



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

इ-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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## RBI Seeks Comments on Draft Guidelines for setting up of and operating Trade Receivables Discounting System ( TReDS)

The Reserve Bank of India has today sought feedback on the [Draft Guidelines for setting up of and operating Trade Receivables Discounting System \(TReDS\)](#). Comments may be [emailed](#) or sent by post to the Principal Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India, Central Office, 14th Floor, Shahid Bhagat Singh Marg, Mumbai - 400001 on or before August 08, 2014. The guidelines are available on RBI website ([www.rbi.org.in](http://www.rbi.org.in)).

### Background

The Reserve Bank of India had published a concept paper on “Micro, Small & Medium Enterprises (MSME) Factoring-Trade Receivables Exchange” in March 2014 with the objective of eliciting public comments on the matter of setting up an institutional mechanism for facilitating financing the trade receivables of Micro, Small and Medium Enterprises (MSMEs) due from the corporate buyers.

On the basis of the public comments received on the concept paper, a series of interactions were held with banks and non-bank factors, SIDBI, NSDL and NSE. Based on these inputs and interactions, RBI has now prepared the Draft Guidelines for setting up and operating the institutional arrangement for meeting the financing requirements of MSMEs through discounting their trade receivables. The system will be known as the Trade Receivables Discounting System (TReDS).

The draft guidelines outline the requirements and the basic tenets of operating the receivables discounting system, and also prescribe the eligibility criteria for entities desirous of setting up and operating such a system.

To this end, the Reserve Bank of India is seeking comments from the public/stakeholders on the draft guidelines for Implementation of Trade Receivables Discounting System (TReDS) in India. Specific and actionable comments would be highly appreciated.