**Certificate in Risk in Financial Services**

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|  | Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items |
|  | Central Payments Fraud Information Registry – Migration of Reporting to DAKSH |

**Investment by Foreign Portfolio Investors (FPI) in Debt - Relaxations**

RBI/2022-23/87
A.P. (DIR Series) Circular No.07

July 07, 2022

To
All Authorised Persons

Madam/Sir,

**Investment by Foreign Portfolio Investors (FPI) in Debt - Relaxations**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the paragraph 3 of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979) regarding relaxations in the regulatory regime under the Medium-Term Framework. A reference is also invited to:

1. the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide [Notification No. FEMA. 396/2019-RB dated October 17, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12099&Mode=0), as amended from time to time, and the relevant directions issued thereunder; and
2. the [A.P. (DIR Series) Circular No. 31 dated June 15, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11303&Mode=0) (hereinafter, Directions), as amended from time to time.

2. In terms of paragraphs 4(b)(i) and 4(b)(ii) of the Directions, short-term investments by an FPI in government securities (Central Government securities, including Treasury Bills and State Development Loans) and corporate bonds shall not exceed 30% of the total investment of that FPI in any category. It has been decided that investments by FPIs in government securities and corporate bonds made between July 08, 2022 and October 31, 2022 (both dates included) shall be exempted from the limit on short-term investments till maturity or sale of such investments.

3. In terms of paragraph 4(b)(ii) of the Directions, FPI investments in corporate bonds were subject to a minimum residual maturity requirement of one year. It has been decided to allow FPIs to invest in commercial papers and non-convertible debentures with an original maturity of up to one year, during the period between July 08, 2022 and October 31, 2022 (both dates included). These investments shall be exempted from the limit on short-term investments till maturity or sale of such investments.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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/approval, if any, required under any other law.

6. 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/FS_Notification.aspx?Id=12355&fn=6&Mode=0>

**Overseas foreign currency borrowings of Authorised Dealer Category-I banks**

RBI/2022-23/88
A. P. (DIR Series) Circular No. 08

July 07, 2022

All Authorised Dealer Category-I Banks

Madam/Sir,

**Overseas foreign currency borrowings of Authorised Dealer Category-I banks**

Attention of Authorised Dealer Category-I (AD Cat-I) banks is invited to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 [[Notification no. FEMA 3(R)/2018-RB dated December 17, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11441&Mode=0)] and [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time.

2. As announced in paragraph 4 of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979), AD Cat-I banks can utilise the funds raised from overseas foreign currency borrowings between July 08, 2022 and October 31, 2022 (both dates included) in terms of paragraph Part-C(5)(a) of the [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10485), as amended from time to time, for lending in foreign currency to constituents in India. Such lending shall be subject to the end-use prescriptions as applicable to External Commercial Borrowings (ECBs) in terms of paragraph 2.1(viii) of the [Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510), as amended from time to time. This facility will be available till the maturity / repayment of the overseas foreign currency borrowings.

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,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12356&Mode=0>

**Board approved Loan Policy – Management of Advances – UCBs**

RBI/2022-23/93
DOR.CRE.REC.56/13.05.000/2022-23

July 26, 2022

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Board approved Loan Policy – Management of Advances - UCBs**

Please refer to para 1 of the [Master Circular DOR.CRE.REC.No.17/13.05.000/2022-23 dated April 8, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12288) on Management of Advances – UCBs in terms of which, UCBs are required to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank from time to time.

2. It has been observed in several UCBs that these policies not only lack comprehensive coverage, but also do not require a periodic review. In order to ensure that the loan policy reflects approved internal risk appetite and remains in alignment with the extant regulations, it is advised that the loan policy of the bank shall be reviewed by the Board at least once in a financial year.

3. The above instructions will come into effect immediately.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12361&Mode=0>

**Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022**

Reserve Bank of India

Foreign Exchange Department

Central Office

Mumbai

Notification No. FEMA.3(R)(3)/2022-RB

July 28, 2022

**Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022**

In exercise of the powers conferred by sub-section (2) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (Notification No. FEMA.3(R)/2018-RB dated December 17, 2018) (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short Title & Commencement:

(i) These Regulations may be called the Foreign Exchange Management (Borrowing and Lending) (Third Amendment) Regulations, 2022.

(ii) They shall come into force from the date of notification in the official gazette.

2. Amendment to Paragraph 2 of Schedule 1:

After Paragraph 8 of Schedule 1 to the Principal Regulations, the following shall be added;

“8A: The limit of USD 750 million or equivalent per financial year is temporarily increased to USD 1500 million or equivalent. This dispensation will be available for ECBs raised till December 31, 2022.”

(Ajay Kumar Misra)

Chief General Manager-in-charge

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12377&fn=5&Mode=0#:~:text=%E2%80%9C8A%3A%20The%20limit%20of%20USD,till%20December%2031%2C%202022.%E2%80%9D&text=Foot%20Note%3A%20%2D%20The%20Principal%20Regulations,No>.

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

RBI/2022-2023/97
FIDD.CO.GSSD.BC.No.10/09.09.001/2022-23

August 1, 2022

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

Madam/ Dear Sir,

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

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs). The enclosed [Master Circular](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12365&Mode=0#MC1) consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the below points.

1. Planning Process

2. Role of Banks

3. Role of SC/ST Development Corporations

4. Reservations for SC/ST beneficiaries under major Centrally Sponsored Schemes.

5. Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC)

6. Monitoring and Review

7. Reporting Requirements

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12365&Mode=0>

**External Commercial Borrowings (ECB) Policy – Liberalisation Measures**

|  |
| --- |
| RBI/2022-23/98A.P. (DIR Series) Circular No. 11August 1, 2022ToAll Category-I Authorised Dealer BanksMadam / Sir,**External Commercial Borrowings (ECB) Policy – Liberalisation Measures**Attention is invited to paragraph 2.2 of [FED Master Direction No.5 on External Commercial Borrowings, Trade Credits and Structured Obligations, dated March 26, 2019](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510) (as amended from time to time), in terms of which eligible ECB borrowers are allowed to raise ECB up to USD 750 million or equivalent per financial year under the automatic route, and paragraph 2.1.vi. ibid, wherein the all-in-cost ceiling for ECBs has been specified.2. As announced in paragraph five of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53979), it has been decided, in consultation with the Central Government, to:i) increase the automatic route limit from USD 750 million or equivalent to USD 1.5 billion or equivalent.ii) increase the all-in-cost ceiling for ECBs, by 100 bps. The enhanced all-in-cost ceiling shall be available only to eligible borrowers of investment grade rating from Indian Credit Rating Agencies (CRAs). Other eligible borrowers may raise ECB within the existing all-in-cost ceiling, as hitherto.The above relaxations would be available for ECBs to be raised till December 31, 2022.3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.4. The aforesaid Master Direction No. 5, is being updated to reflect these changes.5. Necessary amendments to the relevant regulations have been made through the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2022, notified vide [notification No. FEMA.3(R)(3)/2022-RB dated July 29, 2022](https://rbidocs.rbi.org.in/rdocs/content/pdfs/GN3RFEMA01082022.pdf).6. The directions contained in this circular have been issued under section 10(4) and 11(2) 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://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12366&Mode=0>

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

RBI/2022-23/99
FIDD.GSSD.BC.No.11/09.10.001/2022-23

August 2, 2022

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://m.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=12367#MC) consolidates the circulars issued by Reserve Bank on the subject till date, on the below points:

1. Credit Facilities to Minority Communities

2. Definition of Minority Communities

3. Creation of Special Cell and designating an exclusive Officer

4. Role of Lead Banks

5. Advances under DRI Scheme

6. Monitoring

7. Training

8 Publicity

9. National Minorities Development and Finance Corporation (NMDFC)

10. Prime Minister’s New 15 Point Programme for the Welfare of Minorities

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

**Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines**

RBI/2022-23/107
DOR.MRG.REC.64/00-00-005/2022-23

August 11, 2022

Dear Sir / Madam,

**Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines**

Please refer to the [circular DOR.CAP.51/21.06.201/2020-21 dated March 30, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12048&Mode=0) and [circular DOR.CAP.REC.No.97/21.06.201/2021-22 dated March 31, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12262&Mode=0) on the captioned subject.

2. At present, while computing capital requirements for counterparty credit risk, the following exposures, wherever allowed to be undertaken, are exempted or capped:

1. foreign exchange (except gold) contracts which have an original maturity of 14 calendar days or less are excluded from capital requirements for counterparty credit risk.
2. ‘sold options’, provided the entire premium / fee or any other form of income is received / realised, are excluded from capital requirements for counterparty credit risk.
3. For Credit Default Swap transaction where bank is protection seller, the exposure is capped at the amount of premium unpaid by the protection buyer.

3. We have received queries from regulated entities (REs) regarding the applicability of the above exemptions / caps under the Bilateral Netting framework. In this connection, it is clarified that:

1. the exemption for foreign exchange (except gold) contracts which have an original maturity of 14 calendar days or less shall be applicable to entities calculating the counterparty credit risk under Original Exposure Method without taking the benefit of bilateral netting. Accordingly, the exemption would be applicable only to Regional Rural Banks, Local Area Banks and Co-operative Banks, where the bank has not adopted the bilateral netting framework. For other entities, the exemption shall stand withdrawn.
2. ‘sold options’, provided the entire premium / fee or any other form of income is received / realised, can be excluded only when such ‘sold options’ are outside the netting and margin agreements.
3. For Credit Default Swaps where the bank is the protection seller and that are outside netting and margin agreements, the exposure may be capped to the amount of premium unpaid. Banks have the option to remove such credit derivatives from their legal netting sets in order to apply the cap.

Yours faithfully,
(Usha Janakiraman)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12376&Mode=0>

**Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS)**

RBI/2022-23/113
DOR.STR.REC.67/21.06.201/2022-23

September 07, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)
All Primary (Urban) Co-operative Banks
All Non-Banking Financial Companies (including Housing Finance Companies)
All All-India Financial Institutions

Dear Sir/Madam,

**Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS)**

Please refer to paragraph 5.2 of the [Master Circular on Basel III Capital Regulations dated April 1, 2022](https://m.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) in terms of which banks are permitted to apply zero percent risk weights in respect of claims on Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and individual schemes under National Credit Guarantee Trustee Company Ltd (NCGTC).

2. In order to have a consistent approach with regard to risk weights for exposures guaranteed by such Trust Funds, it is advised that the risk weight of zero percent shall be applicable in respect of exposures guaranteed under any existing or future schemes launched by CGTMSE, CRGFTLIH and NCGTC satisfying the following conditions:

1. **Prudential Aspects:** The guarantees provided under the respective schemes should comply with the requirements for credit risk mitigation in terms of paragraph 7.5 of the [Master Circular on Basel III Capital Regulations dated April 1, 2022](https://m.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) which inter alia requires such guarantees to be direct, explicit, irrevocable and unconditional;
2. **Restrictions on permissible claims:** Where the terms of the guarantee schemes restrict the maximum permissible claims through features like specified extent of guarantee coverage, clause on first loss absorption by member lending institutions (MLI), payout cap, etc., the zero percent risk weight shall be restricted to the maximum permissible claim and the residual exposure shall be subjected to risk weight as applicable to the counterparty in terms of extant regulations.
3. In case of a portfolio-level guarantee, effective from April 1, 2023, the extent of exposure subjected to first loss absorption by the MLI, if any, shall be subjected to full capital deduction and the residual exposure shall be subjected to risk weight as applicable to the counterparty in terms of extant regulations, on a pro rata basis. The maximum capital charge shall be capped at a notional level arrived at by treating the entire exposure as unguaranteed.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12384&fn=2&Mode=0>

**Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs**

RBI/2022-23/125
DOR.STR.REC.71/21.06.201/2022-23

October 10, 2022

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

Madam/Dear Sir,

**Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs**

Please refer to paragraph 6.8.1 (i) of [Master Circular on Basel III capital regulations dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) in terms of which banks are permitted to derive risk weights for their unrated exposures based on the ratings available for a specific rated debt subject to the conditions specified that the bank’s facility ranks pari passu or senior to the specific rated debt in all respects and the maturity of the unassessed claim is not later than the maturity of the rated claim. Banks may also refer to paragraph 6.2.5 of the Master Circular ibid regarding publication of bank loan ratings by External Credit Assessment Institutions (ECAIs).

2. It is observed that the Press Releases (PRs) issued by ECAIs on rating actions are often devoid of the lenders’ details. Absence of such information may result in banks applying the derived risk weights for unrated exposures, without satisfying themselves regarding adherence to prescribed conditions. This may, consequentially, lead to potentially lower provision of capital as well as underpricing of risks. In order to address the above information asymmetry, the Reserve Bank had advised the ECAIs vide letter dated June 4, 2021 to disclose the name of the banks and the corresponding credit facilities rated by them in the PRs issued on rating actions by August 31, 2021, after obtaining requisite consent from the borrowers.

3. However, on a review it has been observed that the above disclosures are not available in a large number of PRs issued by ECAIs owing to the absence of requisite consent by the borrowers to the ECAIs. It is, therefore, advised that a bank loan rating without the above disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. Banks shall treat such exposures as unrated and assign applicable risk weights in terms of paragraph 5.8.1 of the Master Circular ibid read with amendments carried out from time to time.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12396&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning**

RBI/2022-23/130
DOR.ACC.REC.No.74/21.04.018/2022-23

October 11, 2022

Madam / Dear Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning**

In terms of paragraph C.4(e) of Annexure III to the [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158), commercial banks (excluding Regional Rural Banks (RRBs)) are required to disclose details of divergence in asset classification and provisioning where such divergence assessed by the Reserve Bank of India (RBI) exceeds certain specified thresholds. In order to strengthen compliance with income recognition, asset classification and provisioning norms, it has now been decided to introduce similar disclosure requirements for Primary (Urban) Co-operative Banks (UCBs) and revise the specified thresholds for commercial banks.

2. Accordingly, for the financial statements for the year ending March 31, 2023, banks shall make suitable disclosures in the manner specified in paragraph C.4(e) of Annex III to the afore-mentioned Directions, if either or both of the following conditions are satisfied:

1. the additional provisioning for non-performing assets (NPAs) assessed by the RBI exceeds 10 per cent of the reported profit before provisions and contingencies[1](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#F1) for the reference period; and
2. the additional Gross NPAs identified by the RBI exceed 10 per cent of the reported[2](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#F2) incremental Gross NPAs for the reference period.

Provided further that in the case of UCBs the threshold for reported incremental Gross NPAs specified in paragraph 2(b) above shall be 15 per cent, which shall be reduced progressively in a phased manner, after review.

3. The thresholds specified in paragraph (2) above shall be revised for disclosures in annual financial statements for the year ending March 31, 2024, and onwards, as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref.** | **Threshold linked to:** | **Commercial Banks (%)** | **UCBs (%)** |
| 2(a) | Reported profit before provisions and contingencies | 5 | 5 |
| 2(b) | Reported incremental Gross NPA | 5 | 15\* |
| \*May be reduced subject to review |

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12401&fn=2&Mode=0#:~:text=4(e)%20of%20Annexure%20III,by%20the%20Reserve%20Bank%20of>

**Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022**

RBI/2022-23/131
DOR.MRG.REC.76/00-00-007/2022-23

October 11, 2022

Dear Sir / Madam,

**Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022**

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Unhedged Foreign Currency Exposure (UFCE) of the entities which have borrowed from banks.

2. We have received references from banks seeking clarification on various aspects including inter-alia clarity in the definition of ‘entities’ for which banks shall assess UFCE, exempted exposures / entities, alternative method for smaller entities, assessment of UFCE of entities incorporated outside India by overseas subsidiaries / branches of Indian banks etc.

3. Accordingly, a comprehensive review of the extant guidelines has been undertaken and all the existing instructions on the subject including the revisions / clarifications on the issues stated above have been consolidated in the [Directions enclosed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12402&Mode=0#DI77) herewith. An [Explanatory Note](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12402&Mode=0#EN) providing the background for these Directions is also enclosed.

**Applicability**

4. This circular is applicable to all commercial banks (excluding Payments Banks and Regional Rural Banks).

5. These instructions shall come into force from January 1, 2023.

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=12402&Mode=0>

**Claims Received from the National Credit Guarantee Trustee Company Ltd (NCGTC) - Classification for the Purpose of Maintenance of Cash Reserve Ratio (CRR)/Statutory Liquidity Ratio (SLR)**

RBI/2022-23/132
DOR.RET.REC.79/12.01.001/2022-23

October 13, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)
Local Area Banks, Small Finance Banks, Payments Banks
Primary (Urban) Co-operative Banks (UCBs)
State and Central Co-operative Banks (StCBs/CCBs)

Madam/Dear Sir,

**Claims Received from the National Credit Guarantee Trustee Company Ltd (NCGTC) - Classification for the Purpose of Maintenance of Cash Reserve Ratio (CRR)/Statutory Liquidity Ratio (SLR)**

Please refer to para 9 (Liabilities not to be included for NDTL computation) of [Master Direction on CRR/SLR – 2021 dated July 20, 2021, as amended on April 06, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12131).

2. In this connection, it has been decided that the amounts received by a bank from the National Credit Guarantee Trustee Company Ltd towards claims in respect of guarantees invoked and held by them pending adjustment of the same towards the relative advances, need not be treated as outside liabilities for the purpose of computation of NDTL for CRR and SLR.

3. Accordingly, para 9 of the Master Direction on CRR/SLR – 2021 will henceforth include “Amount received by the eligible banks from National Credit Guarantee Trustee Company Limited (NCGTC) by invoking the guarantee towards claims and pending adjustments thereof”.

Yours faithfully

(Prakash Baliarsingh)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12403&fn=2&Mode=0>

**Basel III Framework on Liquidity Standards – Standing Deposit Facility**

RBI/2022-23/141
DOR.LRG.REC.83/03.10.001/2022-23

November 23, 2022

Madam/Dear Sir,

**Basel III Framework on Liquidity Standards – Standing Deposit Facility**

Please refer to [circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 09, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8934&Mode=0) on ‘Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards’ and the [Press Release 2022-2023/41 dated April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53539) on operationalising of Standing Deposit Facility (SDF).

2. We have received queries from banks seeking clarification on the treatment of SDF under Liquidity Risk Management Framework.

3. Accordingly, it is advised that the overnight balances held by banks with RBI under SDF shall be eligible as ‘Level 1 High Quality Liquid Assets (HQLA)’ for computation of LCR.

**Applicability**

4. This circular is applicable to all Commercial Banks (excluding Local Area Banks, Regional Rural Banks and Payments Banks).

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

Yours faithfully

(Usha Janakiraman)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12413&Mode=0>

**Notification of Significant Benchmark**

RBI/2022-23/142
FMRD.FMSD.06/03.07.25/2022-23

December 01, 2022

To

All the Financial Benchmark Administrators

Madam/Sir

**Notification of Significant Benchmark**

Please refer to the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019 (hereinafter referred to as ‘the Directions’), dated June 26, 2019](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0)and [RBI circular dated January 01, 2020](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11777&Mode=0), notifying six financial benchmarks administered by Financial Benchmarks India Pvt. Ltd. (FBIL) as ‘significant benchmark’.

2. In terms of paragraph 3(i) of the Directions, the Reserve Bank hereby notifies Modified Mumbai Interbank Forward Outright Rate (MMIFOR) administered by Financial Benchmarks India Pvt. Ltd. (FBIL) as a ‘significant benchmark’.

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

(i) Overnight Mumbai Interbank Outright Rate (MIBOR)

(ii) Mumbai Interbank Forward Outright Rate (MIFOR)

(iii) USD/INR Reference Rate

(iv) Treasury Bill Rates

(v) Valuation of Government Securities

(vi) Valuation of State Development Loans (SDL)

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

4. Further, in terms of paragraph 3(ii) of the Directions, the person administering the ‘significant benchmark’, shall make an application to the Reserve Bank within a period of three months from the date of this notification for authorization to continue administering MMIFOR.

5. The MIFOR, administered by FBIL, shall continue to remain a ‘significant benchmark’ till further notice.

6. This notification has been issued by the Reserve Bank as required under the [Financial Benchmark Administrators (Reserve Bank) Directions, 2019, dated June 26, 2019](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=11601&Mode=0).

Yours faithfully,

(Dimple Bhandia)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12414&fn=6&Mode=0#:~:text=(FBIL)%20as%20a%20'significant%20benchmark'.&text=4.,authorization%20to%20continue%20administering%20MMIFOR>.

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

RBI/2022-23/146
DOR.CAP.REC.No.86/09.18.201/2022-23

December 1, 2022

Dear Sir/Madam,

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

Please refer to the Revised Regulatory Framework for Urban Co-operative Banks (UCBs) emanating from the recommendations of Expert Committee on Urban Co-operative Banks ([Press Release: 2022-2023/561 dated July 19, 2022](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54059)) and [circular no. DOR.REG.No.84/07.01.000/2022-23 dated December 1, 2022](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), on Revised Regulatory Framework - Categorization of Urban Co-operative Banks (UCBs) for Regulatory Purposes. The detailed guidelines are provided below:

**A. Net Worth**

2. UCBs shall have minimum net worth as under:

* Tier 1 UCBs operating in a single district shall have minimum net worth of ₹2 crore.
* All other UCBs (of all tiers) shall have minimum net worth of ₹5 crore.
* UCBs which currently do not meet the minimum net worth requirement, as above, shall achieve the minimum net worth of ₹2 crore or ₹5 crore (as applicable) in a phased manner. Such UCBs shall achieve at least 50 per cent of the applicable minimum net worth on or before March 31, 2026 and the entire stipulated minimum net worth on or before March 31, 2028.

**B. Minimum capital to risk weighted assets ratio (CRAR) requirement**

3. UCBs shall maintain minimum CRAR as under:

* Tier 1 UCBs shall maintain, as hitherto, a minimum CRAR of 9 per cent of Risk Weighted Assets (RWAs) on an ongoing basis.
* Tier 2 to 4 UCBs shall maintain a minimum CRAR of 12 per cent of RWAs on an ongoing basis.
* UCBs in Tier 2 to 4, which do not currently meet the revised CRAR of 12 per cent of RWAs, shall achieve the same in a phased manner. Such UCBs shall achieve the CRAR of at least 10 per cent by March 31, 2024, 11 per cent by March 31, 2025, and 12 per cent by March 31, 2026.

**C. Revaluation Reserves**

5. Revaluation reserves, arising out of change in the carrying amount of a bank’s property consequent upon its revaluation, may henceforth be reckoned as Tier 1 capital at a discount of 55 per cent.

Yours faithfully,

(Usha Janakiraman)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12418&fn=2755&Mode=0#:~:text=UCBs%20shall%20have%20minimum%20net,worth%20of%20%E2%82%B95%20crore>.

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items**

RBI/2022-23/155
DOR.ACC.REC.No.91/21.04.018/2022-23

December 13, 2022

Madam/Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of material items**

Please refer to the notes and instructions for compilation of Balance Sheet and Profit and Loss Account, for commercial banks, as specified in Annexure II to the [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) (hereinafter referred to as “Directions”).

2. In terms of Part A of Annexure II to the Directions, in case any item under the subhead “Miscellaneous Income” under the head “Schedule 14-Other Income” exceeds one per cent of total income, particulars shall be given in the notes to accounts. Similar instructions exist in case of subhead “Other expenditure” under the head “Schedule 16-Operating Expenses”.

3. In order to ensure greater transparency, it has been decided that banks shall also disclose the particulars of all such items in the notes to accounts wherever any item under the Schedule 5(IV)-Other Liabilities and Provisions-“Others (including provisions)” or Schedule 11(VI)-Other Assets-“Others” exceeds one per cent of the total assets.

4. Further, Payments Banks shall also disclose particulars of all such items in the notes to accounts, wherever any item under the Schedule 14(I)-Other Income-“Commission, Exchange and Brokerage” exceeds one per cent of the total income.

5. We also invite attention to Clause 6 of the Chapter IV of the Directions ibid, in terms of which more comprehensive disclosures than the minimum required are encouraged, especially if such disclosures significantly aid in the understanding of the financial position and performance of banks.

**Applicability**

6. These instructions are applicable to all commercial banks. These instructions shall come into effect for disclosures in the notes to the annual financial statements for the year ending March 31, 2023 and onwards.

7. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) shall stand 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=12426&Mode=0>

**Central Payments Fraud Information Registry – Migration of Reporting to DAKSH**

RBI/2022-23/158
CO.DPSS.OVRST.No.S1619/06-08-005/2022-2023

December 26, 2022

The Chairman / Managing Director / Chief Executive Officer
Banks, Non-bank Payment System Operators (PSOs) and
Credit Card issuing Non-Banking Financial Companies (NBFCs)

Madam / Dear Sir,

**Central Payments Fraud Information Registry – Migration of Reporting to DAKSH**

As announced in the [Monetary Policy Statement 2019-20 on August 07, 2019](https://m.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=47819), the Reserve Bank of India (RBI) had operationalised the Central Payments Fraud Information Registry (CPFIR) in March 2020 with reporting of payment frauds by scheduled commercial banks and non-bank Prepaid Payment Instrument (PPI) issuers.

2. To streamline reporting, enhance efficiency and automate the payments fraud management process, the fraud reporting module is being migrated to [DAKSH – Reserve Bank’s Advanced Supervisory Monitoring System](https://prism.rbi.org.in/DAKSH/portal/#/login). The migration will be effective from **January 01, 2023**, i.e., entities shall commence reporting of payment frauds in DAKSH from this date. In addition to the existing bulk upload facility to report payment frauds, DAKSH provides additional functionalities, viz. maker-checker facility, online screen-based reporting, option for requesting additional information, facility to issue alerts / advisories, generation of dashboards and reports, etc. The reporting guidelines are mentioned in the [Annex](https://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12431&fn=9&Mode=0#AN1).

3. These directions 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://m.rbi.org.in/scripts/FS_Notification.aspx?Id=12431&fn=9&Mode=0>