**Compliance in Banking**

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| --- | --- |
| **S.No.** | **RBI Notification** |
|  | Provisioning Requirement for Investment in Security Receipts (SRs) |
|  | Extension of timeline for implementation of certain provisions of Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 |
|  | Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking |
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|  | Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA) |
|  | Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Reporting of reverse repos with Reserve Bank on the bank’s balance sheet |
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|  | Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs |
|  | Master Circular – Housing Finance |
|  | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
|  | Master Circular – Basel III Capital Regulations |
|  | Master Circular – Detection and Impounding of Counterfeit Notes |
|  | Master Direction on Penal Provisions in deficiencies in reporting of transactions/ balances at Currency Chests |
|  | Master Direction on Framework of Incentives for Currency Distribution & Exchange Scheme for bank branches including currency chests based on performance in rendering customer service to the members of public |
|  | Master Circular – Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public |
|  | Master Circular - Asset Reconstruction Companies |
|  | Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment |
|  | Cassette - Swaps in ATMs |
|  | Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment |
|  | Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 |
|  | Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension |
|  | Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks |
|  | Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks |
|  | Master Circular – Housing Finance |
|  | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
|  | Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022 |
|  | Master Circular - Asset Reconstruction Companies |
|  | Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers |

**Provisioning Requirement for Investment in Security Receipts (SRs)**

RBI/2022-23/78  
DOR.STR.REC.51/21.04.048/2022-23

June 28, 2022

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

**Provisioning Requirement for Investment in Security Receipts (SRs)**

Please refer to clause 77 of the [Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12166) (“MD-TLE”).

2. In order to provide a glide path to the entities which were kept out of the ambit of [circular “Guidelines on Sale of Stressed Assets by Banks” dated September 1, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10588&Mode=0) and ensure smooth implementation of clause 77 of the MD-TLE, it is advised as under in respect of valuation of investments in SRs outstanding on the date of issuance of MD-TLE (September 24, 2021):

1. The difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date after the date of issuance of MD-TLE, in terms of clause 77 of the MD-TLE, may be provided over a five-year period starting with the financial year ending March 31, 2022 - i.e. from FY2021-22 till FY2025-26.
2. Subsequent valuations of investments in such SRs on an ongoing basis shall, however, be strictly in terms of the provisions of MD-TLE.

3. All lending institutions shall put in place a board approved plan to ensure that the provisioning made in each of the financial years in compliance of clause 2(a) above is not less than one fifth of the required provisioning on this count.

4. Valuation of investments in SRs made after the issuance of MD-TLE shall be strictly in terms of the provisions thereunder.

5. All other provisions of the MD-TLE shall continue to be applicable, as hitherto.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12346&Mode=0>

**Extension of timeline for implementation of certain provisions of Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

RBI/2022-23/74  
DoR.AUT.REC.No.48/24.01.041/2022-23

June 21, 2022

All Scheduled Banks (excluding Payments Banks/State Co-operative Banks and District Central Co-operative Banks)  
All Non-Banking Financial Companies (NBFCs)

Madam/Dear Sir

**Extension of timeline for implementation of certain provisions of Master Direction – Credit  
Card and Debit Card – Issuance and Conduct Directions, 2022**

Please refer to paragraph 1 (b) of the [Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12300) (“Master Direction”) dated April 21, 2022, wherein the Reserve Bank had prescribed a timeline of July 01, 2022, for implementation of the provisions of the Master Direction.

2. Considering various representations received from the industry stakeholders, it has been decided to extend the timeline for implementation of the following provisions of the Master Direction to October 01, 2022:

1. Paragraph 6(a)(vi) - Card-issuers shall seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for more than 30 days from the date of issuance. If no consent is received for activating the card, card-issuers shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer.
2. Paragraph 6(b)(v) - Card-issuers shall ensure that the credit limit as sanctioned and advised to the cardholder is not breached at any point in time without seeking explicit consent from the cardholder.
3. Paragraph 9(b)(ii) - No capitalization of unpaid charges/levies/taxes for charging/ compounding of interest.

3. The stipulated timeline for implementation of rest of the provisions of the Master Direction remains unchanged.

Yours faithfully

**(Prakash Baliarsingh)**  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12342&Mode=0>

**Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking**

RBI/2022-23/66

DOR.REG.No.45/19.51.052/2022-23

June 8, 2022

All Primary (Urban) Co-operative banks

Madam / Dear Sir

Section 23 of the Banking Regulation Act, 1949 – Doorstep Banking

In terms of Section 23 of the Banking Regulation Act, 1949 (AACS) Primary (Urban) Co-operative Banks (UCBs) are required to seek prior approval of the Reserve Bank for opening any new place of business including offering services at the doorstep of the customer.

2. Keeping in view the above, it has been decided to allow financially sound and well managed (FSWM) UCBs to provide Doorstep Banking Services to their customers on a voluntary basis. However, Non-FSWM UCBs would have to seek prior approval of concerned Regional Office of Department of Supervision of the Reserve Bank to provide Doorstep Banking Services.

3. Eligible UCBs may formulate a scheme for providing Doorstep Banking Services to their customers, with the approval of their Boards, in accordance with the guidelines enclosed to this letter.

4. UCBs are further advised to take into account the various risks that may arise on account of offering Doorstep Banking Services to customers either directly through own employees or through agents and take all necessary steps to manage the same.

5. The operation of the scheme may also be reviewed by the Boards of UCBs on a half-yearly basis during the first year of its operation. The scheme may be reviewed thereafter on an annual basis.

Yours faithfully

(Shrimohan Yadav)

Chief General Manager

Encl: as above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12334&Mode=0>

**Bharat Bill Payment System – Amendment to guidelines**

RBI/2022-2023/58

CO.DPSS.POLC.No. S-253/02-27-020/2022-23

May 26, 2022

The Chairman and Managing Director / Chief Executive Officer

NPCI Bharat BillPay Ltd. / Bharat Bill Payment System Providers /

Participants and prospective Bharat Bill Payment Operating Units

Madam / Dear Sir,

Bharat Bill Payment System – Amendment to guidelines

This has reference to the guidelines on Bharat Bill Payment System (BBPS) issued by the Reserve Bank of India (RBI) vide circular DPSS.CO.PD.No.940/02.27.020/2014-2015 dated November 28, 2014. As announced in the Statement on Development and Regulatory Policies dated April 08, 2022, the minimum net-worth requirement for non-bank Bharat Bill Payment Operating Units (BBPOUs) stands reduced to ₹25 crore. The BBPS guidelines have been suitably amended.

2. This circular is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect immediately.

Yours faithfully,

(P. Vasudevan)

Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12325&Mode=0>

**Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)**

RBI/2022-2023/57  
A.P. (DIR Series) Circular No.04

May 25, 2022

To

All Category-I Authorised Dealer Banks

Madam/Sir,

**Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)**

Directorate General of Foreign Trade (DGFT) formulate and implement the Foreign Trade Policy and Procedures in terms of Foreign Trade (Development and Regulation) Act, 1992, (FTDR Act 1992, hereinafter) as amended from time to time. In exercise of powers conferred by Section 3 read with Section 5 of FTDR Act 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government has amended the import policy conditions for gold in any form, other than monetary gold and silver in any form under Chapter 71 of ITC (HS), 2017, Schedule-I (Import Policy) vide Notification No. 49/2015-2020 dated January 5, 2022.

2. Attention of Authorised Dealer Category - I (AD) bank is invited to (a) Notification No. 49/2015-2020 dated January 5, 2022, in terms of which, in addition to nominated agencies as notified by RBI (in case of banks) and nominated agencies as notified by DGFT, Qualified Jewellers (QJ) as notified by International Financial Services Centers Authority (IFSCA) will be permitted to import gold under specific ITC(HS) Codes through India International Bullion Exchange IFSC Ltd. (IIBX); (b) [Master Direction – Import of Goods and Services](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10201) and the AP Dir Series Circulars issued for import of Gold by Reserve Bank of India under FEMA, 1999; (c) regulations issued by the International Financial Services Centers Authority (IFSCA) under International Financial Services Centers Authority Act, 2019.

More details can be referred to in the below link

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12324&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Reporting of reverse repos with Reserve Bank on the bank’s balance sheet**

RBI/2022-23/55  
DOR.ACC.REC.No.37/21.04.018/2022-23

May 19, 2022

Dear Sir/ Madam,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Reporting of reverse repos with Reserve Bank on the bank’s balance sheet**

Please refer to the ‘Notes and Instructions for Compilation’ given in Part A of Annexure II to the [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0), regarding the reporting of reverse repo transactions by the banks on their balance sheet.

2. In order to bring more clarity on the presentation of reverse repo on the balance sheet, it has now been decided as under:

(a) All type of reverse repos with the Reserve Bank including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) ‘In Other Accounts’ of item (II) ‘Balances with Reserve Bank of India’ under Schedule 6 ‘Cash and balances with Reserve Bank of India’.

(b) Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) ‘Money at call and short notice’ under Schedule 7 ‘Balances with banks and money at call and short notice’.

(c) Reverse repos with banks and other institutions having original tenors more than 14 days shall be classified under Schedule 9 – ‘Advances’ under the following heads:

1. A.(ii) ‘Cash credits, overdrafts and loans repayable on demand’
2. B.(i) ‘Secured by tangible assets’
3. C.(I).(iii) Banks (iv) ‘Others’ (as the case may be)

3. In addition, certain sections in the said Directions are being updated for editorial corrections as given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12322&Mode=0#A_1).

**Applicability**

4. This circular is applicable to all commercial banks. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12158&Mode=0), stands updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12322&Mode=0>

**Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs**

RBI/2022-23/36  
DOR.GOV.REC.No.29/18.10.002/2022-23

April 29, 2022

All Non-Banking Financial Companies

Madam/Sir,

**Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs**

As you are aware, a revised Scale Based Regulatory (SBR) framework for NBFCs was put in place vide [circular DOR.CRE.REC.No.60/03.10.001/2021-22 October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0). In terms of para 3.2.3 (h) of the said circular, in order to address issues arising out of excessive risk taking caused by misaligned compensation packages, NBFCs are required to put in place a Board approved compensation policy. The policy shall at the minimum include, (a) constitution of a Remuneration Committee, (b) principles for fixed/ variable pay structures, and (c) malus/ clawback provisions. Further, in terms of para 3.2.3 (i) it was also decided that the Board of NBFCs should delineate the role of various committees, including Nomination and Remuneration Committee (NRC). It was envisaged that detailed circulars will be issued in due course by the Reserve Bank. Accordingly, these guidelines have now been framed and furnished in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#AN_1).

2. The guidelines are intended only for providing broad guidance to NBFCs and their NRCs in formulating their compensation policy. While formulating the compensation policy, it has to be ensured that all statutory mandates and the rules and directions issued under them are fully complied with.

3. These guidelines will be applicable for fixing the compensation policy of Key Managerial Personnel[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F1) and members of senior management[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F2) of all Non-Banking Financial Companies under SBR framework, except those categorised under ‘Base Layer’[3](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0#F3) and Government owned NBFCs.

4. These guidelines shall come into effect from April 01, 2023.

**Yours faithfully**

**(Scenta Joy)  
Chief General Manager**

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12303&Mode=0>

**Legal Entity Identifier (LEI) for Borrowers**

RBI/2022-23/34  
DOR.CRE.REC.28/21.04.048/2022-23

April 21, 2022

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

Madam/Dear Sir,

**Legal Entity Identifier (LEI) for Borrowers**

Please refer to Para 3 of [DBR.No.BP.BC.92/21.04.048/2017-18 dated November 2, 2017](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11154&Mode=0), on the captioned subject.

2. On a review, it has been decided that the guidelines on LEI stand extended to Primary (Urban) Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs). It is further advised that non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F1) and financial institutions (FIs)[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F2) shall be required to obtain LEI codes as per the timeline given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#AN_1).

“Exposure” for this purpose shall include all fund based and non-fund based (credit as well as investment) exposure of banks/FIs to the borrower. Aggregate sanctioned limit or outstanding balance, whichever is higher, shall be reckoned for the purpose. Lenders may ascertain the position of aggregate exposure based on information available either with them, or CRILC database or declaration obtained from the borrower.

c) Borrowers who fail to obtain LEI codes from an authorized Local Operating Unit (LOU) shall not be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure. However, Departments/Agencies[3](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0#F3) of Central and State Governments (not Public Sector Undertakings registered under Companies Act or established as Corporation under the relevant statute) shall be exempted from this provision.

3. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA and 45L of the Reserve Bank of India Act, 1934, section 30A of the National Housing Bank Act, 1987 and section 6 of the Factoring Regulation Act, 2011.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12301&Mode=0>

**Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

RBI/2022-23/92  
DoR.AUT.REC.No.27/24.01.041/2022-23

April 21, 2022

**Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

In exercise of the powers conferred by Sections 35A and Section 56 of the Banking Regulation Act, 1949 and Chapter IIIB of the Reserve Bank of India Act, 1934, 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: CONDUCT OF CREDIT CARD BUSINESS**

**CHAPTER – III: ISSUE OF DEBIT CARD BY BANKS**

**CHAPTER – IV: CO-BRANDING ARRANGEMENT**

**CHAPTER – V: GENERAL GUIDELINES FOR CREDIT AND DEBIT CARDS**

**CHAPTER – VI: MISCELLANEOUS**

**CHAPTER – VII: EXEMPTIONS, INTERPRETATIONS AND REPEAL**

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=12300&Mode=0>

**Creation of Honorary Designations at Board level in Urban Co-operative Banks**

RBI/2022-23/33  
DOR.GOV.REC.No.26/18.10.004/2022-23

April 21, 2022

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

Madam/Dear Sir,

**Creation of Honorary Designations at Board level in Urban Co-operative Banks**

It has been observed during the course of supervisory reviews that some of the Urban Co-operative Banks (UCBs) have adopted the practice of creating honorary designations (remunerated or otherwise)/conferring titles at Board level, such as Chairman Emeritus, Group Chairman, etc., which are not recognised in applicable statutes or regulations.

2. While such positions/titles may be indicative of certain privileges/rights for the incumbent to access all board materials and participate in board/committee meetings, enforcing liability or obligations on such person may be difficult. Such positions may be seen as creating conflicts of interest as well as creation of a parallel or shadow authority impeding effective and independent functioning of the legally constituted board in the best interest of all its stakeholders.

3. As such, UCBs are directed not to create any honorary positions/titles at Board level or confer such titles that are non-statutory in nature and to eliminate any such existing position/titles within one year from date of this circular.

4. These directions are issued under Section 35A and Section 36(1)(d) of the Banking Regulation Act, 1949 (AACS).

Yours faithfully,

(Shrimohan Yadav)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12299&Mode=0>

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

RBI/2022-23/31  
DOR.CAP.REC.22/09.18.201/2022-23

April 19, 2022

The Chief Executive Officer  
All State and Central Co-operative Banks

Madam / Dear Sir,

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), has come into force with effect from April 01, 2021 for Rural Co-operative Banks (RCBs), i.e. State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs).

2. The extant instructions for RCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on Augmentation of capital funds, Refund of share capital, Repeal and Effective Date refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12297&Mode=0>

**Scale Based Regulation (SBR) for NBFCs: Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL)**

RBI/2022-23/30  
DOR.CAP.REC.No.21/21.06.201/2022-23

April 19, 2022

Dear Sir/ Madam,

**Scale Based Regulation (SBR) for NBFCs: Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL)**

Please refer to the [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs.

2. In terms of paragraph 3.2.1 (b) of the circular ibid, NBFC-UL shall maintain Common Equity Tier 1 capital of at least 9 per cent of Risk Weighted Assets. The detailed guidelines in this regard are provided below:

3.1. NBFC-UL shall maintain, on an on-going basis, Common Equity Tier 1 (CET1) ratio of at least 9 per cent, where,

Common Equity Tier 1 (CET1) ratio

For more details, the link to the notification is placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12296&Mode=0>

**Loans and Advances – Regulatory Restrictions – NBFCs**

RBI/2022-23/29  
DOR.CRE.REC.No.25/03.10.001/2022-23

April 19, 2022

All Non-Banking Financial Companies

Madam/ Dear Sir,

**Loans and Advances – Regulatory Restrictions - NBFCs**

In terms of para 3.2.2 (c) and para 3.2.3 (b) & (c) of the [circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued on October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0), certain regulatory restrictions on lending were introduced in respect of NBFCs placed in different layers. Detailed guidelines in this regard are placed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0#AN) to this circular.

2. These guidelines shall be effective from October 01, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0>

**Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks**

RBI/2022-23/27  
DOR.CRE.REC.23/21.08.008/2022-23

April 19, 2022

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

**Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks**

Please refer to [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 Opening of Current Accounts by Banks - Need for Discipline and associated circulars thereon[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#F1). The [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#AN_1) consolidates all instructions/ guidelines issued on the subject till date.

Yours Faithfully,

(Manoranjan Mishra)  
Chief General Manager

Encl: Flowcharts

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0>

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

RBI/2022-23/26  
DOR.ACC.REC.No.20/21.04.018/2022-23

April 19, 2022

Dear Sir/ Madam,

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

Please refer to our [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework’ for NBFCs, which inter-alia envisages certain specific disclosures.

2. Non-Banking Finance Companies (NBFCs) are required to make disclosures in their financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws, and regulations. The additional disclosure requirements for NBFCs in accordance with the SBR framework are outlined in the [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTI26_AN.pdf).

3. These disclosures are in addition to and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards. More comprehensive disclosures than the minimum required are encouraged, especially if such disclosures significantly aid in the understanding of the financial position and performance.

**Applicability**

4. This circular is applicable to all NBFCs. The Annex specifies the applicability of specific disclosure requirements to specific NBFC layers as per Scale Based Regulation. It may be noted that disclosure requirements applicable to lower layers of NBFCs will be applicable to NBFCs in higher layers. These guidelines shall be effective for annual financial statements for year ending March 31, 2023, and onwards.

(Usha Janakiraman)  
Chief General Manager

Reference Links: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12292&Mode=0>

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR)**

RBI/2022-23/25  
DOR.LRG.REC.19/21.04.098/2022-23

April 18, 2022

Dear Sir/Madam,

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR)**

Please refer to our [circular DOR.BP.BC.No.65/21.04.098/2019-20 dated April 17, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11870&Mode=0) on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR).

2. In terms of the circular ibid, the assets allowed as Level 1 High Quality Liquid Assets (HQLAs) for the purpose of computing the LCR, inter alia, include (a) Government securities in excess of the mandatory SLR requirement and (b) within the mandatory SLR requirement, Government securities to the extent allowed under (i) Marginal Standing Facility (MSF) and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [15 per cent of the banks’ Net Demand and Time Liabilities (NDTL)].

3. Since MSF has been reduced to 2 per cent from 3 per cent of NDTL from January 1, 2022, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement, has reduced to 17 per cent of NDTL (2 per cent MSF plus 15 per cent FALLCR) from 18 percent.

4. On a review, it has been decided to permit banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

**Applicability:**

5. This circular is applicable to all Commercial Banks other than Regional Rural Banks, Local Area Banks and Payments Banks.

6. These instructions shall come into force with immediate effect.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12291&Mode=0>

**Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs**

RBI/2022-23/24  
Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23

April 11, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Non-Banking Financial Companies

Madam / Dear Sir,

**Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs**

Please refer to the Reserve Bank’s guidelines on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs’ issued vide [Circular Ref.DOR.CRE. REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0)[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#F1). As indicated therein, Non-Banking Financial Companies in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) would be required, inter alia, to have an independent Compliance Function and a Chief Compliance Officer (CCO). Accordingly, this Circular shall be applicable to all NBFC-UL and NBFC-ML. NBFCs in the Base Layer (NBFC-BL) shall continue to be governed under the existing guidelines[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#F2).

2. As part of the overall structure for Corporate Governance, Compliance Function serves a critical role. Accordingly, it has been decided to introduce certain principles, standards and procedures for Compliance Function in NBFC-UL and NBFC-ML, keeping in view the principles of proportionality.

3. NBFC-UL and NBFC-ML shall put in place a Board approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO), based on the Framework given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0#AN1), latest by April 1, 2023 and October 1, 2023, respectively.

4. This Circular shall be placed in the immediate next meeting of the Board of Directors for information and devising an implementation strategy, under the Board’s supervision, in a time-bound manner.

Yours faithfully,

(Arnab Kumar Chowdhury)  
Chief General Manager-In-Charge

**Encl.: Annex**

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12290&Mode=0>

**Master Circular - Management of Advances – UCBs**

RBI/2022-23/22  
DOR.CRE.REC.No.17/13.05.000/2022-23

April 8, 2022

All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Management of Advances - UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.14/13.05.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9880) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#MC) consolidates and updates all the instructions / guidelines issued on the subject up to April 7, 2022 as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: as above

**Master Circular on Management of Advances – UCBs**

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| [Appendix List of circulars consolidated in the Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP) | |

For details under the above mentioned headings, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0>

**Review of SLR holdings in HTM category**

RBI/2022-23/21  
DOR.MRG.REC.14/21.04.141/2022-23

April 08, 2022

Dear Sir / Madam,

**Review of SLR holdings in HTM category**

Please refer to paragraph 4 of [Statement on Development and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536) of the [Monetary Policy Statement, 2022-23 dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53537) and Section 6(iv)(a) of [Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 dated August 25, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153).

2. At present, banks have been granted a special dispensation of enhanced Held to Maturity (HTM) limit of 22 per cent of Net Demand and Time Liabilities (NDTL), for Statutory Liquidity Ratio (SLR) eligible securities acquired between September 1, 2020 and March 31, 2022, until March 31, 2023.

3. On a review, it has now been decided to further enhance the existing HTM limit of 22 per cent of NDTL to 23 per cent of NDTL and allow banks to include securities acquired between April 1, 2022 and March 31, 2023 under the enhanced limit of 23 per cent.

4. The enhanced HTM limit of 23 per cent shall be restored to 19.5 percent in a phased manner, beginning from the quarter ending June 30, 2023, i.e. the excess SLR securities acquired by banks during the period September 1, 2020 to March 31, 2023 shall be progressively reduced such that the total SLR securities held in the HTM category as a percentage of the NDTL do not exceed:

1. 22.00 per cent as on June 30, 2023
2. 21.00 per cent as on September 30, 2023
3. 20.00 per cent as on December 31, 2023
4. 19.50 per cent as on March 31, 2024

All other instructions shall remain unchanged.

5. The relevant sections of the Master Direction are being amended to reflect the aforementioned changes.

**Applicability**

6. This circular is applicable to all Commercial Banks.

7. These instructions shall come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12287&Mode=0>

**Individual Housing Loans – Rationalisation of Risk Weights**

RBI/2022-23/20  
DOR.CRE.REC.13/08.12.015/2022-23

April 8, 2022

All Scheduled Commercial Banks  
(Excluding Local Area Banks and Regional Rural Banks)

Madam/ Dear Sir,

**Individual Housing Loans – Rationalisation of Risk Weights**

Please refer to [circular DOR.No.BP.BC.24/08.12.015/2020-21 dated October 16, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11984&Mode=0) on rationalization of risk weights on Individual Housing Loans in terms of which risk weights were rationalised irrespective of the amount, for all new housing loans sanctioned from October 16, 2020 and up to March 31, 2022.

2. On review, it has been decided to continue with the risk weights contained in the circular ibid for all new individual housing loans sanctioned up to March 31, 2023. All other instructions applicable in terms of the [circular dated October 16, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11984&Mode=0) remain unchanged.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12286&Mode=0>

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

RBI/2022-23/17  
DOR.STR.REC.5/21.04.048/2022-23

April 1, 2022

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 DOR.No.STR.REC.64/21.04.048/2021-22 dated November 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12185)on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex 9](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#ANN_9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

For the detailed Master Circular on Income Recognition, Asset Classification, Provisioning and Other Related Matters, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0>

**Master Circular – Housing Finance**

RBI/2022-23/16  
DOR.CRE.REC.No.06/08.12.001/2022-23

April 01, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DOR.CRE.REC.No.87/08.12.001/2021-22 dated February 18, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12243) consolidating the instructions / guidelines issued to banks till February 17, 2022 relating to Housing Finance. This[Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12282&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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For more details on the headings mentioned above, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12282&Mode=0>

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

RBI/2022-23/15  
DOR.STR.REC.4/21.04.048/2022-23

April 1, 2022

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 DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171) consolidating instructions / guidelines issued to banks till September 30, 2021 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=12281&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2022. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

For the detailed ‘MASTER CIRCULAR - PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING PERTAINING TO ADVANCES’, refer to the link placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0>

**Master Circular – Basel III Capital Regulations**

RBI/2022-23/12  
DOR.CAP.REC.3/21.06.201/2022-23

April 1, 2022

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

Madam / Dear Sir,

**Master Circular – Basel III Capital Regulations**

Please refer to the [Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859), consolidating therein the prudential guidelines on Basel III capital adequacy issued to banks till June 30, 2015.

2. This [Master Circular](https://rbidocs.rbi.org.in/rdocs/content/pdfs/12MCBaselIII05042022_A.pdf) consolidates instructions on the above matters issued as on date. A list of circulars consolidated in this Master Circular is contained in Annex 27.

3. Small Finance Banks and Payments Banks may refer to their respective licensing guidelines and operating guidelines issued by Reserve Bank, for prudential guidelines on capital adequacy.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Encl.: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12278&Mode=0>

**Master Circular – Detection and Impounding of Counterfeit Notes**

RBI/2022-23/07  
DCM (FNVD) G –1/16.01.05/2022-23

April 1, 2022

The Chairman/ Managing Director /Chief Executive Officer  
All Banks

Dear Sir / Madam,

**Master Circular – Detection and Impounding of Counterfeit Notes**

Please refer to the [Master Circular DCM (FNVD) G - 1/16.01.05/2021-22 dated April 1, 2021](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12053) consolidating the instructions issued till April 1, 2021, relating to Detection and Impounding of Counterfeit Notes. The [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12273&Mode=0#MC) has since been updated by incorporating the instructions issued till date and has been placed on the RBI website [www.rbi.org.in](https://www.rbi.org.in/).

The Master Circular is a compilation of the instructions issued by RBI on the above subject which are operational as on the date of this Circular.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

For the detailed circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12273&Mode=0>

**Master Direction on Penal Provisions in deficiencies in reporting of transactions/ balances at Currency Chests**

RBI/2022-23/91  
DCM (CC) No.G-4/03.35.01/2022-23

April 01, 2022

The Chairman/ Managing Director/Chief Executive Officer  
(All banks having Currency Chests)

Madam / Dear Sir

**Master Direction on Penal Provisions in deficiencies in reporting of transactions/ balances at Currency Chests**

In terms of the Preamble to & Section 45 of the RBI Act, 1934 and 35 A of the Banking Regulation Act, 1949, the Bank issues guidelines / instructions for realising the objectives of Clean Note Policy as part of currency management. With a view to sustain these efforts and to ensure discipline among the banks for timely and accurate reporting of currency chest transactions, instructions on the subject have been issued from time to time.

2. The [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12270&Mode=0#MD) enclosed incorporates updated guidelines / circulars on the subject. The Direction will be updated as and when fresh instructions are issued.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl : As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12270&Mode=0>

**Master Direction on Framework of Incentives for Currency Distribution & Exchange Scheme for bank branches including currency chests based on performance in rendering customer service to the members of public**

RBI/2022-23/90  
DCM (CC) No.G-3/03.41.01/2022-23

April 01, 2022

The Chairman/Managing Director/Chief Executive Officers  
All banks

Madam / Dear Sir,

**Master Direction on Framework of Incentives for Currency Distribution & Exchange Scheme for bank branches including currency chests based on performance in rendering customer service to the members of public**

In terms of the Preamble to & under Section 45 of the RBI Act, 1934 and 35 A of the Banking Regulation Act, 1949; the Bank issues guidelines / instructions for realising the objectives of Clean Note Policy as part of currency management. With a view to furthering these objectives, the Bank has formulated a framework of incentives titled Currency Distribution and Exchange Scheme (CDES) to encourage all bank branches to provide better customer services to the members of public.

2. The [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12269&Mode=0#MD) enclosed incorporates updated guidelines / circulars on the subject. The Direction shall be updated from time to time as and when fresh instructions are issued.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12269&Mode=0>

**Master Circular – Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public**

RBI/2022-23/04  
DCM (CC) No.G-5/03.44.01/2022-23

April 01, 2022

The Chairman/Managing Director/Chief Executive Officers  
All banks

**Master Circular – Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public**

Please refer to the [Master Circular DCM (CC) No.G-3/03.44.01/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12054) on the scheme of penalties.

2. An updated version on the subject is [annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12268&Mode=0#A_1) for information and necessary action.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12268&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2022-23/03  
DOR.SIG.FIN.REC 1/26.03.001/2022-23

April 01, 2022

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/guidelines](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No.DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0#Guidance) updated as on March 31, 2022 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12267&Mode=0>

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

RBI/2021-22/191  
DOR.MRG.REC.98/21.04.141/2021-22

March 31, 2022

Dear Sir / Madam,

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

Please refer to the [Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153) – ‘Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021’ (hereinafter referred as ‘Master Direction’).

2. In terms of Section 9 of the Master Direction ibid, investments classified under HTM shall be carried at acquisition cost, with the premium over the face value being amortised over the tenor of the instrument. It is expected that the acquisition of such instruments shall be at the fair value of the security at the time of its acquisition. This instruction also applies to re-capitalisation bonds received from the Government of India towards banks’ recapitalisation requirement and held in the investment portfolio (cf. Section 6 of the Master Direction ibid).

3. It is clarified that investments in special securities received from the Government of India towards bank’s recapitalisation requirement from FY 2021-22 onwards shall be recognised at fair value / market value on initial recognition in HTM. The fair value / market value of these securities shall be arrived on the basis of the prices / YTM of similar tenor Central Government securities put out by Financial Benchmarks India Pvt. Ltd. (FBIL). Any difference between the acquisition cost and fair value arrived as above shall be immediately recognized in the Profit and Loss Account.

**Applicability**

4. This circular is applicable to all Commercial Banks (excluding Regional Rural Banks).

5. The relevant sections of the Master Direction are being amended to reflect the aforementioned changes. These instructions come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12264&Mode=0>

**Cassette - Swaps in ATMs**

RBI/2021-22/190  
DCM (Plg.) No.S 1117/10.25.007/2021-22

March 31, 2022

The Chairman / Managing Director/  
Chief Executive Officer  
All Banks

Madam / Dear Sir,

**Cassette - Swaps in ATMs**

Please refer to the [circulars RBI/2017-18/162/ DCM (Plg.) No. 3641/10.25.007/2017-18 dated April 12, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11256&Mode=0) and [RBI/2021-22/71/ DCM (Plg.) No.S39/10.25.007/2021-22 dated July 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12130&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, which was later extended to March 31, 2022.

2. In this regard, representations have been received from various banks and Indian Banks’ Association expressing difficulties in meeting the timeline. Accordingly, it has been decided to extend the timeline for implementation of cassette swap in all ATMs till March 31, 2023.

3. Banks shall set a Board approved internal timeline to adhere to the extended deadline and submit quarterly status reports. Boards of the banks shall monitor the progress to ensure compliance.

4. All other instructions contained in the circulars ibid remain unchanged.

Yours faithfully,

(Suman Ray)  
Chief General Manager-in-Charge

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12263&Mode=0>

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

RBI/2021-22/185  
DOR.MRG.REC.96/21.04.141/2021-22

March 23, 2022

Dear Sir / Madam,

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

Please refer to the [Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12153) – ‘Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021’ (hereinafter referred as ‘Master Direction’).

2. The Master Direction outlines the prudential treatment for investment in Venture Capital Funds (VCFs). We have received queries from banks regarding the applicability of these instructions for investment in Alternative Investment Funds (AIFs).

3. Accordingly, on a review, it has been decided that the investment in Category I and Category II AlFs, which includes VCFs, shall receive the same prudential treatment as applicable for investment in VCFs.

4. In addition, based on feedback from banks, clarifications / updates have been provided regarding section 4(a)(vii), 10(c)(ix), 12(ii)(b), 12(ii)(d)(ix), 13(iv)(b), 16(i), 16(ii), 18(ii)(e)(ii) and Annex II of the Master Direction.

5. The relevant sections of the Master Direction have been amended to reflect the aforementioned changes.

**Applicability**

6. This circular is applicable to all Commercial Banks (excluding Regional Rural Banks).

7. These instructions shall come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12258&Mode=0>

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

RBI/DOR/2021-22/89  
DoR.FIN.REC.95/03.10.038/2021-22

March 14, 2022

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 Non-Banking Financial Companies (including Microfinance Institutions  
and Housing Finance Companies)

Madam/ Dear Sir,

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

Please refer to paragraph 8 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078) announced as a part of the [Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077), regarding review of the regulatory framework for microfinance.

2. A consultative document on regulation of microfinance loans was issued for public comments on [June 14, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51725). Based on the feedback received, it has now been decided to put in place the directions for microfinance loans which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0#MD).

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0>

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

RBI/2021-22/180  
DOR.STR.REC.93/04.02.001/2021-22

March 8, 2022

All Scheduled Commercial Banks (excluding RRBs),  
Small Finance Banks,  
Primary (Urban) Cooperative Banks (scheduled banks having AD category-I license), and EXIM Bank

Dear Sir / Madam,

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

Please refer to the instructions issued vide [circular DOR.CRE(DIR).REC.28/04.02.001/2021-22 dated July 1, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12124&Mode=0).

2. Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit (‘Scheme’) up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. The modifications made by the Government to the Scheme are detailed below:

2.1 ‘Telecom Instruments’ sector having six HS lines[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0#F1) shall be out of the purview of the Scheme, except for MSME manufacturer exporters.

2.2 Revised interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines pertaining to Telecom Sector as mentioned above).

2.3 Banks, while issuing approval to the exporter, will necessarily furnish i) the prevailing interest rate, ii) the interest subvention being provided, and iii) the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the Scheme.

2.4 The extended Scheme will not be available to those beneficiaries who are availing the benefit under any Production Linked Incentive (PLI) scheme of the government.

For the details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0>

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

RBI/2021-22/179  
DOR.CAP.REC.92/09.18.201/2021-22

March 08, 2022

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

Madam / Dear Sir,

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), is deemed to have come into force with effect from June 29, 2020 for Primary (Urban) Co-operative Banks (UCBs).

2. The extant instructions for UCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on augmentation of capital funds, refund of share capital, repeal and effective date, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12251&Mode=0>

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

RBI/2021-22/177  
DOR.REC.MRG.90/16.20.000/2021-22

March 3, 2022

Madam / Dear Sir,

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

Please refer to [circular UBD.(PCB).BPD.Cir.No.46/16.20.000/2008-09 dated January 30, 2009](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=4808&Mode=0) on Investments in Non-SLR securities by Primary (Urban) Co-operative Banks. Paragraph 2(i) of the circular states that the non-SLR investments shall be limited to ten per cent of a bank’s total deposits as on March 31 of the previous year. Further, paragraph 2(iii)(b) states that investments in unlisted securities shall not exceed ten per cent of the total non-SLR investments at any time.

2. RBI has accorded regulatory approval to National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) in June 2019 for formation of Umbrella Organization (UO) for the UCB Sector. The approval inter-alia permits UCBs to subscribe to capital of the UO on voluntary basis.

3. It is advised that the investment made for subscribing to the capital of the UO, for acquiring its membership, shall be exempt from the limits prescribed in Paragraphs 2(i) and 2(iii)(b) of the circular ibid.

**Applicability**

4. This circular is applicable to all Primary (Urban) Co-operative Banks.

5. These instructions come into effect from the date of the circular.

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12249&Mode=0>

**Master Circular – Housing Finance**

RBI/2021-22/171  
DOR.CRE.REC.No.87/08.12.001/2021-22

February 18, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DBR.No.DIR.BC.13/08.12.001/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9851) consolidating the instructions / guidelines issued to banks till June 30, 2015 relating to Housing Finance. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12243&Mode=0#MC) consolidates instructions on the above matter issued up to February 17, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12243&Mode=0>

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

RBI/2021-2022/158  
DOR.STR.REC.85/21.04.048/2021-22

February 15, 2022

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 clarifications issued in respect of **Prudential norms on Income Recognition, Asset Classification and Provisioning** vide [circular DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0) (‘**Circular**’).

2. In view of several queries received seeking certain clarifications, it is advised as under:

1. The definition of ‘out of order’, as clarified in the Circular, shall be applicable to all loan products being offered as an overdraft facility, including those not meant for business purposes and/or which entail interest repayments as the only credits.
2. The ‘previous 90 days period’ for determination of ‘out of order’ status of a CC/OD account shall be inclusive of the day for which the day-end process is being run.
3. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.
4. The circular does not make any changes to the requirements related to reporting of information to CRILC, which will continue to be governed in terms of extant instructions for respective entities[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0#FN1).
5. The circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs.

3. Paragraph 10 of the Circular stipulates that loan accounts classified as NPAs may be upgraded as ‘standard’ asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision. All other instructions of the Circular shall continue to be applicable as per the timelines specified therein.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0>

**Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022**

RBI/2021-22/88  
FMRD.DIRD.10/14.03.004/2021-22

February 10, 2022

To,  
All Eligible Market Participants

Madam/Sir,

**Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022**

Please refer to Paragraph 4 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248) announced as a part of the [Bi-monthly Monetary Policy Statement for 2021-22 dated February 10, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53247), regarding review of the Credit Default Swaps (CDS) Guidelines.

2. The draft Reserve Bank of India (Credit Derivatives) Directions, 2021 were released for public comments on [February 16, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51138). Based on the feedback received from the market participants, the draft Directions were reviewed and have since been finalised. The Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022 are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12226&Mode=0#MD) herewith.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For the detailed Master Direction, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12226&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2021-22/154  
DOR.SIG.FIN.REC 84/26.03.001/2021-22

February 10, 2022

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/guidelines](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No.DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0#Guidance) updated as on January 31, 2022 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12225&Mode=0>

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers**

RBI/2021-22/151  
DOR.No.PRD.LRG.79/21.04.098/2021-22

January 06, 2022

Dear Sir/Madam,

**Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers**

Please refer to the following instructions:

1. [Circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 09, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8934&Mode=0) on ‘Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards’;
2. [Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11278&Mode=0) on ‘Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines’;
3. [Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9631&Mode=0) on ‘Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments’; and,
4. [Circular DOR.No.BP.BC.23/21.06.201/2020-21 dated October 12, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11981&Mode=0) on ‘Regulatory Retail Portfolio – Revised Limit for Risk Weight’.

2. With the objective to better align our guidelines with the BCBS standard and enable banks to manage liquidity risk more effectively, it has been decided to increase the threshold limit for deposits and other extensions of funds made by non-financial Small Business Customers from ₹ 5 crore to ₹ 7.5 crore for the purpose of maintenance of Liquidity Coverage Ratio (LCR).

3. The above modification is also applicable to deposits and other extensions of funds received from Small Business Customers referred to in the [circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11278&Mode=0) on ‘Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines’.

4. The revised paragraphs after incorporating the above changes in the relevant circulars is given in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&Mode=0#AN1).

For more information on ‘Applicability’, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12220&Mode=0>