**Small Finance Banks**

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| **S.No.** | **RBI Notifications** |
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|  | Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture |
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|  | Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 – Amendment |
|  | Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 |
|  | Master Circular – Housing Finance |
|  | New Definition of Micro, Small and Medium Enterprises – Clarification |
|  | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
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**Processing of e-mandates for recurring transactions**

RBI/2022-23/73  
CO.DPSS.POLC.No.S-518/02.14.003/2022-23

June 16, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Scheduled Commercial Banks, including Regional Rural Banks /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Payments Banks /  
Small Finance Banks / Local Area Banks /  
Non-bank Prepaid Payment Instrument Issuers / Authorised Card Payment Networks /  
National Payments Corporation of India

Madam / Dear Sir,

**Processing of e-mandates for recurring transactions**

A reference is invited to our circulars [DPSS.CO.PD.No.447/02.14.003/2019-20 dated August 21, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11668&Mode=0), [DPSS.CO.PD No.1324/02.23.001/2019-20 dated January 10, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11784&Mode=0), [DPSS.CO.PD No.754/02.14.003/2020-21 dated December 04, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12002&Mode=0) and [CO.DPSS.POLC.No.S34/02-14-003/2020-2021 dated March 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12051&Mode=0) (collectively referred to as “e-mandate framework”). The e-mandate framework prescribed an Additional Factor of Authentication (AFA), inter alia, while processing the first transaction in case of e-mandates / standing instructions on cards, prepaid payment instruments and Unified Payments Interface. For subsequent transactions with transaction values up to ₹5,000/- (AFA limit), prescription of AFA was waived.

2. On a review of implementation of the e-mandate framework and the protection available to customers, it has been decided to increase the aforesaid AFA limit from ₹5,000/- to ₹15,000/- per transaction.

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), and shall come into effect immediately.

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12341&Mode=0>

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

RBI/2022-23/60

DOR.STR.REC.39/04.02.001/2022-23

May 31, 2022

All Scheduled Commercial Banks (excluding RRBs),

Small Finance Banks,

Primary (Urban) Cooperative Banks & State Cooperative Banks (scheduled banks having AD category-I license), andExim Bank

Dear Sir / Madam,

Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit - Extension

Please refer to paragraph 2.4 of the circular No. DOR.STR.REC.93/04.02.001/2021-22 dated March 8, 2022, wherein it was stated that the extended IES would not be available to those beneficiaries who were availing of the benefit under any Production Linked Incentive (PLI) scheme of the Government.

2. In this regard, Government has issued a clarification that the extended IES will also be available to such beneficiaries for segments other than for which they have availed of PLI benefits.

3. It is further advised that banks shall obtain a Self-Declaration under the IES from the exporters as per the format given in the Annex.

4. These provisions shall be deemed effective from October 1, 2021. Other provisions of the aforesaid circular shall remain unchanged.

Yours faithfully

(Manoranjan Mishra)

Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12327&Mode=0>

**Interoperable Card-less Cash Withdrawal (ICCW) at ATMs**

RBI/2022-23/54  
CO.DPSS.POLC.No.S-227/02-10-002/2022-23

May 19, 2022

The Chairman and Managing Director / Chief Executive Officer  
Scheduled Commercial Banks including RRBs /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Payment Banks / Small Finance Banks /  
National Payments Corporation of India (NPCI) /  
ATM Networks / White Label ATM Operators (WLAOs)

Madam / Dear Sir,

**Interoperable Card-less Cash Withdrawal (ICCW) at ATMs**

Please refer to paragraph 7 of [Statement on Development and Regulatory Policies dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536), wherein the Reserve Bank of India (RBI) had announced introduction of ICCW.

2. All banks, ATM networks and WLAOs may provide the option of ICCW at their ATMs. NPCI has been advised to facilitate Unified Payments Interface (UPI) integration with all banks and ATM networks. While UPI would be used for customer authorisation in such transactions, settlement would be through the National Financial Switch (NFS) / ATM networks. The on-us / off-us ICCW transactions shall be processed without levy of any charges other than those prescribed under the circular on [Interchange Fee and Customer Charges](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12111).

3. Withdrawal limits for ICCW transactions shall be in-line with the limits for regular on-us / off-us ATM withdrawals. All other instructions related to [Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11693) shall continue to be applicable.

4. This directive 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

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12321&Mode=0>

**New Definition of Micro, Small and Medium Enterprises - Clarification**

RBI/2022-23/52  
FIDD.MSME & NFS.BC.No.7/06.02.31/2022-23

May 19, 2022

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 - Clarification**

Please refer to our [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), [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) and [FIDD.MSME & NFS.BC.No.16/06.02.31/2021-22 dated February 18, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0), regarding revised criteria for classification of Micro, Small and Medium Enterprises.

2. Government of India, vide [Gazette Notification S.O. 2134(E) dated May 06, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GOIG19052022.pdf), has notified amendments in sub paragraph (3) paragraph (7) of the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number [S.O. 2119 (E), dated June 26, 2020](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate02072020.pdf), published in the Gazette of India.

3. In view of the above amendment, it is clarified that:

1. the existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAM) of the MSMEs obtained till June 30, 2020 shall remain valid till June 30, 2022 for classification as MSMEs; and
2. the validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated March 8, 2017 ([RBI Circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11050&Mode=0)), for classification of MSMEs upto June 30, 2020, has been extended upto June 30, 2022.

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12319&Mode=0>

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

RBI/2022-23/51  
FIDD.CO.FSD.BC.No.6/05.05.010/2022-23

May 18, 2022

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(including Small Finance Banks and  
excluding Regional Rural Banks)

Madam/ Dear Sir,

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

Please refer to Para 3.1.1.2 of our [circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11462&Mode=0) on Kisan Credit Card (KCC) Scheme: Working Capital for Animal Husbandry and Fisheries. It has been brought to our notice that licensing/authorisation related requirements pertaining to fishing/aquaculture in inland water bodies vary across states. Accordingly, the eligibility criteria for inland fisheries and aquaculture under Para 3.1.1.2 of the circular stand modified as follows:

The beneficiaries must own or lease any fisheries related assets such as ponds, tanks, open water bodies, raceways, hatcheries, rearing units, boats, nets and such other fishing gear as the case may be and possess necessary authorisation/certification as may be applicable in respective states for fish farming and fishing related activities and for any other state specific fisheries and allied activities.

2. All other terms and conditions of the scheme remain unchanged.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12318&Mode=0>

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

RBI/2022-23/35  
FIDD.CO.FSD.BC.No.3/05.02.001/2022-23

April 28, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Public Sector Banks, Private Sector Banks and  
Small Finance Banks

Madam/Dear Sir,

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

Please refer to our letter FIDD.CO.FSD.No.342/05.02.001/2020-21 dated October 16, 2020 conveying the decision of the Government of India for continuation of the Interest Subvention Scheme (modified) for short term loans for agriculture and allied activities for the year 2020-21 on interim basis.

2. In this regard, it is advised that Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modifications for the financial year 2021-22 with the following stipulations:

1. In order to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2021-22, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) which have been ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention of 2% per annum will be calculated on the loan amount from the date of disbursement/drawal up to the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2021-22 will be as follows:

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Lending rate to farmers** | **Rate for Interest Subvention** |
| 2021-22 | 7% | 2% |

For more details, kindly refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12302&Mode=0>

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

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

April 19, 2022

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

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

Please refer to [circular DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11945&Mode=0) on Opening of Current Accounts by Banks - Need for Discipline and associated circulars thereon[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#F1). The [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12293&Mode=0#AN_1) consolidates all instructions/ guidelines issued on the subject till date.

Yours Faithfully,

(Manoranjan Mishra)  
Chief General Manager

Encl: Flowcharts

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

**Master Circular – Housing Finance**

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

April 01, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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

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

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

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

April 1, 2022

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

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

Please refer to the [Master Circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171) consolidating instructions / guidelines issued to banks till September 30, 2021 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2022. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

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

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

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

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

April 1, 2022

The Chairman/ Managing Director /Chief Executive Officer  
All Banks

Dear Sir / Madam,

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

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

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

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

For the detailed circular, refer to the link below.

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

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

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

April 01, 2022

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

Madam / Dear Sir

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

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

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

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl : As above

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

**Master Circular – Facility for Exchange of Notes and Coins**

RBI/2022-23/01  
DCM (NE) No.G-5/08.07.18/2022-23

April 01, 2022

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

Madam/Dear Sir

**Master Circular – Facility for Exchange of Notes and Coins**

Please refer to the [Master Circular DCM (NE) No.G-4/08.07.18/2021-22 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12052) containing instructions on the facility for exchange of notes and coins. A revised version of [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12265&Mode=0#MC) on the subject is annexed for your information and necessary action.

Yours faithfully

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

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

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12265&Mode=0>

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

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

March 31, 2022

Dear Sir / Madam,

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

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

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

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

**Applicability**

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

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

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

**Cassette - Swaps in ATMs**

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

March 31, 2022

The Chairman / Managing Director/  
Chief Executive Officer  
All Banks

Madam / Dear Sir,

**Cassette - Swaps in ATMs**

Please refer to the [circulars RBI/2017-18/162/ DCM (Plg.) No. 3641/10.25.007/2017-18 dated April 12, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11256&Mode=0) and [RBI/2021-22/71/ DCM (Plg.) No.S39/10.25.007/2021-22 dated July 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12130&Mode=0) on the captioned subject wherein banks were advised to consider using lockable cassettes in their ATMs which shall be swapped at the time of cash replenishment. The same was advised to be implemented in a phased manner covering at least one third ATMs operated by the banks every year, such that all ATMs achieve cassette swap by March 31, 2021, which was later extended to March 31, 2022.

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

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

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

Yours faithfully,

(Suman Ray)  
Chief General Manager-in-Charge

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

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

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

March 23, 2022

Dear Sir / Madam,

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

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

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

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

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

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

**Applicability**

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

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

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

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

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

March 14, 2022

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

Madam/ Dear Sir,

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

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

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

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

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

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

**Master Circular – Housing Finance**

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

February 18, 2022

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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

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

**New Definition of Micro, Small and Medium Enterprises – Clarification**

RBI/2021-2022/161  
FIDD.MSME & NFS.BC.No.16/06.02.31/2021-22

February 18, 2022

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 - Clarification**

Please refer to the [circular FIDD.MSME & NFS.BC.No.12/06.02.31/2021-22 dated June 25, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12122&Mode=0) on ‘New Definition of Micro, Small and Medium Enterprises’.

2. In this connection, we inform that Government of India, vide their [Gazette Notification S.O. 278(E) dated January 19, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GOIJan192022_18022022.pdf), has notified amendments in the paragraph (7) sub-paragraph (3) in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number [S.O. 2119 (E), dated June 26, 2020](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate02072020.pdf), published in the Gazette of India.

3. In view of the above amendment, paragraph 3 of the said circular would stand modified as under:

“The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2022.”

4. Further, it is clarified that the validity of documents obtained in terms of O.M. No.12(4)/ 2017-SME dated March 8, 2017 ([RBI Circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11050&Mode=0)), for classification of MSMEs upto June 30, 2020, are also valid upto March 31, 2022.

5. All other provisions of the circular remain unchanged.

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager-in-Charge

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0>

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

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

February 15, 2022

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

Madam/Dear Sir,

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

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

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

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

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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

**Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022**

**RESERVE BANK OF INDIA  
DEPARTMENT OF REGULATION  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. DOR.FIN.081/CGM(JPS) – 2022**

**January 14, 2022**

**Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022**

In exercise of the powers conferred by section 19 (1A) read with Section 31A of the Factoring Regulation Act, 2011 (12 of 2012), the Reserve Bank of India, hereby makes the following regulations pertaining to the manner of filing of particulars of transactions with the Central Registry by a Trade Receivable Discounting System (TReDS) on behalf of Factors.

**1. Short title and commencement**

(1) These regulations may be called the Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

**2. Definitions**

For the purpose of these regulations, unless the context otherwise requires:

(1) “Act” means the Factoring Regulation Act, 2011 (12 of 2012);

(2) “Central Registrar” means a person appointed as such under subsection (1) of section 21 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(3) “Central Registry” means the Central Registry set up under section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).

For more information on the ‘Registration of assignments of receivables transactions’, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12223&Mode=0>

**Registration of Factors (Reserve Bank) Regulations, 2022**

**RESERVE BANK OF INDIA  
DEPARTMENT OF REGULATION  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. DOR.FIN.080/CGM(JPS) – 2022**

**January 14, 2022**

**Registration of Factors (Reserve Bank) Regulations, 2022**

In exercise of the powers conferred by section 3 read with Section 31A of the Factoring Regulation Act, 2011 (12 of 2012), the Reserve Bank of India, hereby makes the following regulations pertaining to the manner of granting Certificate of Registration to companies which propose to do factoring business.

**1. Short title and commencement**

(1) These regulations may be called the Registration of Factors (Reserve Bank) Regulations, 2022.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

**2. Definitions**

For the purpose of these regulations, unless the context otherwise requires:

(1) “Act” means the Factoring Regulation Act, 2011 (12 of 2012);

(2) “Reserve Bank” means the Reserve Bank of India constituted under Section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(3) “Company” means a company as defined in clause (20) of section 3 of Companies Act, 2013 (18 of 2013);

(4) “Non-Banking Financial Company – Factor (NBFC-Factor)” means a non - banking financial company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934, which has its principal business as per Regulation 4 of these regulations and has been granted a Certificate of Registration (CoR) under section 3 of the Act;

For more information, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12222&Mode=0>

**Framework for Facilitating Small Value Digital Payments in Offline Mode**

RBI/2021-22/146  
CO.DPSS.POLC.No.S1264/02-14-003/2021-2022

January 03, 2022

The Chairman / Managing Director / Chief Executive Officer  
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

**Framework for Facilitating Small Value Digital Payments in Offline Mode**

Reserve Bank had, vide [circular dated August 06, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11947&Mode=0), permitted a pilot scheme to encourage technological innovations that enable small value digital transactions in offline mode. It was stated therein that the decision on formalising such a system would be based on the experience gained.

2. Pilot testing was undertaken by some entities during the period from September 2020 to July 2021. With encouraging feedback from the pilots, it was announced in the [Statement on Developmental and Regulatory policies dated October 08, 2021](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52368), that a framework for carrying out small value digital payments in offline mode across the country would be introduced.

3. Accordingly, the framework to enable small value digital payments in offline mode using cards, wallets, mobile devices, etc., is detailed in [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&Mode=0#AN1). Authorised Payment System Operators (PSOs) and Payment System Participants (PSPs) – Acquirers and Issuers (banks and non-banks) - shall ensure compliance with all the applicable instructions.

4. This directive is 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 immediately.

Yours faithfully,

(P Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&Mode=0>