**CERTIFICATE BANKING COMPLIANCE PROFESSIONAL COURSE**

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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>

**Risk Management and Inter-Bank Dealings – Hedging of foreign exchange risk**

RBI/2023-24/108  
A. P. (DIR Series) Circular No. 13

January 5, 2024

Authorised Persons

Madam / Sir,

**Risk Management and Inter-Bank Dealings – Hedging of foreign exchange risk**

Please refer to paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56889), issued as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated December 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56888) on review of the regulatory framework for hedging of foreign exchange risks. Attention of Authorised Persons is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 03, 2000 ([Notification No. FEMA.25/RB-2000 dated May 03, 2000](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12100&Mode=0)), as amended from time to time and [Master Direction – Risk Management and Inter-Bank Dealings dated July 05, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time.

2. The Foreign Exchange Management (Foreign Exchange Derivative Contracts) (First Amendment) Regulations, 2020 ([Notification no. FEMA.398/RB-2020 dated February 18, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11861&Mode=0#A_3)) and [A. P. (DIR Series) circular no. 29 dated April 07, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11861&Mode=0) (which came into effect from September 01, 2020) were issued after a comprehensive review and public consultation. The foreign exchange risk management facilities have been further reviewed based on the feedback received from market participants and experience gained since the revised framework came into force. Also, the Directions in respect of all types of foreign exchange transactions (including cash, tom and spot) have been consolidated. Further, the Directions contained in the Currency Futures (Reserve Bank) Directions, 2008 ([Notification No. FED.1/DG(SG)-2008 dated August 06, 2008](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=4410&Mode=0#fed1)), as amended from time to time, and Exchange Traded Currency Options (Reserve Bank) Directions, 2010 ([Notification No. FED.01/ED(HRK)-2010 dated July 30, 2010](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=5913&Mode=0)), as amended from time to time, are now being incorporated in the [Master Direction – Risk Management and Inter-Bank Dealings](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485).

3. The revised Directions are provided at [Annex-I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12594&Mode=0#ANI) to this circular. **These Directions shall come into effect from April 05, 2024,** replacing the existing Directions in Part A (Section I) of the [Master Direction – Risk Management and Interbank Dealings dated July 5, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time, and in supersession of the notifications listed in the [Annex-II](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12594&Mode=0#ANII).

4. Authorised Persons shall mean Authorised Dealer Category - I banks and for the purpose of exchange traded currency derivatives, Recognised Stock Exchanges and Recognised Clearing Corporations, authorised under Section 10 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

5. 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 Section 45W of the Reserve Bank of India, 1934 (02 of 1934) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12594&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 Circular- Exposure Norms and Statutory / Other Restrictions - UCBs**

RBI/2023-24/114  
DoR.CRE.REC.71/07.10.002/2023-24

January 16, 2024

The Chief Executive Officers

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Master Circular- Exposure Norms and Statutory / Other Restrictions - UCBs**

Please refer to [RBI Master Circular DCBR.CO.BPD. (PCB) MC No.13/13.05.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9866) on the captioned subject (available at RBI website [www.rbi.org.in](https://www.rbi.org.in/)). The updated [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12600&Mode=0#MC) consolidates all the instructions / guidelines on the subject issued till date.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12600&Mode=0>

**Review of Fixed Remuneration granted to Non-Executive Directors (NEDs)**

RBI/2023-24/121  
DoR.HGG.GOV.REC.75/29.67.001/2023-24

February 9, 2024

Dear Sir/ Madam

**Review of Fixed Remuneration granted to Non-Executive Directors (NEDs)**

Please refer to paragraph 9 of circular dated April 26, 2021 ([Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12078&Mode=0)) as per which ceiling of ₹20 lakh per annum was specified in respect of remuneration of Non-Executive Directors (NEDs), other than the Chair of the Board.

2. Considering the crucial role of NEDs in efficient functioning of bank Boards and its various Committees and in order to further enable the banks to sufficiently attract qualified competent individuals on their Boards, it has been decided to revise the aforementioned ceiling to ₹30 lakh per annum.

3. The banks are required to have suitable criteria for granting fixed remuneration to its NEDs, with the approval of its Board before any review of the extant remuneration. The Board of the bank may fix a lower amount within the ceiling limit of ₹30 lakh per annum depending upon the size of the bank, experience of the NED and other relevant factors.

4. As hitherto, private sector banks would be required to obtain regulatory approval regarding remuneration to Part-time Chairman in terms of Section 10B(1A)(i) and 35B of the Banking Regulation Act, 1949.

5. Banks are required to make disclosure on remuneration paid to the directors on an annual basis at a minimum, in their Annual Financial Statements.

**Applicability and Commencement**

6. The instructions would be applicable to all the Private Sector Banks including Small Finance Banks (SFBs) and Payment Banks (PBs) as also the wholly owned subsidiaries of Foreign Banks. The instructions would come into force with immediate effect.

**Power exercised**

7. The instructions have been issued in exercise of powers conferred by Section 35B of the Banking Regulation Act, 1949.

**Repeal**

8. The instructions on Guidelines on Compensation of Non-executive Directors of Private Sector Banks issued vide [circular DBR.No.BC.97/29.67.001/2014-15 dated June 1, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9749&Mode=0) stand repealed.

Yours faithfully

(Scenta Joy)  
Chief General Manager

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12607&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>

**Capital Adequacy Guidelines – Review of Trading Book**

RBI/2023-24/128  
DOR.MRG.REC.80/00-00-003/2023-24

February 28, 2024

All Commercial Banks  
(excluding Regional Rural Banks)

Dear Sir / Madam,

**Capital Adequacy Guidelines – Review of Trading Book**

Please refer to [Master Circular – Basel III Capital Regulations dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), and [Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021 dated October 26, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12182) (hereinafter together referred to as ‘capital adequacy guidelines’).

2. As you are aware, the [Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12534) (hereinafter referred as ‘MD on Investment’) inter alia provides a clearly identifiable trading book under ‘Held for Trading (HFT)’ accounting sub-classification and introduces AFS-reserve which would be part of regulatory capital. In view of the changes cited above, it has been decided to amend the capital adequacy guidelines in alignment with the MD on Investment.

3. Accordingly, the provisions of [Master Circular – Basel III Capital Regulations](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504) have been modified as provided in [Annex 1](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CapitalAdequacy28022024_Annex1.pdf).

4. It may be noted that ‘[Draft Guidelines on Minimum Capital Requirements for Market Risk – under Basel III](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55243)’ providing inter alia ‘Definition of trading book’ and ‘Market Risk capital Requirements – Simplified Standardised Approach’ were released on February 17, 2023 for public comments. While the revised definition of trading book for the purpose of capital adequacy will be as provided in Annex I of MD on Investment, the final guidelines on ‘Market Risk Capital Requirements – Simplified Standardised Approach’ will be implemented at a later date and detailed guidelines will be issued separately.

5. Considering the transition to ‘Market Risk Capital Requirements – Simplified Standardised Approach’, the extant market risk capital requirements have also been recalibrated by introducing intermediate scalers. Banks should keep this in view while reviewing their strategies and capital planning measures.

6. Further, the provisions of [Master Direction – Prudential Norms on Capital Adequacy for Local Area Banks (Directions), 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12182) have been modified as provided in [Annex 2](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CapitalAdequacy28022024_Annex2.pdf).

**Applicability**

7. These instructions shall be applicable from April 1, 2024 to all Commercial Banks (excluding Regional Rural Banks).

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12615&Mode=0>

**Money Transfer Service Scheme - Submission of Statement on CIMS**

RBI/2023-24/130  
A.P. (DIR Series) Circular No.15

March 05, 2024

To

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme

Madam / Sir,

**Money Transfer Service Scheme - Submission of Statement on CIMS**

Please refer to the [A.P. (DIR Series) Circular No.70 dated May 19, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10405&Mode=0), wherein all Authorised Persons who are Indian Agents under the Money Transfer Service Scheme (MTSS) were required to submit a quarterly statement (within 15 days from the close of the quarter to which it relates) on the quantum of remittances received through MTSS using the eXtensible Business Reporting Language (XBRL) platform.

2. With the launch of the Reserve Bank’s next generation data warehouse viz., the Centralised Information Management System (CIMS), it has been decided that the reporting of the aforesaid statement will be done on CIMS portal (URL: <https://sankalan.rbi.org.in/>) with effect from the quarter-ending March 2024. The statement has been assigned return code - ‘R130’ on CIMS. In case no remittance was received during a quarter, a ‘NIL’ report shall be submitted.

3. The [Master Direction on ‘Reporting under Foreign Exchange Management Act, 1999’](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10202) is being updated to reflect the changes.

4. The directions contained in this circular have been issued under section 10(4), 11(1), and 11(2) 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,

(Puneet Pancholy)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12618&Mode=0>

**Amendment to the Master Direction - Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

RBI/2023-24/132  
DOR.RAUG.AUT.REC.No.81/24.01.041/2023-24

March 07, 2024

The Chairperson / Managing Director / Chief Executive Officer  
Banks and Non-Banking Financial Companies

Madam / Sir,

**Amendment to the Master Direction - Credit Card and Debit Card – Issuance and Conduct Directions, 2022**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and Chapter IIIB of the Reserve Bank of India Act, 1934, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby, amends certain provisions issued vide [Master Direction DoR.AUT.REC.No.27/24.01.041/2022-23 dated April 21, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12300) on ‘Credit Card and Debit Card – Issuance and Conduct Directions, 2022’.

2. The amended provisions of the Master Direction are enclosed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12620&Mode=0#AS) to this circular. [Frequently Asked Questions](https://www.rbi.org.in/Scripts/FAQDisplay.aspx?Id=167) relating to the provisions contained in the Master Direction are placed under [FAQ Section](https://www.rbi.org.in/Scripts/FAQDisplay.aspx) on the website and as an Appendix to the Master Direction.

**3. Commencement**

The amended provisions contained in this circular shall come into effect from March 07, 2024. The captioned Master Direction is hereby updated to reflect the changes effected by the below amendments.

**4. Applicability**

1. Instructions relating to credit cards shall apply to all credit card issuing Banks and Non-Banking Financial Companies (NBFCs).
2. Instructions relating to debit cards shall apply to every bank operating in India.

**(Manoranjan Padhy)**  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12620&Mode=0>

**Investments in Alternative Investment Funds (AIFs)**

RBI/2023-24/140  
DOR.STR.REC.85/21.04.048/2023-24

March 27, 2024

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

**Investments in Alternative Investment Funds (AIFs)**

Please refer to the [circular DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12572&Mode=0) (‘Circular’) on the captioned subject, in terms of which instructions were issued to address certain regulatory concerns relating to investment by regulated entities (REs) in the AIFs.

2. With a view to ensuring uniformity in implementation among the REs, and to address the concerns flagged in various representations received from stakeholders, it is advised as under:

(i) Downstream investments referred to in paragraph 2 (i) of the Circular shall exclude investments in equity shares of the debtor company of the RE, but shall include all other investments, including investment in hybrid instruments.

(ii) Provisioning in terms of paragraph 2(iii) of the Circular shall be required only to the extent of investment by the RE in the AIF scheme which is further invested by the AIF in the debtor company, and not on the entire investment of the RE in the AIF scheme.

(iii) Paragraph 3 of the Circular shall only be applicable in cases where the AIF does not have any downstream investment in a debtor company of the RE. If the RE has investment in subordinated units of an AIF scheme, which also has downstream exposure to the debtor company, then the RE shall be required to comply with paragraph 2 of the Circular.

(iv) Further with regard to paragraph 3 of the Circular:

* proposed deduction from capital shall take place equally from both Tier-1 and Tier-2 capital.
* reference to investment in subordinated units of AIF Scheme includes all forms of subordinated exposures, including investment in the nature of sponsor units.

(v) Investments by REs in AIFs through intermediaries such as fund of funds or mutual funds are not included in the scope of the Circular.

3. The above instructions have been issued in exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Act ibid; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12639&Mode=0>

**Master Circular on Board of Directors - UCBs**

RBI/2024-25/01  
DoR.HGG.GOV.No.1/18.10.010/2024-25

April 1, 2024

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

Dear Sir/Madam,

**Master Circular on Board of Directors - UCBs**

Please refer to our [Master Circular DCBR.BPD (PCB/RCB) Cir.No.2/14.01.062/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9809) on the captioned subject (available at RBI website [www.rbi.org.in](https://www.rbi.org.in/)). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12642&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Scenta Joy)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12642&Mode=0>

**Master Circular - Guarantees and Co-acceptances**

RBI/2024-25/03  
DOR.STR.REC.2/13.07.010/2024-25

April 1, 2024

All Scheduled Commercial Banks  
(excluding Payments Banks and RRBs)

Dear Sir / Madam

**Master Circular - Guarantees and Co-acceptances**

Please refer to the [Master Circular DOR. STR. REC.5/13.07.010/2023-24 dated April 1, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12471) consolidating the instructions / guidelines issued to banks till March 31, 2023, relating to Guarantees and Co-acceptances. Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12644&Mode=0#MC), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in the [Annex 2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12644&Mode=0#Annex2). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12644&Mode=0>

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

RBI/DCM/2024-25/112  
DCM (CC) No.G-1/03.44.01/2024-25

April 01, 2024

The Chairman / Managing Director / Chief Executive Officer  
All banks

Madam / Dear Sir,

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

In terms of the Preamble to and Section 45 of the Reserve Bank of India Act, 1934 (RBI Act) and Section 35A of the Banking Regulation Act, 1949, Reserve Bank of India issues guidelines / instructions for realising the objectives of Clean Note Policy and enhancing the operational efficiency as part of currency management. In order to ensure that all bank branches provide proper customer service, the Bank has formulated a Scheme of Penalties for bank branches including Currency Chests, for deficiency in rendering customer service to the members of public.

2. The enclosed [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12645&Mode=0#ANN) incorporates updated guidelines / circulars on the subject.

Yours faithfully

(Sanjeev Prakash)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12645&Mode=0>

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit - UCBs**

RBI/2024-25/04  
DoR.STR.REC.3/09.27.000/2024-25

April 01, 2024

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

Dear Sir/ Madam,

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit - UCBs**

Please refer to our [Master Circular DoR.STR.REC.4/09.27.000/2023-24 dated April 1, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12469) on the captioned subject (available at RBI website <https://rbi.org.in/>). Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12647&Mode=0#MC), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12647&Mode=0#ANN). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12647&Mode=0>

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

RBI/DCM/2024-25/114  
DCM (CC) No.G-2/03.35.01/2024-25

April 01, 2024

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

Madam / Dear Sir,

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

In terms of the Preamble to and Section 45 of the Reserve Bank of India Act, 1934 (RBI Act) and Section 35A of the Banking Regulation Act, 1949, Reserve Bank of India 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 timely and accurate reporting of currency chest transactions, instructions on the subject have been issued from time to time.

2. The enclosed [Master Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12648&Mode=0#MD1) incorporates updated guidelines / circulars on the subject.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12648&Mode=0>

**Master Circular – Basel III Capital Regulations**

RBI/2024-25/08  
DOR.CAP.REC.4/21.06.201/2024-25

April 01, 2024

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

Madam / Dear Sir,

**Master Circular – Basel III Capital Regulations**

Please refer to the [Master Circular No. DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), consolidating therein the prudential guidelines on Basel III capital adequacy issued to banks till that date.

2. The instructions contained in the aforesaid [Master Circular](https://rbidocs.rbi.org.in/rdocs/content/pdfs/08MC01042024_A.pdf) have been suitably updated / amended by incorporating relevant guidelines, issued as on date. A list of circulars consolidated in this Master Circular is contained in Annex 26.

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12652&Mode=0>

**Master Direction on Counterfeit Notes, 2024 – Detection, Reporting and Monitoring**

RBI/DCM/2024-25/115  
DCM (FNVD)/G4/16.01.05/2024-25

April 01, 2024

The Chairman / Managing Director / Chief Executive Officer  
All Banks

Madam / Dear Sir,

**Master Direction on Counterfeit Notes, 2024 – Detection, Reporting and Monitoring**

The Reserve Bank of India (RBI) has, from time to time, issued several guidelines / instructions / directives to the banks on Counterfeit Notes.

2. A Master Direction incorporating and updating the extant guidelines / instructions / directives on the subject has been prepared to enable banks to have all current instructions on Counterfeit Notes at one place for reference.

3. This [Direction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12653&Mode=0#MD) has been issued in exercise of powers conferred upon RBI under Section 35A and Section 56 of the Banking Regulation Act, 1949.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12653&Mode=0>

**Master Circular - Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)**

RBI/2024-25/09  
DOR.CAP.REC.5/09.18.201/2024-25

April 01, 2024

All Primary (Urban) Co-operative Banks

Dear Sir / Madam,

**Master Circular - Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)**

Please refer to our [Master Circular DOR.CAP.REC.11/09.18.201/2023-24 dated April 20, 2023](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12490) on the captioned subject.

2. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12654&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2024 as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12654&Mode=0#APP).

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12654&Mode=0>

**Master Circular - Housing Finance for UCBs**

RBI/2024-25/10  
DOR.CRE.REC.No.6/07.10.002/2024-25

April 2, 2024

All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Master Circular - Housing Finance for UCBs**

Please refer to the [Master Circular DOR.CRE.REC.No.9/07.10.002/2023-24 dated April 11, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12488)on the captioned subject, consolidating the instructions / guidelines issued to UCBs till April 10, 2023. Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12655&Mode=0#MC), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12655&Mode=0#AP). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12655&Mode=0>

**Master Circular – Housing Finance**

RBI/2024-25/11  
DOR.CRE.REC.No.07/08.12.001/2024-25

April 02, 2024

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DOR.CRE.REC.No.06/08.12.001/2023-24 dated April 03, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12475) consolidating the instructions / guidelines issued to banks till March 31, 2023 relating to Housing Finance. Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12656&Mode=0#MC1), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12656&Mode=0#APP). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12656&Mode=0>

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

RBI/2024-25/12  
DOR.STR.REC.8/21.04.048/2024-25

April 02, 2024

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.STR.REC.3/21.04.048/2023-24 dated April 1, 2023](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12472) consolidating instructions / guidelines issued to banks till March 31, 2023 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12657&Mode=0#MC), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in [Annex 5](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12657&Mode=0#ANN5). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12657&Mode=0>

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

RBI/2024-25/13  
DOR.STR.REC.9/21.04.048/2024-25

April 02, 2024

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

Madam / Dear Sir,

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

Please refer to our [Master Circular DOR.STR.REC.14/21.04.048/2023-24 dated May 8, 2023](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12499) consolidating instructions / guidelines issued to banks till March 31, 2023 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. Attached is the revised [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12658&Mode=0#MC1), updated to reflect all instructions issued upto March 31, 2024 on the above matter, as listed in [Annex 9](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12658&Mode=0#AN9). It may be noted that this Master Circular only consolidates all instructions on the above matter issued up to March 31, 2024 and does not contain any new instructions/guidelines.

Yours faithfully

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12658&Mode=0>

**Hedging of Gold Price Risk in Overseas Markets**

RBI/2024-25/17  
A. P. (DIR Series) Circular No. 01

April 15, 2024

All Authorised Dealer Category – I Banks

Madam / Sir,

**Hedging of Gold Price Risk in Overseas Markets**

Please refer to Paragraph 2 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57276) announced as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated February 08, 2024](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57275), regarding hedging of price risk of gold in overseas markets. Attention is also invited to the [Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12427).

2. Resident entities were permitted to hedge their exposure to price risk of gold on exchanges in the International Financial Services Centre (IFSC) recognised by the International Financial Services Centres Authority (IFSCA) vide [A. P. (DIR Series) Circular No. 19 dated December 12, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12423&Mode=0). To provide further flexibility to resident entities to hedge their exposures to price risk of gold, it has now been decided to permit resident entities to hedge their exposures to price risk of gold using OTC derivatives in the IFSC in addition to the derivatives on the exchanges in the IFSC, subject to the stipulations set out in the [Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12427), as amended from time to time.

3. These instructions shall be applicable with immediate effect. The [Master Direction – Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12427) has been updated accordingly.

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,

(Dimple Bhandia)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12662&Mode=0>

**Key Facts Statement (KFS) for Loans & Advances**

RBI/2024-25/18  
DOR.STR.REC.13/13.03.00/2024-25

April 15, 2024

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 and Central Co-operative Banks  
All Non-Banking Financial Companies (including Housing Finance Companies)

**Key Facts Statement (KFS) for Loans & Advances**

Please refer to our instructions on Key Facts Statement (KFS) and disclosure of Annual Percentage Rate (APR) as contained in paragraph 2 of [Circular on ‘Display of information by banks’ dated January 22, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9508&Mode=0); paragraph 6 of [Master Direction on ‘Regulatory Framework for Microfinance Loans’ dated March 14, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12256); and paragraph 5 of ‘[Guidelines on Digital Lending’ dated September 2, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12382&Mode=0).

2. As announced in the [Statement on Developmental and Regulatory Policies dated February 8, 2024](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57276), it has been decided to harmonize the instructions on the subject. This is being done in order to enhance transparency and reduce information asymmetry on financial products being offered by different regulated entities, thereby empowering borrowers for making an informed financial decision. The harmonised instructions shall be applicable in cases of all retail and MSME term loan products extended by all regulated entities (REs).

3. For the purpose of this circular, following terms have been defined:

**(a) Key Facts** of a loan agreement between an RE/a group of REs and a borrower are legally significant and deterministic facts that satisfy basic information required to assist the borrower in taking an informed financial decision.

**(b) Key Facts Statement (KFS)** is a statement of key facts of a loan agreement, in simple and easier to understand language, provided to the borrower in a standardised format.

**(c) Annual Percentage Rate (APR)** is the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility.

**(d) Equated Periodic Instalment (EPI)** is an equated or fixed amount of repayments, consisting of both the principal and interest components, to be paid by a borrower towards repayment of a loan at periodic intervals for a fixed number of such intervals; and which result in complete amortisation of the loan. EPIs at monthly intervals are called EMIs.

Other words and expressions not defined above, but used in this circular, shall have the same meaning as assigned to them under the [Master Direction on Interest Rate on Advances (2016)](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10295) as updated from time to time or any other relevant regulation issued by the Reserve Bank.

4. REs shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given in the [**Annex A**](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CIRCULARKFS1504242_A.pdf). The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that he/she has understood the same.

5. Further, the KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven days.[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12663&Mode=0#F1)

*Explanation*

Validity period refers to the period available to the borrower, after being provided the KFS by the RE, to agree to the terms of the loan. The RE shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.

6. The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the RE. Illustrative examples of calculation of APR and disclosure of repayment schedule for a hypothetical loan are given in [**Annex B**](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CIRCULARKFS1504242_B.pdf)**and**[**C**](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CIRCULARKFS1504242_C.pdf)**respectively**.

7. Charges recovered from the borrowers by the REs on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the RE is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.

8. Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the REs to the borrower at any stage during the term of the loan, without explicit consent of the borrower.

9. The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

**Exemptions**

10. Credit card receivables are exempted from the provisions contained under this circular.

**Applicability and Commencement**

11. REs shall put in place the necessary systems and processes to implement the above guidelines at the earliest. In any case, all new retail and MSME term loans sanctioned on or after October 1, 2024, including fresh loans to existing customers, shall comply with the above guidelines in letter and spirit without any exception. During the interregnum, the relevant provisions on ‘KFS/Factsheet’ under the extant guidelines shall continue to remain applicable, including the ‘[Guidelines on Digital Lending](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12382&Mode=0)’, the [Master Direction on ‘Regulatory Framework for Microfinance Loans’](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12256), and the [circular on ‘Display of Information by Banks’](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9508&Mode=0).

**Legal Provisions**

12. The above instructions 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, and sections 30A and 32 of the National Housing Bank Act, 1987.

**Repeal**

13. With the issue of these guidelines, the instructions/guidelines contained in the following circulars, issued by the Reserve Bank stand repealed.

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Circular No.** | **Date** | **Subject** |
| 1. | [DBR.Leg.No.BC.64/09.07.005/2014-15](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9508&Mode=0) | January 22, 2015 | Para 2 (b) of Circular on Display of information by banks |
| 2. | [DoR.FIN.REC.95/03.10.038/2021-22](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12256) | March 14, 2022 | Para 6.3, 6.4 & 6.5 of Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 |
| 3. | [DOR.CRE.REC.66/21.07.001/2022-23](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12382&Mode=0) | September 02, 2022 | Para 5.1, 5.2 of Guidelines on Digital Lending |

All the repealed circulars/provisions shall be deemed to have been in force during the relevant periods, prior to the coming into effect of these directions.

Yours faithfully,

Vaibhav Chaturvedi  
(Chief General Manager)

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12663&Mode=0>

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

RBI/2024-25/19  
FIDD.CO.GSSD.BC.No.04/09.09.001/2024-25

April 16, 2024

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

Madam/ Dear Sir,

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12664&Mode=0#MC) consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12664&Mode=0#APP).

Yours faithfully,

(R. Giridharan)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12664&Mode=0>

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

RBI/2024-25/24  
DOR.CRE.REC.No.17/21.04.172/2024-25

April 24, 2024

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.07/21.04.172/2023-24 dated April 03, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12476) on the captioned subject. Attached is the revised Master Circular, updated to reflect all instructions issued as on date on the above matter, as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12670&Mode=0#AP). It may be noted that this [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12670&Mode=0#MC) only consolidates all instructions on the above matter issued up to April 23, 2024 and does not contain any new instructions/guidelines.

Yours faithfully,

(Vaibhav Chaturvedi)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12670&Mode=0>

**Voluntary transition of Small Finance Banks to Universal Banks**

RBI/2024-25/28  
DOR.LIC.REC.20/16.13.218/2024-25

April 26, 2024

All Small Finance Banks

Madam/ Dear Sir,

**Voluntary transition of Small Finance Banks to Universal Banks**

Please refer to Paragraph 14 of the [“Guidelines for ‘on-tap’ Licensing of Small Finance Banks in Private Sector” dated December 5, 2019](https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3797), which provides a transition path for Small Finance Banks (SFBs) to convert into Universal Banks. Such conversion shall be subject to the SFB’s fulfilling minimum paid-up capital/ net worth requirement as applicable to Universal Banks, satisfactory track record of performance as an SFB for a minimum period of five years and RBI’s due diligence exercise.

2. These instructions are issued in exercise of the powers conferred on the Reserve Bank of India under Section 22 (1) of the Banking Regulation Act, 1949.

**Commencement**

3. The provisions contained in the circular shall be effective from the date of this circular.

**Applicability**

4. This circular is applicable to all Small Finance Banks.

**Provisions**

5. With the objective of bringing better clarity, the eligibility criteria for an SFB to transition into a Universal bank will now be as follows:

1. scheduled status with a satisfactory track record of performance for a minimum period of five years;
2. shares of the bank should have been listed on a recognised stock exchange;
3. having a minimum net worth of ₹1,000 crore as at the end of the previous quarter (audited);
4. meeting the prescribed CRAR requirements for SFBs;
5. having a net profit in the last two financial years; and
6. having GNPA and NNPA of less than or equal to 3 percent and 1 percent respectively in the last two financial years.

6. The following conditions shall be applicable with regard to shareholding pattern:

1. There is no mandatory requirement for an eligible SFB to have an identified promoter. However, the existing promoters of the eligible SFB, if any, shall continue as the promoters on transition to Universal Bank.
2. Addition of new promoters or change in promoters shall not be permitted for an eligible SFB while transitioning to Universal Bank.
3. There shall be no new mandatory lock-in requirement of minimum shareholding for existing promoters in the transitioned Universal Bank.
4. There shall be no change to the promoter shareholding dilution plan already approved by the Reserve Bank.
5. The eligible SFBs having diversified loan portfolio will be preferred.

7. The eligible SFB shall be required to furnish a detailed rationale for such transition. The application for transition from SFB to Universal Bank shall be assessed in accordance with the [Guidelines for ‘on tap’ Licensing of Universal Banks in the Private Sector dated August 1, 2016](https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3220), as applicable, and [Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 dated January 16, 2023](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12439&fn=2&Mode=0), as amended from time to time. Further, on transition the bank will be subjected to all the norms including NOFHC structure (as applicable) as per the said Guidelines.

8. The eligible SFB may submit its application for transition to Universal Bank, in the prescribed form (Form III) in terms of Rule 11 of the Banking Regulation (Companies) Rules, 1949, along with other requisite documents, to Department of Regulation, Reserve Bank of India, Central Office, 12th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai - 400001.

Yours faithfully,

(Manoranjan Padhy)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12676&Mode=0>

**Fair Practices Code for Lenders – Charging of Interest**

RBI/2024-25/30  
DoS.CO.PPG.SEC.1/11.01.005/2024-25

April 29, 2024

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,

**Fair Practices Code for Lenders – Charging of Interest**

The guidelines on Fair Practices Code issued to various Regulated Entities (REs) since 2003, inter-alia, advocate fairness and transparency in charging of interest by the lenders, while providing adequate freedom to REs as regards their loan pricing policy.

2. During the course of the onsite examination of REs for the period ended March 31, 2023, the Reserve Bank came across instances of lenders resorting to certain unfair practices in charging of interest. Some of the unfair practices observed are briefly explained below:

1. Charging of interest from the date of sanction of loan or date of execution of loan agreement and not from the date of actual disbursement of the funds to the customer. Similarly, in the case of loans being disbursed by cheque, instances were observed where interest was charged from the date of the cheque whereas the cheque was handed over to the customer several days later.
2. In the case of disbursal or repayment of loans during the course of the month, some REs were charging interest for the entire month, rather than charging interest only for the period for which the loan was outstanding.
3. In some cases, it was observed that REs were collecting one or more instalments in advance but reckoning the full loan amount for charging interest.

3. These and other such non-standard practices of charging interest are not in consonance with the spirit of fairness and transparency while dealing with customers. These are matters of serious concern to the Reserve Bank. Wherever such practices have come to light, RBI through its supervisory teams has advised REs to refund such excess interest and other charges to customers. REs are also being encouraged to use online account transfers in lieu of cheques being issued in a few cases for loan disbursal.

4. Therefore, in the interest of fairness and transparency, all REs are directed to review their practices regarding mode of disbursal of loans, application of interest and other charges and take corrective action, including system level changes, as may be necessary, to address the issues highlighted above.

5. This circular takes immediate effect.

Yours faithfully,

(Tarun Singh)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12678&Mode=0>

**Master Direction – Risk Management and Inter-Bank Dealings: Amendments**

RBI/2024-25/32  
A. P. (DIR Series) Circular No. 04

May 03, 2024

To,

All Authorised Persons

Madam/Sir,

**Master Direction – Risk Management and Inter-Bank Dealings: Amendments**

Attention of Authorised Persons is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 03, 2000 [[Notification no. FEMA.25/RB-2000 dated May 03, 2000](https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FEDCR2000F1FAB9DD90724BB6AFC423AC418B1DBE.PDF)], as amended from time to time and [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time (hereinafter referred as ‘Master Direction’).

2. Standalone Primary Dealers (SPDs) have been granted authorisation under Section 10(1) of the Foreign Exchange Management Act (FEMA), 1999 pursuant to [notification no. DNBR (PD) CC.No.094/03.10.001/2018-19 July 27, 2018](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11347&Mode=0). Accordingly, amendments are being made in the Master Direction to reflect the applicability of the provisions to SPDs. These amendments are placed at [Annex I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12680&Mode=0#ANN1) herewith. SPDs shall continue to comply with all applicable Directions issued by the Reserve Bank of India.

3. Additionally, directions on reporting of OTC foreign exchange derivative contracts and foreign currency interest rate derivative contracts to the Trade Repository of Clearing Corporation of India Ltd. have been updated and incorporated in Part E of the Master Direction. Certain directions on reporting relating to format, mode, timelines, etc., have also been updated and the amendments being made to the Master Direction are placed at [Annex II](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12680&Mode=0#ANN2) herewith.

4. These Directions will come into force with immediate effect and in supersession of the circulars listed at Appendix III of the Master Direction.

5. For the purpose of this circular, Authorised Persons shall mean Authorised Dealer Category-I banks and Standalone Primary Dealers authorised as Authorised Dealer Category-III under Section 10 (1) of the FEMA, 1999.

6. The directions contained in this circular have been issued under Section 45W of the Reserve Bank of India Act, 1934 and 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

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12680&Mode=0>

**Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024**

RBI/FMRD/2024-25/117  
FMRD.DIRD.01/14.01.023/2024-25

May 08, 2024

To

All eligible market participants

Madam/Sir

**Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024**

Please refer to Paragraph 10 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49343) announced as a part of the [Bi-monthly Monetary Policy Statement for 2019-20 dated February 06, 2020](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49342), on issuance of the Directions regarding exchange of variation margin (VM) and initial margin (IM) for non-centrally cleared derivatives (NCCDs).

2. The [Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022 was issued on June 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12328) and the [draft Directions prescribing guidelines for exchange of initial margin for NCCDs were issued on June 16, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53875). Based on the feedback received from the market participants, the draft Directions have since been finalised. The Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions, 2024 is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12682&Mode=0#MD) herewith.

3. These Directions have been issued in exercise of the powers conferred under Section 45W of the Reserve Bank of India Act, 1934 and Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and of all the powers enabling it in this behalf.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12682&Mode=0>

**Instructions on Money Changing Activities**

RBI/2024-25/39   
A.P. (DIR Series) Circular No. 08

May 27, 2024

To  
All Authorised Persons in Foreign Exchange

Madam/ Sir

**Instructions on Money Changing Activities**

Attention is invited to [FED Master Direction No.3/2015-16 dated January 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11518) (updated from time to time) on Money Changing Activities.

2. In terms of extant instructions, Full Fledged Money Changers (FFMCs)/non-bank Authorised Dealers (ADs) Category-II may obtain their normal business requirements of foreign currency notes from other FFMCs and Authorised Dealers (ADs) in India. Further, they are also required to keep balances in foreign currencies at reasonable levels to avoid build-up of idle balances.

3. In this regard, it has been decided that from July 1, 2024, value of foreign currency notes sold by FFMCs / non-bank ADs Category -II to the public for permitted purposes should not be less than 75% of the value of foreign currency notes purchased from other FFMCs/ ADs, on a quarterly basis. Data of such sale and purchase should be maintained and made available for audit / inspection. FFMCs/ADs selling foreign currency may also ascertain the ‘sale to public’ requirement of the buying FFMCs/non-bank ADs Category II, by seeking relevant data from such entities.

4. Further, it has also been decided that FFMCs/non-bank ADs Category-II shall submit their annual audited balance sheet to the concerned Regional Office of the Reserve Bank along with a certificate from their statutory auditors regarding the NOF as on the date of the balance sheet, latest by October 31 of the year concerned.

5. The directions contained in this circular have been issued under Section 10(4) and Section 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.

6. The aforesaid [FED Master Direction No.3](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11518) is being updated to reflect these changes.

Yours faithfully,

(N Senthil Kumar)  
General Manager

For more details, kindly refer:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12689&Mode=0>

**Priority Sector Lending – Amendments to the Master Directions**

RBI/2024-25/44  
FIDD.CO.PSD.BC.No.7/04.09.01/2024-25

June 21, 2024

The Chairman / Managing Director/  
Chief Executive Officer  
[All Commercial Banks including Regional Rural Banks,  
Small Finance Banks, Local Area Banks and  
Primary (Urban) Co-operative Banks other than Salary Earners’ Banks]

Madam/ Dear Sir,

**Priority Sector Lending – Amendments to the Master Directions**

Please refer to [Master Directions (MD) on Priority Sector Lending (PSL) dated September 04, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) as updated from time to time. The following paras of the Directions stand amended in view of factors detailed thereunder.

**2. Para 7 - Adjustments for weights in PSL Achievement:**

The MD specifies that the lists of districts with comparatively high and low PSL credit detailed in Annex IA and IB of the MD are valid until FY 2023-24 subject to review thereafter. Based on a review, the lists of districts have been updated. These lists will remain valid until FY 2026-27 and will be reviewed thereafter. Accordingly, from FY 2024-25 onwards, a higher weight (125%) would be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capita PSL less than ₹9,000), and a lower weight (90%) would be assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than ₹42,000). Therefore, [para 7 of the MD on PSL](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959#Adjustments) has been updated as mentioned above.

**3. Para 9 - Micro, Small & Medium Enterprises:**

The definition of MSMEs has been referenced to the [Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11060), for clarity.

**4. Para 27 - Monitoring of Priority Sector Lending targets:**

The MD specifies that UCBs shall furnish data on priority sector advances in the reporting formats ‘Statement I’ and ‘Statement II (Part A to D)’ at quarterly and annual intervals, to the Regional Offices of DoS, RBI. This provision has been repealed in terms of [Master Direction - Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 (MD on FSR) dated February 27, 2024](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12613). The applicable return for reporting PSL data by UCBs has been prescribed at Sl. No. 61 of Annex III of the MD on FSR. Accordingly, para 27 of MD as applicable to UCBs has been updated.

5. The relevant amendments made in the MD on PSL are detailed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12694&Mode=0#ANN).

6. The [Master Directions](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) and [FAQs](https://www.rbi.org.in/Scripts/FAQDisplay.aspx?Id=87) on Priority Sector Lending on the Bank’s website have been updated accordingly.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager-in-Charge

For more details, kindly refer: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12694&Mode=0>