**Certificate Course for Non-Banking Financial Companies**

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| **S.No.** | **RBI Notification** |
|  | Guidelines on Digital Lending |
|  | Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs |
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**Guidelines on Digital Lending**

RBI/2022-23/111
DOR.CRE.REC.66/21.07.001/2022-23

September 02, 2022

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

Madam/ Sir,

**Guidelines on Digital Lending**

A reference is invited to para 7 of the [RBI Press Release “Recommendations of the Working Group on Digital Lending – Implementation” dated August 10, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54187). Detailed guidelines on recommendations of the Working Group accepted for immediate implementation are attached as [Annex I](https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12382#AN1) to this circular.

2. It is reiterated that outsourcing arrangements entered by Regulated Entities (REs) with a Lending Service Provider (LSP)/ Digital Lending App (DLA) does not diminish the REs’ obligations and they shall continue to conform to the extant guidelines on outsourcing[1](https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12382#F1). The REs are advised to ensure that the LSPs engaged by them and the DLAs (either of the RE or of the LSP engaged by the RE) comply with the guidelines contained in this circular.

3. It is further advised that the instructions contained in this circular shall be applicable to the ‘existing customers availing fresh loans’ and to ‘new customers getting onboarded’, from the date of this circular. However, in order to ensure a smooth transition, REs shall be given time till November 30, 2022, to put in place adequate systems and processes to ensure that ‘existing digital loans’ (sanctioned as on the date of the circular) are also in compliance with these guidelines in both letter and spirit.

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, sections 30A and 32 of the National Housing Bank Act, 1987, section 6 of the Factoring Regulation Act, 2011 and section 11 of the Credit Information Companies (Regulation) Act, 2005.

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_CircularIndexDisplay.aspx?Id=12382>

**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>

**Multiple NBFCs in a Group: Classification in Middle Layer**

RBI/2022-23/129
DOR.CRE.REC.No.78/03.10.001/2022-23

October 11, 2022

All Non-Banking Financial Companies

Madam / Dear Sir,

**Multiple NBFCs in a Group: Classification in Middle Layer**

Please refer to para 1 of the Annex to the [Circular on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” issued on October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) delineating the four layered regulatory structure for NBFCs under Scale Based Regulatory Framework.

**2.** As per para 16 of the [Master Direction – Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10586), applicable NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. In line with the existing policy on consolidation of assets of the NBFCs in a Group, the total assets of **all the NBFCs**[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#F1) **in a Group**[2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#F2) shall be consolidated to determine the threshold for their classification in the Middle Layer.

**3.** If the consolidated asset (consolidation as per para 2 above) size of the Group is ₹1000 crore and above, then each Investment and Credit Company (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factor and Mortgage Guarantee Company (NBFC-MGC) lying in the Group shall be classified as an NBFC in the Middle Layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them. Illustrative examples are provided in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&Mode=0#AN1) to this circular.

**4.** Statutory Auditors are required to certify the asset size (as on March 31) of all the NBFCs in the Group every year. The certificate shall be furnished to the Department of Supervision of the Reserve Bank under whose jurisdiction the NBFCs are registered.

**5.** These guidelines shall be effective from October 01, 2022.

**6.** Provisions contained in this circular will not be applicable for classifying an NBFC in the Upper Layer.

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=12400&Mode=0>

**Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures**

RBI/2022-23/154
DoR.FIN.REC.90/20.16.056/2022-23

December 13, 2022

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 (Exim Bank, NABARD, NHB, SIDBI and NaBFID)
All Non-Banking Financial Companies (including Housing Finance Companies)
All Credit Information Companies

Madam/Dear Sir,

**Data Format for Furnishing of Credit Information to Credit Information Companies and other Regulatory Measures**

Please refer to the [circular DBOD.No.CID.BC.127/20.16.056/2013-14 dated June 27, 2014](https://m.rbi.org.in/Scripts/NotificationUser.aspx?Id=8968&Mode=0), inter alia setting out a Uniform Credit Reporting Format for reporting credit information to the Credit Information Companies (CICs).

2. It is clarified that cases admitted with National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT) under the Insolvency and Bankruptcy Code, 2016 are also required to be reported under the suit-filed cases in reporting to the CICs.

3. Credit Institutions (CIs) shall ensure implementation of this circular latest by February 28, 2023.

Yours faithfully

(J.P. Sharma)
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://m.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=12425>

**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>