**Micro, Small and Medium Enterprises**

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| **S.No.** | **RBI Notification** |
|  | New Definition of Micro, Small and Medium Enterprises - Clarification |
|  | Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks |
|  | Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs |
|  | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
|  | Master Circular - Guarantees and Co-acceptances |
|  | Master Circular - Guarantees, Co-Acceptances & Letters of Credit – UCBs |
|  | Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension |
|  | New Definition of Micro, Small and Medium Enterprises – Clarification |
|  | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
|  | Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022 |
|  | Registration of Factors (Reserve Bank) Regulations, 2022 |

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

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

May 19, 2022

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

Dear Sir/Madam,

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

Please refer to our [circulars FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11934&Mode=0), [FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0) and [FIDD.MSME & NFS.BC.No.16/06.02.31/2021-22 dated February 18, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12233&Mode=0), regarding revised criteria for classification of Micro, Small and Medium Enterprises.

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

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

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

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

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

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

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

April 19, 2022

All Scheduled Commercial Banks  
All Payments Banks

Madam / Dear Sir,

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

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

Yours Faithfully,

(Manoranjan Mishra)  
Chief General Manager

Encl: Flowcharts

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

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

RBI/2022-23/17  
DOR.STR.REC.5/21.04.048/2022-23

April 1, 2022

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.No.STR.REC.64/21.04.048/2021-22 dated November 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12185)on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex 9](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0#ANN_9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

For the detailed Master Circular on Income Recognition, Asset Classification, Provisioning and Other Related Matters, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12283&Mode=0>

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

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

April 1, 2022

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

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

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

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

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

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

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

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

RBI/2022-23/10  
DOR.STR.REC.8/13.07.010/2022-23

April 1, 2022

**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.66/13.07.010/2021-22 dated November 9, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12189) consolidating the instructions / guidelines issued to banks till November 8, 2021, relating to Guarantees and Co-acceptances. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12276&Mode=0#MC) consolidates the instructions on the above matter issued up to March 31, 2022.

Yours faithfully

Manoranjan Mishra  
Chief General Manager

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

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12276&Mode=0>

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

RBI/2022-23/06  
DoR.STR.REC.9/09.27.000/2022-23

April 01, 2022

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.65/09.27.000/2021-22 dated November 2, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12187) on the captioned subject (available at RBI website [https://rbi.org.in/](https://www.rbi.org.in/)). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#AN).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

For more details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0>

**Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension**

RBI/2021-22/180  
DOR.STR.REC.93/04.02.001/2021-22

March 8, 2022

All Scheduled Commercial Banks (excluding RRBs),  
Small Finance Banks,  
Primary (Urban) Cooperative Banks (scheduled banks having AD category-I license), and EXIM Bank

Dear Sir / Madam,

**Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension**

Please refer to the instructions issued vide [circular DOR.CRE(DIR).REC.28/04.02.001/2021-22 dated July 1, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12124&Mode=0).

2. Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit (‘Scheme’) up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. The modifications made by the Government to the Scheme are detailed below:

2.1 ‘Telecom Instruments’ sector having six HS lines[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0#F1) shall be out of the purview of the Scheme, except for MSME manufacturer exporters.

2.2 Revised interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines pertaining to Telecom Sector as mentioned above).

2.3 Banks, while issuing approval to the exporter, will necessarily furnish i) the prevailing interest rate, ii) the interest subvention being provided, and iii) the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the Scheme.

2.4 The extended Scheme will not be available to those beneficiaries who are availing the benefit under any Production Linked Incentive (PLI) scheme of the government.

For the details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0>

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

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

February 18, 2022

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

Dear Sir/Madam,

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

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

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

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

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

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

5. All other provisions of the circular remain unchanged.

Yours faithfully

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

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

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

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

February 15, 2022

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

Madam/Dear Sir,

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

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

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

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

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

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

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

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

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

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

**January 14, 2022**

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

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

**1. Short title and commencement**

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

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

**2. Definitions**

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

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

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

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

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

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

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

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

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

**January 14, 2022**

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

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

**1. Short title and commencement**

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

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

**2. Definitions**

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

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

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

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

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

For more information, refer to the link below.

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