**RBI Circular Consolidation – Jan-Jun’23**

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**Foreign Investment in India - Rationalisation of reporting in Single Master Form (SMF) on FIRMS Portal**

RBI/2022-23/160

A.P. (DIR Series) Circular No. 22

January 04, 2023

To

All Category-I Authorised Dealer Banks

Madam / Sir

**Foreign Investment in India - Rationalisation of reporting in Single Master Form (SMF) on FIRMS Portal**

Attention of Authorised Dealer Category-I banks (AD banks) is invited to A.P. (DIR Series) Circular No. 30 dated June 07, 2018.

2. It is advised that the following changes are being implemented with respect to the reporting of foreign investment in SMF on FIRMS portal:

i) The forms submitted on the portal will be auto-acknowledged. The AD banks shall verify the same within five working days based on the uploaded documents, as specified.

ii) In cases of delayed reporting, the AD banks shall either advise the Late Submission Fee (LSF) to the applicants, which will be computed by the system or advise for compounding of contravention, as the case may be.

The salient features of the changes made in the system are given in Annex for ready reference. For detailed guidelines, the FIRMS manual available at <https://firms.rbi.org.in> may be referred to, and the version of manual available at the portal will have the finality in case of any mismatch.

3. 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

(N. Senthil Kumar)

General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12433&Mode=0>

**Basel III Capital Regulations - Eligible Credit Rating Agencies**

RBI/2022-23/162  
DOR.STR.REC.94/21.06.008/2022-23

January 09, 2023

All Scheduled Commercial Banks  
(including Small Finance Banks)  
(excluding Local Area Banks, Payments Banks and Regional Rural Banks)

Dear Sir/ Madam,

**Basel III Capital Regulations - Eligible Credit Rating Agencies**

Please refer to paragraph 6.1.2 of the [Master Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) on Basel III Capital Regulations, wherein the list of domestic credit rating agencies accredited for the purpose of risk weighting banks' claims for capital adequacy purposes has been prescribed.

2. On a review, banks are advised to use the ratings of the following domestic credit rating agencies (arranged in alphabetical order) for risk weighting their claims for capital adequacy purposes:

1. Acuite Ratings & Research Limited (Acuite)
2. Credit Analysis and Research Limited (CARE);
3. CRISIL Ratings Limited;
4. ICRA Limited;
5. India Ratings and Research Private Limited (India Ratings); and
6. INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)

3. A reference is also invited to the [Press Release: 2022-2023/1033 dated October 12, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54531) in terms of which, Regulated Entities/ Market Participants were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the Reserve Bank, no such fresh ratings/evaluations shall be obtained from Brickwork Ratings India Private Limited. Banks shall continue to be guided by the press release ibid till further review.

4. All other provisions regarding external credit ratings stipulated in the Master Circular ibid remain unchanged.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12435&Mode=0>

**Operational Risk Management: Price / Yield range setting in e-Kuber**

RBI/2022-23/163  
IDMD.No.S2800/08.02.032/2022-23

January 11, 2023

All participants in the Government Securities Market

Dear Sir / Madam

**Operational Risk Management: Price / Yield range setting in e-Kuber**

Please refer to our [circular IDMD/1615/08.02.032/2019-20 dated December 12, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11753&Mode=0) advising the participants in the Government Securities (G-Sec) market about the “Price / Yield range setting” facility provided on the e-Kuber platform as a risk management measure. The facility allows a market participant to define a range i.e., a maximum and a minimum value for bids they intend to submit in an auction. The range can be set in either price or yield terms, for each security in every auction, which can be set before the auction and can also be modified during the auction. Once the limits are set by the participating entity, the bids in the auction are automatically validated against the set limits. This is expected to eliminate instances of Fat-finger / Big-figure error by the bidders in the G-Sec auctions.

2. As there have been a few instances of Fat-finger / Big-figure error by the bidders in the G-Sec auctions conducted by Reserve Bank, it suggests that some of the market participants are yet to put in place the “Price / Yield range setting” facility in their system.

3. All the market participants are, therefore, advised to utilize the “Price / Yield range setting” facility provided on the e-Kuber platform before placing bids in the Primary Market auctions. It may be noted that no request for cancellation of bids will be entertained after the close of auction window.

Yours faithfully

(S Venkataraman)  
General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12436&Mode=0>

**Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023**

**RBI/DOR/2022-23/95  
DOR.HOL.No.95/16.13.100/2022-23**

**January 16, 2023**

**Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023**

In exercise of the powers conferred by Sections 12, 12B, and 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

These directions may be read along with the ‘Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies’ issued by the Reserve Bank of India ([the Guidelines](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0)).

**Objective:** These directions are issued with the intent of ensuring that the ultimate ownership and control of banking companies are well diversified and the major shareholders of banking companies are ‘fit and proper’ on a continuing basis.

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12439&Mode=0>

**Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies**

**January 16, 2023**

The contents of these Guidelines shall be read along with [Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12439), and applicable provisions of the Banking Regulation Act, 1949.

**Prior approval for acquisition of shares or voting rights in a banking company**

2. In terms of sub-section (1) of Section 12B of Banking Regulation Act, 1949, every person, who intends to acquire shares or voting rights and intends to be a major shareholder[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0#F1) of a banking company, is required to obtain previous approval of the Reserve Bank.

3. The person, who intends to be a major shareholder of a banking company, is required to make an application to the Reserve Bank along with the declaration in [Form A](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FORMA16012023_A.pdf). The Reserve Bank would undertake a due diligence to assess the ‘fit and proper’ status of the applicant. It will be open to the Reserve Bank to seek additional information / documents from the applicant / concerned banking company and make such enquiries with regulators, revenue authorities, investigation agencies, credit rating agencies or any other persons as considered appropriate.

4. While granting approvals, the Reserve Bank may specify conditions under sub-section (4) of Section 12B of B R Act,1949, including a validity period for completing such acquisition. Subsequent to such acquisition, if at any point in time the aggregate holding[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0#F2) of the person falls below five per cent, as per sub-section (1) of Section 12B of B R Act, 1949, the person will be required to again obtain prior approval from the Reserve Bank to raise the aggregate holding to five per cent or more of total paid-up share capital or voting rights of the banking company.

5. Any person who intends to acquire shares or voting rights in a banking company beyond the limit for which approval was obtained from the Reserve Bank, is required to apply to the Reserve Bank for prior approval to increase their aggregate holding in the banking company.

6. The persons from[3](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0#F3) Financial Action Task Force (FATF) non-compliant jurisdictions[4](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0#F4) shall not be permitted to acquire major shareholding in the banking company. However, the existing major shareholders from such FATF non-compliant jurisdictions would be allowed to continue with their investment, provided that there shall not be any further acquisition without prior approval of the Reserve Bank. The Reserve Bank may, however, review the ‘fit and proper’ status of such holders of shares or voting rights at any point of time and may take steps to limit their voting rights in accordance with law.

**Information to be provided for continuous monitoring**

7. In addition to furnishing the information sought by the banking company, major shareholders who have completed the approved[5](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0#F5) acquisition or applicants who have obtained the approval to have major shareholding or applicants who have submitted the application for obtaining the prior approval shall inform the banking company of any change in the information provided in [Form A](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FORMA16012023_A.pdf) or any other development which may have a bearing on the ‘fit and proper’ status.

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12440&Mode=0>

**Safe Deposit Locker/Safe Custody Article Facility provided by banks**

RBI/2022-23/168  
CO.CEPD.PRS.No.S1233/13-01-018/2022-2023

January 23, 2023

All Commercial Banks (including RRBs,  
Small Finance Banks, Payment Banks  
and Local Area Banks)  
All Co-operative Banks

**Safe Deposit Locker/Safe Custody Article Facility provided by banks**

Please refer to the [RBI circular DOR.LEG.REC/40/09.07.005/2021-22 dated August 18, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0) on the captioned subject.

2. In terms of paragraph 2.1.1 of the said circular, banks were required to renew their locker agreements with existing locker customers by January 1, 2023. However, it has come to the notice of the Reserve Bank that large number of customers are yet to execute the revised agreement and are facing difficulties in doing the same. In many cases, the banks are yet to inform the customers about the need for renewal of agreements before January 1, 2023. Further, there is a need for revision in the Model Agreement drafted by the Indian Banks’ Association (IBA) to fully comply with the revised instructions.

3. Considering the above aspects, the deadline for banks is being extended in a phased manner to December 31, 2023. Banks are advised to notify all their customers of the revised requirements by April 30, 2023 and ensure that at least 50 per cent and 75 per cent of their existing customers have executed the revised agreements by June 30 and September 30, 2023 respectively. Banks shall report the status of compliance with these instructions on the [DAKSH](https://prism.rbi.org.in/DAKSH/portal/#/login) supervisory portal of the Reserve Bank on a monthly basis.

4. IBA is being advised separately to review and revise the Model Agreement to ensure that it complies with the requirements of [circular dated August 18, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0) and circulate a revised version to all banks by February 28, 2023. There may be instances, where the revised agreements already executed in pursuance of [circular dated August 18, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12146&Mode=0) are at variance with this revised IBA Model Agreement. In such cases, all the provisions of the said circular of the RBI, in particular Part VII thereof on compensation policy/liability of banks, shall continue to apply to banks even if not explicitly stated in the agreements already executed. Further, in such cases, banks shall have the option to execute fresh agreements or revise them through supplementary agreements. The cost of stamp paper in such cases may be borne by the banks.

5. Banks are advised to facilitate execution of the fresh/supplementary stamped agreements with their customers by taking measures such as arranging stamp papers, franking, electronic execution of agreement, e-stamping, etc. and provide a copy of the executed agreement to the customer. Where operations in lockers have been frozen for non-execution of agreement by January 1, 2023, the same should be unfrozen with immediate effect.

Yours faithfully,

(Anupam Sonal)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12443&Mode=0>

**‘Fully Accessible Route’ for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds**

RBI/2022-23/169  
FMRD.FMID.No.07/14.01.006/2022-23

January 23, 2023

To

All participants in Government Securities market

Madam/Sir,

**‘Fully Accessible Route’ for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds**

A reference is invited to the [Press Release on Issuance Calendar for Marketable Sovereign Green Bonds: FY 2022-23 dated January 06, 2023](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55004), issued by the Reserve Bank, notifying the issuance calendar for Sovereign Green Bonds for the fiscal year 2022-23. Attention is also invited to the Fully Accessible Route (FAR) introduced by the Reserve Bank, vide [A.P. (DIR Series) Circular No. 25 dated March 30, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0), wherein certain specified categories of Central Government securities were opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well.

2. The Government Securities that were eligible for investment under the FAR (‘specified securities’) were notified by the Bank, vide [circular no. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11850&Mode=0) and [circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12354&Mode=0).

3. It has now been decided to also designate all Sovereign Green Bonds issued by the Government in the fiscal year 2022-23 as ‘specified securities’ under the FAR.

4. The Directions contained in this circular have been issued under Section 45W of Chapter IIID of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/ approvals, if any, required under any other law.

5. These Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12444&Mode=0>

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

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

February 10, 2023

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

Madam / Dear Sir,

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

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

2. These instructions shall come into effect immediately.

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

Yours faithfully,

(P Vasudevan)  
Chief General Manager

More details can be referred to in the below link.

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

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

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

February 16, 2023

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

Madam / Dear Sir,

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

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

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

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

4. These instructions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully,

(P Vasudevan)  
Chief General Manager

More details can be referred to in the below link.

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

**Governance, measurement and management of Interest Rate Risk in Banking Book**

RBI/2022-23/180  
DOR.MRG.REC.102/00-00-009/2022-23

February 17, 2023

Madam / Sir,

**Governance, measurement and management of Interest Rate Risk in Banking Book**

Interest Rate Risk in Banking Book (IRRBB) refers to the current or prospective risk to banks’ capital and earnings arising from adverse movements in interest rates that affect its banking book positions. Excessive IRRBB can pose a significant risk to banks’ current capital base and/or future earnings. These guidelines, accordingly, require banks to measure, monitor, and disclose their exposure to IRRBB.

2. The final guidelines on Interest Rate Risk in Banking Book (IRRBB), in alignment with the revised framework issued by the Basel Committee on Banking Supervision (BCBS), are enclosed in [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12456&Mode=0#AS).

**3. Commencement**

(a) The date for implementation will be communicated in due course. Banks are advised to be in preparedness for measuring, monitoring, and disclosing their exposure to interest rate risk in the banking book in terms of this circular.

(b) Ahead of the implementation, banks shall submit the disclosures stipulated in Table B of [Appendix-3](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GMMIRRAPP_3.pdf) to the Department of Regulation, Reserve Bank of India (by e-mail: [mrgdor@rbi.org.in](mailto:mrgdor@rbi.org.in)) within two months from the end of the respective quarter, as per following schedule:

|  |  |  |
| --- | --- | --- |
| **Entities** | **Frequency** | **Return to be submitted from the quarter ended** |
| D-SIBs | Quarterly | March 2023 |
| Other Banks | Quarterly | June 2023 |

4. It may be noted that the extant instructions on interest rate risk management issued vide [circular DBOD.No.BP.BC.8/21.04.098/99 dated February 10, 1999](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=3805&Mode=0) on ‘Asset Liability Management (ALM) system’ which require banks to undertake Traditional Gap Analysis and [circular DBOD.No.BP.BC.59/21.04.098/2010-11 dated November 04, 2010](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6081&Mode=0) on ‘Guidelines on Banks’ Asset Liability Management Framework - Interest Rate Risk’ which require banks to undertake Duration Gap Analysis, shall be phased out post implementation of these guidelines, the details of which shall be advised in due course.

**Applicability**

5. This circular is applicable to all commercial banks (other than Regional Rural Banks, Small Finance Banks, Payments Banks and Local Area Banks).

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12456&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 – Disclosures for State Co-operative Banks and Central Co-operative Banks**

RBI/2022-23/181  
DOR.ACC.REC.No.103/21.04.018/2022-23

February 20, 2023

Madam / Dear Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 – Disclosures for State Co-operative Banks and Central Co-operative Banks**

The [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) (‘Master Direction’) are applicable to Commercial Banks and Primary Urban Co-operative Banks (UCBs). They harmonize the regulatory instructions on presentation and disclosure in financial statements across the banking sector.

2. In consultation with the National Bank for Agriculture and Rural Development (NABARD), it has now been decided to make this Master Direction also applicable to State Cooperative Banks and Central Cooperative Banks (also referred to as ‘District Central Co-operative Banks’).

3. The Master Direction shall apply to State and Central Cooperative Banks (together referred to as ‘Rural Co-operative Banks’ or ‘RCBs’) mutatis mutandis, unless explicitly specified otherwise, from the financial year ending March 31, 2023. Certain disclosure requirements specified in Annex III-A shall be applicable, to RCBs, from the financial year ending March 31, 2024.

4. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) stands updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12457&Mode=0>

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

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

February 20, 2023

Dear Sir/ Madam,

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

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

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

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

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

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

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

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

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

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

RBI/2022-23/189  
DOR.CAP.REC. No.109/09.18.201/2022-23

March 28, 2023

Dear Sir/ Madam,

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

Please refer to para 7 of the [circular DOR.CAP.REC.No.86/09.18.201/2022-23 dated December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12418&Mode=0) on ‘Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy.

2. It has been decided that the instructions shall come into effect from March 31, 2023.

3. All other instructions of the circular ibid remain unchanged.

Yours faithfully,

(R. Lakshmi Kanth Rao)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12465&Mode=0>

**Master Circular on Credit Facilities to Minority Communities**

RBI/2023-24/02  
FIDD.GSSD.BC.No.02/09.10.001/2023-24

April 01, 2023

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(excluding RRBs and Foreign Banks with less than 20 branches)

Madam/ Dear Sir,

**Master Circular on Credit Facilities to Minority Communities**

The Reserve Bank of India has periodically issued guidelines/instructions/directives to banks with regard to providing credit facilities to Minority Communities. The [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0#MC) enclosed consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0#APP).

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0>

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

RBI/2023-24/01  
FIDD.CO.GSSD.BC.No.03/09.09.001/2023-24

April 01, 2023

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://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0#MC) consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0#APP).

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0>

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

RBI/2023-24/05  
DoR.STR.REC.4/09.27.000/2023-24

April 1, 2023

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.9/09.27.000/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12272) on the captioned subject (available at RBI website <https://rbi.org.in/>). The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2023 as listed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0#AN1).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0>

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

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

April 01, 2023

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

Madam/ Dear Sir

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

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

Yours faithfully

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

More details can be referred to in the below link.

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

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

RBI/2023-24/04  
DOR.STR.REC.5/13.07.010/2023-24

April 1, 2023

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.8/13.07.010/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12276) consolidating the instructions / guidelines issued to banks till March 31, 2022, relating to Guarantees and Co-acceptances. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0#MC) consolidates the instructions on the above matter issued up to March 31, 2023.

Yours faithfully

Manoranjan Mishra  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0>

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

RBI/2023-24/06  
DOR.STR.REC.3/21.04.048/2023-24

April 1, 2023

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.4/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12281) consolidating instructions / guidelines issued to banks till March 31, 2022 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2023. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0>

**Master Direction – Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Primary (Urban) Co-operative Banks) Directions, 2023**

RBI/2023-24/96  
DOR.MRG.REC.01/00-00-011/2023-24

April 1, 2023

All Primary (Urban) Co-operative Banks

Madam / Sir,

**Master Direction – Reserve Bank of India (Classification, Valuation and Operation of Investment Portfolio of Primary (Urban) Co-operative Banks) Directions, 2023**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Primary (Urban) Co-operative Banks (UCBs).

2. To enable UCBs to have current instructions at one place, a [Master Direction](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12473&Mode=0#MD) incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

3. This Direction has been issued by RBI in exercise of its powers conferred under Section 35A of the Banking Regulation Act 1949 read with Section 56 thereof, and of all the powers enabling it in this behalf.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12473&Mode=0>

**Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission**

RBI/2023-24/07  
CO.DGBA.GBD.No.S1/31-12-010/2023-2024

April 1, 2023

All Agency Banks

Madam / Dear Sir

**Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission**

Please refer to our [Master Circular RBI/2022-23/08, CO.DGBA.GBD.No.S-1/31.12.010/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12274) on the above subject. We have now revised and updated the Master Circular which consolidates important instructions on the subject issued by the Reserve Bank of India till March 31, 2023.

2. A copy of the revised [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12474&Mode=0#MC1) is enclosed for your information. This Circular may also be downloaded from our website [https://mastercirculars.rbi.org.in](https://mastercirculars.rbi.org.in/).

Yours faithfully

(Indranil Chakraborty)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12474&Mode=0>

**Master Circular – Housing Finance**

RBI/2023-24/08  
DOR.CRE.REC.No.06/08.12.001/2023-24

April 03, 2023

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DOR.CRE.REC.No.06/08.12.001/2022-23 dated April 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12282) consolidating the instructions / guidelines issued to banks till March 31, 2022. relating to Housing Finance. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12475&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2023.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12475&Mode=0>

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

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

April 03, 2023

All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

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

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

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

**Master Circular - Disbursement of Government Pension by Agency Banks**

RBI/2023-24/10  
DGBA.GBD.No.S3/31.02.007/2023-24

April 03, 2023

All Agency Banks

Dear Sir/Madam

**Master Circular - Disbursement of Government Pension by Agency Banks**

Please refer to our [Master Circular RBI/2022-23/09 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12275) on the above subject. We have revised and updated the Master Circular which consolidates important instructions on the subject issued by the Reserve Bank of India till March 31, 2023.

2. A copy of the revised [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12477&Mode=0#MC1) is enclosed for your information. This circular may also be downloaded from our website [https://mastercirculars.rbi.org.in](https://mastercirculars.rbi.org.in/).

Yours faithfully

(Indranil Chakraborty)  
Chief General Manager

Encl.: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12477&Mode=0>

**Master Direction – Facility for Exchange of Notes and Coins (Updated as on May 15, 2023)**

RBI/2023-24/97  
DCM (NE) No.G-2/08.07.18/2023-24

April 03, 2023  
(Updated as on May 15, 2023)

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

Madam/Dear Sir,

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

In exercise of the powers conferred under Section 35A of the Banking Regulation Act, 1949, read with sections 28, 38, 39, 58(1) and 58(2)(q) 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 so to do, hereby, issues the [Directions](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12479&Mode=0#MD1) hereinafter specified.

Yours faithfully

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12479&Mode=0>

**Master Direction on Counterfeit Notes, 2023 - Detection, Reporting and Monitoring**

RBI/2023-24/98  
DCM (FNVD)/G-1/16.01.05/2023-24

April 03, 2023

The Chairman/ Managing Director /Chief Executive Officer  
All Banks

Dear Sir / Madam,

**Master Direction on Counterfeit Notes, 2023 - Detection, Reporting and Monitoring**

The Reserve Bank of India 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 note at one place for reference.

3. Reserve Bank of India has issued this [Direction](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12480&Mode=0#AN) in exercise of its powers conferred under Section 35A and Section 56 of the Banking Regulation Act, 1949.

Yours faithfully,

(Sanjeev Prakash)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12480&Mode=0>

**Master Circular - Asset Reconstruction Companies**

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

April 03, 2023

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/ guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/ guidelines](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No. DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0#GuidanceNotes) updated as on March 31, 2023 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

More details can be referred to in the below link.

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

**Master Direction on Outsourcing of Information Technology Services**

RBI/2023-24/102  
DoS.CO.CSITEG/SEC.1/31.01.015/2023-24

April 10, 2023

The Chairman/Managing Director/Chief Executive Officer  
Scheduled Commercial Banks (excluding Regional Rural Banks);  
Local Area Banks; Small Finance Banks; Payments Banks;  
Primary (Urban) Co-operative Banks;  
Non-Banking Financial Companies;  
Credit Information Companies; and  
All India Financial Institutions (EXIM Bank, NABARD, NaBFID, NHB and SIDBI)

Madam/Dear Sir,

**Master Direction on Outsourcing of Information Technology Services**

Regulated Entities (REs) have been extensively leveraging Information Technology (IT) and IT enabled Services (ITeS) to support their business models, products and services offered to their customers. REs also outsource substantial portion of their IT activities to third parties, which expose them to various risks.

2. In order to ensure effective management of attendant risks, the [Statement on Developmental and Regulatory Policies dated February 10, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53248), proposed the issuance of suitable regulatory guidelines on Outsourcing of IT Services. Accordingly, a draft Master Direction on Outsourcing of IT Services was released for public comments in [June 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53911). Based on feedback received, the finalised Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 are [enclosed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12486&Mode=0#MD) herewith.

3. The underlying principle of these Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI.

4. With a view to provide REs adequate time to comply with the requirements, the enclosed Directions shall come into effect from October 1, 2023.

Yours faithfully,

(T.K.Rajan)  
Chief General Manager

Encl: Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12486&Mode=0>

**Framework for acceptance of Green Deposits**

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

April 11, 2023

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

Madam/Dear Sir,

**Framework for acceptance of Green Deposits**

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

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

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

Yours faithfully,

(Sunil T. S. Nair)  
Chief General Manager

More details can be referred to in the below link.

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

**Master Circular - Housing Finance for UCBs**

RBI/2023-24/15  
DOR.CRE.REC.No.9/07.10.002/2023-24

April 11, 2023

All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Master Circular - Housing Finance for UCBs**

Please refer to our [Master Circular DOR.CRE.REC.No.49/09.22.010/2022-23 dated June 23, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12344) on the captioned subject (available at RBI website <https://rbi.org.in/>[)](https://rbi.org.in/). The enclosed [Master Circular](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12488#_Master_Circular) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12488>

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

RBI/2023-24/17  
DOR.CAP.REC.11/09.18.201/2023-24

April 20, 2023

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.2/09.18.201/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12279) on the captioned subject.

2. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to April 19, 2023 as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0#APP).

Yours faithfully

(Usha Janakiraman)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12490&Mode=0>

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

RBI/2023-24/18  
DOR.STR.REC.12/21.04.048/2023-24

April 24, 2023

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

Please refer to [circular DOR.REG.No.84/07.01.000/2022-23 dated December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), in terms of which Urban Co-operative Banks (UCBs) have been categorized into four Tiers namely Tier 1, Tier 2, Tier 3 and Tier 4 for regulatory purposes.

2. The current standard assets provisioning norms for UCBs, consolidated in the [Master Circular DOR.STR.REC.5/21.04.048/2022-23 dated April 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283), are based on the earlier categorization of UCBs into Tier I and Tier II as defined in para 4 of [circular UBD.CO.LS.Cir.No.66/07.01.000/2008-09 dated May 06, 2009](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=4970&Mode=0), as given below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Category of Standard Asset** | **Rate of Provisioning** | |
| **Tier II** | **Tier I** |
| (a) | Direct advances to Agriculture and SME sectors | 0.25% | 0.25% |
| (b) | Commercial Real Estate (CRE) sector | 1.00% | 1.00% |
| (c) | Commercial Real Estate-Residential Housing Sector (CRE-RH) | 0.75% | 0.75% |
| (d) | All other loans and advances not included above | 0.40% | 0.25% |

3. On a review, it has been decided to harmonise the provisioning norms for standard assets applicable to all categories of UCBs, irrespective of their Tier in the revised framework.

4. Accordingly, the standard asset provisioning norms applicable to Tier I, Tier 2, Tier 3 and Tier 4 UCBs under the revised framework shall be as under:

1. Direct advances to agriculture and SME sectors which are standard, shall attract a uniform provisioning requirement of 0.25 percent of the funded outstanding on a portfolio basis.
2. Advances to commercial real estate (CRE) sector which are standard shall attract a uniform provisioning requirement of 1.00 percent of the funded outstanding on a portfolio basis.
3. For advances to commercial real estate - residential housing (CRE-RH) sector, which are standard, the provisioning requirement shall be 0.75 percent
4. For all other advances, banks shall maintain a uniform general standard asset provision of a minimum of 0.40 percent of the funded outstanding on a portfolio basis.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12491&Mode=0>

**General Credit Card (GCC) Facility – Review**

RBI/2023-24/19  
FIDD.MSME & NFS.BC.No.06/06.02.31/2023-24

April 25, 2023

The Chairman/Managing Director/ Chief Executive Officer  
Scheduled Commercial Banks (excluding Payments Banks) and  
Scheduled Urban Co-operative Banks

Dear Sir / Madam

**General Credit Card (GCC) Facility – Review**

Please refer to our [Circular RPCD.MSME & NFS.BC.No.61/06.02.31/2013-14 dated December 02, 2013](https://rbi.org.in/scripts/NotificationUser.aspx?Id=8603&Mode=0) on the Revised General Credit Card (GCC) Scheme.

2. On review of the above, and in the light of the provisions contained in the [Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, dated April 21, 2022](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12300), revised instructions on GCC are as follows:

1. The GCC Scheme shall henceforth be called “General Credit Card (GCC) Facility”.
2. The instructions shall apply to all banks which are eligible to issue credit cards under the above Master Direction.
3. Individuals/entities sanctioned working capital facilities for non-farm entrepreneurial activities which are eligible for classification under the priority sector guidelines, may be issued General Credit Cards.
4. GCC shall be issued in the form of a credit card conforming to the stipulations in the above Master Direction as updated from time to time.
5. The terms and conditions of the credit facilities extended in the form of GCC shall be as per the Board approved policies of the banks, within the overall framework laid down by Reserve Bank. Guidelines on collateral free lending for micro and small units issued from time to time shall apply.
6. Bank shall adhere to the instructions on reporting GCC data as issued by RBI from time to time.

3. These instructions supersede the GCC guidelines issued in December 2013 and come into effect as on the date of this circular. Debit cards, if any, already issued under the circular of 2013 shall remain valid till their expiry/repayment of the existing credit facilities, whichever is earlier.

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12492&Mode=0>

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

RBI/2023-24/20  
FIDD.GSSD.CO.BC.No.07/09.01.003/2023-24

April 26, 2023

The Chairman/Managing Director & CEO  
Public Sector Banks,  
Private Sector Banks (including Small Finance Banks)

Madam/Dear Sir,

**Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)**

Please refer to the [Master Circular FIDD.GSSD.CO.BC.No.09/09.01.003/2022-23 dated July 20, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12360) on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12493&Mode=0#MC) consolidates and updates all the instructions/guidelines on the subject issued till date and replaces the earlier Master Circular issued on the subject.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12493&Mode=0>

**Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)**

RBI/2023-24/21  
A.P. (DIR Series) Circular No.03

April 26, 2023

To

All Category-I Authorised Dealer Banks

Madam / Sir

**Remittances to International Financial Services Centres (IFSCs)  
under the Liberalised Remittance Scheme (LRS)**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. (DIR Series) Circular No. 11 dated February 16, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12029&Mode=0), on “Remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS)” and [Master Direction No. 7/2015-16 on Liberalised Remittance Scheme (LRS)](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10192) as amended from time to time.

2. On a review and with an objective to align the LRS for IFSCs set up under the International Financial Services Centres Authority Act, 2019 vis-à-vis other foreign jurisdictions, it has been decided to amend the directions under para 2 (ii) of the aforementioned [A.P. (DIR Series) Circular dated February 16, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12029&Mode=0), as – “Resident Individuals may also open a Foreign Currency Account (FCA) in IFSCs, for making the above permissible investments under LRS.” Thus, the condition of repatriating any funds lying idle in the account for a period up to 15 days from the date of its receipt is withdrawn with immediate effect, which shall now be governed by the provisions of the scheme as contained in the aforesaid Master Direction on LRS.

3. The Master Direction No. 7 is being updated to reflect these changes.

4. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.

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 are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Ajay Kumar Misra)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12494&Mode=0>

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

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

April 28, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/Madam,

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

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

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

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

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

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

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

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

May 4, 2023

The Chairpersons/ CEOs of all the Regulated Entities

Dear Sir/Madam,

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

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

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

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

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager

Enclosure: As above

More details can be referred to in the below link.

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

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

RBI/2023-24/26  
DOR.STR.REC.14/21.04.048/2023-24

May 08, 2023

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.5/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283) on the captioned subject. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date as listed in the [Annex 9](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#AN9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0>

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

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

May 09, 2023

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

Dear Sir / Madam

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

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

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

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

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

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

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

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

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

**LIBOR Transition**

RBI/2023-24/30  
CO.FMRD.DIRD.01/14.02.001/2023-24

May 12, 2023

To

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

Madam / Dear Sir

**LIBOR Transition**

Attention of banks/financial institutions (FIs) is drawn to the Reserve Bank advisory on [“Roadmap for LIBOR Transition” dated July 08, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12128&Mode=0) wherein banks/FIs, inter-alia, were (i) encouraged to cease, and also encourage their customers to cease, entering into new financial contracts that reference London Interbank Offered Rate (LIBOR) as a benchmark and instead use any widely accepted Alternative Reference Rate (ARR), as soon as practicable and in any case by December 31, 2021 and (ii) urged to incorporate robust fallback clauses in all financial contracts that reference LIBOR and the maturity of which was after the announced cessation date of the LIBOR settings.

2. With the concerted efforts of banks/FIs as well as industry associations like the Indian Banks’ Association, a smooth transition with respect to LIBOR settings that have ceased to be published/become non-representative after December 31, 2021 has been achieved. The transition away from LIBOR was also facilitated by the continuing publication of US$ LIBOR settings in five tenors which provided a longer transition period particularly for the insertion of the fallback clauses in legacy financial contracts that reference LIBOR. New transactions are now predominantly undertaken using ARRs such as the Secured Overnight Financing Rate (SOFR) and the Modified Mumbai Interbank Forward Outright Rate (MMIFOR). At the same time, there have been instances of a few US$ LIBOR linked financial contracts undertaken/facilitated by banks/FIs after January 1, 2022. Also, while banks have reported that substantial progress has been made towards insertion of fallback clauses, the process is yet to be completed for all contracts where such fallbacks are required to be inserted.

3. After June 30, 2023, the publication of the remaining five US$ LIBOR settings will cease permanently. While certain synthetic LIBOR settings will continue to be published after June 30, 2023, the Financial Conduct Authority (FCA), UK, which regulates the LIBOR, has made it clear that these settings are not meant to be used in new financial contracts. The MIFOR, a domestic interest rate benchmark reliant on US$ LIBOR, will also cease to be published by Financial Benchmarks India Pvt. Ltd. (FBIL) after June 30, 2023.

Yours sincerely,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12503&Mode=0>

**Master Circular – Basel III Capital Regulations**

RBI/2023-24/31  
DOR.CAP.REC.15/21.06.201/2023-24

May 12, 2023

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.3/21.06.201/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278), 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/31MC12052023_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

Encl.: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12504&Mode=0>

**Risk Management and Inter-Bank Dealings - Non-deliverable derivative contracts (NDDCs)**

RBI/2023-24/36  
A. P. (DIR Series) Circular No. 05

June 06, 2023

All Authorised Dealer Category – I Banks

Madam / Sir,

**Risk Management and Inter-Bank Dealings - Non-deliverable derivative contracts (NDDCs)**

Please refer to Paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55473) announced as a part of the [first Bi-monthly Monetary Policy Statement for 2023-24 dated April 06, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55472) regarding development of the onshore non-deliverable derivative market. Attention of Authorised Dealers Category – I (AD Cat-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA.25/RB-2000 dated May 3, 2000](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=179&Mode=0)), as amended from time to time, and [Master Direction – Risk Management and Inter-Bank Dealings dated July 5, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time.

2. As per the extant regulatory framework, AD Cat-I banks operating International Financial Services Centre (IFSC) Banking Units (IBUs) are permitted to offer non-deliverable derivative contracts (NDDCs) to persons resident outside India. Such derivatives are cash-settled in foreign currency. With a view to developing the onshore INR NDDC market and providing residents the flexibility to efficiently design their hedging programmes, it has been decided to permit:

(a) AD Cat-I banks operating IBUs to offer NDDCs involving INR to resident non-retail users for the purpose of hedging. Such transactions shall be cash settled in INR; and

(b) The flexibility of cash settlement of NDDCs transactions between two AD Cat-I banks, and between an AD Cat-I bank and a person resident outside India in INR or any foreign currency.

3. Accordingly, the amendments being made to the [Master Direction – Risk Management and Inter-Bank Dealings dated July 5, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time, are placed at [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12509&Mode=0#AS) herewith.

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

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12509&Mode=0>

**Expanding the Scope of Trade Receivables Discounting System**

RBI/2023-24/37  
CO.DPSS.POLC.No.S-258/02-01-010/2023-24

June 7, 2023

The Trade Receivables Discounting System Platform Operators and Participants /  
National Payments Corporation of India (NPCI)

Madam / Dear Sir,

**Expanding the Scope of Trade Receivables Discounting System**

To ease constraints faced by Micro, Small and Medium Enterprises (MSMEs) in converting their trade receivables to liquid funds, the Reserve Bank of India (RBI) had issued the ‘[Guidelines for the Trade Receivables Discounting System (TReDS)](https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3504)’ (updated as on July 2, 2018). The guidelines allow financing / discounting of MSME receivables on “without recourse” basis by permitted financiers. Currently, three entities operate TReDS platforms in the country; one more entity has also been given in-principle authorisation to operate such platform.

2. Based on the experience gained, and as announced in the [Statement on Developmental and Regulatory Policies dated February 8, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55179), it has been decided to make the following enhancements to the TReDS guidelines :

a) Facilitate insurance for transactions : Financiers place their bids on the TReDS platforms keeping in view the credit rating of buyers. They are generally not inclined to bid for payables of low rated buyers. To overcome this, insurance facility is being permitted for TReDS transactions, which would aid financiers to hedge default risks, subject to the following:

1. Apart from MSME sellers, buyers and financiers, insurance companies are permitted to participate as “fourth participant” in TReDS.
2. In their business / operational rules, the TReDS platform operators may specify the stage at which insurance facility can be availed.
3. Premium for insurance shall not be levied on the MSME seller.
4. Collection of premium and related activities could be enabled through National Automated Clearing House (NACH) system used for settlement of TReDS transactions.
5. Based on consent received from financiers and insurance companies, TReDS platforms could facilitate automated processing of insurance claims and specify timelines for their settlement through the NACH system.
6. As of now, the credit insurance shall not be treated as a Credit Risk Mitigant (CRM) to avail any prudential benefits.

b) Expand the pool of financiers : TReDS transactions fall under the ambit of “factoring business”, and banks, NBFC-Factors and other financial institutions (as permitted by RBI) can presently participate as financiers in TReDS. The Factoring Regulation Act, 2011 (FRA) allows certain other entities / institutions to undertake factoring transactions. Accordingly, all entities / institutions allowed to undertake factoring business under FRA and the rules / regulations made thereunder, are now permitted to participate as financiers in TReDS. This would augment availability of financiers on TReDS platforms.

Yours faithfully,

(P. Vasudevan)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12510&Mode=0>

**Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021-Review**

RBI/2023-24/38  
FMRD.DIRD.02/14.01.001/2023-24

June 08, 2023

To

All Eligible Market Participants

Madam / Sir

**Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021-Review**

Please refer to Paragraph 1 of the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55815), announced as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated June 08, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55814), regarding Borrowing in Call and Notice Money Markets by Scheduled Commercial Banks. Attention is also invited to the [Master Direction – Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021 dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12061), as amended from time to time (hereinafter referred as ‘Master Direction’).

2. On a review, it has been decided that henceforth, Scheduled Commercial Banks (excluding small finance banks and payment banks) may set their own limits for borrowing in Call and Notice Money Markets. As in the case of Term Money Market borrowing, Scheduled Commercial Banks shall put in place internal board approved limits for borrowing through Call and Notice Money Markets within the prudential limits for inter-bank liabilities prescribed by Department of Regulation.

3. The instruction shall be applicable with immediate effect. The [Master Direction](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12061) has been accordingly updated.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12511&Mode=0>

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

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

June 08, 2023

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

Madam/Dear Sir,

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

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

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

3. These instructions on operationalising the framework have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987. They shall come into force with immediate effect and REs shall take necessary steps to ensure compliance with these instructions.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

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

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

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

June 08, 2023

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

Madam/ Dear Sir,

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

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

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

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

4. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934, section 30A of the National Housing Bank Act, 1987 and section 6 of the Factoring Regulation Act.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

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

**Priority Sector Lending (PSL) targets / sub-targets and contribution against shortfall in achievement of PSL targets – Primary (Urban) Co-operative Banks (UCBs) - Extension of time**

RBI/2023-24/42  
DOR.CRE.REC.18/07.10.002/2023-24

June 8, 2023

Primary (Urban) Co-operative Banks other than Salary Earners’ Banks

Madam / Dear Sir,

**Priority Sector Lending (PSL) targets / sub-targets and contribution against shortfall in achievement of PSL targets – Primary (Urban) Co-operative Banks (UCBs) - Extension of time**

Please refer to para 3 of the [circular DOR (PCB).BPD.Cir No.10/13.05.000/2019-201 dated March 13, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11819&Mode=0), and para 5 of [Master Direction on Priority Sector Lending (PSL) - Targets and Classification dated September 4, 2020](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959), in terms of which, a glide path for achieving overall PSL target and sub-target for advances to weaker sections was prescribed till March 31, 2024.

2. As announced in the Statement on Developmental and Regulatory Policies ([para no. 4 Annexed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#ANNN)), in order to address implementational challenges faced by the UCBs and to make the transition non-disruptive, it has been decided to extend the glide path for these PSL targets by an additional period of two years as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year ended** | **March 31, 2024** | **March 31, 2025** | **March 31, 2026** |
| Overall PSL Target@ | 60% of ANBC[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F2) or CEOBSE[3](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F3), whichever is higher | 65% of ANBC or CEOBSE, whichever is higher | 75% of ANBC or CEOBSE, whichever is higher |
| Sub-target for advances to weaker sections#,[4](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F4) | 11.50% of ANBC or CEOBSE, whichever is higher | 11.75% of ANBC or CEOBSE, whichever is higher | 12.00% of ANBC or CEOBSE, whichever is higher |
| @ The targets for March 31, 2023 (at 60 %) shall continue till March 31, 2024. # The sub-target set for March 31, 2023 (at 11.50%) shall continue till March 31, 2024. | | | |

3. In terms of para 28 of [Master Direction on Priority Sector Lending (PSL) - Targets and Classification dated September 4, 2020](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) and para 2 of the [circular DOR (PCB).BPD.Cir.No.12/09.09.002/2019-205 dated April 24, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11879&Mode=0), all UCBs (excluding those under all-inclusive directions), were advised to contribute to Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD / NHB / SIDBI / MUDRA Ltd., against their PSL shortfall vis-à-vis the prescribed target/ sub-targets, with effect from March 31, 2021.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0>

**Agency Commission for collection of indirect taxes through ICEGATE payment gateway**

RBI/2023-24/43  
CO.DGBA.GBD.No.S295/31-12-010/2023-2024

June 14, 2023

All Agency banks

Madam / Dear Sir

**Agency Commission for collection of indirect taxes through ICEGATE payment gateway**

Please refer to Para 21 of our [Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission dated April 1, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12474) related to claiming of agency commission.

2. Since certain transactions related to collection of indirect taxes through ICEGATE (CEP) payment gateway are now being reported by agency banks to Mumbai Regional Office (MRO), RBI with effect from April 01, 2023, it has been decided to modify paragraph 21 of the aforesaid Master Circular. The modified paragraph 21 will read as follows:

“Agency banks are required to submit their claims for agency commission in the prescribed format to CAS Nagpur in respect of Central government transactions and the respective Regional Office of Reserve Bank of India for State government transactions. However, agency commission claims pertaining to GST receipt transactions, transactions  related to direct tax collection under TIN 2.0 regime, and transactions pertaining to collection of indirect taxes through ICEGATE payment gateway reported to Mumbai Regional Office, RBI will be settled at Mumbai Regional Office of Reserve Bank of India only and accordingly all agency banks, authorized to collect GST, direct tax collection under TIN 2.0 and indirect taxes through ICEGATE payment gateway, are advised to submit their agency commission claims pertaining to the respective receipt transactions at Mumbai Regional Office only. The agency commission claim for Central Government transactions reported to CAS, Nagpur, RBI will be continued to be settled at CAS, Nagpur, RBI. The formats for claiming agency commission for all agency banks and separate and distinctive set of certificates to be signed by the branch officials and Chartered Accountants or Cost Accountants are given in Annex 2, Annex 2A and Annex 2B respectively. These certificates would be in addition to the usual Certificate from ED / CGM (in charge of government business) to the effect that there are no pension arrears to be credited / delays in crediting regular pension / arrears thereof.”

3. All other instructions of the said Master Circular remain unchanged.

Yours faithfully

(Indranil Chakraborty)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12516&Mode=0>

**Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)**

RBI/2023-24/45  
A.P. (DIR Series) Circular No. 06

June 22, 2023

To

All Authorised Persons

Madam / Sir

**Remittances to International Financial Services Centres (IFSCs)  
under the Liberalised Remittance Scheme (LRS)**

Attention of Authorised Persons is invited to [A.P. (DIR Series) Circular No. 11 dated February 16, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12029&Mode=0) and [A.P. (DIR Series) Circular No. 03 dated April 26, 2023](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12494&Mode=0) on “Remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS)”.

2. Presently, remittances to IFSCs under LRS can be made only for making investments in securities in terms of [A.P. (DIR Series) Circular No. 11 dated February 16, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12029&Mode=0). In view of the [gazette notification no. SO 2374(E) dated May 23, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/Gazette2374E23052022.pdf) issued by the Central Government, it is directed that Authorised Persons may facilitate remittances by resident individuals under purpose ‘studies abroad’ as mentioned in Schedule III of Foreign Exchange Management (Current Account Transactions) Rules, 2000 for payment of fees to foreign universities or foreign institutions in IFSCs for pursuing courses mentioned in the gazette notification ibid.

3. Authorised Persons shall bring the contents of this circular to the notice of their constituents and customers.

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,

(Ajay Kumar Misra)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12518&Mode=0>

**Status of MIFOR as a Significant Benchmark**

RBI/2023-24/46  
FMRD.FMSD.03/03.07.25/2023-24

June 23, 2023

To

All the Financial Benchmark Administrators

Madam/Sir

**Status of MIFOR as a Significant Benchmark**

Please refer to the [RBI circular dated January 01, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11777&Mode=0) and [December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12414&Mode=0), notifying, inter-alia, the financial benchmarks administered by Financial Benchmarks India Pvt. Ltd. (FBIL) viz., Mumbai Interbank Forward Outright Rate (MIFOR) and Modified Mumbai Interbank Forward Outright Rate (MMIFOR) as ‘significant benchmark’.

2. In light of the cessation of the publication/non-representativeness of US Dollar London Interbank Offered Rate (USD LIBOR) settings after June 30, 2023, FBIL has been accorded approval to cease the publication of the MIFOR after June 30, 2023, in terms of provisions of the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0). Accordingly, the MIFOR administered by FBIL shall cease to be a ‘significant benchmark’ after June 30, 2023.

3. The updated list of ‘significant benchmarks’ administered by FBIL is given below:

(i) Overnight Mumbai Interbank Outright Rate (MIBOR)

(ii) USD/INR Reference Rate

(iii) Treasury Bill Rates

(iv) Valuation of Government Securities

(v) Valuation of State Development Loans (SDL)

(vi) Modified Mumbai Interbank Forward Outright Rate (MMIFOR)

4. The updated list of ‘significant benchmarks’ shall come into effect from July 01, 2023.

Yours faithfully,  
  
(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12519&Mode=0>

**Master Direction on Minimum Capital Requirements for Operational Risk**

RBI/DOR/2023-24/103  
DOR.ORG.REC.22/21.06.050/2023-24

June 26, 2023

**Reserve Bank of India – Master Direction on Minimum Capital Requirements for Operational Risk**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified. These Directions require a specified Commercial Bank (covered under ‘Applicability’) to hold sufficient regulatory capital against its exposures arising from operational risk.

**Part A**

**1. Short Title and Commencement**

These Directions shall be called the Reserve Bank of India (Minimum Capital Requirements for Operational Risk) Directions, 2023.

**2. Effective Date**

2.1 The effective date of implementation of these Directions shall be communicated separately.

2.2 All existing approaches viz. Basic Indicator Approach (BIA), The Standardised Approach (TSA)/ Alternative Standardised Approach (ASA) and Advanced Measurement Approach (AMA) for measuring minimum operational risk capital (ORC) requirements shall be replaced by **the new Standardised Approach** (hereafter referred to as the ‘**Basel III Standardised Approach**’) with coming into effect of these Directions.

2.3 Until then, the minimum operational risk regulatory capital requirements shall be computed in accordance with the instructions contained in paragraph 9 of ‘Master Circular – Basel III Capital Regulations’ issued vide [circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), as amended from time to time.

**3. Applicability**

3.1 The provisions of these Directions shall apply to all Commercial Banks (excluding Local Area Banks, Payments Banks, Regional Rural Banks, and Small Finance Banks).

3.2 The scope of application shall be in accordance with paragraph 3 of ‘Master Circular – Basel III Capital Regulations’ issued vide [circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12504), as amended from time to time.

3.3 The provisions contained in [Part A](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartA) of these Directions are mandatory. Banks are encouraged to comply with the guidelines listed in [Part B](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartB). [Part C](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartC) and [Part D](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0#PartD) contain Frequently Asked Questions (FAQs) and Illustrations, respectively (for general guidance of banks).

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12520&Mode=0>