**DIPLOMA IN TREASURY INVESTMENT AND RISK MANAGEMENT**

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**Basel III Capital Regulations - Eligible Credit Rating Agencies**

RBI/2022-23/162
DOR.STR.REC.94/21.06.008/2022-23

January 09, 2023

All Scheduled Commercial Banks
(including Small Finance Banks)
(excluding Local Area Banks, Payments Banks and Regional Rural Banks)

Dear Sir/ Madam,

**Basel III Capital Regulations - Eligible Credit Rating Agencies**

Please refer to paragraph 6.1.2 of the [Master Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) on Basel III Capital Regulations, wherein the list of domestic credit rating agencies accredited for the purpose of risk weighting banks' claims for capital adequacy purposes has been prescribed.

2. On a review, banks are advised to use the ratings of the following domestic credit rating agencies (arranged in alphabetical order) for risk weighting their claims for capital adequacy purposes:

1. Acuite Ratings & Research Limited (Acuite)
2. Credit Analysis and Research Limited (CARE);
3. CRISIL Ratings Limited;
4. ICRA Limited;
5. India Ratings and Research Private Limited (India Ratings); and
6. INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)

3. A reference is also invited to the [Press Release: 2022-2023/1033 dated October 12, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54531) in terms of which, Regulated Entities/ Market Participants were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the Reserve Bank, no such fresh ratings/evaluations shall be obtained from Brickwork Ratings India Private Limited. Banks shall continue to be guided by the press release ibid till further review.

4. All other provisions regarding external credit ratings stipulated in the Master Circular ibid remain unchanged.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12435&Mode=0>

**Operational Risk Management: Price / Yield range setting in e-Kuber**

RBI/2022-23/163
IDMD.No.S2800/08.02.032/2022-23

January 11, 2023

All participants in the Government Securities Market

Dear Sir / Madam

**Operational Risk Management: Price / Yield range setting in e-Kuber**

Please refer to our [circular IDMD/1615/08.02.032/2019-20 dated December 12, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11753&Mode=0) advising the participants in the Government Securities (G-Sec) market about the “Price / Yield range setting” facility provided on the e-Kuber platform as a risk management measure. The facility allows a market participant to define a range i.e., a maximum and a minimum value for bids they intend to submit in an auction. The range can be set in either price or yield terms, for each security in every auction, which can be set before the auction and can also be modified during the auction. Once the limits are set by the participating entity, the bids in the auction are automatically validated against the set limits. This is expected to eliminate instances of Fat-finger / Big-figure error by the bidders in the G-Sec auctions.

2. As there have been a few instances of Fat-finger / Big-figure error by the bidders in the G-Sec auctions conducted by Reserve Bank, it suggests that some of the market participants are yet to put in place the “Price / Yield range setting” facility in their system.

3. All the market participants are, therefore, advised to utilize the “Price / Yield range setting” facility provided on the e-Kuber platform before placing bids in the Primary Market auctions. It may be noted that no request for cancellation of bids will be entertained after the close of auction window.

Yours faithfully

(S Venkataraman)
General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12436&Mode=0>

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

RBI/2022-23/169
FMRD.FMID.No.07/14.01.006/2022-23

January 23, 2023

To

All participants in Government Securities market

Madam/Sir,

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

A reference is invited to the [Press Release on Issuance Calendar for Marketable Sovereign Green Bonds: FY 2022-23 dated January 06, 2023](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55004), issued by the Reserve Bank, notifying the issuance calendar for Sovereign Green Bonds for the fiscal year 2022-23. Attention is also invited to the Fully Accessible Route (FAR) introduced by the Reserve Bank, vide [A.P. (DIR Series) Circular No. 25 dated March 30, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0), wherein certain specified categories of Central Government securities were opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well.

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

3. It has now been decided to also designate all Sovereign Green Bonds issued by the Government in the fiscal year 2022-23 as ‘specified securities’ under the FAR.

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

5. These Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12444&Mode=0>

**Master Direction – Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Primary (Urban) Co-operative Banks) Directions, 2023**

RBI/2023-24/96
DOR.MRG.REC.01/00-00-011/2023-24

April 1, 2023

All Primary (Urban) Co-operative Banks

Madam / Sir,

**Master Direction – Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Primary (Urban) Co-operative Banks) Directions, 2023**

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 Primary (Urban) Co-operative Banks (UCBs).

2. To enable UCBs to have current instructions at one place, a [Master Direction](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12473&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 read with Section 56 thereof, and of all the powers enabling it in this behalf.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12473&Mode=0>

**Master Circular- Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)**

RBI/2023-24/17
DOR.CAP.REC.11/09.18.201/2023-24

April 20, 2023

All Primary (Urban) Co-operative Banks

Dear Sir / Madam,

**Master Circular - Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)**

Please refer to our [Master Circular DOR.CAP.REC.2/09.18.201/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12279) on the captioned subject.

2. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to April 19, 2023 as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0#APP).

Yours faithfully

(Usha Janakiraman)
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0>

**Risk Management and Inter-Bank Dealings - Non-deliverable derivative contracts (NDDCs)**

RBI/2023-24/36
A. P. (DIR Series) Circular No. 05

June 06, 2023

All Authorised Dealer Category – I Banks

Madam / Sir,

**Risk Management and Inter-Bank Dealings - Non-deliverable derivative contracts (NDDCs)**

Please refer to Paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55473) announced as a part of the [first Bi-monthly Monetary Policy Statement for 2023-24 dated April 06, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55472) regarding development of the onshore non-deliverable derivative market. Attention of Authorised Dealers Category – I (AD Cat-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA.25/RB-2000 dated May 3, 2000](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=179&Mode=0)), as amended from time to time, and [Master Direction – Risk Management and Inter-Bank Dealings dated July 5, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time.

2. As per the extant regulatory framework, AD Cat-I banks operating International Financial Services Centre (IFSC) Banking Units (IBUs) are permitted to offer non-deliverable derivative contracts (NDDCs) to persons resident outside India. Such derivatives are cash-settled in foreign currency. With a view to developing the onshore INR NDDC market and providing residents the flexibility to efficiently design their hedging programmes, it has been decided to permit:

(a) AD Cat-I banks operating IBUs to offer NDDCs involving INR to resident non-retail users for the purpose of hedging. Such transactions shall be cash settled in INR; and

(b) The flexibility of cash settlement of NDDCs transactions between two AD Cat-I banks, and between an AD Cat-I bank and a person resident outside India in INR or any foreign currency.

3. Accordingly, the amendments being made to the [Master Direction – Risk Management and Inter-Bank Dealings dated July 5, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time, are placed at [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12509&Mode=0#AS) herewith.

4. The directions contained in this circular have been issued under Sections 10(4) and 11(1) 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,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12509&Mode=0>

**Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021-Review**

RBI/2023-24/38
FMRD.DIRD.02/14.01.001/2023-24

June 08, 2023

To

All Eligible Market Participants

Madam / Sir

**Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021-Review**

Please refer to Paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55815), announced as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated June 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55814), regarding Borrowing in Call and Notice Money Markets by Scheduled Commercial Banks. Attention is also invited to the [Master Direction – Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12061), as amended from time to time (hereinafter referred as ‘Master Direction’).

2. On a review, it has been decided that henceforth, Scheduled Commercial Banks (excluding small finance banks and payment banks) may set their own limits for borrowing in Call and Notice Money Markets. As in the case of Term Money Market borrowing, Scheduled Commercial Banks shall put in place internal board approved limits for borrowing through Call and Notice Money Markets within the prudential limits for inter-bank liabilities prescribed by Department of Regulation.

3. The instruction shall be applicable with immediate effect. The [Master Direction](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12061) has been accordingly updated.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12511&Mode=0>

**Status of MIFOR as a Significant Benchmark**

RBI/2023-24/46
FMRD.FMSD.03/03.07.25/2023-24

June 23, 2023

To

All the Financial Benchmark Administrators

Madam/Sir

**Status of MIFOR as a Significant Benchmark**

Please refer to the [RBI circular dated January 01, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11777&Mode=0) and [December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12414&Mode=0), notifying, inter-alia, the financial benchmarks administered by Financial Benchmarks India Pvt. Ltd. (FBIL) viz., Mumbai Interbank Forward Outright Rate (MIFOR) and Modified Mumbai Interbank Forward Outright Rate (MMIFOR) as ‘significant benchmark’.

2. In light of the cessation of the publication/non-representativeness of US Dollar London Interbank Offered Rate (USD LIBOR) settings after June 30, 2023, FBIL has been accorded approval to cease the publication of the MIFOR after June 30, 2023, in terms of provisions of the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0). Accordingly, the MIFOR administered by FBIL shall cease to be a ‘significant benchmark’ after June 30, 2023.

3. The updated list of ‘significant benchmarks’ administered by FBIL is given below:

(i) Overnight Mumbai Interbank Outright Rate (MIBOR)

(ii) USD/INR Reference Rate

(iii) Treasury Bill Rates

(iv) Valuation of Government Securities

(v) Valuation of State Development Loans (SDL)

(vi) Modified Mumbai Interbank Forward Outright Rate (MMIFOR)

4. The updated list of ‘significant benchmarks’ shall come into effect from July 01, 2023.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12519&Mode=0>

**Master Direction on Minimum Capital Requirements for Operational Risk**

RBI/DOR/2023-24/103
DOR.ORG.REC.22/21.06.050/2023-24

June 26, 2023

**Reserve Bank of India – Master Direction on Minimum Capital Requirements for Operational Risk**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified. These Directions require a specified Commercial Bank (covered under ‘Applicability’) to hold sufficient regulatory capital against its exposures arising from operational risk.

**Part A**

**1. Short Title and Commencement**

These Directions shall be called the Reserve Bank of India (Minimum Capital Requirements for Operational Risk) Directions, 2023.

**2. Effective Date**

2.1 The effective date of implementation of these Directions shall be communicated separately.

2.2 All existing approaches viz. Basic Indicator Approach (BIA), The Standardised Approach (TSA)/ Alternative Standardised Approach (ASA) and Advanced Measurement Approach (AMA) for measuring minimum operational risk capital (ORC) requirements shall be replaced by **the new Standardised Approach** (hereafter referred to as the ‘**Basel III Standardised Approach**’) with coming into effect of these Directions.

2.3 Until then, the minimum operational risk regulatory capital requirements shall be computed in accordance with the instructions contained in paragraph 9 of ‘Master Circular – Basel III Capital Regulations’ issued vide [circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), as amended from time to time.

**3. Applicability**

3.1 The provisions of these Directions shall apply to all Commercial Banks (excluding Local Area Banks, Payments Banks, Regional Rural Banks, and Small Finance Banks).

3.2 The scope of application shall be in accordance with paragraph 3 of ‘Master Circular – Basel III Capital Regulations’ issued vide [circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), as amended from time to time.

3.3 The provisions contained in [Part A](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartA) of these Directions are mandatory. Banks are encouraged to comply with the guidelines listed in [Part B](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartB). [Part C](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartC) and [Part D](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartD) contain Frequently Asked Questions (FAQs) and Illustrations, respectively (for general guidance of banks).

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0>