

**भारतीय रिज़र्व बैंक**
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Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Regulation and Supervision; and (iii) Payment and Settlement Systems.

I. Financial Markets**1. Developing an Onshore Non-deliverable Derivatives Market**

Banks in India which operate International Financial Services Centre (IFSC) Banking Units (IBUs) were permitted to transact in INR Non-deliverable foreign exchange derivative contracts (NDDCs) with non-residents and with each other with effect from June 1, 2020. With a view to develop the onshore INR NDDC and to provide residents with the flexibility to efficiently design their hedging programmes, it has been decided to permit banks with IBUs to offer INR NDDCs to resident users in the onshore market. These banks will have the flexibility of settling their NDDC transactions with non-residents and with each other in foreign currency or in INR while transactions with residents will be mandatorily settled in INR. Related directions are being issued separately.

II. Regulation and Supervision**2. Enhancing Efficiency of Regulatory Processes**

Various entities are required to obtain license / authorization to carry out activities regulated by RBI. Further, regulated entities are required to seek certain regulatory approvals from RBI under various statutes / regulations periodically. Currently, the application and approval processes for the same take place in varied on-line and off-line modes. The Union Budget for 2023-24 has announced the need to simplify, ease and reduce cost of compliance by financial sector regulators within laid down time limits to decide the applications under various regulations. It has, therefore, been decided to develop a secured web based centralised portal named as 'PRAVAAH' (Platform for Regulatory Application, Validation And Authorisation) which will gradually extend to all types of applications made to RBI across all functions.

3. Development of Centralised Web portal for Public to Search Unclaimed Deposits

The deposits remaining unclaimed for 10 years in a bank are transferred to the "Depositor Education and Awareness" (DEA) Fund maintained by the Reserve Bank of India. Depositors' protection being an overarching objective, RBI has been taking various measures to ensure that newer deposits do not turn unclaimed and existing unclaimed

deposits are returned to the rightful owners or beneficiaries after following due procedure. On the second aspect, banks display the list of unclaimed deposits on their website. In order to improve and widen the access of depositors / beneficiaries to such data, RBI has decided to develop a web portal to enable search across multiple banks for possible unclaimed deposits based on user inputs. The search results will be enhanced by use of certain AI tools.

4. Grievance Redress Mechanism relating to Credit Information Reporting by Credit Institutions and Credit information provided by Credit Information Companies

With the increase in customer complaints regarding credit information reporting and the functioning of credit information companies (CICs), it has been decided to put in place a comprehensive framework for strengthening and improving the efficacy of the grievance redress mechanism and customer service provided by the credit institutions (CIs) and CICs. For this purpose, the CICs have been brought under the aegis of the Reserve Bank Integrated Ombudsman Scheme (RB-IOS). In addition, it is also proposed to put in place the following measures: a compensation mechanism for delayed updation/rectification of credit information; a provision for SMS/ email alerts to customers when their credit information are accessed from CICs; a timeframe for ingestion of data received by CICs from Credit Institutions; and disclosures relating to number and nature of customer complaints received on the website of CICs. Detailed guidelines in this regard would be issued shortly.

III. Payment and Settlement Systems

5. Operation of Pre-Sanctioned Credit Lines at Banks through the UPI

Unified Payments Interface (UPI) is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitisation goals. Recently, RuPay credit cards were permitted to be linked to UPI. At present, UPI transactions are enabled between deposit accounts at banks, sometimes intermediated by pre-paid instruments including wallets. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. In other words, UPI network will facilitate payments financed by credit from banks. This can reduce the cost of such offerings and help in development of unique products for Indian markets.

Detailed instructions in this regard will be issued separately.