthen their systems/ mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Any non-compliance in this regard shall be viewed seriously and shall attract monetary penalty as stipulated in the **“Scheme of Penalty for non-replenishment of ATMs”** in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12144&Mode=0#ANN1). The Scheme shall be effective from October 01, 2021.

Yours faithfully,

(Subrata Das)  
Chief General Manager-in-Charge

Encl: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12144&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>

**Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions – 2021**

RBI/DOR/2021-22/80  
DOR.No.RET.REC.32/12.01.001/2021-22

July 20, 2021

**Master Direction - Reserve Bank of India  
[Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions - 2021**

In exercise of the powers conferred by Section 35 A of the Banking Regulation Act, 1949 and pursuant to Section 42 of the Reserve Bank of India Act, 1934 and Sections 18, 24 and 56 of the Banking Regulation Act, 1949 as amended from time to time, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

The direction details on the following:

**CHAPTER – I - PRELIMINARY**

**CHAPTER – II - APPLICABILITY**

**CHAPTER – III - DEFINITIONS**

**CHAPTER – IV - CASH RESERVE RATIO (CRR)**

**CHAPTER – V - STATUTORY LIQUIDITY RATIO (SLR)**

**CHAPTER – VI - PROCEDURE FOR COMPUTATION OF SLR**

**CHAPTER – VII REPORTING - FORTNIGHTLY CRR RETURN IN FORM A / FORM B/ FORM I**

**CHAPTER – VIII - PENALTIES**

**CHAPTER – IX - REPEAL AND OTHER PROVISIONS**

Details under each of the above chapters can be read from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12131&Mode=0>

**Cassette - Swaps in ATMs**

RBI/2021-22/71  
DCM (Plg.) No.S39/10.25.007/2021-22

July 12, 2021

The Chairman / Managing Director & Chief Executive Officer  
All Scheduled Commercial Banks including RRBs  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks.

Madam / Dear Sir,

**Cassette - Swaps in ATMs**

Please refer to our [circular RBI/2017-18/162/DCM (Plg.) No.3641/10.25.007/2017-18 dated April 12, 2018](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11256&Mode=0) on the captioned subject wherein banks were advised to consider using lockable cassettes in their ATMs which shall be swapped at the time of cash replenishment. The same was advised to be implemented in a phased manner covering at least one third ATMs operated by the banks every year, such that all ATMs achieve cassette swap by March 31, 2021.

2. In this regard, representations have been received from Indian Banks’ Association on behalf of various banks expressing difficulties in meeting this timeline. Accordingly, it has been decided to extend the timeline for implementation of cassette swap in all ATMs till March 31, 2022.

3. Banks shall monitor progress and make the required course correction at the end of every quarter, at the level of Board / ACB and report status within seven days of the end of the quarter, starting from the quarter ended September 2021, to the Chief General Manager-in-Charge, Department of Currency Management, Reserve Bank of India, Central Office, Amar Building, Fourth Floor, Sir P. M. Road, Fort, Mumbai 400 001. The said report should be sent by [e-mail](mailto:dcmtaskforce@rbi.org.in). No hard copy need be sent.

Yours faithfully,

(Subrata Das)  
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12130&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>