**CERTIFICATE COURSE FOR NON-BANKING FINANCIAL COMPANIES**

|  |  |
| --- | --- |
| **Sr. No.** | **RBI Notifications** |
|  | Issuance of PPIs to Foreign Nationals / Non-Resident Indians (NRIs) visiting India |
|  | Introduction of Foreign Contribution (Regulation) Act (FCRA) related transaction code in NEFT and RTGS Systems |
|  | Implementation of Indian Accounting Standards (Ind AS) |
|  | Master Circular on SHG-Bank Linkage Programme |
|  | Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs) |
|  | Master Circular - Asset Reconstruction Companies |
|  | Framework for acceptance of Green Deposits |
|  | Amendment to the Master Direction (MD) on KYC |
|  | Amendment to the Master Direction (MD) on KYC - Instructions on Wire Transfer |
|  | Formalisation of Informal Micro Enterprises on Udyam Assist Platform |
|  | Framework for Compromise Settlements and Technical Write-offs |
|  | Guidelines on Default Loss Guarantee (DLG) in Digital Lending |

**Issuance of PPIs to Foreign Nationals / Non-Resident Indians (NRIs) visiting India**

RBI/2022-23/176  
CO.DPSS.POLC.No.S–1907/02.14.006/2022-23

February 10, 2023

All Prepaid Payment Instrument (PPI) Issuers (Banks and Non-banks)  
and National Payments Corporation of India (NPCI)

Madam / Dear Sir,

**Issuance of PPIs to Foreign Nationals / Non-Resident Indians (NRIs) visiting India**

As announced in the [Statement on Developmental and Regulatory Policies dated February 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55179), it has been decided to allow access to Unified Payments Interface (UPI) to foreign nationals and NRIs visiting India. To start with, this facility will be extended to travellers from the G-20 countries at select international airports for their merchant payments (P2M) while they are in the country. Going forward, this will be enabled across all entry points in the country. The [Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12156) (updated as on November 12, 2021) has been updated by inserting [paragraph 10.3](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12156#PARA103) therein.

2. These instructions shall come into effect immediately.

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

Yours faithfully,

(P Vasudevan)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12452&Mode=0>

**Introduction of Foreign Contribution (Regulation) Act (FCRA) related transaction code in NEFT and RTGS Systems**

RBI/2022-23/178  
CO.DPSS.RPPD.No.S1931/04-03-001/2022-23

February 16, 2023

The Chairman / Managing Director / Chief Executive Officer  
of member banks participating in NEFT and RTGS Systems

Madam / Dear Sir,

**Introduction of Foreign Contribution (Regulation) Act (FCRA) related transaction code in NEFT and RTGS Systems**

Under the FCRA, 2010 (amended as on September 28, 2020), foreign contributions must be received only in the “FCRA account” of State Bank of India (SBI), New Delhi Main Branch (NDMB). The contributions to the FCRA account are received directly from foreign banks through SWIFT and from Indian intermediary banks through NEFT and RTGS systems.

2. In terms of extant requirements of Ministry of Home Affairs (MHA), Government of India, the donor details such as name, address, country of origin, amount, currency, and purpose of remittance are required to be captured in such transactions and SBI is required to report the same to MHA on daily basis.

3. Keeping in view the above, necessary changes have been introduced in NEFT and RTGS systems, technical details of which are provided in [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12454&Mode=0#AN1). Member banks are advised to incorporate necessary changes in their core banking / middleware solutions to capture the requisite details while forwarding the foreign donations through NEFT and RTGS systems to SBI. The instructions will be effective from March 15, 2023.

4. These instructions are 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

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12454&Mode=0>

**Implementation of Indian Accounting Standards (Ind AS)**

RBI/2022-23/182  
DOR.ACC.REC.No.104/21.07.001/2022-23

February 20, 2023

Dear Sir/ Madam,

**Implementation of Indian Accounting Standards (Ind AS)**

Please refer to [circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11818&Mode=0) on the captioned subject read with paragraph 13 (iii) of [Master Circular DOR.SIG.FIN.REC 1/26.03.001/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12267) on Asset Reconstruction Companies.

2. It has been observed that consequent to the implementation of Ind AS, some Asset Reconstruction Companies (ARCs) have been recognising management fees even though the said fee had not been realised for more than 180 days.

3. To address the prudential concerns arising from continued recognition of unrealised income, it has been decided that ARCs preparing their financial statements as per Ind AS, shall reduce the following amounts from their net owned funds while calculating the Capital Adequacy Ratio and the amount available for payment of dividend:

1. Management fee recognised during the planning period[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12458&Mode=0#F1) that remains unrealised beyond 180 days from the date of expiry of the planning period.
2. Management fee recognised after the expiry of the planning period that remains unrealised beyond 180 days of such recognition.
3. Any unrealised management fees, notwithstanding the period for which it has remained unrealised, where the net asset value of the Security Receipts has fallen below 50 per cent of the face value.

The amount reduced from net owned funds and amount available for payment of dividend shall be net of any specific expected credit loss allowances held on unrealised management fee referred to in sub-paragraphs (a), (b) and (c) and the tax implications thereon, if any.

4. The Audit Committee of the Board (ACB) shall review the extent of unrealised management fee and satisfy itself on the recoverability of the same while finalising the financial statements. It shall be ensured that the management fee is computed strictly in accordance with extant regulations.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12458&Mode=0>

**Master Circular on SHG-Bank Linkage Programme**

RBI/2023-24/03  
FIDD.CO.FID.BC.No.1/12.01.033/2023-24

April 01, 2023

The Chairman/ Managing Director/  
Chief Executive Officer  
All Scheduled Commercial Banks

Madam/ Dear Sir

**Master Circular on SHG-Bank Linkage Programme**

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on SHG-Bank Linkage Programme. In order to enable banks to have instructions at one place, the [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12470&Mode=0#MC) incorporating the existing guidelines/ instructions on the subject has been updated and enclosed. This Master Circular consolidates the circulars issued by Reserve Bank on the subject up to March 31, 2023, as indicated in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12470&Mode=0#APP).

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager-in-Charge  
Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12470&Mode=0>

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

RBI/2023-24/09  
DOR.CRE.REC.No.07/21.04.172/2023-24

April 03, 2023

All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

Please refer to our [Master Circular DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12280) on the captioned subject. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12476&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2023.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12476&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2023-24/12  
DOR.SIG.FIN.REC 8/26.03.001/2023-24

April 03, 2023

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://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&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://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0#GuidanceNotes) updated as on March 31, 2023 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0>

**Framework for acceptance of Green Deposits**

RBI/2023-24/14  
DOR.SFG.REC.10/30.01.021/2023-24

April 11, 2023

All Scheduled Commercial Banks including Small Finance Banks  
(excluding Regional Rural Banks, Local Area Banks and Payments Banks)  
All Deposit taking Non-Banking Finance Companies (NBFCs) including Housing Finance Companies (HFCs)

Madam/Dear Sir,

**Framework for acceptance of Green Deposits**

Climate change has been recognised as one of the most critical challenges faced by the global society and economy in the 21st century. The financial sector can play a pivotal role in mobilizing resources and their allocation thereof in green activities/projects. Green finance is also progressively gaining traction in India.

2. Deposits constitute a major source for mobilizing of funds by the Regulated Entities (REs). It is seen that some REs are already offering green deposits for financing green activities and projects. Taking this forward and with a view to fostering and developing green finance ecosystem in the country, it has been decided to put in place the enclosed [Framework for acceptance of Green Deposits](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12487&Mode=0#GD) for the REs.

3.The framework shall come into effect from June 1, 2023.

Yours faithfully,

(Sunil T. S. Nair)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12487&Mode=0>

**Amendment to the Master Direction (MD) on KYC**

RBI/2023-24/24  
DOR.AML.REC.111/14.01.001/2023-24

April 28, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/Madam,

**Amendment to the Master Direction (MD) on KYC**

Please refer to the [Master Direction (MD) on KYC dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566), as amended from time to time, in terms of which Regulated Entities (REs) have to undertake Customer Due Diligence (CDD), as per the process laid out therein, for their customers.

2. In this regard, on a review, it has been decided to amend the MD on KYC to (a) align the instructions with the recent amendments carried out in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, (b) incorporate instructions in terms of the Government Order dated January 30, 2023, titled “Procedure for Implementation of Section 12A of the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (WMD Act, 2005)”; (c) update certain instructions in accordance with FATF Recommendations; and (d) refine certain extant instructions post review. The changes carried out in the MD in this regard are provided in [Annexure](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT2428042023_AN.pdf).

3. Accordingly, the relevant Sections of the [MD on KYC](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566) are hereby amended to reflect the changes furnished in Annexure. The amended provisions in the MD shall come into force with immediate effect.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12497&Mode=0>

**Amendment to the Master Direction (MD) on KYC – Instructions on Wire Transfer**

RBI/2023-24/25  
DOR.AML.REC.13/14.01.001/2023-24

May 4, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/Madam,

**Amendment to the Master Direction (MD) on KYC – Instructions on Wire Transfer**

Please refer to the [Master Direction (MD) on KYC dated February 25, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11566), as amended from time to time, in terms of which Regulated Entities (REs), inter alia, have to undertake certain measures while dealing with the Wire Transfer.

2. In this regard, on a review, it has been decided to amend the MD on KYC to update the instructions on Wire Transfer (Section 64 of the MD), also aligning the same with the relevant FATF Recommendation. The amended instructions of Section 64 of the MD on KYC are provided in the [annexure](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT2504052023_AN.pdf) for reference. Further, definitions of the relevant terms used in the amended Wire Transfer instructions are being added in Section 2 (“Definitions”) of the MD on KYC.

3. The amended provisions shall come into force with immediate effect.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

Enclosure: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12498&Mode=0>

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

RBI/2023-24/27  
FIDD.MSME & NFS.BC.No.09/06.02.31/2023-24

May 09, 2023

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

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

Please refer to the [Circular FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0) on ‘New Definition of Micro, Small and Medium Enterprises – clarifications’ wherein all lenders were advised to obtain ‘Udyam Registration Certificate’ for classification of entities as MSME.

2. The Ministry of Micro, Small and Medium Enterprises (‘MSME’), Government of India has launched the Udyam Assist Platform (UAP) to facilitate formalisation of Informal Micro Enterprises (IMEs) through online generation of Udyam Assist Certificate. Registration on the platform is done with the assistance of Designated Agencies which are RBI regulated entities (including scheduled commercial banks, non-banking financial companies, etc.).

3. The Government of India, vide [Gazette Notification S.O. 1296(E) dated March 20, 2023](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate20032023.pdf), has specified that the certificate issued on the UAP to IMEs shall be treated at par with Udyam Registration Certificate for the purpose of availing Priority Sector Lending (PSL) benefits.

4. Government of India has clarified to RBI that IMEs are those enterprises which are unable to get registered on the Udyam Registration Portal (URP) due to lack of mandatory required documents such as Permanent Account Number (PAN) or Goods and Services Tax Identification Number (GSTIN). Hence such enterprises are unable to avail the benefits of Government schemes or programmes. Further, it has been clarified that the turnover of enterprises exempted from filing returns under the provisions of the Central Goods and Services Tax Act, 2017 shall be the sole criterion to be defined as IMEs for the purpose of UAP. Accordingly, IMEs are those enterprises that are not covered in the Goods and Services Tax regime.

5. An interface has been created between the UAP and Udyam Registration Portal (URP) to enable the transition and migration of the IMEs from UAP to URP, once IMEs obtain the mandatorily required documents.

6. In view of the aforementioned notification and clarification, IMEs with an Udyam Assist Certificate shall be treated as Micro Enterprises under MSME for the purposes of PSL classification.

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12500&Mode=0>

**Framework for Compromise Settlements and Technical Write-offs**

RBI/2023-24/40  
DOR.STR.REC.20/21.04.048/2023-24

June 08, 2023

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

Madam/Dear Sir,

**Framework for Compromise Settlements and Technical Write-offs**

The Reserve Bank of India has issued various instructions to regulated entities (REs) regarding compromise settlements in respect of stressed accounts from time to time, including the [Prudential Framework for Resolution of Stressed Assets dated June 7, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11580&Mode=0) (“Prudential Framework”), which recognises compromise settlements as a valid resolution plan. With a view to provide further impetus to resolution of stressed assets in the system as well as to rationalise and harmonise the instructions across all REs, as announced in the [Statement on Developmental and Regulatory Policies released on June 8, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55815), it has been decided to issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all the REs, as detailed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0#AN).

2. The provisions of this framework shall be applicable to all REs to which this circular is addressed and shall be without prejudice to the provisions of the Prudential Framework, or any other guidelines applicable to the REs on resolution of stressed assets.

3. These instructions on operationalising the framework 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. They shall come into force with immediate effect and REs shall take necessary steps to ensure compliance with these instructions.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0>

**Guidelines on Default Loss Guarantee (DLG) in Digital Lending**

RBI/2023-24/41  
DOR.CRE.REC.21/21.07.001/2023-24

June 08, 2023

All Commercial Banks (including Small Finance Banks),  
Primary (Urban) Co-operative Banks, State Co-operative Banks,  
Central Co-operative Banks; and  
Non-Banking Financial Companies (including Housing Finance Companies)

Madam/ Dear Sir,

**Guidelines on Default Loss Guarantee (DLG) in Digital Lending**

A reference is invited to Para (3.4.3.1) of Section C of Annex-II to the [RBI Press Release “Recommendations of the Working group on Digital Lending – Implementation” dated August 10, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54187) in terms of which it was stated that the recommendation pertaining to First Loss Default Guarantee (FLDG) was under examination with the Reserve Bank.

2. Arrangements between Regulated Entities (REs) and Lending Service Providers (LSPs) or between two REs involving default loss guarantee (DLG), commonly known as FLDG, has since been examined by the Bank and it has been decided to permit such arrangements subject to the guidelines laid down in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#AN) to this circular. DLG arrangements conforming to these guidelines shall not be treated as ‘synthetic securitisation’[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#FN1) and/or shall also not attract the provisions of ‘loan participation’[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#FN2).

3. The guidelines shall come into effect from the date of this Circular.

4. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M 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.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0>