



# NEWSLETTER <sup>Weekly</sup>

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## RESERVE BANK OF INDIA

### **1. 605<sup>th</sup> Meeting of Central Board of the Reserve Bank of India**

The Reserve Bank of India (RBI) vide press release dated December 18<sup>th</sup> 2023 informed the public about the 605<sup>th</sup> meeting of the central board of the RBI. The Board reviewed the economic and financial scenario, both domestic and global, including the challenges posed by global geopolitical developments. The Board also discussed the activities of select Central Office Departments and the draft Report on Trend and Progress of Banking in India, 2022-23.

For more information, you can access the RBI Press Release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=56953](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56953)

### **2. Formation of new district Mauganj in the State of Madhya Pradesh – Assignment of Lead Bank Responsibility**

The Reserve Bank of India (RBI) vide notification dated December 18<sup>th</sup> 2023 has notified that the Government of Madhya Pradesh has notified the formation of a new district, viz., Mauganj in the state of Madhya Pradesh vide Gazette Notification No. F-Rev-6-0006-2023-VII-Sec-7 dated August 13, 2023. Accordingly, it has been decided to designate Union Bank of India as the Lead Bank of the new district.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12571&Mode=0>

### **3. Investments in Alternative Investment Funds (AIFs)**

The Reserve Bank of India (RBI) vide notification dated December 19<sup>th</sup> 2023 addressed the concerns relating to possible evergreening through the routes followed by Regulated entities (REs) in making investments in units of AIFs as part of their regular investment operations.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12572&Mode=0>

### **4. Card-on-File Tokenisation (CoFT) – Enabling Tokenisation through Card Issuing Banks**

The Reserve Bank of India (RBI) vide notification dated December 20<sup>th</sup> 2023 has expanded the scope of card-on-file tokenisation (CoFT). As announced in the [Statement on Development and Regulatory Policies dated October 6, 2023](#), it has been decided by the RBI to enable CoFT directly through card issuing banks / institutions also. This will provide cardholders with an additional choice to tokenise their cards for multiple merchant sites through a single process.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12573&Mode=0>

## **5. RBI invites comments on the 'Draft Omnibus Framework for recognising Self-Regulatory Organisations for its Regulated Entities'**

The Reserve Bank of India (RBI) vide press release dated December 21<sup>st</sup> 2023 has invited comments on the draft omnibus framework for recognising the Self-Regulatory Organisations for its Regulated Entities, the draft contains broad parameters applicable to any Self-Regulatory Organisation (SRO) viz., objectives, responsibilities, eligibility criteria, governance standards, application process and other basic conditions for grant of recognition to the SRO. Final omnibus framework shall be issued after considering the stakeholder comments. Reserve Bank shall issue separate notification inviting applications for SROs for a category/class of its REs, within the broad contours of final omnibus framework.

For more information, you can access the RBI Press Release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=56969](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56969)

## **6. Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023**

The Reserve Bank of India, through its Foreign Exchange Department, issued a significant notification on December 21, 2023. The "Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023," replaces the previous regulations of 2016.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12579&Mode=0>

## **7. Minutes of the Monetary Policy Committee Meeting, December 6 to 8, 2023**

The Reserve Bank of India (RBI) vide press release dated December 22<sup>nd</sup> 2023 released the minutes of the Monetary Policy Committee (MPC) meeting. The MPC reviewed the surveys conducted by the Reserve Bank to gauge consumer confidence, households' inflation expectations, corporate sector performance, credit conditions, the outlook for the industrial, services and infrastructure sectors, and the projections of professional forecasters. The MPC also reviewed in detail the staff's macroeconomic projections, and alternative scenarios around various risks to the outlook.

For more information, you can access the RBI Press Release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=56982](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56982)

## **8. Reverse Repo transactions - Reporting in Form 'A' Return**

The Reserve Bank of India vide notification dated December 22<sup>nd</sup> 2023 notified that on a review, it has been decided to revise the instructions contained in [circular DoR.RET.REC.43/12.01.001/2023-24 dated October 16, 2023](#) relating to Reverse Repo transactions. Accordingly, the Reverse Repo transactions of a bank with non-banks (other institutions) should be reported as under:

- i. For original tenors up to and inclusive of 14 days - Not required to be reported in Form A.
- ii. For original tenors more than 14 days - Item VI(a) of Form A [i.e. Loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)]

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12574&Mode=0>

## **9. Liberalised Remittance Scheme (LRS) for Resident Individuals- Reporting of monthly return and daily transactions**

The Reserve Bank of India vide notification dated December 22<sup>nd</sup> 2023, notified that AD Category-I banks were required to upload data in respect of number of applications received and the total amount remitted under Liberalised Remittance Scheme (LRS) on a monthly basis on XBRL site and [A.P. \(DIR Series\) Circular No. 23 dated April 12, 2018](#), in terms of which, AD Category-I banks were required to upload daily transaction-wise information undertaken by them under LRS on XBRL site. It has now been decided that, with effect from **December 26, 2023**, the submission of both the returns through the XBRL site will be discontinued and shifted to the Centralised Information Management System (CIMS), which is the Bank's new data warehouse. AD Category-I banks have already been onboarded on CIMS portal, and are currently submitting both the returns on XBRL site as well as CIMS portal. The LRS monthly return and LRS daily return have been assigned return codes- 'R089' and 'R010' respectively on CIMS portal.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12575&Mode=0>

## **10. CIMS Project implementation - Discontinuation of submission in legacy XBRL**

The Reserve Bank of India (RBI) vide notification dated December 22, 2023, addressed All Category-I Authorised Dealer Banks. This communication from RBI pertains to the implementation of the Centralised Information Management System (CIMS) and the consequential discontinuation of the submission of gold import data through the legacy XBRL system. The circular refers to A.P. (DIR Series) Circular No. 103 dated April 03, 2012, and A.P. (DIR Series) Circular No. 30 dated September 15, 2014. These circulars mandated AD Category-I banks to submit specific statements on the XBRL site related to gold imports

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12576&Mode=0>

## **11. Rupee Drawing Arrangement - Submission of statement/return on CIMS Portal**

The Reserve Bank of India, vide notification dated December 22, 2023, announced a significant shift in the reporting mechanism for Rupee Drawing Arrangement. The circular mandates a transition from the XBRL site to the Centralized Information Management System (CIMS), impacting all Authorised Dealer Category-I Banks.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12577&Mode=0>

## **12. Trade Credit for imports into India - Submission of return on issuance of bank guarantees for Trade Credits on the Centralised Information Management System (CIMS)**

The Reserve Bank of India vide notification dated December 22, 2023, addressed the transition of reporting trade credit data for imports into India. This circular specifically outlines the shift from the XBRL platform to the Centralised Information Management System (CIMS) and its implications for Category-I Authorised Dealer Banks.

For more information, you can access the RBI Notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12578&Mode=0>

## **SECURITIES AND EXCHANGE BOARD OF INDIA**

### **1. Simplification of requirements for grant of accreditation to investors**

The Securities and Exchange Board of India (SEBI) vide circular dated December 18<sup>th</sup> 2023, addressed the simplification of requirements for granting accreditation to investors. The circular aims to enhance flexibility and streamline the accreditation process based on feedback from stakeholders.

For more information, you can access the SEBI Circular here:

<https://www.sebi.gov.in/legal/circulars/dec-2023/simplification-of-requirements-for-grant-of-accreditation-to-investors-79990.html>

### **2. Principles of Financial Market Infrastructures (PFMIs)**

The Securities and Exchange Board of India (SEBI) vide circular dated December 19, 2023, addressed the Principles of Financial Market Infrastructures (PFMIs). The provisions of this Circular shall come into force from the quarter end December, 2023.

For more information, you can access the SEBI Circular here:

<https://www.sebi.gov.in/legal/circulars/dec-2023/principles-of-financial-market-infrastructures-pfmis-80014.html>

### **3. Amendment to Circular dated July 31, 2023 on Online Resolution of Disputes in the Indian Securities Market**

The Securities and Exchange Board of India (SEBI) vide circular dated December 20<sup>th</sup> 2023, amended the guidelines for online dispute resolution in the Indian securities market. This circular shall come into force with immediate effect.

For more information, you can access the SEBI Circular here:

<https://www.sebi.gov.in/legal/circulars/dec-2023/amendment-to-circular-dated-july-31-2023-on-online-resolution-of-disputes-in-the-indian-securities-market-80110.html>

### **4. Business Continuity for Clearing Corporations through Software as a Service (SaaS) Model**

The Securities and Exchange Board of India (SEBI) vide circular dated December 20<sup>th</sup> 2023 emphasized the need for robust Business Continuity in Clearing Corporations (CCs). The circular highlights the existing guidelines for Business Continuity Planning (BCP) and Disaster Recovery Site (DRS) for Market Infrastructure Institutions (MIIs) under SEBI Master Circulars. While DRS is effective for disasters, the limitations for major software malfunctions are acknowledged.

For more information, you can access the SEBI Circular here:

<https://www.sebi.gov.in/legal/circulars/dec-2023/business-continuity-for-clearing-corporations-through-software-as-a-service-saas-model-80115.html>

**You may send your suggestions at [kartikey@asalegal.in](mailto:kartikey@asalegal.in)**

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