



NEWSLETTER ^{Weekly}

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RESERVE BANK OF INDIA

1. Developments in India's Balance of Payments during the Second Quarter (July-September) of 2023-24

The Reserve Bank of India (RBI) vide notification dated 26th December 2023, informed that India's current account balance recorded a deficit of US\$ 8.3 billion (1.0% of GDP) in Q2:2023-24, down from US\$ 9.2 billion in Q1:2023-24 which is significantly lower than US\$ 30.9 billion a year ago (Q2:2022-23). The decrease was driven by a narrowing merchandise trade deficit and growth in services exports. Net services receipts increased both sequentially and, on a year-on-year basis. In the financial account, net FDI witnessed an outflow, while foreign portfolio investment recorded a net inflow. Balance of payments during April-September 2023-24 saw the current account deficit at 1.0% of GDP, down from 2.9% in 2022-23.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56991

2. Sources of Variation in Foreign Exchange Reserves in India during April-September 2023

The Reserve Bank of India (RBI) vide notification dated 26th December 2023, notified that during April-September 2023, India's foreign exchange reserves increased by US\$ 9.3 billion, driven by a net capital account inflow of US\$ 44.5 billion. The valuation change accounted for a loss of US\$ 17.7 billion, reflecting the appreciation of the US dollar against major currencies and higher bond yields. On a balance of payments basis (excluding valuation effects), foreign exchange reserves increased by US\$ 27.0 billion during this period, compared to a depletion of US\$ 25.8 billion in the same period of the previous year.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56992

3. Reversal of Standing Deposit Facility (SDF) and Marginal Standing Facility (MSF) during weekends/ holidays

The Reserve Bank of India (RBI) vide notification dated December 27th 2023, informed that starting from December 30, 2023, liquidity facilities under the Standing Deposit Facility (SDF) and Marginal Standing Facility (MSF) in India can be reversed even during weekends and holidays. This change allows flexibility for the reversal of SDF/MSF bids triggered under the Automated Sweep-In and Sweep-Out (ASISO) facility on the next calendar day. The flexibility to choose tenor will be available, with reversal taking place from December 30, 2023, onwards, as per the announcement made in the Governor's Statement dated December 08, 2023.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=56998

4. Report on Trend and Progress of Banking in India 2022-23

The Reserve Bank of India (RBI) vide notification dated December 27th 2023, latest report on the Trend and Progress of Banking in India 2022-23 reveals that the consolidated balance sheet of scheduled commercial banks (SCBs) expanded by 12.2% in 2022-23, driven by credit growth to the retail and services sectors.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57001

5. Reserve Bank of India (Government Securities Lending) Directions, 2023

The Reserve Bank of India (RBI) vide notification dated December 27th 2023, issued the Reserve Bank of India (Government Securities Lending) Directions, 2023 after going through the comments received from various banks, market participants and interested parties on the draft shared on RBI's website.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12580&Mode=0>

6. RBI releases the Financial Stability Report,2023

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, released its 28th Financial Stability Report, the RBI underscores the resilience of India's economy and financial system, citing robust macroeconomic fundamentals, sound financial institution balance sheets, and ongoing fiscal consolidation.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57005

7. RBI releases 2023 list of Domestic Systemically Important Banks (D-SIBs)

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, informed that SBI, HDFC Bank, and ICICI Bank retain their status as Domestic Systemically Important Banks (D-SIBs), with SBI moving to bucket 4 and HDFC Bank to bucket 2. Higher D-SIB buffer requirements for SBI and HDFC Bank will be effective from April 1, 2025.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57006

8. Domestic Systemically Important Bank (D-SIB) Framework - Review of the Assessment Methodology

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, has revised the methodology for identifying Domestic Systemically Important Banks (D-SIBs) under the annual assessment framework. Changes include modifying the 'Payments' sub-indicator under 'Substitutability' to focus on total value and volume of digital payments in INR. The timeline for assessment and disclosures is now set for August-October annually, with the names of D-SIBs revealed in November.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57015

9. Reserve Bank of India (Financial Benchmark Administrators) Directions, 2023

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, issued the revised directions-Financial Benchmark Administrators (Reserve Bank) Directions, 2019 dated June 26, 2019, after the review to put in place a holistic risk-based framework covering all benchmark administrators in financial markets regulated by the Reserve Bank.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12581&Mode=0>

10.MHP Exemption for Transfer of Receivables

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, notified that in order to develop secondary market operations of receivables acquired as part of 'factoring business' as defined under the Factoring Regulation Act, 2011, decided that transfer of such receivables by eligible transferors will be exempted from MHP requirement, subject to fulfilment of the following conditions:

- (i) The residual maturity of such receivables, at the time of transfer, should not be more than 90 days, and
- (ii) As specified under clauses 10 and 35 of these directions, the transferee conducts proper credit appraisal of the drawee of the bill, before acquiring such receivables.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12582&Mode=0>

11.New definition of MSME

The Reserve Bank of India (RBI) vide notification dated December 28th 2023, issued the revised criteria for classification of enterprises as Micro, small, and Medium enterprises were notified by the Ministry of MSME, dated June 26,2020.Amendments include emphasizing Udyam Registration for enterprises and deleting paragraphs 2.4 to 2.7 in the Master Direction. For Priority Sector Lending, banks should consider Udyam Registration Certificate classification.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12583&Mode=0>

12.Internal Ombudsman for Regulated Entities

The Reserve bank of India (RBI) issued vide notification dated December 29th 2023, issued a directive for the Master Direction on Internal Ombudsman for Regulated Entities, applicable to banks, NBFCs, Non-Bank System Participants, and Credit Information Companies. The directive, exercising statutory powers, stresses the independence of the Internal Ombudsman for consumer grievance redress.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12586&Mode=0>

13. Payments Infrastructure Development Fund (PIDF) – Extension of Scheme, Enhancements and Status Update

The Reserve bank of India (RBI) vide notification dated December 29th 2023, has extended the Payments Infrastructure Development Fund (PIDF) Scheme for an additional two years, until December 31, 2025. The scheme encourages the deployment of payment acceptance infrastructure in tier-3 to tier-6 centres, North Eastern states, Union Territories of Jammu & Kashmir and Ladakh. Enhancements include the inclusion of PM Vishwakarma Scheme beneficiaries and the eligibility of Sound Box devices and Aadhaar-enabled biometric devices for subsidy claims.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57021

14. India's International Investment Position (IIP), September 2023

The Reserve bank of India (RBI) vide notification dated December 29th 2023, informed that in 2023-24, net claims of non-residents on India increased slightly to US\$ 380.9 billion by September 2023, driven by a higher rise in foreign-owned financial assets in India compared to Indian residents' overseas financial assets. Despite a reduction in direct investment liabilities, India's total foreign liabilities increased, and the ratio of India's international financial assets to liabilities improved to 71.0% in September 2023.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57023

15. RBI launches the January 2024 round of Consumer Confidence Survey

The Reserve bank of India (RBI) vide notification dated December 29th 2023, launched the January 2024 round of the Consumer Confidence Survey (CCS), seeking qualitative responses from households on economic sentiments, employment, prices, income, and spending. Conducted in 19 cities, the survey's results offer valuable insights for monetary policy, with M/s Hansa Research Group Private Ltd. engaged to conduct it.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57024

16. RBI launches the January 2024 round of the Inflation Expectations Survey of Households

The Reserve bank of India (RBI) vide notification dated December 29th 2023, launched the January 2024 round of the Inflation Expectations Survey of Households (IESH), aiming to capture subjective assessments on price movements across 19 cities. Conducted by M/s Hansa Research Group Private Limited, the survey gathers qualitative responses on price changes and quantitative data on inflation rates, providing valuable inputs for monetary policy.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57025

17. Scheme for writing books originally in Hindi on Economics/Banking/Financial subjects

The Reserve bank of India (RBI) vide notification dated December 29th 2023, introduces a scheme to promote original writings in Hindi on Economics/Banking/Financial subjects, offering three prizes of ₹1,25,000.00 each to working/retired Professors of UGC-recognized Indian Universities for authoring books in Hindi. Interested participants are invited to submit their nominations and book copies by January 31, 2024, to the Chief General Manager, Rajbhasha Vibhag, RBI Central Office, Mumbai.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57030

18. Lending and Deposit Rates of Scheduled Commercial Banks

The Reserve bank of India (RBI) vide notification dated December 29th 2023, informed that in November 2023, the weighted average lending rate on fresh rupee loans of scheduled commercial banks (SCBs) was 9.34%, and the median 1-Year Marginal Cost of Fund based Lending Rate (MCLR) moved to 8.75%. Meanwhile, the weighted average domestic term deposit rate on fresh rupee term deposits of SCBs reached 6.34% during the same period.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57029

19. Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

The Reserve bank of India (RBI) vide notification dated December 29th 2023, has issued the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, as part of the efforts to harmonize and enhance the Internal Ombudsman (IO) mechanism across various regulated entities, ensuring uniformity in timelines, exclusions, qualifications, and reporting formats. The directive aims to strengthen the IO mechanism and improve the Internal Grievance Redress system in regulated entities.

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

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57038

20. Payments Infrastructure Development Fund – Extension of Scheme and Enhancements

The Reserve bank of India (RBI) vide notification dated December 29th 2023, extended the Payments Infrastructure Development Fund (PIDF) Scheme until December 31, 2025. The scheme now includes beneficiaries of the PM Vishwakarma Scheme as eligible merchants for deployment. Enhancements cover the inclusion of Soundbox and Aadhaar-enabled biometric devices for subsidy, applicable from October 01, 2023. The subsidy for devices in special focus areas is increased from 75% to 90% of the total cost for installations from the same date. Instructions are issued under Section 18 of the Payment and Settlement Systems Act, 2007.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&Mode=0%5C>

21. Fair Lending Practice - Penal Charges in Loan Accounts: Extension of Timeline for Implementation of Instructions

The Reserve bank of India (RBI) vide notification dated 29th December 2023, instructs all commercial banks, co-operative banks, NBFCs, and financial institutions to extend the implementation timeline for Fair Lending Practice - Penal Charges in Loan Accounts, as per circular dated August 18, 2023. Originally set for January 1, 2024, the new timeline mandates implementation for fresh loans from April 1, 2024, and for existing loans, the switchover should occur on the review/renewal date falling on or after April 1, 2024, but not later than June 30, 2024.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12585&Mode=0>

22. Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Review of National Development Banks

The Reserve bank of India (RBI) issued a vide notification dated 29th December 2023, amended the Basel III Framework on Liquidity Standards, specifically the Net Stable Funding Ratio (NSFR) guidelines for National Development Banks (NDBs). Besides NABARD, NHB, and SIDBI, EXIM Bank and NaBFID are now considered NDBs for NSFR computation. The circular is applicable to Scheduled Commercial Banks (excluding Payments Banks and Regional Rural Banks) and is effective immediately. Amendments to specific instructions are detailed in the Annex.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12587&Mode=0>

23. Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

The Reserve bank of India (RBI) vide notification dated 29th December 2023, has directed regulated entities, under the Master Direction, to comply with the Internal Ombudsman mechanism. A review underscores the importance of the Internal Ombudsman in enhancing consumer grievance redress within regulated entities. The directive, effective immediately, emphasizes the continuity of existing Internal Ombudsmen and advises entities to monitor eligibility for timely appointments. Regulated entities are instructed to provide and update Internal Ombudsman contact details to the Consumer Education and Protection Department.

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

https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12586

24. Review of Instructions on Bulk Deposits for Urban Co-operative Banks (UCBs)

The Reserve bank of India (RBI) vide notification dated 1st January 2024, revised the instructions on bulk deposits for Urban Co-operative Banks (UCBs). The definition of "Bulk Deposit" now includes single Rupee term deposits of Rupees one crore and above for Scheduled UCBs categorized as Tier 3 and 4, while for all other UCBs (excluding Scheduled UCBs in Tier 3 and 4), it is Rupees fifteen lakh and above. The change aims to enhance the bulk deposit limit for certain UCBs. All other instructions in this regard remain unchanged.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12588&Mode=0>

25. Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions

The Reserve bank of India (RBI) vide notification dated 1st January 2024, revised instructions on inoperative accounts and unclaimed deposits, effective from April 1, 2024, mandate banks to implement comprehensive guidelines covering account classification, periodic reviews, fraud prevention, grievance resolution, and tracing procedures. Issued under the Banking Regulation Act, 1949, the circular applies to all Commercial Banks (including RRBs) and Co-operative Banks.

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

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12589&Mode=0>

MINISTRY OF CORPORATE AFFAIRS

Latest news published on the website of Ministry of Corporate Affairs

The Ministry of Corporate Affairs published on its website on December 26th 2023 the following news: Stakeholders, please note that post registration on the V3 portal, the user shall receive their V2 user ids on their registered email within 5 hours.

For more information, you can access the MCA website here:

<https://www.mca.gov.in/content/mca/global/en/notifications-tender/news-updates/latest-news.html>

MINISTRY OF LAW AND JUSTICE **(Legislative Department)**

1. The Provisional Collection of Taxes Act, 2023:

The President has promulgated an Act to provide for the immediate effect for a limited period of provisions in Bills relating to the imposition or increase of duties of customs vide notification dated 29.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250963.pdf>

2. The Press and Registration of Periodicals Act, 2023:

The President has promulgated an Act to provide for press, registration of periodicals and for matters connected therewith or incidental thereto vide notification dated 29.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250961.pdf>

3. The Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Act, 2023:

The President has promulgated an Act to regulate the appointment, conditions of service and term of office of the Chief Election Commissioner and other Election Commissioners, the

procedure for transaction of business by the Election Commission and for matters connected therewith or incidental thereto vide notification dated 28.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250952.pdf>

4. The Bharatiya Nagarik Suraksha Sanhita, 2023:

The President has promulgated an Act to consolidate and amend the law relating to Criminal Procedure vide notification dated 25.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250884.pdf>

5. The Bharatiya Nyaya Sanhita, 2023:

The President has promulgated an Act to consolidate and amend the provisions relating to offences and for matters connected therewith or incidental thereto vide notification dated 25.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250883.pdf>

6. The Bharatiya Sakshya Adhinyam, 2023

The President has promulgated an Act to consolidate and to provide for general rules and principles of evidence for fair trial vide notification dated 25.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250882.pdf>

7. The Telecommunications Act, 2023

The President has promulgated an Act to An Act to amend and consolidate the law relating to development, expansion and operation of telecommunication services and telecommunication networks; assignment of spectrum; and for matters connected therewith or incidental thereto vide notification dated 24.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250880.pdf>

8. The Post Office Act, 2023

The President has promulgated an Act to An Act to consolidate and amend the law relating to Post Office in India and to provide for matters connected therewith or incidental thereto vide notification dated 24.12.2023.

For more information, notification can be accessed from here:

<https://egazette.gov.in/WriteReadData/2023/250875.pdf>

9. The Repealing and Amending Act, 2023

The President has promulgated an act on the 17th December, 2023 an Act to repeal certain enactments and to amend an enactment.

For more information, notification can be accessed from here: <https://egazette.gov.in>

You may send your suggestions at kartikey@asalegal.in

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