**BANKING REGULATIONS AND BUSINESS LAWS**

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**Review of Instructions on Bulk Deposits for Urban Co-operative Banks (UCBs)**

RBI/2023-24/104
DoR.SPE.REC.63/13.03.00/2023-2024

January 01, 2024

All Primary (Urban) Co-operative Banks

Madam/Sir,

**Review of Instructions on Bulk Deposits for Urban Co-operative Banks (UCBs)**

Please refer to Para 3 (a) (i) of [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 “Bulk Deposit” means single Rupee term deposits of Rupees fifteen lakh and above.

2. On a review, it has been decided to enhance the bulk deposit limit for Scheduled Primary (Urban) Co-operative Banks, in Tier 3 and 4, to Rupees one crore and above. Accordingly, “Bulk Deposit” for Primary (Urban) Co-operative Banks would now mean:

1. Single Rupee term deposits of Rupees one crore and above for Scheduled UCBs categorised as Tier 3 and 4 UCBs under the revised regulatory framework.
2. Single Rupee term deposits of Rupees fifteen lakh and above for all other UCBs (i.e., other than Scheduled UCBs in Tier 3 and 4).

The relevant sections of the Master Direction as amended are indicated in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12588&Mode=0#ANN1).

3. All other instructions in this regard shall remain unchanged.

Yours faithfully,

(Sunil T. S. Nair)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12588&Mode=0>

**Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions**

RBI/2023-24/105
DOR.SOG (LEG).REC/64/09.08.024/2023-24

January 1, 2024

Madam / Dear Sir

**Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions**

As per extant instructions, the credit balance in any deposit account maintained with banks, which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, as mentioned in paragraph 3(iii) of the “Depositor Education and Awareness” (DEA) Fund Scheme, 2014, are required to be transferred by banks to DEA Fund maintained by the Reserve Bank of India.

2. As a measure to assist the account holders and with a view to consolidating and rationalising the extant instructions on inoperative accounts, a review was carried out in consultation with all stakeholders. Based on the review, it has been decided to issue comprehensive guidelines on the measures to be put in place by the banks covering various aspects of classifying accounts and deposits as inoperative accounts and unclaimed deposits, as the case may be, periodic review of such accounts and deposits, measures to prevent fraud in such accounts/deposits, grievance redressal mechanism for expeditious resolution of complaints, steps to be taken for tracing the customers of inoperative accounts/ unclaimed deposits including their nominees/ legal heirs for re-activation of accounts, settlement of claims or closure and the process to be followed by them. These instructions (provided in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12589&Mode=0#AS)) are expected to complement the ongoing efforts and initiatives taken by banks and the Reserve Bank, to reduce the quantum of unclaimed deposits in the banking system and return such deposits to their rightful owners/ claimants.

3. These instructions are issued in exercise of the powers conferred by Sections 35A of the Banking Regulation Act, 1949 read with Sections 26A, 51 and 56 of the Act ibid and all other provisions of this Act or any other laws enabling Reserve Bank to issue instructions in this regard.

4. This circular is applicable to all Commercial Banks (including RRBs) and all Co-operative Banks.

5. The revised instructions shall come into effect from **April 1, 2024**.

Yours faithfully

(Sunil T S Nair)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12589&Mode=0>

**Guidelines on Appointment / Re-appointment of Statutory Auditors of State Co-operative Banks and Central Co-operative Banks**

RBI/2023-24/113
Ref.No.DOS.ARG/SEC.8/08.91.001/2023-24

January 15, 2024

The Chairman / Managing Director / Chief Executive Officer,
All State Co-operative Banks (StCBs)
All Central Co-operative Banks (CCBs)

Madam / Dear Sir,

**Guidelines on Appointment / Re-appointment of Statutory Auditors of State Co-operative Banks and Central Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), has come into force with effect from April 01, 2021 (Gazette Notification No. 4113 dated December 23, 2020), for Rural Co-operative Banks i.e., State Co-operative Banks (StCBs) and Central Co-operative Banks (CCBs).

2. Accordingly, Reserve Bank of India (RBI), in exercise of its powers conferred under Section 30(1A) of the Banking Regulation Act, 1949, has framed the guidelines enclosed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12599&Mode=0#AN1) of the Circular which shall be applicable to StCBs and CCBs for seeking prior approval of RBI for appointment, re-appointment or removal of Statutory Auditor (SA), and other related matters.

3. These guidelines shall come into effect from April 1, 2024. Accordingly, for all accounting periods commencing on or after April 1, 2024, all StCBs and CCBs shall submit application for prior approval of RBI before July 31 of the reference accounting year, in accordance with the guidelines.

Yours faithfully,

(Rajnish Kumar)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12599&Mode=0>

**Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024**

RBI/DoS.DSG/2023-24/110
DoS.DSG.No.10/33.01.001/2023-24

February 27, 2024

All Commercial Banks excluding Regional Rural Banks
All Primary (Urban) Cooperative Banks
Select All India Financial Institutions (Exim Bank, NABARD, NHB, SIDBI and NABFID)
All Non-Banking Financial Companies (excluding Housing Finance Companies) and All Asset Reconstruction Companies

Madam/ Dear Sir,

**Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024**

Please refer to paragraph 4 of [Statement on Developmental and Regulatory Policies dated August 10, 2023](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56174). All Supervised Entities (SEs) are required to submit certain supervisory returns to the Reserve Bank as per various directions / circulars/ notifications issued by the Bank from time to time.

2. In order to create a single reference for all Supervisory Returns and to harmonize the timelines for filing of returns, all the relevant instructions have been rationalised and consolidated into a single Master Direction. In exercise of powers conferred under sub section (2) of section 27 and section 35A of the Banking Regulation Act, 1949 as amended from time to time; Section 56 of the Banking Regulation Act, 1949 and extant provisions of The Banking Regulations (Co-operative Societies) Rules, 1966; extant provisions of Chapters IIIA and IIIB of the Reserve Bank of India Act, 1934; and pursuant to section 12 A of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby issues this Master Direction hereinafter specified.

3. The summary of changes introduced in this Direction over the extant instructions is given in [Annex I](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A1.pdf). The list of underlying notifications / circulars which form the basis of this Master Direction and are hereby being repealed (whole or in part) is furnished in [Annex II](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A2.pdf). The set of applicable returns to be filed by SEs and the general description of the returns are compiled and presented in [Annex III](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A3.pdf), with the alternate timelines for returns submission enlisted in [Annex IV](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A4.pdf). Guidance on filing of these returns are available on Bank’s Website under the ‘Regulatory Reporting’ tab. Details of online portals for filing of applicable returns by SEs are given in [Annex V](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A5.pdf). The list of abbreviations used in this Master Direction is provided in [Annex VI](https://rbidocs.rbi.org.in/rdocs/content/pdfs/110MD27022024_A6.pdf).

4. It is clarified that submission of other regulatory/statutory returns will not be affected by these Directions.

Yours faithfully,

(Dr. Vijay Singh Shekhawat)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12613&Mode=0>

**Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies**

RBI/2023-24/127
DOR.GOV.REC.79/18.10.006/2023-24

February 27, 2024

All Asset Reconstruction Companies

Dear Sir / Madam

**Appointment/re-appointment of Director, Managing Director or Chief Executive Officer in Asset Reconstruction Companies**

In terms of Section 3(6) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the guidelines contained in Para 5(i) of the Annex to our [circular No. DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated October 11, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12399&Mode=0) on ‘Review of Regulatory Framework for Asset Reconstruction Companies (ARCs)’, ARCs are required to obtain prior approval of the Reserve Bank for appointment/re-appointment of any Director, Managing Director or Chief Executive Officer.

2. In order to have uniformity in the information submitted by ARCs for obtaining such approvals, a form for furnishing the requisite information about the candidate and an indicative list of documents required to be submitted along with the application are enclosed as [Annex I](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT12727022024_A1.pdf) and [Annex II](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT12727022024_A2.pdf), respectively. ARCs are advised to submit applications, complete in all respect, along with duly signed [Annex I](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT12727022024_A1.pdf) and the documents/information mentioned in [Annex II](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NT12727022024_A2.pdf) to this Department[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12614&Mode=0#F1) at least ninety days before the vacancy arises / the proposed date of appointment or re-appointment. Reserve Bank may call for additional information/documents for processing the application, if required.

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

Yours faithfully

(Scenta Joy)
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12614&Mode=0>

**Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024**

**Notification No. FEMA 5(R)/(4)/2024-RB**

May 06, 2024

**Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024**

In exercise of the powers conferred by sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Deposit) Regulations, 2016 ([Notification No. FEMA 5 (R)/2016-RB dated April 01, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10325&Mode=0)) (hereinafter referred to as 'the Principal Regulations'), namely:-

**1. Short title and commencement:**

1. These regulations shall be called the Foreign Exchange Management (Deposit) (Fourth Amendment) Regulations, 2024.
2. They shall come into force with effect from the date of their publication in the [Official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/Gazette10052024.pdf).

**2. Amendment to Regulation 7 of the Principal Regulations:**

In the Principal Regulations, in Regulation 7, after sub-regulation 5, the following new sub-regulation shall be inserted, namely:-

“6) An authorised dealer in India may allow a person resident outside India to open, hold and maintain an interest-bearing account in Indian Rupees and / or foreign currency for the purpose of posting and collecting margin in India, for a permitted derivative contract entered into by such person in terms of [Foreign Exchange Management (Margin for Derivative Contracts) Regulations, 2020, dated October 23, 2020](https://www.rbi.org.in/Scripts/BS_FemaNotifications.aspx?Id=12097), as amended from time to time, subject to directions issued by the Reserve Bank in this regard.”

**(Latha Radhakrishnan)
General Manager (Officer-in-Charge)**

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12684&Mode=0>

**Issuance of partly paid units to persons resident outside India by investment vehicles under Foreign Exchange Management (Non-debt Instruments) Rules, 2019**

RBI/2024-25/36
A.P. (DIR Series) Circular No. 7

May 21, 2024

To

All Authorised Dealer Category – I banks

Madam / Sir

**Issuance of partly paid units to persons resident outside India by investment vehicles under Foreign Exchange Management (Non-debt Instruments) Rules, 2019**

Attention of Authorised Dealer (AD) Category - I banks is invited to the [Foreign Exchange Management (Non-debt Instruments) Rules, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11723&Mode=0), notified by the Central Government on October 17, 2019, which have been amended through the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2024 vide S.O. 1361(E), dated March 14, 2024, enabling issuance of partly paid units to persons resident outside India by investment vehicles.

2. In this regard, it has been decided to regularise the issuances of partly paid units by Alternative Investment Funds to persons resident outside India prior to the said amendment through compounding under Foreign Exchange Management Act, 1999. However, before approaching the Reserve Bank for compounding, AD Category-I banks may ensure that the necessary administrative action, including the reporting of such issuances by Alternative Investment Funds to the Reserve Bank, through Foreign Investment Reporting and Management System (FIRMS) Portal and issuing of conditional acknowledgements for such reporting, is completed.

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

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

Yours faithfully

**(Dr. Aditya Gaiha)**
Chief General Manager-in-Charge

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12686&Mode=0>

**Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016**

RBI/2024-25/40
DoR.SPE.REC.No.24/13.03.00/2024-2025

June 07, 2024

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

Madam / Sir,

**Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016**

Please refer to paragraph 3(a)(i) of the [Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10296#2), wherein the definition of “Bulk Deposits” has been prescribed.

2. On a review, it has been decided to revise the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term “Bulk Deposit” would now mean:

1. Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
2. Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks.

3. The relevant provisions of the Master Direction are being modified to reflect the changes as given in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12690&Mode=0#ANN). All other instructions in this regard shall remain unchanged.

4. These instructions are issued in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949.

**Applicability**

5. These instructions shall be applicable to all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks.

**Commencement**

These instructions shall come into force with immediate effect.

Yours faithfully,

(Latha Vishwanath)
Chief General Manager

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12690&Mode=0>

**Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds**

RBI/2024-25/41
A.P. (DIR Series) Circular No. 09

June 07, 2024

To

All Category-I Authorised Dealer Banks

Madam/ Sir

**Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds**

Attention of Category-I Authorised Dealer Banks is invited to Paragraph 1(ix)(e) of Foreign Exchange Management (Overseas Investment) Directions, 2022, issued vide [A.P. (DIR Series) Circular No.12 dated August 22, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12381), in terms of which, investment (including sponsor contribution) in units of any investment fund overseas, duly regulated by the regulator for the financial sector in the host jurisdiction, shall be considered as Overseas Portfolio Investment. Further, as per the provisions of Paragraph 1(ix)(e) and Paragraph 24(1) of FEM (OI) Directions, 2022, investments can be made in “units” of investment funds.

2. In this regard, in view of the diverse regulatory framework governing investment funds across various jurisdictions and to provide clarity, the following amendments are carried out in the Foreign Exchange Management (Overseas Investment) Directions, 2022:

(a) Existing Paragraph 1(ix)(e) of FEM (OI) Directions, 2022 is replaced with the following:

*“The investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund overseas, duly regulated by the regulator for the financial sector in the host jurisdiction, shall be treated as OPI. Accordingly, in jurisdictions other than IFSCs, listed Indian companies and resident individuals may make such investment. Whereas in IFSCs, an unlisted Indian entity also may make such OPI in units or any other instrument (by whatever name called) issued by an investment fund or vehicle, in terms of schedule V of the OI Rules subject to limits, as applicable.*

*Explanation: ‘investment fund overseas, duly regulated’ for the purpose of this para shall also include funds whose activities are regulated by financial sector regulator of host country or jurisdiction through a fund manager*.”

(b) Existing Paragraph 24(1) of FEM (OI) Directions, 2022 is replaced with the following:

“*A person resident in India, being an Indian entity or a resident individual, may make investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund or vehicle set up in an IFSC, as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities also may make such investment in IFSC.”*

3. Foreign Exchange Management (Overseas Investments) Directions, 2022 issued vide [A.P. (DIR Series) Circular No.12 dated August 22, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12381), shall accordingly be updated to reflect the above changes. AD Category-I Banks may bring the contents of this circular to the notice of their constituents.

4. The directions in this circular have been issued under Section 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,

(N Senthil Kumar)
General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12691&Mode=0>