**Microfinance**

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|  | Provisioning Requirement for Investment in Security Receipts (SRs) |
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**Provisioning Requirement for Investment in Security Receipts (SRs)**

RBI/2022-23/78
DOR.STR.REC.51/21.04.048/2022-23

June 28, 2022

All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks
All Local Area Banks and Regional Rural Banks
All All-India Financial Institutions
All Non-Banking Financial Companies

**Provisioning Requirement for Investment in Security Receipts (SRs)**

Please refer to clause 77 of the [Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12166) (“MD-TLE”).

2. In order to provide a glide path to the entities which were kept out of the ambit of [circular “Guidelines on Sale of Stressed Assets by Banks” dated September 1, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10588&Mode=0) and ensure smooth implementation of clause 77 of the MD-TLE, it is advised as under in respect of valuation of investments in SRs outstanding on the date of issuance of MD-TLE (September 24, 2021):

1. The difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date after the date of issuance of MD-TLE, in terms of clause 77 of the MD-TLE, may be provided over a five-year period starting with the financial year ending March 31, 2022 - i.e. from FY2021-22 till FY2025-26.
2. Subsequent valuations of investments in such SRs on an ongoing basis shall, however, be strictly in terms of the provisions of MD-TLE.

3. All lending institutions shall put in place a board approved plan to ensure that the provisioning made in each of the financial years in compliance of clause 2(a) above is not less than one fifth of the required provisioning on this count.

4. Valuation of investments in SRs made after the issuance of MD-TLE shall be strictly in terms of the provisions thereunder.

5. All other provisions of the MD-TLE shall continue to be applicable, as hitherto.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12346&Mode=0>

**Master Circular - Housing Finance for UCBs**

RBI/2022-23/76
DOR.CRE.REC.No.49/09.22.010/2022-23

June 23, 2022

All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Master Circular - Housing Finance for UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.9/09.22.010/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9814) 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=12344&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Manoranjan Mishra)
Chief General Manager

Encl: as above

**Master Circular**

**Housing Finance for UCBs**

|  |
| --- |
| **Contents** |
| 1 | [General](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#1) |
| 2 | [Eligible Category of Borrowers](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#2) |
| 3 | [Eligible Housing Schemes](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#3) |
| 4 | [Terms and Conditions for Housing Loans](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#4) |
| 4.1 | [Maximum Loan Amount and Margin](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#41) |
| 4.2 | [A. Interest](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#42A) |
|   | [B. Foreclosure Charges / Prepayment Penalty](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#42B) |
| 4.3 | [Charging of Penal Interest](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#43) |
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| 4.5 | [Period of Loan](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#45) |
| 4.6 | [Graduated Instalments](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#46) |
| 4.7 | [Aggregate Limit for Housing Finance](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#47) |
| 5 | [Additional / Supplementary Finance](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#5) |
| 6 | [Lending to Housing Boards](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#6) |
| 7 | [Advances to Builders / Contractors](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#7) |
| 8 | [Housing Loans under Priority Sector](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#8) |
| 9 | [Precautions](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#9) |
| 10 | [National Building Code](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#10) |
| • | [Annex 1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#AN1) |
| • | [Annex 2](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#AN2) |
| • | [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0#AP) |

Details under each of the above headings can be read from the below link.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12344&Mode=0>

**Individual Housing loans – Enhancement in limits**

RBI/2022-23/68
DOR.CRE.REC.42/09.22.010/2022-23

June 08, 2022

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Individual Housing loans – Enhancement in limits**

Please refer to [circular UBD.BPD.(PCB). Cir.No.7/09.22.010/2011-12 dated October 31, 2011](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6784&Mode=0) on the above subject.

2. As announced in the [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53831) ([para no.1 annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12336&Mode=0#EXTRACT)), it has been decided to revise the limits on individual housing loans sanctioned by urban co-operative banks to an individual borrower as under:

|  |  |  |
| --- | --- | --- |
| **Category of the bank** | **Existing Limit\*(per individual borrower)** | **Revised Limit\*(per individual borrower)** |
| (a) Tier-I UCBs | ₹30 lakh | ₹60 lakh |
| (b) Tier-II UCBs | ₹70 lakh | ₹140 lakh |
| \*subject to prescribed prudential exposure limits |

3. All other extant instructions in the matter shall remain unchanged. The above instructions will come into effect from the date of this circular.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

For ‘Extract from Statement on Developmental and Regulatory Policies June 08, 2022’, please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12336&Mode=0>

**Enhancement in Individual Housing Loan limits and credit to Commercial Real Estate - Residential Housing (CRE-RH)**

RBI/2022-23/67
DOR.CRE.REC.43/09.22.010/2022-23

June 08, 2022

All State Co-operative Banks (StCBs)
All District Central Co-operative Banks (DCCBs)

Madam / Dear Sir,

**Enhancement in Individual Housing Loan limits and credit to Commercial Real Estate - Residential Housing (CRE-RH)**

Please refer to our [circulars RPCD CO.RCBD.BC.No.15 /03.03.01/2009-10 dated August 13, 2009](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=5213&Mode=0), [RPCD.CO.RF.BC.No.109/07.38.01/2008-09 dated May 25, 2009](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=4999&Mode=0) and [RPCD.CO.RCBD. BC.No. 48 /03.03.01/2010-11 dated January 20, 2011](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=6230&Mode=0) issued on the above subject.

2. As announced in the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53831) ([para no.1 & 2 annexed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12335&Mode=0#Extract)), it has been decided to revise the limits on residential housing loans sanctioned by rural co-operative banks to an individual borrower as under:

|  |  |  |
| --- | --- | --- |
| **Category of the bank** | **Existing Limit(per individual borrower)** | **Revised Limit(per individual borrower)** |
| (a) StCBs/DCCBs having assessed net worth less than ₹100 crore | ₹20 lakh | ₹50 lakh |
| (b) StCBs/DCCBs having assessed net worth equal to or more than ₹100 crore | ₹30 lakh | ₹75 lakh |

3. Further, it has been decided to allow StCBs and DCCBs to extend finance to Commercial Real Estate-Residential Housing (CRE-RH) within the existing aggregate housing finance limit of 5% of their total assets. For this purpose, CRE-RH shall consist of loans to builders/developers for residential housing projects (except for captive consumption). Such projects should ordinarily not include non-residential commercial real estate. However, integrated housing projects comprising some commercial space (e.g. shopping complex, school, etc.) can also be classified under CRE-RH, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project. Standard asset provision of 0.75% and risk weight of 75% shall be maintained for CRE-RH advances.

4. Banks shall have a Board-approved policy for financing CRE-RH and a review note on the performance of the CRE-RH portfolio shall be placed before the Board at least on a half-yearly basis. All other extant instructions in the matter shall remain unchanged. The above instructions will come into effect from the date of this circular.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

For ‘Extract from Statement on Developmental and Regulatory Policies June 08, 2022’ please refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12335&Mode=0>

**Housing Finance – Loans for repairs/additions/alterations - Enhancement of limits**

RBI/2022-23/56
DOR.CRE.REC.18/09.22.010/2022-23

May 24, 2022

All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Housing Finance – Loans for repairs/additions/alterations - Enhancement of limits**

Please refer to para 2 of the [circular UBD.CO.BPD.(PCB).Cir.No.13/09.22.010/2013-14 dated September 10, 2013](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8390&Mode=0) on the captioned subject, wherein, the ceiling on loans to individuals for carrying out repairs/additions/alterations to their dwelling units was revised upwards to ₹2 lakh in rural and semi-urban areas and ₹5 lakh in urban areas.

2. The ceiling on such loans is now revised to ₹10 lakh in metropolitan centres (those centres with population of 10 lakh and above) and ₹6 lakh in other centres.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12323&Mode=0>

**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>

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

RBI/2022-23/51
FIDD.CO.FSD.BC.No.6/05.05.010/2022-23

May 18, 2022

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

Madam/ Dear Sir,

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

Please refer to Para 3.1.1.2 of our [circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11462&Mode=0) on Kisan Credit Card (KCC) Scheme: Working Capital for Animal Husbandry and Fisheries. It has been brought to our notice that licensing/authorisation related requirements pertaining to fishing/aquaculture in inland water bodies vary across states. Accordingly, the eligibility criteria for inland fisheries and aquaculture under Para 3.1.1.2 of the circular stand modified as follows:

The beneficiaries must own or lease any fisheries related assets such as ponds, tanks, open water bodies, raceways, hatcheries, rearing units, boats, nets and such other fishing gear as the case may be and possess necessary authorisation/certification as may be applicable in respective states for fish farming and fishing related activities and for any other state specific fisheries and allied activities.

2. All other terms and conditions of the scheme remain unchanged.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12318&Mode=0>

**Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors**

RBI/2022-23/50
FIDD.CO.Plan.BC.No.5/04.09.01/2022-23

May 13, 2022

The Chairman/ Managing Director/
Chief Executive Officer
All Scheduled Commercial Banks (Including Small Finance Banks)
(Excluding Regional Rural Banks, Urban Co-operative Banks and Local Area Banks)

Dear Sir/Madam,

**Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors**

Please refer to para nos. 21.2, 21.3, 22 and 24 of the [Master Directions on Priority Sector Lending dated September 4, 2020](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) (updated from time to time), along with [notifications FIDD.CO.Plan. BC.No.15/04.09.01/2021-22 dated October 8, 2021](https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=12177&fn=2754&Mode=0) and [FIDD.CO.Plan.BC.No.10/04.09.01/2021-22 dated May 5, 2021](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12081&Mode=0) wherein lending by commercial banks to NBFCs and lending by Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to certain priority sectors, was permitted up to March 31, 2022.

2. To ensure continuation of the synergies that have been developed between banks and NBFCs in delivering credit to the specified priority sectors, it has been decided to allow the above facility on an on-going basis.

3. Bank credit to NBFCs (including HFCs) for on-lending will be allowed up to an overall limit of 5 percent of an individual bank’s total priority sector lending in case of commercial banks. In case of SFBs, credit to NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognized ‘Self-Regulatory Organisation’ of the sector, will be allowed up to an overall limit of 10 percent of an individual bank’s total priority sector lending. These limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap.

4. SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a ‘gross loan portfolio’ (GLP) of up to ₹500 crore as on March 31 of the previous financial year, for the purpose of on-lending to priority sector. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all priority sector loans created prior to exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier.

Yours faithfully,

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

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12317&Mode=0>

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

RBI/2022-23/35
FIDD.CO.FSD.BC.No.3/05.02.001/2022-23

April 28, 2022

The Chairman / Managing Director / Chief Executive Officer
All Public Sector Banks, Private Sector Banks and
Small Finance Banks

Madam/Dear Sir,

**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2021-22**

Please refer to our letter FIDD.CO.FSD.No.342/05.02.001/2020-21 dated October 16, 2020 conveying the decision of the Government of India for continuation of the Interest Subvention Scheme (modified) for short term loans for agriculture and allied activities for the year 2020-21 on interim basis.

2. In this regard, it is advised that Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modifications for the financial year 2021-22 with the following stipulations:

1. In order to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate during the year 2021-22, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Banks (in respect of loans given by their rural and semi-urban branches only), Small Finance Banks (SFBs) and computerized Primary Agriculture Cooperative Societies (PACS) which have been ceded with Scheduled Commercial Banks (SCBs), on use of their own resources. This interest subvention of 2% per annum will be calculated on the loan amount from the date of disbursement/drawal up to the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. The applicable lending rate to farmers and the rate of interest subvention for the financial year 2021-22 will be as follows:

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Lending rate to farmers** | **Rate for Interest Subvention** |
| 2021-22 | 7% | 2% |

For more details, kindly refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12302&Mode=0>

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

RBI/2022-23/31
DOR.CAP.REC.22/09.18.201/2022-23

April 19, 2022

The Chief Executive Officer
All State and Central Co-operative Banks

Madam / Dear Sir,

**Issue and regulation of share capital and securities - State Co-operative Banks and District Central Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), has come into force with effect from April 01, 2021 for Rural Co-operative Banks (RCBs), i.e. State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs).

2. The extant instructions for RCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on Augmentation of capital funds, Refund of share capital, Repeal and Effective Date refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12297&Mode=0>

**Loans and Advances – Regulatory Restrictions – NBFCs**

RBI/2022-23/29
DOR.CRE.REC.No.25/03.10.001/2022-23

April 19, 2022

All Non-Banking Financial Companies

Madam/ Dear Sir,

**Loans and Advances – Regulatory Restrictions - NBFCs**

In terms of para 3.2.2 (c) and para 3.2.3 (b) & (c) of 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), certain regulatory restrictions on lending were introduced in respect of NBFCs placed in different layers. Detailed guidelines in this regard are placed as [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0#AN) to this circular.

2. These guidelines shall be effective from October 01, 2022.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12294&Mode=0>

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

RBI/2022-23/26
DOR.ACC.REC.No.20/21.04.018/2022-23

April 19, 2022

Dear Sir/ Madam,

**Disclosures in Financial Statements- Notes to Accounts of NBFCs**

Please refer to our [circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12179&Mode=0) on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework’ for NBFCs, which inter-alia envisages certain specific disclosures.

2. Non-Banking Finance Companies (NBFCs) are required to make disclosures in their financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws, and regulations. The additional disclosure requirements for NBFCs in accordance with the SBR framework are outlined in the [Annex](https://rbidocs.rbi.org.in/rdocs/content/pdfs/NOTI26_AN.pdf).

3. These disclosures are in addition to and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards. More comprehensive disclosures than the minimum required are encouraged, especially if such disclosures significantly aid in the understanding of the financial position and performance.

**Applicability**

4. This circular is applicable to all NBFCs. The Annex specifies the applicability of specific disclosure requirements to specific NBFC layers as per Scale Based Regulation. It may be noted that disclosure requirements applicable to lower layers of NBFCs will be applicable to NBFCs in higher layers. These guidelines shall be effective for annual financial statements for year ending March 31, 2023, and onwards.

(Usha Janakiraman)
Chief General Manager

Reference Links: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12292&Mode=0>

**Section 24 and Section 56 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR)**

RBI/2022-23/23
DOR.RET.REC.15/12.01.001/2022-23

April 08, 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/Sir,

**Section 24 and Section 56 of the Banking Regulation Act, 1949 –
Maintenance of Statutory Liquidity Ratio (SLR)**

Please refer to [circular DBR.No.Ret.BC.10/12.02.001/2018-19 dated December 05, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11427&Mode=0) and relative notification on the captioned subject.

2. As announced in the[Statement on Developmental and Regulatory Policies on April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536), it has been decided to institute the Standing Deposit Facility (SDF) with immediate effect. Accordingly, it is decided that the balances held by banks with the RBI under the SDF shall be an eligible Statutory Liquidity Ratio (SLR) asset and such balances shall form part of “Cash” for SLR maintenance. Banks shall report the SDF balances under "Cash in hand" in Form VIII or Form I, as applicable.

3. The balances held by banks with RBI under the SDF shall not be eligible for Cash Reserve Ratio (CRR) maintenance.

4. A copy of the relative notification DOR.RET.REC.16/12.01.001/2022-23 dated April 08, 2022, is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0#AN1).

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager

For detailed notification, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0>

**Master Circular - Management of Advances – UCBs**

RBI/2022-23/22
DOR.CRE.REC.No.17/13.05.000/2022-23

April 8, 2022

All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Management of Advances - UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.14/13.05.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9880) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#MC) consolidates and updates all the instructions / guidelines issued on the subject up to April 7, 2022 as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP).

Yours faithfully

(Manoranjan Mishra)
Chief General Manager

Encl: as above

**Master Circular on Management of Advances – UCBs**

|  |
| --- |
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| 2 | [Working Capital Requirements](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#2) |
| 3 | [Loan System for delivery of bank credit](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#3) |
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| [Annex - 5 Safeguards-Advances against pledge of Gold/Silver ornaments](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN5) |
| [Annex - 6 Recommendations of the Committee to Recommended Data Format of Credit Information to CICs](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN6) |
| [Annex - 7 Credit information reporting in respect of Self Help Group (SHG) members](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN7) |
| [Appendix List of circulars consolidated in the Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP) |

For details under the above mentioned headings, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&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, 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>

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

RBI/DOR/2021-22/89
DoR.FIN.REC.95/03.10.038/2021-22

March 14, 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 Non-Banking Financial Companies (including Microfinance Institutions
and Housing Finance Companies)

Madam/ Dear Sir,

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

Please refer to paragraph 8 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078) announced as a part of the [Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077), regarding review of the regulatory framework for microfinance.

2. A consultative document on regulation of microfinance loans was issued for public comments on [June 14, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51725). Based on the feedback received, it has now been decided to put in place the directions for microfinance loans which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0#MD).

Yours faithfully,

(J.P. Sharma)
Chief General Manager

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

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0>

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

RBI/2021-22/179
DOR.CAP.REC.92/09.18.201/2021-22

March 08, 2022

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

Madam / Dear Sir,

**Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks**

The Banking Regulation (Amendment) Act, 2020 (No. 39 of 2020), notified in the Gazette of India on September 29, 2020 (vide Notification No. 64 of that date), is deemed to have come into force with effect from June 29, 2020 for Primary (Urban) Co-operative Banks (UCBs).

2. The extant instructions for UCBs on issue and regulation of capital funds have been reviewed keeping in view, inter alia, the provisions of Section 12 read with Section 56 of the amended Banking Regulation Act, 1949 (BR Act).

For information on augmentation of capital funds, refund of share capital, repeal and effective date, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12251&Mode=0>

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

RBI/2021-22/177
DOR.REC.MRG.90/16.20.000/2021-22

March 3, 2022

Madam / Dear Sir,

**Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks**

Please refer to [circular UBD.(PCB).BPD.Cir.No.46/16.20.000/2008-09 dated January 30, 2009](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=4808&Mode=0) on Investments in Non-SLR securities by Primary (Urban) Co-operative Banks. Paragraph 2(i) of the circular states that the non-SLR investments shall be limited to ten per cent of a bank’s total deposits as on March 31 of the previous year. Further, paragraph 2(iii)(b) states that investments in unlisted securities shall not exceed ten per cent of the total non-SLR investments at any time.

2. RBI has accorded regulatory approval to National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) in June 2019 for formation of Umbrella Organization (UO) for the UCB Sector. The approval inter-alia permits UCBs to subscribe to capital of the UO on voluntary basis.

3. It is advised that the investment made for subscribing to the capital of the UO, for acquiring its membership, shall be exempt from the limits prescribed in Paragraphs 2(i) and 2(iii)(b) of the circular ibid.

**Applicability**

4. This circular is applicable to all Primary (Urban) Co-operative Banks.

5. These instructions come into effect from the date of the circular.

Yours faithfully

(Usha Janakiraman)
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12249&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>