



# NEWSLETTER <sup>Weekly</sup>

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## RESERVE BANK OF INDIA

### **1. Credit/Investment Concentration Norms – Credit Risk Transfer**

The Reserve Bank of India (RBI) continues its commitment to financial stability with the issuance of new guidelines on credit and investment concentration norms for Non-Banking Financial Companies (NBFCs), including Housing Finance Companies (HFCs). Dated January 15, 2024, the circular aims to ensure uniformity and consistency in the computation of concentration norms among NBFCs, streamlining practices for better risk management.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12598&Mode=0>

### **2. Guidelines on Appointment / Re-appointment of Statutory Auditors of State Co-operative Banks and Central Co-operative Banks**

The Reserve Bank of India (RBI) vide circular dated 15<sup>th</sup> January, 2024 has issued comprehensive guidelines on the appointment, re-appointment, and removal of Statutory Auditors (SAs) for State Co-operative Banks (StCBs) and Central Co-operative Banks (CCBs). Effective from April 1, 2024, these guidelines aim to strengthen the auditing process and uphold the integrity of financial institutions.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12599&Mode=0>

### **3. Master Circular- Exposure Norms and Statutory / Other Restrictions - UCBs**

The Reserve Bank of India (RBI) has issued a Master Circular, dated January 16, 2024, addressing Exposure Norms and Statutory Restrictions applicable to Urban Co-operative Banks (UCBs). This circular consolidates all relevant instructions and guidelines issued until the mentioned date.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12600&Mode=0>

### **4. Second Schedule to the Reserve Bank of India Act, 1934 – Norms for inclusion**

The Reserve Bank of India (RBI) has recently issued a circular, revising the eligibility norms for the inclusion of Urban Co-operative Banks (UCBs) in the Second Schedule to the Reserve Bank of India Act, 1934. This move comes in alignment with the Revised Regulatory Framework for UCBs released on July 19, 2022.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12601&Mode=0>

## **5. Formation of new districts in the State of Madhya Pradesh – Assignment of Lead Bank Responsibility**

In a significant move, the Reserve Bank of India (RBI) has addressed the formation of two new districts, Pandhurna and Maihar, in the state of Madhya Pradesh. Through Gazette Notifications dated October 5, 2023, the government officially declared the establishment of these districts. This development prompted the RBI to assign lead bank responsibilities for effective financial management and governance.

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

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12602&Mode=0>

## **6. Draft Framework for recognising Self-Regulatory Organisations for FinTech Sector**

Technological innovations in the financial services sector, particularly driven by FinTechs, have brought about significant changes, transforming processes, enhancing accessibility, and reducing costs. However, achieving a delicate balance between fostering innovation and ensuring regulatory priorities to protect consumers and contain risks is crucial. In response, the Reserve Bank of India (RBI) has introduced a draft framework for recognizing Self-Regulatory Organisations (SRO) in the FinTech sector.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57127](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57127)

## **7. RBI releases draft circular on ‘Review of regulatory framework for Housing Finance Companies (HFCs) and harmonisation of regulations applicable to HFCs and Non-Banking Finance Companies (NBFCs)’**

The Reserve Bank of India vide press release dated January 15<sup>th</sup> 2024, released a draft circular on review of regulatory framework for Housing Finance Companies (HFCs) and harmonisation of regulations applicable to HFCs and Non-Banking Finance Companies (NBFCs).

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57128](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57128)

## **8. RBI invites comments on the Draft Circular on “Credit/Investment Concentration Norms – Government owned NBFCs”**

The Reserve Bank on January 15<sup>th</sup> 2024 placed on its website the draft circular on [“Credit/Investment Concentration Norms – Government owned NBFCs”](#) which shall be applicable to all Government owned NBFCs registered with RBI. Feedback on the draft circular is invited from the stakeholders and may be submitted by [email](#) with the subject line “Feedback on Credit/Investment Concentration Norms – Government owned NBFCs” by February 29, 2024.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57130](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57130)

## 9. Report of Working Group on State Government Guarantees

The Reserve Bank of India vide press release dated January 16<sup>th</sup> 2024 placed on its website the report of the working group on state government guarantees.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57135](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57135)

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

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#### **DELHI**

3, Birbal Road, Ground & First Floor,  
Jangpura Extension, New Delhi 110014.  
Phone: +91-11-43108998, 45661440,  
43552440, +91-11-24327050-52,  
9311052521

#### **MUMBAI**

404-405, 4<sup>th</sup> Floor, Magnum Opus,  
Near Grand Hyatt,  
Behind Mudra Group,  
Santacruz (East),  
Mumbai – 400 055.  
Phone: +91-22-62368654, 26661979

#### **BENGALURU**

1007, A-Wing, 10<sup>th</sup> Floor,  
Mittal Tower, M.G. Road,  
Bengaluru – 560001.  
Phone: +91-80-48536504

#### **AHMEDABAD**

Office No.10, Business Centre,  
5<sup>th</sup> Floor, Kalapuram Complex,  
Near Municipal Market,  
C.G. Road, Navrangpura,  
Ahmedabad-380009.  
Phone: +91-079-66660888,  
+91-9173660088