**Compliance in Banking**

|  |  |
| --- | --- |
| **Sr.No.** | **RBI Notifications** |
| 1 | Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance |
| 2 | Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - return to the normal dispensation |
| 3 | Introduction of Legal Entity Identifier for Cross-border Transactions |
| 4 | General permission for infusion of capital in overseas branches and subsidiaries and retention/ repatriation/ transfer of profits in these centres by banks incorporated in India |
| 5 | External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition |
| 6 | Appointment of Internal Ombudsman by Non-Banking Financial Companies |
| 7 | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
| 8 | Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)] - Master Direction on Interest Rate on Deposits |
| 9 | Investment by Foreign Portfolio Investors (FPIs) in Debt – Review |
| 10 | Prompt Corrective Action (PCA) Framework for Scheduled Commercial Banks |
| 11 | Master Circular- Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs |
| 12 | Gold Monetization Scheme (GMS), 2015 |
| 13 | Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021 |
| 14 | Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines - Consolidated |
| 15 | Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs |
| 16 | Data Format for Furnishing of Credit Information to Credit Information Companies |
| 17 | Revised Subsidiary General Ledger (SGL) Account Guidelines and Constituents' Subsidiary General Ledger (CSGL) Account Guidelines |
| 18 | Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas |
| 19 | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
| 20 | Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions |
| 21 | Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 |
| 22 | Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 |
| 23 | Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 |
| 24 | Large Exposures Framework – Credit Risk Mitigation (CRM) for offsetting – non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office |
| 25 | Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 |
| 26 | Master Direction on Financial Statements - Presentation and Disclosures |
| 27 | Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff - Clarification |
| 28 | Enhancements to Indo-Nepal Remittance Facility Scheme |
| 29 | Review of incentive and other measures to enhance distribution of coins |
| 30 | Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 |
| 31 | Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions |
| 32 | Monitoring of Availability of Cash in ATMs |
| 33 | Prudential Norms for Off-Balance Sheet Exposures of Banks – Restructuring of derivative contracts |
| 34 | Resolution Framework for COVID-19-related Stress – Financial Parameters – Revised timelines for compliance |
| 35 | Guidelines for Implementation of the circular on Opening of Current Accounts by Banks |
| 36 | Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators |
| 37 | Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating |
| 38 | Loans and Advances – Regulatory Restrictions |
| 39 | Master Direction - Reserve Bank of India [Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)] Directions – 2021 |
| 40 | Cassette - Swaps in ATMs |
| 41 | Roadmap for LIBOR Transition |
| 42 | New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade |
| 43 | Review of Instructions on Interest on overdue domestic deposits |
| 44 | Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension |

**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>

**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>

**Introduction of Legal Entity Identifier for Cross-border Transactions**

RBI/2021-22/137  
A.P. (DIR Series) Circular No. 20

December 10, 2021

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Introduction of Legal Entity Identifier for Cross-border Transactions**

The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide to improve the quality and accuracy of financial data systems. LEI has been introduced by the Reserve Bank in a phased manner for participants in the over the counter (OTC) derivative, non-derivative markets, large corporate borrowers and large value transactions in centralised payment systems.

2. In order to further harness the benefits of LEI, it has been decided that AD Category I banks, with effect from October 1, 2022, shall obtain the LEI number from the resident entities (non-individuals) undertaking capital or current account transactions of ₹50 crore and above (per transaction) under FEMA, 1999. As regards non-resident counterparts/ overseas entities, in case of non-availability of LEI information, AD Category I banks may process the transactions to avoid disruptions. Further, AD Category I banks may encourage concerned entities to voluntarily furnish LEI while undertaking transactions even before October 1, 2022. Once an entity has obtained an LEI number, it must be reported in all transactions of that entity, irrespective of transaction size.

3. AD Category-I banks shall have the required systems in place to capture the LEI information and ensure that any LEI captured is validated against the global LEI database available on the website of the Global Legal Entity Identifier Foundation (GLEIF).

4. AD banks may bring the contents of this circular to the notice of their constituents concerned and advise entities who undertake large value transactions (₹50 crore and above) under FEMA, 1999 to obtain LEI in time, if they do not already have one issued.

5. Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the GLEIF, the body tasked to support the implementation and use of LEI. In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL) ([https://www.ccilindia-lei.co.in](https://www.ccilindia-lei.co.in/)), which is also recognised as an issuer of LEI by the Reserve Bank under the Payment and Settlement Systems Act, 2007. The rules, procedures and documentation requirements may be ascertained from LEIL.

6. The directions contained in this circular are being issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

Ajay Kumar Misra  
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12206&Mode=0>

**General permission for infusion of capital in overseas branches and subsidiaries and retention/ repatriation/ transfer of profits in these centres by banks incorporated in India**

RBI/2021-22/136  
DOR.CAP.REC.No.72/21.06.201/2021-22

December 08, 2021

Dear Sir/ Madam,

**General permission for infusion of capital in overseas branches and subsidiaries and retention/ repatriation/ transfer of profits in these centres by banks incorporated in India**

Please refer to para 1 of the ‘[Statement on Developmental and Regulatory Policies’ dated December 8, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52688) on the above subject.

2. As per extant practice, banks incorporated in India seek prior RBI approval for

1. infusion of capital in their overseas branches and subsidiaries.
2. retention of profits in, and transfer or repatriation of profits from these overseas centres.

3. In order to provide greater operational flexibility, it has been decided that prior RBI approval for above capital infusion/ transfers (including retention/ repatriation of profits), shall not be required by banks which meet the regulatory capital requirements (including capital buffers[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12205&Mode=0#FA1)). Instead, the banks shall seek approval of their boards for the same.

4. While considering such proposals, banks shall analyse all relevant aspects including inter alia the business plans, home and host country regulatory requirements and performance parameters of their overseas centres. Banks shall also ensure compliance with all applicable home and host country laws and regulations.

5. Banks which do not meet the minimum regulatory capital requirements as laid down in para 3 above, shall be required to seek prior approval of RBI as hitherto.

**Reporting**

6. Banks shall report all such instances of infusion of capital and/ or retention[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12205&Mode=0#FA2)/transfer/ repatriation of profits in overseas branches and subsidiaries within 30 days of such action, to the Chief General Manager-in-Charge, Department of Regulation, Central Office, Mumbai with a copy to Chief General Manager-in-Charge, Department of Supervision, Central Office, Mumbai.

**Applicability**

7. This circular is applicable to all Scheduled Commercial Banks other than foreign banks, Small Finance Banks, Payment Banks and Regional Rural Banks.

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=12205&Mode=0>

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

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

December 08, 2021

To

All Category-I Authorised Dealer Banks

Madam / Sir,

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

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

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

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

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

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

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

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

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

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

Yours faithfully

Ajay Kumar Misra  
Chief General Manager-in-Charge

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

**Appointment of Internal Ombudsman by Non-Banking Financial Companies**

RBI/2021-2022/126  
CO.CEPD.PRS.No.S874/13-01-008/2021-2022

November 15, 2021

The Chairman/Managing Director & CEO  
a) NBFCs-D with 10 or more branches, and  
b) NBFCs-ND with asset size of Rs 5,000 crore and above (excluding NBFCs given in para 3 of this direction)

Madam/Dear Sir,

**Appointment of Internal Ombudsman by Non-Banking Financial Companies**

In exercise of the powers conferred by Section 45 (L) read with 45 (M) of the Reserve Bank of India Act, 1934, Reserve Bank of India (RBI) being satisfied that it is in public interest and in the interest of conduct of business relating to Non-Banking Financial Companies (NBFCs), directs NBFCs registered with RBI under Section 45-IA of the RBI Act, 1934, fulfilling the criteria given below, to appoint an Internal Ombudsman (IO).

**2.** NBFCs fulfilling the following criteria as on date would be required to appoint the IO:

a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches.

b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of Rs.5,000 crore and above and having public customer interface.

**3.** The following types of NBFCs will be excluded from the applicability of this direction:

1. Stand-alone Primary Dealer;
2. Non-Banking Financial Company - Infrastructure Finance Company (NBFC-IFC);
3. Core Investment Company (CIC);
4. Infrastructure Debt Fund - Non-Banking Financial Company (IDF-NBFC);
5. Non-Banking Financial Company – Account Aggregator (NBFC-AA);
6. NBFC under Corporate Insolvency Resolution Process;
7. NBFC in liquidation;
8. NBFC having only captive customers.

The circular also covers aspects on Appointment of the IO; Tenure of the IO; Secretariat and Cost of the IO; Roles and Responsibilities of IO; Board Oversight; Supervisory Oversight; Reporting to RBI etc.

These can be referred to in the link below:

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12195&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>

**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>

**Investment by Foreign Portfolio Investors (FPIs) in Debt – Review**

RBI/2021-22/120  
A.P. (DIR Series) Circular No. 16

November 08, 2021

To

All Authorised Persons

Madam / Sir

**Investment by Foreign Portfolio Investors (FPIs) in Debt – Review**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide [Notification No. FEMA.396/2019-RB dated October 17, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0), as amended from time to time and the relevant Directions issued thereunder.

2. A reference is also invited to the following Directions issued by the Reserve Bank:

a. [A.P. (DIR Series) Circular No. 31 dated June 15, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11303&Mode=0), as amended from time to time; and

b. [A.P. (DIR Series) Circular No. 34 dated May 24, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11561&Mode=0), as amended from time to time.

3. An announcement was made in the Union Budget 2021-22 that debt financing of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) by Foreign Portfolio Investors (FPIs) will be enabled by making suitable amendments in the relevant legislations. Accordingly, it has been decided to permit FPIs to invest in debt securities issued by InvITs and REITs. Necessary amendments to Foreign Exchange Management (Debt Instruments) Regulations, 2019 ([Notification No. FEMA 396/2019-RB dated October 17, 2019](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0)) have been notified on October 21, 2021 and are [annexed](https://rbidocs.rbi.org.in/rdocs/content/pdfs/APDIR120_AN.pdf) to this circular.

4. FPIs can acquire debt securities issued by InvITs and REITs under the Medium-Term Framework (MTF) or the Voluntary Retention Route (VRR). Such investments shall be reckoned within the limits and shall be subject to the terms and conditions for investments by FPIs in debt securities under the respective regulations of MTF and VRR.

5. AD Category-I banks may bring the contents of the circular to the notice of their customers/constituents concerned.

6. 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

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12188&Mode=0>

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

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

November 02, 2021

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

Madam/ Dear Sir,

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

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

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

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

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

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

Yours faithfully

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

Enclosure: PCA Framework for Scheduled Commercial Banks

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

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

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

November 1, 2021

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

Madam / Dear Sir,

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

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

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

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

**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>

**Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021**

RBI/DOR/2021-22/87  
DOR.CAP.REC.No.61/21.01.002/2021-22

October 26, 2021

All Local Area Banks

Dear Sir / Madam,

**Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to Local Area Banks on Prudential Norms on Capital Adequacy.

2. To enable Local Area Banks to have current instructions at one place, a [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12182&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 in exercise 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=12182&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>

**Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

RBI/2021-22/112  
DOR.CRE.REC.No.60/03.10.001/2021-22

October 22, 2021

All Non-Banking Financial Companies

Madam / Sir,

**Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

The contribution of NBFCs towards supporting real economic activity and their role as a supplemental channel of credit intermediation alongside banks is well recognised. Over the years, the sector has undergone considerable evolution in terms of size, complexity, and interconnectedness within the financial sector. Many entities have grown and become systemically significant and hence there is a need to align the regulatory framework for NBFCs keeping in view their changing risk profile.

**2.** Pursuant to the announcement made in the [Statement on Developmental and Regulatory Policies dated December 04, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50748), a discussion paper titled ‘[Revised Regulatory Framework for NBFCs - A Scale-based Approach](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51011)’ was issued for public comments on January 22, 2021. Based on the inputs received, it has now been decided to put in place a revised regulatory framework for NBFCs ([Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0#AN1)).

**3.** As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., it has been decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines. Detailed guidelines as delineated in the Annex, will be issued subsequently.

**4.** These guidelines shall be effective from October 01, 2022. The instructions relating to ceiling on IPO funding given vide para 3.1(d) of the Annex shall come into effect from April 01, 2022.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&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>

**Revised Subsidiary General Ledger (SGL) Account Guidelines and Constituents' Subsidiary General Ledger (CSGL) Account Guidelines**

RBI/2021-22/107  
IDMD.CDD.No.S931/11.22.001/2021-2022

October 5, 2021

All SGL/CSGL Holders

Madam/Sir,

**Revised Subsidiary General Ledger (SGL) Account Guidelines and Constituents' Subsidiary General Ledger (CSGL) Account Guidelines**

In exercise of powers conferred by Section 4 of Government Securities Act 2006, Reserve Bank of India has issued and gazetted revised [Eligibility Criteria and Operational Guidelines for opening and maintaining of Subsidiary General Ledger (SGL) Accounts and Constituents’ Subsidiary General Ledger (CSGL) Accounts dated September 22, 2021](https://rbidocs.rbi.org.in/rdocs/content/pdfs/SGLCSGL05102021_1.pdf). These Guidelines have been issued in supersession to earlier [Guidelines dated October 29, 2018](https://rbidocs.rbi.org.in/rdocs/content/pdfs/SGLCSGL05102021_2.pdf).

Yours faithfully,

(Rajendra Kumar)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12174&Mode=0>

**Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas**

RBI/2021-22/106  
DOR.CAP.REC.No.56/21.06.201/2021-22

October 4, 2021

All Scheduled Commercial Banks (Excluding RRBs)

Dear Sir/ Madam,

**Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas**

Please refer to paragraph 1.16 of Annex 4 (Criteria for Inclusion of Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital) to the [Master Circular Ref 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) on ‘Basel III Capital Regulations’ and the [circular Ref. DBR.BP.BC.No.28/21.06.001/2016-17 dated November 3, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10676&Mode=0) on Issue of Rupee Denominated Bonds Overseas.

2. Several banks have approached us to clarify the amount of capital funds that can be raised overseas. The issue has been examined and it is clarified that the “eligible amount” for purpose of issue of PDIs in foreign currency as per para 1.16 (ii) of Annex 4 to the [Master Circular dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859) referred to above, would mean the higher of:

(a) 1.5% of Risk Weighted Assets (RWAs) and

(b) Total Additional Tier 1 capital

as on March 31 of the previous financial year.

Not more than 49% of the “eligible amount” as above can be issued in foreign currency and/or in rupee denominated bonds overseas.

3. Accordingly, the sub para (ii) of paragraph 1.16 of Annex 4 to the [Master Circular dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859) referred to above is amended as indicated in [Annex 1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12173&Mode=0#A_1) enclosed herewith. An illustration is enclosed in [Annex 2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12173&Mode=0#A_2) for greater clarity.

4. All the other terms of the [Master Circular on Basel III Capital Regulations dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859), referred to above, as amended from time to time, shall remain unchanged. The issuances as above shall be subject to all applicable prudential norms and FEMA guidelines.

Yours faithfully

(Neeraj Nigam)  
Chief General Manager-in-Charge

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12173&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>

**Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021**

RBI/FMRD/2021-22/84  
FMRD.FMD.07/02.03.247/2021-22

September 16, 2021

To,

All Eligible Market Participants

Madam/Sir,

**Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021**

Please refer to Paragraph 11 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50748) announced as a part of the [Bi-monthly Monetary Policy Statement for 2020-21 dated December 04, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50747), regarding review of the Comprehensive Guidelines on Derivatives (CGD).

2. The draft Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2020 were released for public comments on [December 04, 2020](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50760). 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 (Market-makers in OTC Derivatives) Directions, 2021 are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12163&Mode=0#A_1) herewith.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12163&Mode=0>

**Large Exposures Framework – Credit Risk Mitigation (CRM) for offsetting – non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office**

RBI/2021-22/97  
DOR.CRE.REC.47/21.01.003/2021-22

September 09, 2021

All Scheduled Commercial Banks  
(Excluding Regional Rural Banks)

Dear Sir/Madam,

**Large Exposures Framework – Credit Risk Mitigation (CRM) for offsetting – non-centrally cleared derivative transactions of foreign bank branches in India with their Head Office**

Please refer to [circular No.DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11573&Mode=0) on Large Exposures Framework (LEF).

2. It is advised that the Indian branches of foreign banks shall be permitted to reckon cash/unencumbered approved securities, the source of which is interest-free funds from Head Office or remittable surplus retained in Indian books (reserves), held with RBI under 11(2)(b)(i) of the Banking Regulation Act,1949 (‘BR Act’) as CRM, for offsetting the gross exposure of the foreign bank branches in India to the Head Office (including overseas branches) for the calculation of LEF limit, subject to the following conditions:

1. The amount so held shall be over and above the other regulatory and statutory requirements and shall be certified by the statutory auditors.
2. The amount so held shall not be included in regulatory capital. (i.e., no double counting of the fund placed under Section 11(2) as both capital and CRM). Accordingly, while assessing the capital adequacy of a bank, the amount will form part of regulatory adjustments made to Common Equity Tier 1 Capital.
3. The bank shall furnish an undertaking as on March 31 every year to the Department of Supervision (DoS), RBI that the balance reckoned as CRM for the purpose will be maintained on a continuous basis.
4. The CRM shall be compliant with the principles/conditions prescribed in paragraph 7 in the [Master Circular – Basel III Capital Regulations dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9859) as amended from time to time.

More details can be referred to in the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12160&Mode=0>

**Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021**

**RESERVE BANK OF INDIA  
FOREIGN EXCHANGE DEPARTMENT  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. FEMA 23(R)/(5)/2021-RB**

**September 08, 2021**

**Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021**

In exercise of the powers conferred by sub-section (1) and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 [[Notification No. FEMA 23(R)/2015- RB dated January 12, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10256&Mode=0)] (hereinafter referred to as 'the Principal Regulations'), namely:

**1. Short title and commencement: -**

1. These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021.
2. They shall come into force from the date of their publication in the [Official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/Gazette28092021.pdf).

2. In the Principal Regulations, in Regulation 15, in sub-regulation 1, for clause (ii), the following shall be substituted, namely: -

“ii) the rate of interest, if any, payable on the advance payment shall not exceed 100 basis points above the London Inter-Bank Offered Rate (LIBOR) **or other applicable benchmark as may be directed by the Reserve Bank, as the case may be;** and”.

(R. S. Amar)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12167&Mode=0>

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

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

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

All Commercial Banks and  
Primary (urban) Cooperative Banks

Madam/ Dear Sir,

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

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

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

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

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

**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>

**Review of incentive and other measures to enhance distribution of coins**

RBI/2021-22/93  
DCM (CC) No.97527/03.41.01/2021-22

August 27, 2021

The Chairman / Managing Director &  
Chief Executive Officer  
(All Scheduled Commercial banks including RRBs)

Madam / Dear Sir,

**Review of incentive and other measures to enhance distribution of coins**

Please refer to our [Master Direction DCM (CC) No.G-2/03.41.01/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12055) on “Currency Distribution & Exchange Scheme (CDES)” for bank branches including currency chests which inter alia, provides for financial incentives of ₹25 per bag to banks for distribution of coins over the counter.

2. Keeping in view the overall objectives of Clean Note policy and to ensure that all bank branches provide better customer service to members of public with regard to exchange of notes and distribution of coins, the afore-said Scheme has since been reviewed and it has now been decided to revise the incentive being paid to the banks for distribution of coins with a major thrust on alternate avenues so as to extend the outreach. Accordingly, paragraph 2 (Incentives) Sl.No. (iii) stands revised as follows:

a) Revised scheme of incentive for distribution of coins

b) Banks to provide coins to bulk customers

c) Engaging Business Correspondents (BCs) for distribution of coins

d) Engaging Cash in Transit (CIT) entities for distribution of coins

More details on the above points can be referred to in the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12154&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>

**Prudential Norms for Off-Balance Sheet Exposures of Banks – Restructuring of derivative contracts**

RBI/2021-22/81  
DOR.MRG.39/21.04.157/2021-22

August 06, 2021

All Banks

Madam / Dear Sir,

**Prudential Norms for Off-Balance Sheet Exposures of Banks – Restructuring of derivative contracts**

Please refer to paragraph 2.2 of our [circular DBOD.No.BP.BC.57/21.04.157/2008-09 dated October 13, 2008](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=4532&Mode=0), in terms of which any change in any of the parameters of the original derivative contract would be treated as a restructuring.

2. In this context, it is clarified that change in the terms of a derivative contract on account of change in reference rate necessitated due to transition from LIBOR to an alternative reference rate shall not be treated as restructuring of the derivative contract provided all other parameters of the original contract remain unchanged.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12141&Mode=0>

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

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

August 6, 2021

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

Madam / Dear Sir,

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

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

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

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

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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

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

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

August 04, 2021

To,

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

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

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

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

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

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

**Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators**

RBI/2021-22/76  
CO.DPSS.POLC.No.S-384/02.32.001/2021-2022

August 3, 2021

The Chairman / Managing Director / Chief Executive Officer  
All Non-Bank Payment System Operators

Madam / Dear Sir,

**Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators**

The Payment System Operators (PSOs), by virtue of services they provide and the construct of models on which they operate, largely outsource their payment and settlement-related activities to various other entities.

2. In order to enable effective management of attendant risks in outsourcing of such activities, it was announced in the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078) released with the [bi-monthly Monetary Policy Statement 2020-21 on February 05, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077), that a framework for outsourcing of payment and settlement-related activities by PSOs, will be issued by the Reserve Bank of India. Accordingly, a framework for the same is provided in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12136&Mode=0#AN_1). The PSOs shall ensure that all their outsourcing arrangements, including the existing ones, are in compliance with this framework by March 31, 2022.

3. This framework is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P Vasudevan)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12136&Mode=0>

**Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating**

RBI/2021-22/74  
DOR.FIN.REC.No.34/03.10.136/2021-22

July 29, 2021

All deposit taking Housing Finance Companies (HFCs)

Madam/ Dear Sir,

**Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating**

A reference is invited to Para 25.2 of [Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030), wherein the names of five approved credit rating agencies and their minimum investment grade credit rating for the purpose of accepting public deposits have been listed.

2. On a review, it has been decided to align the aforesaid provisions for HFCs with provisions on the subject prescribed for NBFCs which are contained in Para 9 of [Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10563). Accordingly, the names of credit rating agencies and their minimum investment grade ratings for the purpose of accepting public deposits by HFCs are listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12134&Mode=0#AN_1).

3. The [Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12030) is being modified accordingly.

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12134&Mode=0>

**Loans and Advances – Regulatory Restrictions**

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

July 23, 2021

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

Madam / Dear Sir,

**Loans and Advances – Regulatory Restrictions**

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

2. On a review, it has been decided that

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

ii) Paragraph 2.2.1.4 has been revised as under –

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

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

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

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

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

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

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

iii) Paragraph 2.2.1.5 has been revised as under -

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

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

**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>

**Roadmap for LIBOR Transition**

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

July 08, 2021

To

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

Madam / Dear Sir

**Roadmap for LIBOR Transition**

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

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

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

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

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

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

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

July 7, 2021

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

Dear Sir/Madam,

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

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

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

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

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

Yours faithfully

(Kaya Tripathi)  
Chief General Manager

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

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

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

July 02, 2021

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

Dear Sir / Madam,

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

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

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

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

Yours faithfully,

(Thomas Mathew)  
Chief General Manager

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

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

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

July 1, 2021

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

Dear Sir / Madam,

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

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

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

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

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

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