



# REPORT OF THE REGULATIONS REVIEW AUTHORITY 2.0

RESERVE BANK OF INDIA  
JUNE 2022





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*“You may never know what results come of your actions  
but if you do nothing, there will be no result.”*

– Mahatma Gandhi



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## Letter of Transmittal

June 10, 2022

Shri Shaktikanta Das  
Governor  
Reserve Bank of India  
Central Office  
Mumbai – 400 001

Dear Sir,

### Report of the Regulations Review Authority 2.0

I hereby submit the report of the Regulations Review Authority 2.0. The RRA 2.0 was constituted for a period of one year from May 01, 2021 to review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders with a view to their simplification and ease of implementation.

Yours Sincerely

Sd/-

(M. Rajeshwar Rao)  
Deputy Governor



## ACKNOWLEDGEMENTS

The current review of the regulations under the umbrella of Regulations Review Authority was a comprehensive and collaborative exercise and acknowledgement is due to a large number of colleagues and others who have contributed to this endeavor. I would like to begin by thanking the Executive Directors Shri S.C. Murmu, Dr. O.P. Mall, Shri Saurav Sinha, and Shri R. Subramanian for their valuable inputs during the deliberations at each and every stage of this exercise. I am also grateful to Shri J.K. Dash, Executive Director, for providing perspective on several comments and suggestions which we received during the process.


The contributions and deliberations of the Advisory Group to RRA, set up under the Chairmanship of Shri Swaminathan J., Managing Director, State Bank of India, have helped immensely in shaping this report. I am thankful to him and other members of the Advisory Group, Shri T. T. Srinivasaraghavan, Shri Gautam Thakur, Shri Subir Saha, Shri Ravi Duvvuru and Shri Abadaan Viccaji for their untiring efforts and invaluable contributions during the RRA exercise.

As a part of the internal review process, we had also set-up two specialised committees - one for Rationalisation of Returns/Statements (Chairman: Dr. O.P. Mall, Executive Director and Shri Neeraj Nigam, Chief General Manager (CGM)-in Charge, DoR; Shri Ajay Kumar Misra, CGM-in Charge, FED; Smt. Sonali Sengupta, CGM-in Charge, FIDD; Shri T. K. Rajan, CGM, DoS and Shri K. Rajkumar, Adviser (Retd.) DSIM as members) and the other to deliberate on the Taxonomy of Circulars (Chairman: Shri. Unnikrishnan A., Legal Adviser-in Charge with Shri Arnab Kumar Chowdhury, CGM-in Charge, DoS; Shri Shrimohan Yadav, CGM, DoR and Ms. Dimple Bhandia, CGM, FMRD as members). The RRA report has benefitted enormously from the recommendations of these committees. I offer my gratitude to the Chairs and Members for the same. I must also acknowledge the contribution and valuable inputs from Shri Yogesh Dayal, CGM, DoC who participated in several meetings and provided valuable comments.

The entire RRA exercise was also helped by valuable recommendations and specific suggestions and inputs provided by the nodal officers of the eleven Central Office Departments of the Reserve Bank constituting the Inter-Departmental Group, namely CEPD, DCM, DGBA, DoR, DoS, DPSS, EFD, FED, FIDD, FMRD and IDMD. The Principals and Members of Faculty of the Training Establishments, viz., Reserve Bank Staff College, College of Agricultural Banking (CAB) and the Reserve Bank Ombudsman Offices also contributed in shaping the recommendations of this report.

I would like to express my gratitude to Prof. (Dr.) Sudhir Krishnaswamy, Vice Chancellor, National Law School of India University, Bengaluru and his team for extending excellent research assistance to the RRA 2.0 and enriching the deliberations with their valuable comments and contributions.

The deliberations of the RRA have been informed and enriched by numerous discussions which we had with representatives of industry bodies, regulated entities, bankers, members of academia and RBI officials, both serving and retired. While it may not be possible to individually acknowledge all of them here, my gratitude is due to everyone for participating in the exercise.



My sincere thanks to the Department of Regulation for providing the administrative support. Further, I would also like to convey my deep appreciation for the excellent support provided by the secretariat of the Department of Regulation led by Shri Harsh Kumar Gautam, General Manager and comprising Shri Amit Sinha, Deputy General Manager, Shri Pulkesh Singh, Assistant General Manager, Shri Shashi Kant, Legal Consultant, Shri Nishant Khosla, Legal Officer, Shri Ashish Daryani, Manager and Smt. Meera Ravi, Assistant Manager.

Finally, let me acknowledge the contribution of my Executive Assistant, Shri Pradeep Kumar who meticulously went through all the draft versions of this report and contributed in giving it a final shape.

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## LIST OF ABBREVIATIONS

AG	Advisory Group
ASFBI	Association of Small Finance Banks in India
CAB	College of Agricultural Banking
CBS	Core Banking System
CEPD	Consumer Education and Protection Department
CGM	Chief General Manager
CII	Confederation of Indian Industry
CIMS	Centralised Information Management System
COD	Central Office Department
CoEDs	Committee of Executive Directors
DW	Data Warehouse
DBIE	Database on Indian Economy
DCM	Department of Currency Management
DEPR	Department of Economic and Policy Research
DGBA	Department of Government and Bank Accounts
DNBS	Department of Non-Banking Supervision
DoC	Department of Communication
DoR	Department of Regulation
DoS	Department of Supervision
DPSS	Department of Payment and Settlement Systems
DSIM	Department of Statistics and Information Management
EDSP	Electronic Data Submission Portal
EFD	Enforcement Department
FAQs	Frequently Asked Questions
FED	Foreign Exchange Department
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	Foreign Exchange Management Act, 1999
FICCI	Federation of Indian Chambers of Commerce and Industry
FIDC	Finance Industry Development Council

FIDD	Financial Inclusion and Development Department
FIMMDA	Fixed Income Money Market and Derivatives Association of India
FIRMS	Foreign Investment Reporting and Management System
FMR	Fraud Monitoring Return
FMRD	Financial Markets Regulation Department
FPI	Foreign Portfolio Investment
IBA	Indian Banks' Association
IDG	Inter-Departmental Group
IDMD	Internal Debt Management Department
KYC	Know Your Customer
NAFCUB	National Federation of Urban Cooperative Banks and Credit Societies Ltd.
NBFC	Non-Banking Financial Company
OFIs	Other Financial Intermediaries
OID	Overseas Investment Division
ORFS	Online Returns Filing System
PCI	Payments Council of India
PIO	Person of Indian Origin
PPI	Prepaid Payment Instrument
PSO	Payment System Operators
RBIO	Reserve Bank of India Ombudsman
RBSC	Reserve Bank Staff College, Chennai
REs	Regulated Entities
RGG	Returns Governance Group
RRA	Regulations Review Authority
RRBs	Regional Rural Banks
SCBs	Scheduled Commercial Banks
SSM	Senior Supervisory Managers
TE	Training Establishments of RBI
ToR	Terms of Reference
UCBs	Urban Cooperative Banks
XBRL	eXtensible Business Reporting Language

## EXECUTIVE SUMMARY

The Reserve Bank of India is the central bank of the country and has been bestowed with the statutory responsibility to maintain price and monetary stability along with other regulatory, supervisory, and developmental functions. RBI has been vested with powers to make subordinate legislation under various statutes like The Reserve Bank of India Act, 1934<sup>1</sup>, The Banking Regulation Act, 1949<sup>2</sup>, The Payment & Settlement Systems Act, 2007<sup>3</sup>, The Government Securities Act, 2006<sup>4</sup>, The Foreign Exchange Management Act, 1999<sup>5</sup>, The Credit Information Companies (Regulation) Act, 2005<sup>6</sup>, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002<sup>7</sup>, and The Factoring Regulation Act, 2011<sup>8</sup> amongst other laws and statutes.

2. To fulfil its mandate, the Reserve Bank has been issuing instructions under the powers conferred upon it under the aforesaid statutes. The Regulated Entities (REs) have a statutory obligation to comply with the instructions of the Reserve Bank, failure of which may result in supervisory/ enforcement actions including penal ramifications. At the same time, while issuing instructions, it also casts a responsibility upon the RBI to ensure that its instructions are consistent with its mandate besides being clear, logical, appropriate and proportional so that they are easily understood, unambiguously interpreted and can be followed in letter and spirit.

3. In addition, for effective discharge of its multifarious mandates, the Reserve Bank collects large amount of data and information through prescribed returns/ statements from the entities regulated by it. A substantial part of such information is later released in the public domain recognising dissemination of economic statistics as 'public good'. RBI disseminates a vast array of information to different stakeholders. Conventionally, such information is disseminated through the RBI website and different publications in a more consolidated and organised form.

4. The regulatory instructions and return prescriptions have evolved over a period of time in consonance with the developmental trajectory of the financial system and institutions. The regulatory perimeter has also expanded as the Indian financial system has ventured into newer business models, product lines and geographical territories. Over time this would lead to multiplicity of instructions on similar subjects, duplication of return elements and might also result in complex compliance procedures leading to avoidable burden on the regulated entities. Therefore, a periodic stocktake is useful to review the regulatory instructions and compliance procedures with a view to streamlining/rationalising them and making them more effective.

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<sup>1</sup> The Reserve Bank of India Act, No. 2 of 1934

<sup>2</sup> The Banking Regulation Act, No. 10 of 1949

<sup>3</sup> The Payment and Settlement Systems Act, No. 51 of 2007

<sup>4</sup> The Government Securities Act, No. 38 of 2006

<sup>5</sup> The Foreign Exchange Management Act, No. 42 of 1999

<sup>6</sup> The Credit Information Companies (Regulation) Act, No. 30 of 2005

<sup>7</sup> The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, No. 54 of 2002

<sup>8</sup> The Factoring Regulation Act, No. 12 of 2012

5. In the first such exercise, the Reserve Bank had set up a Regulations Review Authority (RRA 1.0) in April 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. The recommendations of the RRA 1.0 enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, reducing reporting burden on regulated entities, and paved the way for consolidation of regulatory instructions on a particular subject in the form of Master Circulars.

6. Considering the development of the regulatory functions over the past two decades and evolution of the regulatory perimeter, another stocktake was envisioned through Regulations Review Authority (RRA 2.0). The focus this time was on enhancing the ease of compliance for the REs without changing the existing regulatory spectrum by reviewing the regulatory procedures internally as well as by seeking suggestions from the REs and other stakeholders for simplification of procedures to enable ease of compliance. A comprehensive exercise was attempted involving both internal as well as external consultations at multiple levels.

7. With the advent of numerous modes of communication, the RRA also felt that a review of the way regulatory instructions is disseminated, was also in order. Therefore, the report has made several recommendations on the whole gamut of issues regarding communication of regulatory instructions. The emphasis of these recommendations is on simple, easy and concise communication in nuanced language wherever needed.

8. After detailed deliberations with the regulated entities, industry representative bodies and other stakeholders, and based on the feedback and suggestions received from internal and external stakeholders, this report makes recommendations covering ease of compliance, reduction of regulatory burden, rationalization of reporting mechanism and streamlining of regulatory instructions and communication.

- i) **Ease of compliance and reduction of regulatory burden:** While REs have an obligation to comply with regulatory instructions, it is also recognised that any gap in understanding, interpreting, and implementing the instruction may lead to compliance of the instructions in letter but not in spirit. Therefore, it has been recommended that the regulatory instructions should contain a brief statement of objective underlying the rationale for issuance of instructions. This statement can help readers understand the necessity of the regulation. Also, it has been recommended that the instructions should be supplemented with FAQs/ guidance notes and illustrations, wherever necessary.

Further, the feedback suggests that information relating to filing of the returns - such as guidance manual/ notes, definitions of elements, links to portals, etc., tends to be prescribed across different circulars and regulations at various places on the website. Taking cognisance of the same and with a view to provide ease of access, creation of a separate web page, viz., 'Regulatory Reporting' in the RBI website has been recommended. All the information relating to regulatory, supervisory and statutory returns would be consolidated at a single source on the RBI website.




- ii) **Streamlining the reporting mechanism:** Based upon a comprehensive review of the returns being submitted by the REs, RRA has recommended complete elimination of paper-based returns and has identified 65 regulatory returns which should either be discontinued/merged with other returns or shall be converted into online returns. A periodic review of regulatory or supervisory returns at least once in three years has been suggested. Also, RRA has recommended that *ad hoc* returns introduced for capturing specific data should be prescribed with a sunset clause of not more than six months and any extension beyond the initial period or converting them to a permanent return must be done after going through the rigour of scrutiny and approval of the Returns Governance Group (RGG).

It has also been recommended to shift from the current prescription of submitting data on a reporting fortnight basis to a system of reporting data on the 15<sup>th</sup> and last working day of every calendar month. This would improve inter-temporal comparison of banking data and other economic variables and improve data quality. Apart from the review which has been undertaken under the current exercise, RRA has recommended that return-prescribing departments may frequently review the contents and periodicity of the returns with a view to ascertain the need for their continuance.

- iii) **Issuance of regulatory instructions:** The Reserve Bank issues regulatory instructions in the form of Master Directions, Master Circulars, Circulars, Notifications, Guidelines and at times through Press Releases. While efforts have been made to ensure that each instrument is clearly spelt out along with the intent behind its issuance and the nature of its application, any variations in extant instruments may lead to ambiguity in interpretation. Therefore, standardization of circulars and creation of a consistent template is significant. Uniform formats for different regulatory instruments have hence been suggested to help the target audience in ease of understanding and compliance. A standard glossary of specific terms and definitions has also been proposed.

Several stakeholders also pointed out the non-updating of Master Circulars on the RBI website. Accordingly, the RRA has recommended that the Master Circulars be updated in a time bound manner and may eventually be converted into Master Directions, wherever feasible. Regulatory instructions which have been repealed/ withdrawn may be archived/ stamped to avoid confusion amongst the REs/ members of public.

Finally, the RRA has recommended that it should be the Bank's endeavour that the process of public consultation should be followed for all important regulatory changes being contemplated. The draft instructions should ideally be placed on the RBI website for stakeholder comments and finalised after considering the feedback. While this process is being followed in most of the cases even now, the recommendation comes with the caveat that there could be situations where preservation of financial stability or fiduciary duty may become the overriding constraint and may prevent the Reserve Bank from prior public consultation. In such cases, *post facto* clarifications through FAQs may be resorted to.

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- iv) **Dissemination and ease of accessibility of regulatory instructions:** While the revamp of RBI website is expected to be completed soon, the RRA has recommended that all the contents posted on RBI website be updated on real-time basis. The RBI website layout should be enhanced to make it more interactive and convenient for navigation.
  - v) **Withdrawal of obsolete and redundant instructions:** In addition to the above recommendation, RRA from time to time has come out with the recommendation on withdrawal of obsolete/ redundant circulars and instructions. RRA has recommended withdrawal of 714 regulatory instructions which have either become obsolete or redundant and have not been explicitly withdrawn. The RRA has also suggested that review and revocation of time-barred and old regulations may be taken up for alignment with the recent circulars and this exercise can be institutionalised in such a manner that only the current and updated instructions are available in public domain.

The detailed recommendations are discussed in the ensuing chapters.

## Chapter 1

### Introduction

*"Every legislature is expected to undertake what may be called the periodical spring-cleaning of the corpus of its Statute Law, in order that dead wood may be removed, and citizens may be spared of the inconvenience of taking notice of laws which have ceased to bear any relevance to current conditions..."*

- 96<sup>th</sup> Report, Law Commission of India, 1984

The Reserve Bank has a pre-eminent role in developing and nurturing the financial landscape of the country. The RBI Act, 1934 in its preamble cites that the operation/ regulation of the credit/ financial system of the country to its advantage is the *leitmotif* that connects all the provisions that confer powers upon the Reserve Bank, both to determine policy and to issue directions. In order to fulfil its statutory mandate, the Reserve Bank issues a number of regulatory instructions/ guidelines and undertakes an extensive information collection exercise from the Regulated Entities (REs).

1.2 Regulations are an integral part of the institutional framework to facilitate growth and orderly development of the financial system. A well-drafted regulation helps in developing and nurturing the financial markets and players and helps in optimal allocation of financial resources in the economy. Therefore, the efficacy of regulation needs to be assessed periodically through a process of review and feedback in a structured manner. It, therefore, becomes imperative for an organisation engaged in public policy making to focus on streamlining the regulatory instructions issued over a period of time on reducing the compliance burden on the REs by simplifying procedures and by rationalising the reporting requirements, wherever possible. As the Central Bank of a rapidly developing economy, the Reserve Bank has been quite proactive in taking measured and concrete steps towards achieving the above.

#### **Setting up of RRA 1.0**

1.3 The Reserve Bank took up a pioneering initiative two decades back in April 1999, when it set up a Regulations Review Authority (RRA 1.0) for reviewing the regulations, circulars and reporting systems, based on the feedback from the public, banks and financial institutions. The then RRA reviewed the internal processes and examined public comments/ suggestions regarding RBI circulars. A Compliance Officers Committee with members drawn from major banks, besides internal committees were constituted to gather the viewpoint of consumers of the instructions issued by the Reserve Bank. The RRA 1.0 made several recommendations to simplify regulations and procedures, and in its biggest contribution, paved the way for issuance of Master Circulars consolidating the instructions relating to a particular subject at one place.

#### **Setting up of RRA 2.0**

1.4 The developments in the regulatory functions of the Reserve Bank over the past two decades and evolution of the regulatory perimeter necessitated the need for a similar review of the Reserve

Bank's regulations and compliance requirements. Accordingly, on April 15, 2021, the Regulations Review Authority (RRA 2.0)<sup>9</sup> was set up by the Reserve Bank of India to review the regulatory prescriptions internally as well as by seeking suggestions from the REs and other stakeholders on their simplification and ease of implementation. Deputy Governor, Shri M. Rajeshwar Rao was appointed as the Regulations Review Authority. The RRA 2.0 was set up for a period of one year starting from May 01, 2021. The RRA 2.0 was assisted by the RRA secretariat which was set-up under the aegis of the Department of Regulation (DoR).

1.5 The mandate of RRA 2.0 as articulated under the Terms of Reference (ToR) were:

- i. To make regulatory and supervisory instructions more effective by removing redundancies and duplications, if any.
- ii. To reduce compliance burden on regulated entities by streamlining the reporting mechanism; revoking obsolete instructions, if necessary and obviating paper-based submission of returns wherever possible.
- iii. To obtain feedback from regulated entities on simplification of procedures and enhancement of ease of compliance.
- iv. To examine and suggest the changes required in the dissemination process of RBI circulars/ instructions (this would entail suggestions on the areas wherein and in the manner of issuing circulars, their updation and website linkages); and
- v. To identify any other issue germane to the subject matter.

1.6 Given this mandate, the RRA 2.0 exercise has largely focussed on streamlining regulatory instructions, reducing compliance burden of the REs by simplifying procedures and rationalising reporting requirements, wherever possible. It was also decided that RRA 2.0 would not be a grievance redressal forum against the decision of any authority in any individual case, or a policy making forum for macro-economic, monetary or banking policies.

1.7 While submitting this report, the RRA 2.0 sincerely believes that the nation's progress can be achieved only with the success of public policy which Henry Ford has succinctly summed up as *"Coming together is a beginning; keeping together is progress; working together is success."*

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<sup>9</sup> The Press Releases on RRA 2.0 are given in Annexures 1(a) to 1(g).

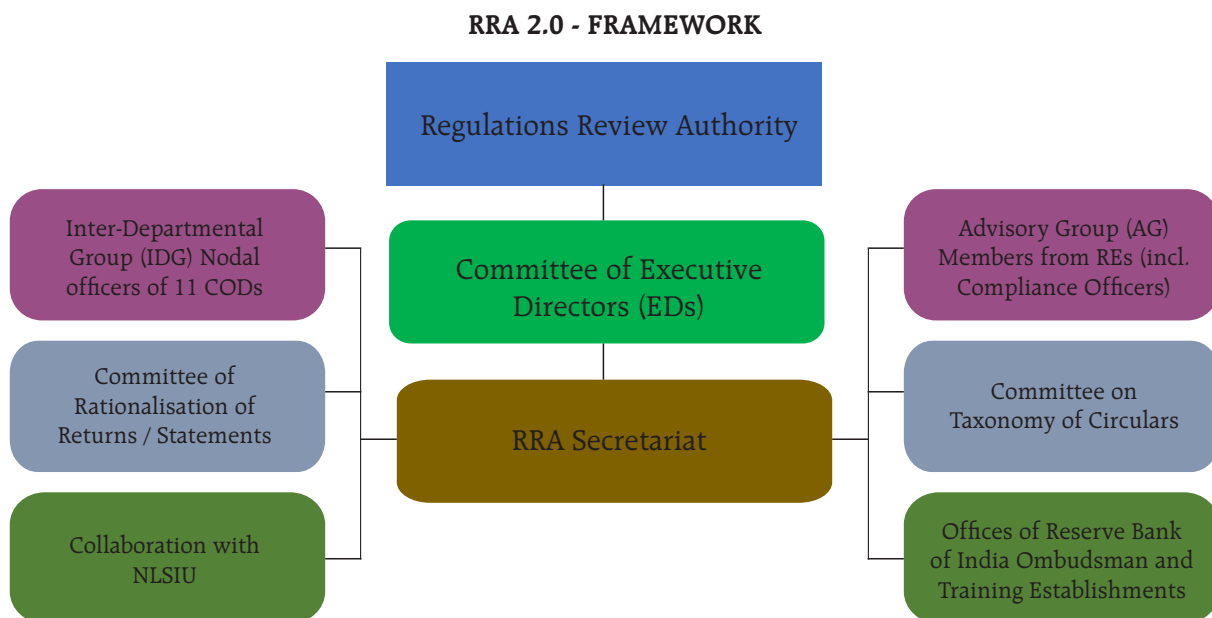
## Chapter 2

### Approach to Regulations Review

RRA 2.0 attempted a comprehensive and consultative exercise with the RRA, engaging internally as well as externally with regulated entities and other stakeholders to facilitate the process. The review processes commenced with the constitution of designated groups and committees with specific tasks assigned to them. The external review of the regulatory prescriptions by RRA 2.0 essentially involved setting up an Advisory Group (AG) for seeking suggestions from the REs and other stakeholders on the simplification and ease of implementation of regulatory and supervisory instructions.

2.2 The internal review commenced with the setting up of an inter-departmental group (IDG) besides involving Reserve Bank of India Ombudsman (RBIOs) Offices and the Training Establishments (TEs). Additionally, two specialised committees were set up with a specific mandate to review the returns and examine the taxonomy of RBI circulars. Finally, a Committee of Executive Directors (CoEDs) of RBI comprising Executive Directors - Shri S.C. Murmu, Dr. O.P. Mall, Shri Saurav Sinha, and Shri R. Subramanian was constituted to assist the RRA.

A graphic depiction of framework of RRA 2.0 is given below:



#### **Advisory Group**

2.3 The opinion of stakeholders is significant for any comprehensive review process to be effective. In line with the consultative approach adopted by it, the RRA 2.0 constituted an Advisory Group (AG) under the Chairmanship of Shri Swaminathan J., Managing Director, State Bank of India<sup>10</sup> for

<sup>10</sup> Press release dated May 07, 2021.

achieving the objectives set forth in the terms of reference of RRA 2.0. It was envisaged that the AG, as an extended arm of the RRA, would engage with various stakeholders including the REs. As per its terms of reference<sup>11</sup>, the AG invited feedback and suggestions from all the REs, industry bodies and other stakeholders between May 07, 2021, and June 30, 2021.

2.4 The AG also engaged with several industry bodies, self-regulatory organisations, and other stake holders to identify areas / regulations / guidelines / returns which could be streamlined and rationalised. Based on the extensive deliberations within the group, the AG apprised the RRA about its recommendations from time to time and submitted a final Report in February 2022. All the recommendations of the AG have been examined by the RRA and have been suitably assimilated in the report.

### ***Inter-Departmental Group***

2.5 An Inter-Departmental Group (IDG), comprising Nodal Officers from 11 Central Office Departments (CODs)<sup>12</sup> of the Reserve Bank was constituted on May 7, 2021. The mandate of IDG was to undertake an internal review of all the existing instructions/ regulations/ guidelines issued to the REs with an objective to identify redundancies, obsolescence, contradictions, multiplicity as well as the complexity of regulatory instructions. While doing so, they also factored in the possible simplification of compliances and reporting requirements, wherever deemed necessary or desirable. Based on the suggestions received from the IDG, RRA 2.0 has periodically come out with recommendations withdrawing obsolete circulars and regulatory instructions.

### ***Offices of the RBI Ombudsmen and Training Establishments***

2.6 The Reserve Bank has set up an institutional framework for grievance redressal pertaining to deficiency in customer services in the form of the Offices of Banking Ombudsman now known as Reserve Bank of India Ombudsman (RBIO). Further, Training Establishments (TEs)<sup>13</sup> of the Reserve Bank interact with the participants of REs as well as RBI officers from Regional Offices and Central Office Departments. Such interactions generate useful information on regulatory instructions, their interpretation and effective implementation at ground level. Therefore, these RBIOs and TEs are repositories of significant information/ feedback on regulatory instructions.

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<sup>11</sup> The Advisory Group was mandated to undertake preparatory work to:

- i. identify regulations/ guidelines/returns which can be simplified and rationalized.
- ii. identify the inconsistencies, if any, in regulatory instructions and suggest appropriate strategies to address them.
- iii. suggest consolidation, wherever possible, of the circulars/ guidelines/ directions and returns with a view to make them more effective.
- iv. suggest ways of streamlining and simplifying the compliance and reporting mechanism by removing outdated and identical or overlapping compliance and reporting requirements.
- v. provide suggestions to enhance ease of compliance by simplifying the procedures and reducing the compliance burden.
- vi. Any other suggestion/recommendation pertaining to RRA's terms of reference.

<sup>12</sup> CEPD, DCM, DGBA DoR, DoS, DPSS, EFD, FED, FIDD, FMRD, & IDMD.

<sup>13</sup> Reserve Bank Staff College (RBSC) and College of Agricultural Banking (CAB)

2.7 Suggestions were accordingly sought from the RBIO offices as well as the TEs, for making recommendations pertaining to terms of reference of RRA 2.0. Several suggestions were received on both – those pertaining to ToR of RRA as well as those relating to policy changes. While the suggestions pertaining to ToR have been factored in while preparing this report, the ones pertaining to policy have been referred to respective departments within the Reserve Bank for taking further appropriate action.

#### ***Committee on Rationalisation of Returns/ Statements***

2.8 The Reserve Bank compiles regular estimates of financial sector variables, based on the information collected from REs through statutory and supervisory returns. A Committee on Rationalisation of Returns/ Statements (hereinafter referred to as Returns Committee) under the Chairmanship of Dr. O.P. Mall, Executive Director, RBI with members<sup>14</sup> from CODs, was constituted by RRA to review the returns and streamline as well as rationalise the reporting mechanism.

2.9 The Returns Committee held several meetings and sought structured feedback from the various departments of RBI that prescribe returns for the REs. It also examined the current technology for reporting, processing and dissemination of data reported by REs including the improvements envisaged in the next generation data warehouse of RBI, viz., Centralised Information Management System (CIMS). The Returns Committee submitted its report in November 2021 and its suggestions have been factored in suitably in the RRA recommendations pertaining to streamlining of returns.

#### ***Committee on Taxonomy of Circulars***

2.10 As a part of internal review process, RRA constituted another specialised committee, i.e., Committee on Taxonomy of Circulars (hereinafter referred to as Taxonomy Committee) under the chairmanship of Shri Unnikrishnan A, Legal Adviser-in-Charge of the Legal Department of RBI<sup>15</sup>. The objective of the Taxonomy Committee was to study and suggest a taxonomy of circulars/ instructions to make it more effective, to suggest the manner of issuing circulars, updation and website linkage and, also to examine and suggest changes required in the dissemination process of circulars/ instructions.

2.11 The Taxonomy Committee called for suggestions from various departments of RBI and the Senior Supervisory Managers (SSMs) of Department of Supervision on the broad areas covering its terms of reference. Based on the analysis of the suggestions received and broad conclusions arrived at during the deliberations, the Taxonomy Committee submitted its Report in September 2021. The committee made several recommendations, broadly pertaining to categorisation of instruments to issue regulatory instructions, enforceability of RBI instructions, procedure for issuance of instructions, consolidation and standardisation of circulars, and suggestions to prevent common inconsistencies, among others. These suggestions have also been suitably factored in while preparing RRA's recommendations on issuance and dissemination of regulatory instructions.

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<sup>14</sup> List of other members of the Returns Committee is given in Annexure – 2.

<sup>15</sup> List of other members of the Taxonomy Committee is given in Annexure – 2.

### ***Collaboration with National Law School of India University (NLSIU), Bengaluru***

2.12 National Law School of India University (NLSIU), Bengaluru proactively provided their suggestions to RRA 2.0. RRA sought to collaborate with NLSIU and they provided excellent research support and inputs on the specific areas including standardisation of regulatory instruments. The NLSIU undertook a comparative study of regulatory issuance process and analysis of instruments used by financial sector regulators in several overseas jurisdictions including the UK, EU, the US, Australia, Singapore and Hong Kong, a framework for different types of instruments issued by domestic regulators containing the legal effect and function of each such instrument, and standard templates of regulatory instruments.

2.13 The RRA recommendations on the issuance of regulatory instructions have been enormously benefitted and enriched by the unstinted support provided by the NLSIU team.



## Chapter 3

### Review of Returns

The Reserve Bank compiles regular estimates of financial sector parameters based on the information collected from regulated entities through statutory and supervisory returns. Using the power of information technology, the regulatory reporting over the years has been considerably streamlined, especially for large returns. Out of more than 250 regular returns, over 150 returns are being processed in the data warehouse through XBRL, ORFS and EDSP portals, and many other information systems also cater to specific domains. Nevertheless, some paper-based and email-based returns also flow to select departments. With the advancement in technology, seeking new regular information through paper-based return or *via* emails is inefficient as tracking, processing or validation for data quality is not possible through these mediums.

3.2 The review of returns for rationalisation were previously undertaken in 1999 and in 2009. In addition, various departments have also undertaken internal rationalisation exercises for their own returns at various stages. Nevertheless, given the complexities of operations, requirements of detailed monitoring, and international prescriptions, regulatory reporting needs have expanded over the years.

3.3 The AG examined the returns applicable to various REs across the spectrum and made several suggestions on streamlining of reporting mechanisms including their discontinuation and merger. Further, RBIOs and TEs also provided feedback/ suggestions on the rationalisation of returns applicable to REs. The Committee on Rationalisation of Returns/ Statements ('Returns Committee') provided various suggestions on simplifying the reporting process to reduce the regulatory burden and promote ease of compliance for the REs while improving the accuracy, speed and quality of data submission. In addition to its internal deliberations, the Returns Committee has also reviewed suggestions received from the various departments of the RBI. While this report contains high-level recommendations for improvements in reporting mechanism and easing the compliance burden, recommendations/ suggestions received on specific return items have already been shared with the owner department within the Reserve Bank for taking appropriate action.

#### ***Current process of submitting the regulatory returns***

3.4 A major exercise undertaken by the Returns Committee was to reconcile the total number of returns/ statements mandated by CODs for the REs. Given the variety of information (*e.g.*, data, text, documents, *etc.*), it was felt important to define a 'return' for the purpose of this exercise. Therefore, the Returns Committee decided to exclude the prescriptions which are (a) *ad hoc* in nature; (b) did not prescribe any format; (c) are a one-time information collection exercise; (d) prescribed for only select entities. The voluntary surveys, feedbacks from households, select companies, subject experts and analysts were also not considered as returns as they were not mandated for REs. Following the above criteria, it was ascertained that there are around 270 live returns to be submitted by various categories of REs. These include both statutory and supervisory returns which have been prescribed

through the statute or regulations / directions under relevant statutes or have been mandated through circulars, directions, notifications, press releases, operational guidelines, manuals, guidance notes, etc.

3.5 Though these detailed returns are collected through multiple delivery channels, viz., XBRL, ORFS, EDSP, direct data transfer, file upload, emails and sometimes through web-forms, it was also observed that 69 of the 270 returns were being collected in physical copies or through email. Several other standalone application software systems have also been introduced over the years in response to the emerging needs of the Bank. A snapshot of data collection/ management/ dissemination systems used by the different Central Office Departments is presented below:

**Table 1.1: System for Collection of Returns – Department-wise**

Department	Data Collection System	Data Management/ Dissemination System
<b>FIDD</b>	Automated Data Extraction Project (ADEPT) - extraction of data from banks' CBS, Electronic data submission portal (EDSP) XBRL Emails	DBIE (EDSP and XBRL base only)
<b>FED</b>	OID Application - Overseas Investment Application Export Data Processing and Monitoring System (EDPMS) Import Data Processing and Monitoring System (IDPMS) FIRMS Application - Foreign investment in India XBRL – LRS, Trade Credit, etc. Email/Hardcopy – Some returns through this mode.	DBIE (for XBRL reporting only) and for others respective application is developed to provide reports.
<b>FMRD</b>	XBRL	DBIE
<b>DoS</b>	XBRL (for Most returns) Audit Regulation System (ARS) Cyber Security and Information Technology Examination (CSITE) applications Data Collector Software (DCS) - Risk Based Supervision Hard Copy	DBIE (for XBRL reporting only)
<b>DoR</b>	PC-RPCD Package XBRL Hard copy	DBIE (for XBRL reporting only)
<b>CEPD</b>	Hard copy	-
<b>IDMD</b>	XBRL Email System to System from CCIL and E-Kuber to DBIE	DBIE
<b>DCM</b>	Email	-
<b>DPSS</b>	XBRL EDSP System to System from RTGS to DBIE Email	DBIE (XBRL, CBS, NGRTGS only)

Department	Data Collection System	Data Management/ Dissemination System
DSIM	XBRL EDSP Foreign Exchange Transactions Electronic Reporting System (FETERS) Foreign Liabilities and Assets Information Reporting (FLAIR) Survey Management System Central Information System for Banking Infrastructure (CISBI) Meridian - ECB Email	DBIE (EDSP and XBRL base only) and for others respective application is developed to provide reports.
DEPR	Email Hard copy	-
MPD	XBRL Email	DBIE (for XBRL reporting only)

3.6 The Reserve Bank has put the consolidated list of returns prescribed for banks/NBFCs/OFIs on the RBI website since 2018. This list provides formats, frequency, reporting entities, concerned department and prescribing circulars. While the above diversity of data flow channels provides flexibility in receiving data, some of them (e.g., paper-based, email-based) do not conform to simple principles of database management. They cannot ensure good statistical compilation as they do not provide easy aggregation, consistency check, completeness, and tracking.

3.7 The Reserve Bank's 'Database on Indian Economy' (DBIE) is an Enterprise-wide Data Warehouse (DW), which has become the centralised repository for data collection, management, and data reporting. It currently serves internal and external users in terms of (a) data collection and validation; (b) data processing; and (c) data dissemination and publication. Over the years, DW has become the centralised database management system for RBI. With increasing demand for micro-level data, hitherto processed in various departments of RBI, to be integrated with the DBIE, it is increasingly being confronted with binding constraints on the technology and the required scalability. The advent of Big Data, including unstructured data, has made the problem even more acute. Increasingly, the existing architecture of DBIE needs constant updation to cope up with the scalability required for handling the expanding needs of both macro and micro data handling as well as the use of advanced analytical tools. Reserve Bank is, therefore, working towards implementation of its next generation data warehouse, viz., Centralised Information Management System (CIMS).

3.8 CIMS data collection module is being designed to collect data files from regulated entities through various channels including system-to-system transfer. CIMS is envisaged to provide a comprehensive solution for information management and also to streamline data flow to RBI.

### **Returns governance architecture within the Reserve Bank**

3.9 With the changing ambit of the financial sector both domestically and internationally, collection of additional dimensions of data to meet the new requirements of regulation and policy making has become a necessity. Furthermore, there have been sweeping changes in the technology

for both collection of data and dissemination of information. Therefore, there is a constant need to regularly review the existing systems in the Reserve Bank, based on the principles of information management, information technology and data governance. RBI in the past has setup several committees to ensure that these data governance processes in RBI are strengthened in accordance with the continuously evolving regulatory and supervisory requirements of data. Based upon the recommendations of the High Level Steering Committee (HLSC) for Review of Supervisory Processes in respect of Commercial Banks (Chairman: Dr. K. C. Chakrabarty) on implementation of the XBRL-based data submission in the RBI and the Committee on Data Standardisation, an Inter-departmental group named Returns Governance Group (RGG) was formed in 2015 for vetting the introduction of new returns by any department, modification of existing returns, approving definition of new data items, etc. The RGG is headed by the Executive Director in charge of DSIM and it has made several contributions in improving the quality of returns, streamlining of data elements and definitions, as well as, in rationalising several returns.

### **Recommendations on Review of Returns**

3.10 Based on the suggestions received from the designated Groups/ Committees, RRA has suggested various measures for simplifying the reporting process to reduce the regulatory burden and promote ease of compliance for the REs while improving the accuracy, speed and quality of data submission. The major recommendations on streamlining of returns and reporting mechanism are as follows:

1. All returns should be reviewed at periodic intervals, at least once in three years, for their relevance, content, continuity, and rationalisation.
2. Any new information contemplated through a fresh return or otherwise should be sought only after ascertaining that the same is not available within the existing universe of reporting.
3. Mandatory reference to the RGG shall be made while prescribing new returns/ modification of an existing return to avoid the duplication and inconsistency in the reporting requirements.
4. The internal institutional mechanism for sharing of information available from existing returns across the reporting systems within the Reserve Bank may be relied upon, under the internal access policy. Necessary orientation may also be provided to the officers for easy retrieval and processing of existing data.
5. All paper-based returns shall be eliminated in a time-bound manner.
6. Any *ad hoc* return introduced for capturing specific data should be prescribed with a sunset clause of a duration not more than six months and any extension beyond the initial period or converting it to a permanent return must be done after going through the rigour of scrutiny and approval by the RGG.

7. There should be a single updated master file containing definitions of data items, which should be available on the RBI website. Return prescribing departments should ensure the inclusion of definitions for all major data items in this master file which form part of the returns prescribed by them.
8. Element-based reporting may be explored as the principal vehicle for banking data submission in future.
9. All the data validation rules being used by the Reserve Bank may be shared with REs to improve data integrity.
10. FAQs/ guidance notes may be provided along with the returns, wherever required, for providing clarity on reporting to the REs.
11. For ease of access, a new link for 'Regulatory Reporting' shall be created on the RBI website and all information on regulatory and supervisory reporting should be made available at a single place along with appropriate linkages.
12. Individual departments may carry out a review of the existing statutory returns for their relevance and bring out necessary changes wherever required.
13. Option of moving the reporting fortnight to the 15th and last working day of calendar month by suitable legislative amendments to the relevant Acts, viz., The Reserve Bank of India Act, 1934 and The Banking Regulation Act, 1949 may be explored.

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<sup>16</sup> The Reserve Bank of India Act, No. 2 of 1934

<sup>17</sup> The Banking Regulation Act, No. 10 of 1949



## Chapter 4

### Review of Circulars

The Reserve Bank of India has been empowered under various statutes to make subordinate legislation and issue regulatory instructions in the form of standalone circulars, notifications, guidelines as well as in consolidated form, such as Master Circulars and Master Directions. The regulatory and supervisory instructions issued by the RBI have seen multiple iterations with evolving macro-economic conditions, changes in the financial environment, emergent regulatory landscapes, and supervisory tools. While this has served the Indian financial system well so far, due to the need to address a variety of regulatory and supervisory concerns/ risks, the regulatory instructions over a period of time become somewhat complex. This conundrum is not unique to India and has been clearly articulated by the Economists Juan de Lucio and Juan S. Mora-Sanguinetti<sup>18</sup> -

*"Regulators do not aim to produce complex rules; regulatory complexity is usually the by-product of their attempts to manage complex systems, such as financial markets. Tightening rules to reduce risks, such as the risk of a financial crisis, requires taking into account more factors and eventualities, increasing complexity."*

4.2 The regulated entities have a statutory obligation to comply with the instructions of the RBI. Therefore, it is necessary that actionable violations are identified and enforced in an objective, consistent and fair manner. For this purpose, it is necessary to have enforceable instructions, which are clear and have required statutory backing. This infuses discipline in the sector which is regulated.

4.3 The instructions are currently issued by the RBI in the form of Circulars or Directions or Guidelines, on different subjects. In addition, clarifications are issued in the form of FAQs and sometimes in the form of a supplementary circular. Sometimes, the instructions addressing related topics may be contained across many circulars. To mitigate this concern, Master Circulars and Master Directions are issued as a comprehensive collection of all the circulars/ directions issued on a particular subject.

4.4 RRA 2.0 undertook review of circulars through both the external and internal review processes. As part of an external review, the Advisory Group (AG) comprising representatives of Regulated Entities (REs) reviewed the regulatory instructions applicable to various REs across the spectrum. The AG also sought suggestions from the REs and various industry bodies (including CII, FICCI, FIDC, FEDAI, FIMMDA, ASFBI, IBA, Payments Council of India, NAFCUB, etc.) to capitalise on their experiences with regulatory instructions as a part of its efforts to achieve the objectives set forth under its terms of reference. Moreover, to have a comprehensive review of the regulatory instructions, its legal aspects, and the process of issuance thereof, RRA 2.0 had also constituted a Committee on Taxonomy of Circulars (Taxonomy Committee) within the Reserve Bank, for suggesting the

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<sup>18</sup> Lucio, Juan de and Mora-Sanguinetti, Juan S. 'New Dimensions of Regulatory Complexity and their Economic Cost. An Analysis using Text Mining- 2021'.

taxonomy of RBI circulars, the manner of issuing the circulars, their updation and website linkages, etc. The Taxonomy Committee also examined various suggestions of NLSIU including those on standardisation of regulatory prescriptions and ease of reference to the regulatory instructions by the REs.

4.5 Effective drafting of regulations encompasses several principles which go beyond access and simple language. A regulator's challenge involves communicating policy in an objective, precise, effective manner which can make compliance easy. RRA, therefore, focused on two aspects relating to regulatory instructions. First, to identify the regulatory instructions which have become obsolete / redundant and therefore, needed to be withdrawn. Second, to review the drafting and issuance of regulatory instructions using various regulatory instruments and suggest modifications/ improvements therein with the evolving technological capabilities, target audience and facilitate ease of compliance.

#### ***Withdrawal of obsolete circulars / instructions***

4.6 Regulatory instructions are revised from time to time and are mostly substituted by subsequent instructions. There are instances where regulatory instructions have been superseded by fresh instructions due to change in policy environment or have been subsumed with the issuance of an updated Master Directions on the subject, but previous instructions have not been explicitly repealed. In cases where the old circulars/ notifications are not specifically withdrawn/ repealed, both new as well as old circulars/ notifications continue to remain in public domain. This leads to ambiguity about the extant regulatory instructions amongst the REs.

4.7 Accordingly, a need was felt to identify all such regulatory instructions which have been superseded or subsumed but have not been explicitly withdrawn. Since this exercise entailed a comprehensive review of all the instructions issued by the Reserve Bank, it was decided by RRA to periodically come out with recommendations withdrawing such regulatory instructions. To avoid confusion, it is also essential that the instructions which have been repealed/ withdrawn may be archived/ stamped appropriately.

4.8 Based on this review exercise, RRA 2.0. recommended withdrawal of 714 such circulars which were superseded or subsumed but have not been explicitly withdrawn. The notifications advising the withdrawal were issued in four tranches *vide* press releases dated November 16, 2021, February 18, 2022, May 02, 2022, and May 13, 2022.

#### ***Review of Regulatory Instructions***

4.9 RBI employs a variety of instruments to convey its thoughts to the regulated entities, other regulators, Government, its own employees and members of public. The instruments include Regulations (both statutory and non-statutory), Circulars (including Master Circulars), Circular Letters, Directions (including Master Directions), Guidelines, Policy Statements, Guidance Notes, Press Releases, Standards, Mailbox clarifications, Advisories, D.O. Letters, and General Instructions. Some are mandatory, some are advisory, and some are a combination of both. Considering the fact



that drafting and issuing instruments at such a large scale is a time consuming and difficult task, there is a need for standardisation of instruments issuing instructions with emphasis on clarity for better understanding and implementation by REs. This would enhance ease of compliance and reduce interpretational issues. Based on the suggestions received from the designated Groups/ Committees, RRA made various suggestions to improve the effectiveness of regulatory instructions. The major recommendations on review of circulars are as follows:

1. The owner departments may undertake a review of all instructions issued by them in all forms.
2. All time-barred and old instructions may be taken up for a review to make them consistent with the recent instructions and developments in the industry.
3. As far as possible, all instructions should contain the preamble or object, applicability, effective date, definitions, mandatory/ directory directions, compliance timelines – whether periodic or specific, consequences of non-compliance, repeal and savings clause.
4. Master Directions / Master Circulars may invariably contain four parts, namely Part A containing mandatory instructions, Part B comprising advisory aspects, Part C answering the FAQs, and Part D elucidating the related illustrations.
5. RRA has also recommended a model format for Master Direction / Circular as an Annexures to this report.
6. The provisions of Master Directions and Master Circulars may be uniformly referred to as 'paragraphs'. Every instruction should have a consistent and uniform format of numbering and/ or bullet points. Numbering should follow a sequence with a clear demarcation between clauses and sub-clauses. This will help the reader refer to relevant parts of the circular with ease.
7. The Master Circulars may be updated in a time-bound manner by incorporating all circulars issued till date and these Master Circulars may be updated annually on 1<sup>st</sup> of April every year till they are eventually converted into Master Directions, wherever applicable.
8. All instructions may be categorized subject-wise with necessary linkages to the underlying instructions. A hyperlink to the relevant FAQs, consultative papers, Master Directions, etc. may be provided for each topic at one place.
9. Creation of Regulatory Handbook(s) containing regulations applicable to a set of REs or on a particular subject may be explored by the regulatory departments. This would serve as a quick reference guide for the REs. Drafting of the regulatory handbooks may be carried out in collaboration with in-house training establishments, academic institutions, and outsourced agencies, if needed.

10. The regulatory instructions, especially the Master Directions and Master Circulars, should invariably have Statement of Objects and Reasons. This should be brief and to the point and should provide only information that is directly relevant to the regulation being issued to ensure consistency between the intent and the operative provisions.
11. It is appropriate to quote the provision of the statute under which the regulatory instruction has been issued.
12. Any new regulation or a major overhaul of existing regulation should be accompanied by a press release giving the necessary background, brief rationale and objective of the regulatory prescription.
13. The use of words and phrases that introduce ambiguity in provisions that are operative and substantive in nature (e.g. - 'generally', 'typically', 'in general', 'normally', 'ordinarily' or 'etc.'), should be minimised. However, these may be used in background or context setting as may be necessary.
14. A standard glossary of specific terms and definitions may be prepared.
15. The regulations must be drafted by keeping in mind the profile of the target audience. The instructions which are equally useful for the general public must be clear and easy to understand.
16. For complex regulations, a capsule material can be prepared for consumption of common persons and shall be disseminated under financial literacy or communication campaigns.
17. The endeavour should be to issue instructions after necessary public consultation to the extent feasible. The draft instructions, wherever possible, may be placed in public domain and feedback may be sought before finalizing them. This may help in resolving issues relating to inconsistencies or multiple interpretations. It is needless to clarify that urgent or time-sensitive regulations may not be required to be put up for public consultation.
18. The existing Master Directions/ Master Circulars should not be directly amended. For all amendments, a circular may be issued with necessary background or rationale for such amendments, wherever feasible.
19. All clarifications to the queries which have systemic implications or may have been received from several entities (thus pointing to a widespread need for clarification) shall be provided through issuance of FAQs on the subject. Since it has also been recommended that FAQs should form an integral part of Master Direction/ Master Circular, a press release should be issued, and the FAQs section shall be simultaneously updated.
20. All queries which are bilateral in nature must be clarified through SSMs and after internal consultations, where necessary.

## Chapter 5

### Dissemination of Instructions

The Reserve Bank disseminates a vast array of information to different stakeholders through press releases, periodic policy announcements, regular and *ad hoc* publications, reports, notifications, Master Circulars, Master Directions, guidelines, speeches and interviews by the top management, etc. through its website. It is also a key disseminator of the macroeconomic data and is responsible for disseminating data on the fiscal, financial, monetary and external sectors. In addition to the traditional modes of information dissemination in recent times, electronic media and social media have enhanced the ability of communication systems to allow instantaneous reach to the public.


5.2 The dissemination process followed by the RBI is primarily anchored in the five basic objectives, viz., transparency, clarity, precision, timeliness, and credibility, in addition to the strategic objective of building public confidence and fulfilling market expectations. The success of a regulatory instrument depends on two key dimensions: transparency and accessibility. While transparency refers to the requirement that an instrument is 'comprehensible to its audience', accessibility refers to the 'ease of application of a rule to its intended circumstances'.

5.3 Further, regulatory instructions are issued or updated on various subject matters periodically considering the developments in the industry and regulatory perimeter. While it is the duty of the REs to ensure compliance of the regulatory instructions issued by RBI, there is a corresponding obligation on the RBI to provide updated instructions to REs in a structured manner.

5.4 The primary source of information on regulatory instructions and reporting requirements for the REs is the RBI website. For ease of access, it is imperative that all the instructions on a particular topic should be located at one place, are easily searchable with the help of keywords and have appropriate interlinkages with related material such as forms, returns, FAQs, etc. The RRA also noted that currently the revamp of the RBI website is underway and once completed, it would become more interactive and user friendly. This would help the dissemination process of the regulatory instructions.

5.5 With the objective of making the communication from the regulators effective, there is a need to streamline the existing approach and dissemination of regulatory and supervisory instructions. Considering the same, the following recommendations were made by the RRA:

1. The dissemination of regulatory instructions on the website should be focused on ease of navigation. Further, regulatory instructions may be classified as function-wise, subject-wise and based on category of regulated entities on the RBI website for ease of access by different stakeholders.
2. The search functionality should be made more robust on the RBI website by enabling the search using different filters such as keywords, date, subject, or department issuing the instructions. Search within search results should also be enabled for easy of navigation.

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3. The contents posted on the RBI website shall always be up-to-date and a periodic review (at not more than quarterly intervals) should be undertaken to review the currency of the content on the website.
  4. The regulatory instructions which have been repealed/ withdrawn shall be archived/ stamped suitably to avoid confusion amongst the REs/ members of public regarding their applicability.
  5. Necessary interlinkages with all the related content of an instruction shall be displayed on the landing page of the instruction on the website. It must be ensured that once an instruction is repealed, updated or modified, all the related content is also simultaneously updated.

## Chapter 6

### Way Forward

Regulations Review Authority 2.0 was constituted with the objective of undertaking a fresh review of the regulatory prescriptions and reporting mechanisms with a view to streamlining/ rationalising them and making them more effective. RRA issued interim recommendations in four tranches, and regulatory instructions which had become obsolete or redundant were identified and recommended for withdrawal. Further, RRA has recommended merger/ discontinuation/ conversion to online filing of 65 regulatory returns and creation of a separate web page "Regulatory Reporting" in the RBI website to consolidate information relating to regulatory reporting and return submission by the REs at a single place.

6.2 The outcome of RRA exercise should result in clarity, simplification, easy accessibility and rationalization in regulatory instructions and returns. It should aid in enhancing the ease of compliance and reducing the compliance burden of the REs. This would make life simple for all stake holders especially for the REs.

6.3 The RRA exercise was an enriching experience and full of learnings. The overarching feeling was that the outcome under RRA by way of review of extant regulatory instructions and returns needs to be institutionalised and sustained on an ongoing basis. This chapter has been dedicated to such learnings and institutional improvements which the RRA thought would help in making the regulation-formulating process more robust, effective, and consultative.

#### ***Skill development for regulatory drafting***

Preparation of regulatory and supervisory instructions is similar to legislative drafting, which is said to be both 'an art and a science'<sup>19</sup>. Drafting requires a range of skills including significant technical as well as creative expertise.<sup>20</sup> Globally, various countries have introduced drafting manuals prescribing clear instructions on structure, language and mandatory practices/ principles. The Reserve Bank has been making subordinate legislation under the powers conferred upon it by a wide spectrum of statutes. This casts a responsibility upon RBI to ensure that its instructions are within the statutory mandate, clear in language, logical, appropriate and proportional so that they can stand the test of law. A consistent drafting style is important to reduce the effort of reading the regulation and facilitating a clearer understanding of the policy. Therefore, it is necessary to further develop the current expertise in drafting of regulatory instructions issued by the RBI.

Drafting of regulations involves capturing the policy proposals in a precise manner and achieving the intended effect by logically organising the text and providing clarity of expression. It is, therefore, imperative that the officials involved in the drafting of regulations are trained appropriately. These

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<sup>19</sup> Xanthaki, Helen, *Drafting Legislation: Art and Technology of Rules for Regulation*, Bloomsbury Publishing, 2014.

<sup>20</sup> Bowman, Geoffrey, *The Art of Legislative Drafting*, Eur. J.L Reform 7 (2005): 3.

officers would need continuous orientation and training, not only to improve proficiency in language, but also to develop the aptitude and skill in drafting of regulatory instructions.

***Internal mechanism for review of regulatory instructions***

In the past few years, there has been a considerable increase in the regulatory perimeter of the Reserve Bank either due to development of the financial system or because of increase in its statutory responsibilities. With the increase in the role, the need and scope for making subordinate legislation have also increased. Further, with the swift pace of change in the financial landscape, there is a continuous need to review and refine the regulations, guidelines and instructions.

Presently, these instructions are reviewed by the departments on need basis or on the basis of feedback from the ecosystem participants which sometimes results in a considerable lag between the evolving market practices and underlying regulations.

In view of the above, it is desirable that there is a structured mechanism to undertake periodic stocktake exercises to review the currency of regulatory and supervisory instructions *vis-à-vis* market practices and developments elsewhere.

***Need for further review of regulatory instructions***

The first Regulations Review Authority was formed in the year 1999. After two decades, considering the evolution of the regulatory perimeter and development of the regulatory functions of RBI, RRA 2.0 was constituted. While it is expected that there will be improvement in all these areas on the basis of recommendations of RRA 2.0, there is still a need to further identify redundant/ obsolete regulatory instructions.

This is a mammoth task given the long time period and enormity of the amount of information which would have to be processed. Therefore, RRA felt that to achieve this, all the departments within the Reserve Bank would have to take ownership and work individually to weed out obsolete instructions. For this purpose, the departments may consider engaging experienced personnel as consultants for further identifying redundant and obsolete regulatory instructions.

## ANNEXURES





## Press Release on Constitution of the Regulations Review Authority 2.0

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प्रेस प्रकाशनी PRESS RELEASE



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)

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

April 15, 2021

### Constitution of the Regulations Review Authority 2.0

The Reserve Bank of India had set up a Regulations Review Authority (RRA) initially for a period of one year from April 1, 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. The recommendations of the RRA enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, paved the way for issuance of master circular and reduced reporting burden on regulated entities.

2. Considering the developments in regulatory functions of the Reserve Bank over the past two decades and evolution of the regulatory perimeter, it is proposed to undertake a similar review of the Reserve Bank's regulations and compliance procedures with a view to streamlining/ rationalising them and making them more effective. Accordingly, it has been decided to set up a new Regulations Review Authority (RRA 2.0) for a period of one year from the date of its establishment to review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders on their simplification and ease of implementation.

3. The RRA 2.0 will focus on streamlining regulatory instructions, reduce compliance burden of the regulated entities by simplifying procedures and reduce reporting requirements, wherever possible. The terms of reference of RRA 2.0 would be as under:

- i. To make regulatory and supervisory instructions more effective by removing redundancies and duplications, if any;
- ii. To reduce compliance burden on regulated entities by streamlining the reporting mechanism; revoking obsolete instructions if necessary and obviating paper-based submission of returns wherever possible;

- iii. To obtain feedback from regulated entities on simplification of procedures and enhancement of ease of compliance;
- iv. Examine and suggest the changes required in dissemination process of RBI circulars/ instructions (this would entail suggestions on the areas where the manner of issuing circulars, their updation and website linkages); and
- v. Identify any other issue germane to the subject matter.

4. Shri M. Rajeshwar Rao, Deputy Governor has been appointed as the Regulations Review Authority. The Authority would be set up for a period of one year from May 01, 2021, unless its tenure is extended by the Reserve Bank.

5. The RRA will engage internally as well as externally with all regulated entities and other stakeholders to facilitate the process.

**Press Release: 2021-2022/56**

**(Yogesh Dayal)**  
Chief General Manager

**Press Release on Group of Advisors to Regulations Review Authority  
invites feedback and suggestions**

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

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प्रेस प्रकाशनी PRESS RELEASE



**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)

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May 07, 2021

**Group of Advisors to Regulations Review Authority invites  
feedback and suggestions**

The Reserve Bank of India has set up a Regulations Review Authority (RRA 2.0), initially for a period of one year from May 01, 2021, vide press release dated April 15, 2021. The RRA will review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders on their simplification and ease of implementation.

2. The RRA has constituted an Advisory Group, representing members from regulated entities, including compliance officers, to support the RRA in achieving the objective set forth in the terms of reference of RRA 2.0. The Group will assist the RRA by identifying areas/ regulations/ guidelines/ returns which can be rationalized and submit reports periodically to RRA containing the recommendations/ suggestions. The composition of the Group is as under:

1.	Shri S. Janakiraman, Managing Director, State Bank of India	Chairman
2.	Shri T. T. Srinivasaraghavan, Former MD & Non-Executive Director, Sundaram Finance;	Member
3.	Shri Gautam Thakur, Chairman, Saraswat Co-operative Bank Ltd	Member
4.	Shri Subir Saha, Group Chief Compliance Officer, ICICI Bank Ltd	Member
5.	Shri Ravi Duvvuru, President & CCO, Jana Small Finance Bank	Member
6.	Shri Abadaan Viccaji, Chief Compliance Officer, HSBC India	Member

3. To undertake its preparatory work, the Group has decided to invite feedback and suggestions from all regulated entities, industry bodies and other stakeholders. The suggestion and feedback may be e-mailed latest by June 15, 2021 to the email ([feedbackrra@rbi.org.in](mailto:feedbackrra@rbi.org.in)) with the subject line 'Suggestions to the Advisory Group of RRA'.

**(Yogesh Dayal)**

Chief General Manager

Press Release: 2021-2022/179

**Press Release on Extension of time to give feedback and Suggestions to the Group of Advisors to Regulations Review Authority 2.0**

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

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प्रेस प्रकाशनी PRESS RELEASE



**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)

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

June 14, 2021

**Extension of time to give feedback and Suggestions to the Group of Advisors to Regulations Review Authority 2.0**

The Reserve Bank of India has set up a Regulations Review Authority (RRA 2.0), initially for a period of one year from May 01, 2021, vide press release dated April 15, 2021.

2. A Group of Advisors (GoA) to assist RRA was also constituted on May 07, 2021. To undertake its preparatory work, the Group has invited feedback and suggestions from all regulated entities, industry bodies and other stakeholders. The last date for sending the suggestion and feedback to the Group is June 15, 2021.

3. Keeping in view the COVID-19 related disruptions and based on the requests received from stakeholders, it has been decided to extend the timeline for submission of feedback and suggestions to the Group till June 30, 2021.

**Press Release: 2021-2022/359**

**(Yogesh Dayal)**  
Chief General Manager

**Press Release on Regulations Review Authority (RRA 2.0) -  
Interim Recommendations- First Tranche**

प्रेस प्रकाशनी PRESS RELEASE



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संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई- 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai- 400 001

फोन/Phone: 022 - 2266 0502

November 16, 2021

**Regulations Review Authority (RRA 2.0) - Interim Recommendations**

The Reserve Bank of India has set up a Regulations Review Authority (RRA 2.0) vide [press release dated April 15, 2021](#). The objective of RRA 2.0 is to review the regulatory instructions, removing redundant and duplicate instructions, reduce the compliance burden on Regulated Entities (REs) by streamlining reporting structure, revoking obsolete instructions and wherever possible obviating paper-based submission of returns. It was also envisaged that the RRA will engage internally as well as externally with all regulated entities and other stakeholders to facilitate this process. The RRA has also constituted an Advisory Group representing the REs under the chairmanship of Shri Swaminathan J., Managing Director, State Bank of India.

2. RRA has been engaging in extensive consultations with both – internal as well as external stakeholders, on review of the regulatory and supervisory instructions for their simplification and ease of implementation. Based on these consultations and the suggestions of the Advisory Group, the RRA has recommended withdrawal of 150 circulars in the first tranche of recommendations.

3. The notifications containing the list of specific instructions recommended for withdrawal is being issued separately.

**Press Release: 2021-2022/1202**

**(Yogesh Dayal)**  
Chief General Manager

**Press Release on Regulations Review Authority (RRA 2.0) -  
Interim Recommendations- Second Tranche**

प्रेस प्रकाशनी PRESS RELEASE



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Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai- 400 001

फोन/Phone: 022 - 2266 0502

February 18, 2022

**Regulations Review Authority (RRA 2.0) - Interim Recommendations- Second tranche**

The Reserve Bank of India has set up a Regulations Review Authority (RRA 2.0) with an objective to reduce the compliance burden on Regulated Entities (REs). RRA had recommended withdrawal of 150 circulars in the first tranche of recommendations vide [press release dated November 16, 2021](#).

2. In continuation of the exercise, RRA has now recommended withdrawal of additional 100 circulars in the second tranche of recommendations. Further, on the suggestions of an internal group (Chairman: Dr. O.P. Mall, Executive Director) the RRA has recommended elimination of paper-based returns and has identified 65 regulatory returns which would either be discontinued/ merged with other returns or would be converted into online returns. The RRA has also recommended creation of a separate web page "Regulatory Reporting" in the RBI website to consolidate information relating to regulatory reporting and return submission by the regulated entities at a single source. These recommendations are expected to ease regulatory compliance for the regulated entities while improving the accuracy, speed and quality of data submission.

3. Regulated entities would be notified of the discontinuation/ merger and online filing of returns, separately. The notification containing the list of specific instructions recommended for withdrawal is also being issued separately.

**Press Release: 2021-2022/1738**

**(Yogesh Dayal)**  
Chief General Manager

**Press Release on Regulations Review Authority (RRA 2.0) -  
Interim Recommendations- Third Tranche**

प्रेस प्रकाशनी PRESS RELEASE



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May 02, 2022

**Regulations Review Authority (RRA 2.0) - Interim Recommendations - Third tranche**

Regulations Review Authority (RRA 2.0) has recommended withdrawal of additional 225 circulars in the third tranche of recommendations.

RRA 2.0 was set-up by the Reserve Bank of India to review the regulatory instructions, remove redundant and duplicate instructions and reduce the compliance burden on Regulated Entities (REs). RRA had recommended withdrawal of 150 circulars in the first tranche of recommendations vide [press release dated November 16, 2021](#) and 100 circulars in the second tranche of recommendations vide [press release dated February 18, 2022](#). Additionally, in the second tranche, RRA had also recommended discontinuation/ merger/ conversion to online submission of 65 returns along with creation of a new 'Regulatory Reporting' link in the RBI website to consolidate information relating to regulatory reporting.

The notifications containing the list of specific instructions recommended for withdrawal is being issued separately.

**Press Release: 2022-2023/145**

**(Yogesh Dayal)**  
Chief General Manager

**Press Release on Regulations Review Authority (RRA 2.0) –  
Recommendations for Withdrawal of Circulars**

प्रेस प्रकाशनी PRESS RELEASE



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May 13, 2022

**Regulations Review Authority (RRA 2.0) – Recommendations for Withdrawal of Circulars**

The Regulations Review Authority (RRA 2.0) has recommended withdrawal of an additional 239 circulars. With this, the total number of circulars which stand withdrawn would be 714.

RRA 2.0 was set-up by the Reserve Bank of India vide [press release dated April 15, 2021](#) to review the regulatory instructions, remove redundant or duplicate instructions and reduce the compliance burden on Regulated Entities (REs). RRA had recommended withdrawal of 150 circulars in the first tranche of recommendations vide [press release dated November 16, 2021](#), 100 circulars in the second tranche of recommendations vide [press release dated February 18, 2022](#) and 225 circulars in the third tranche of recommendations vide [press release dated May 2, 2022](#). Additionally, in the second tranche, RRA had also recommended discontinuation/ merger/ conversion to online submission of 65 returns along with creation of a new 'Regulatory Reporting' link in the RBI website to consolidate information relating to regulatory reporting.

The notifications containing the list of specific instructions recommended for withdrawal is being issued separately.

**Press Release: 2022-2023/204**

**(Yogesh Dayal)**  
Chief General Manager



### Composition of the Designated Group/ Committees under RRA 2.0

**i. Advisory Group**

1. Shri Swaminathan J, Managing Director, State Bank of India – Chairman
2. Shri T. T. Srinivasaraghavan, Former MD & Non-Executive Director, Sundaram Finance – Member
3. Shri Gautam Thakur, Chairman, Saraswat Co-operative Bank Ltd. – Member
4. Shri Subir Saha, Group Chief Compliance Officer, ICICI Bank Ltd. – Member
5. Shri Ravi Duvvuru, President & CCO, Jana Small Finance Bank – Member
6. Shri Abadaan Viccaji, Chief Compliance Officer, HSBC India – Member

**ii. Committee on Rationalisation of Returns / Statements – November 2021**

1. Dr. O P Mall, Executive Director – Chairman
2. Shri Neeraj Nigam, Chief General Manager, DoR, CO – Member
3. Shri Ajay Kumar Misra, Chief General Manager, FED, CO – Member
4. Shri K. Rajkumar<sup>21</sup>, Adviser, DSIM, CO – Member
5. Smt. Sonali Sengupta, Chief General Manager, FIDD, CO – Member
6. Shri T K Rajan, Chief General Manager, DoS, CO – Member

**iii. Committee on Taxonomy of Circulars – September 2021**

1. Shri Unnikrishnan A, Legal Adviser-In-Charge – Chairman
2. Shri Arnab Kumar Chowdhury, Chief General Manger, DoS, CO – Member
3. Shri Shrimohan Yadav, Chief General Manager, DoR, CO – Member
4. Ms. Dimple Bhandia, Chief General Manager, FMRD, CO - Member

**iv. Inter Departmental Group**

Nodal Officer	Department
Shri Anand, DGM	Consumer Education and Protection Department
Shri Sanjay Kumar, GM	Department of Currency Management
Shri Partha Choudhuri, GM	Department of Government and Bank Accounts
Ms. Priya C Appukkuttan, GM	
Ms. Margaret C. Rawal, GM	Department of Payment and Settlement Systems
Ms. Scenta Joy, CGM	Department of Regulation
Shri T. V. Rao, GM	
Shri Rajnish Kumar, GM	Department of Supervision
Shri Abhilash A, DLA	Enforcement Department
Ms. Neena Asthana Amin, DGM	Foreign Exchange Department
Shri Srinivasan K, GM	Financial Inclusion and Development Department
Shri Ajay Kumar Sinha, DGM	Financial Markets Regulation Department
Shri Venkataraman S, GM	Internal Debt Management Department

<sup>21</sup> Retired from Bank's service w.e.f. November 30, 2021.

### Template for Master Direction

**Preamble:** Purpose or Rationale

In exercise of the powers conferred by Section ..... of the ..... Act, the Reserve Bank of India being satisfied that it is necessary and expedient in the ..... (interest of depositors / public interest /etc.) to do so, hereby issues the Directions hereinafter specified.

1. **Short Title and Commencement.**

These Directions shall be called the \_\_\_\_\_ .

2. **Effective Date.**

These Directions shall come into effect on \_\_\_\_\_ .

3. **Applicability.**

- (1) The provisions of these Direction shall apply to
- (2) The provisions of Direction are mandatory / discretionary.

4. **Definitions**

- (1) In these Directions, unless the context otherwise requires,
  - a.
  - b.
- (2) All other expressions unless defined herein shall have the same meaning as have been assigned to them under the \_\_\_\_\_, or Glossary of Terms published by Reserve Bank or as used in commercial parlance, as the case may be.

5. **Substantive Provisions**

6. **Timelines for compliance (Immediate / Fixed Time)**

7. **Penal Consequences for non-compliance**

8. **Repeal Provisions**

- (1) With the issue of these Directions, the instructions/guidelines contained in the \_\_\_\_\_ mentioned in the Annexure, issued by the Reserve Bank stand repealed.
- (2) Notwithstanding the repeal under sub-paragraph (1) of the repealed \_\_\_\_\_, anything done or any action taken or purported to have been done or taken, or any direction given or any proceeding taken or any penalty or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this \_\_\_\_\_ .

## Template for Circular

Circular - [Name of Instrument], [Year of Publication]

Circular No: [●]

Category: [Amending instrument/ substantive instrument/ [information]

Date of Issue: [●]

Updated until: [●]

### PART 1

**Purpose:** *The background for issuance of the instrument and its objective to be included here.*

**A. Powers exercised:**

*This clause should set out statutory powers under which this instrument is being issued.*

**B. Application:**

*This clause should specify the entities to whom the instruction is applicable, e.g., This Circular applies to:*

(a) Scheduled Banks (other than Regional Rural Banks)

(b) Non-banking financial company

**C. Commencement**

*This clause should state the date on which the instruction becomes effective. If the Circular comes into effect subsequent to the date of issuance of the Circular, provide the date of commencement as well as the time period after which it will come into effect. If specific clauses come into force at a different date, provide the clause number and the date of commencement of such clause in this provision.*

**For example:** This instrument comes into force on *[[Month (in words)] [Day (in numerals)], [year (in numerals)]]*.

This instrument shall be applicable retrospectively from *[[Month (in words)] [Day (in numerals)], [year (in numerals)]]*

**D. Reference number and citation:**

By order of [Name]

[Designation, Department]

## PART 2

### SUBSTANTIVE/ OPERATIONAL PROVISIONS

*This section will contain operational clauses and will constitute the main body of the regulatory instrument. Since these provisions would depend on the subject matter of the Circulars, this section will be drafted and/ or updated by the relevant department with the necessary clauses for that Circular.*

## PART 3

### A. Repeal and Transitional Arrangements

**Drafting instructions for repeal:** *This clause should specify if any earlier instructions are being repealed.*

**For Example:**

- (a) [Name of instruction (reference number), [date]] stands repealed.
- (b) The following instructions stand repealed:
  - (i) [Name of instruction (reference number), [date]]

**Drafting instructions for transitional arrangement:** *This clause should include details on (i) status of matters initiated under previous instructions which are now repealed; (ii) status of matters which have been initiated but are now covered under the provisions of this instrument; and (iii) if the instrument is commencing with a lag, status of matters which may be initiated or take place during this time.*

### B. Exemptions

**Drafting instructions:** *This clause should specify the grounds on which exemption should be provided and the process for applying for such exemption.*

### C. Non-compliance

**Drafting instructions:** *This clause should specify the consequences for non-compliance such as penalties, non-recognition of a particular transaction etc. If there are different consequences for non-compliance with different provisions of the directions, mention those specifically.*

**1. List of Circulars recommended for withdrawal in first tranche – November 16, 2021**

S.No.	Department	Ref. No	Number of Circulars
1	DPSS, CO	CO.DPSS.OVRST.No.S929/06-08-001/2021-2022	104
2.	DoR, CO	DoR.RRA.69/01.01.101/2021-22	18
3.	FMRD, CO	FMRD.DIRD.09/14.03.059/2021-22	2
4.	FMRD, CO	A.P. (DIR Series) Circular No.18	1
5.	DCM, CO	DCM (Admin) No.S472/19.01.010/2021-22	9
6.	DoS, CO	DoS.CO.PPG./SEC.06/11.01.005/2021-22	16
<b>Total</b>			<b>150</b>

**2. List of Circulars recommended for withdrawal in second tranche - February 18,2022**

S.No.	Department	Ref. No	Number of Circulars
1	DoS, CO	DoS.CO.PPG./SEC.09/11.01.005/2021-22	15
2.	DPSS, CO	CO.DPSS.OVRST.No.S1477/06-08-001/2021-2022	30
3.	DoR, CO	DoR.RRA.89/01.01.101/2021-22	55
<b>Total</b>			<b>100</b>

**3. List of Circulars recommended for withdrawal in third tranche – May 02, 2022**

S.No.	Department	Ref. No	Number of Circulars
1	DoS, CO	DoS.CO.PPG./SEC.02/11.01.005/2022-23	8
2.	DCM, CO	DCM (Admin) No. S172/19.01.010/2022-23	1
3.	DoR, CO	DoR.RRA.31/01.01.101/2022-23	208
4.	FMRD, CO	FMRD.DIRD.01/14.03.059/2022-23	8
<b>Total</b>			<b>225</b>

**4. List of Circulars recommended for withdrawal in final tranche – May 13, 2022**

Sno.	Department	Ref No	Number of Circulars
1	DoR, CO	DoR.RRA.36/01.01.101/2022-23	47
2.	FIDD, CO	FIDD.CO.Plan. BC.No.4/04.09.001/2022-23	192
<b>Total</b>			<b>239</b>

### List of Returns to be Merged / Discontinued / Converted to Online Submission

#### List of Returns to be Merged

S. No.	Return Name	Return Description
<b>DPSS</b>		
1.	WLA Customer Complaints	Return contains information on complaints received, resolved and pending against White Label ATM Operators (WLAOs).
2.	WLA Statistics	Return contains information on state and region – wise ATMs deployed by WLAOs, transaction volume and value, etc.

#### List of Returns to be Discontinued

S. No.	Return Name	Return Description
<b>DoS</b>		
1.	Return on Offshore Banking Units (OBUs) – Quarterly	Return for capturing details on off-shore banking units.
2.	Statement on bad debts written off. – Yearly	Main objective of the proposed reporting is to provide information to the bank on bad debts written off.
3.	Fraud Monitoring Return 2 (FMR2) – Quarterly	To capture the summary of all frauds during the quarter involving an amount of ₹1 lakh or more for all NBFC-D and NBFC-NDSIs.
<b>DCM</b>		
1.	Statement of chest slips	Slips received from currency chests indicate deposits and withdrawals of cash from currency chests on day-to-day basis. This helps to arrive at the daily closing balance of currency chests.
2.	Statement of link offices	These are received by Issue Department from link offices of banks concerned and show currency transfer position of banks. The current account of the banks concerned are deleted and credited based on these statements. (Submitted online through ICCOMS daily)
<b>FED</b>		
1.	Details of guarantee availed and invoked of from non-resident entities	Non-residents guarantee for fund based and non-fund-based facilities (such as Letters of Credit/guarantees/ Letter of Undertaking (LoU) /Letter of Comfort (LoC) entered into between two persons resident in India.

S. No.	Return Name	Return Description
<b>DoR</b>		
1.	Leverage Ratio reporting	Para 16.5.2 of Master Circular on 'Basel III Capital Regulations' require banks to report their leverage ratio to the RBI (DoR and DoS) on a quarterly basis.@
2.	Table 34 (Distribution of offices population/group wise)	Table 34 (Distribution of offices population/group wise) is reported to Regional Offices of RBI and DSIM (erstwhile DESACS) #

@ Beginning from quarter ended March 2022, banks are not required to report the Leverage Ratio to DoR. As hitherto, banks shall continue to report the Leverage Ratio to DoS.

# Beginning from year ended March 2022, banks are not required to submit this return to Regional Offices of RBI. As hitherto, banks shall continue to report the data to DSIM through Central Information System for Banking Infrastructure (CISBI) portal.

#### List of Returns to be Converted into Online Submission

S. No.	Return Name	Return Description
<b>DoS</b>		
1.	Report on financial conglomerates – Quarterly	Capturing the intra-group transactions and exposures amongst the identified FCs.
2.	Whole Bank Long Form Audit Report and Compliance thereof – Yearly	The Statutory Central Auditors are required to submit the LFAR to the banks latest by 30th June every year. The banks were advised to forward a copy each of the LFAR, relative agenda note along with Board's views or directions to the concerned Regional Office of Department of Banking Supervision within 60 days of submission of LFAR by the Statutory Auditors.
3.	Half-Yearly Review of Investment Portfolio – Half-yearly	Qualitative/ Quantitative review of entire investment portfolio of the bank for the half year.
4.	Fraud Monitoring Return 1 (FMR1) – as and when	To capture the details of the fraud committed by staff, outsiders or customers involving an amount of ₹1 lakh or more for all NBFC-D and NBFC-NDSIs.
5.	Fraud Monitoring Return 3 (FMR3) – Quarterly	To capture the updated information in respect of frauds reported through FMR-1 for all NBFC-D and NBFC-NDSIs.
6.	Return on delay in Rating Review (by Credit Rating Agencies) – Monthly	Information on latest ratings provided by the Credit Rating Agencies (CRAs) during the month and ratings delayed in review

<b>S. No.</b>	<b>Return Name</b>	<b>Return Description</b>
7.	Quarterly Return for Frauds less than ₹1 lakh – Quarterly	Unified FMR for below ₹1 lakh <sup>22</sup>
8.	KYC AML - Quarterly	This return captures information which facilitates supervision in better risk discovery, improved risk-assessment and Risk Based Assessment.
<b>FIDD</b>		
1.	Collateral Loan	Collateral free loans up to ₹25 lakh and of those covered under Credit Guarantee Scheme
2.	Composite Loans	Composite Loans outstanding upto ₹1 Crore under the scheme of SIDBI and Banks
3.	Priority Sector Advances– Quarterly	PSA and sectoral credit - Bank-wise
4.	Priority Sector Advances– Annual	State-wise data relating to PSA and sectoral credit
5.	Granular data for Priority Sector Advances	This contains transactional level data for Priority Sector Advances data
6.	Natural Calamity Notification	Natural Calamity Notification
<b>DCM</b>		
1.	RBI note refund rules - statement of defective notes adjudicated at all bank branches	Statement of defective notes adjudicated at currency chests branches.
2.	Format for furnishing addresses etc., particulars of Forged Note Vigilance Cell (FNVC) to RBI	The return conveys the following particulars -Address of FNVC, Name and designation of officer-in-charge, Telephone number, Fax number, E-mail address.
3.	Statement showing details of counterfeit bank notes detected by the branch during the month	The return comprises of two parts -(i) Denomination-wise and State/Union Territory-wise details of forged notes detected by the branch (ii) Details of cases of FIR filed with police.
4.	FNVC to submit status report covering certain important aspects of the functions required to be undertaken by it.	The status report should cover dissemination and implementation of RBI instructions on counterfeit notes, compilation of data on counterfeit notes and its submission to RBI and FIU-IND, sharing information thus compiled with bank's CVO, conducting surprise checks at currency chests where shortage/counterfeit notes detected, ensuring operation of NSMs at all currency chests/back offices, ensuring only machine checked notes fed into ATMs, put in place adequate safeguards during processing and in transit of notes etc.

<sup>22</sup> Proposed under CIMS Project



S. No.	Return Name	Return Description
<b>DPSS</b>		
1.	PPI Statistics	Return captures granular level information on volume and value of transactions related to various Pre-paid Payment Instruments (PPIs). Details are collected from concerned banks and non-bank authorised issuers of PPIs.
2.	MTSS	Return contains details related to remitting countries and state-wise & region-wise remittance destinations under Money Transfer Service Scheme (MTSS). Details are collected from concerned Overseas Principals under MTSS.
3.	ATM deployment	Return contains details of statistics on state and region – wise ATMs deployed by banks and WLAOs. Details are collected from concerned banks and WLAOs to monitor and regulate the payment and settlement systems in India.
<b>DoR</b>		
1.	Report on issue of Subordinated Debt, raising of Upper Tier II Capital, Perpetual Debts and Equity Capital (Qualified Institutional Placements-QIP, Preferential issue to Promoters, GDR issue) together with copy of document	Report on issue of Subordinated Debt, raising of Upper Tier II Capital, Perpetual Debts and Equity Capital (Qualified Institutional Placements-QIP, Preferential issue to Promoters, GDR issue) together with copy of document
2.	Payment of dividend	Details of dividend declared during the financial year and other details as per the circular
3.	Form II	Monthly return claiming refund from the DEA Fund (Original hardcopy to be submitted by 15th of the succeeding month to which the claim pertains)
4.	Form III	Certificate of reconciliation of balances for the Half Year ended June/December to be submitted by banks not later than July 31 and January 31
5.	Annual Certificate	A yearly return certified by statutory auditor and to be submitted by banks in original within one month from the date of completion of their annual audit

<b>S. No.</b>	<b>Return Name</b>	<b>Return Description</b>
6.	Certificate regarding continuance of the "fit and proper" status of all major shareholder	Certificate regarding continuance of the "fit and proper" status of all major shareholders. In case any major shareholder is assessed to be not "fit and proper", the concerned bank shall report the same immediately in Form D specified in the Schedule to extant Master Directions
<b>DSIM</b>		
1.	Banking service price index	The statement comprises of data related to fees income and fee charges for banking services provided by the bank and selective data on deposits and loans
<b>FED</b>		
1.	FII Weekly	All AD banks advised to report inflow/ of outflow of foreign funds on account of investment by FIIs/FPIs in the Indian capital market in a format which consists of two parts: Part A: Inflow/outflow- Fund Position and Part B: Residual Maturity Pattern
2.	MTSS	Statement showing details of remittances received through Money Transfer Service Scheme during the quarter ended, within 15 days from the close of the quarter to which it relates.
3.	Statement on default in MTT	Statement on default in Merchanting Trade Transactions (MTT)
4.	Details of remittances made by NRO account	Remittances made out of NRO accounts up to 1 million USD per calendar year - Facilities to NRIs/PIOs and foreign nationals - liberalisation
5.	Overseas Principal-wise list of Sub Agents	Overseas principal-wise list of sub-agents of MTSS Indian Agents
6.	Declaration confirming the veracity of the list placed on RBI website	Confirmation of veracity of the list of sub-agents
7.	List of additional locations	List of additional locations of MTSS Agents
8.	Statement of Foreign Currency Account/s maintained in India in their names with AD Category-I Banks out of export proceeds of Foreign Currency Notes/ encashed Travellers' Cheques	Statement of Foreign Currency Account/s maintained in India in their names with AD Category-I Banks out of export proceeds of Foreign Currency Notes/ encashed Travellers' Cheques

<b>S. No.</b>	<b>Return Name</b>	<b>Return Description</b>
9.	Statement of the amount of foreign currency written off during a financial year	Statement of the amount of foreign currency written off during a financial year
10.	Form RMC-F	RMC- Restricted Money Changing
11.	Statement of the collateral held by MTSS Indian Agents	Statement of the collateral held by MTSS Indian Agents
12.	Details of Online Payment Gateway Service Providers (OPGSP) arrangements	Details of Online Payment Gateway Service Providers (OPGSP) arrangements
13.	Extension of time in respect of clean credit for import of rough, cut and polished diamonds	Extension of time in respect of clean credit for import of rough, cut and polished diamonds
14.	Advance remittances made for import of rough diamonds without a bank guarantee or standby letter of credit, where the amount of advance payment is equivalent to or exceeds USD 5,000,000/-	Advance remittances made for import of rough diamonds without a bank guarantee or standby letter of credit, where the amount of advance payment is equivalent to or exceeds USD 5,000,000/-
15.	ESOP reporting	"Statement of shares repurchased by the issuing foreign company from Indian employees/ Directors under ESOP Schemes for the year ended March 31, ..... (Year) (to be submitted on the letterhead of the Indian Company / Office / Branch through their AD bank)"
16.	FLM-8 (Sale and purchase of foreign currency)	Summary statement of purchases and sale of foreign currency notes during the month reported by FFCs and AD-Category II.
17.	LO/BO/PO	Consolidated list of all the Branch Office (BO)/ Liaison Office (LO) / Project Office (PO) opened and closed by them during a month
18.	Reporting of Long-term Advance	Reporting of Long-term Advance of USD 100 million & more along with Progress Report to be submitted by Authorised Dealer Bank on utilization of Long term export Advances
19.	Form ECB	Application and Reporting of loan agreement details
20.	Form ECB 2	Reporting of actual ECB transactions through AD Category -1 banks

<b>S. No.</b>	<b>Return Name</b>	<b>Return Description</b>
21.	Form TC	Compilation of short-term credit extended for imports and payments thereof
<b>FMRD</b>		
1.	FCY-Rupee Option Transactions	Return contains the details related to i) Option Transaction Report related to trade and client, ii) Option Position Report of FCY/INR includes USD/ EUR/ JPY to INR, iii) Change in Portfolio Delta Report and iv) Strike Concentration Report at different maturity buckets for AD-I banks.
2.	List of Offices/Branches of AD Bank Maintaining Rupee Accounts of Non-Resident Banks	Return contains the granular level information on list of all offices/branches, of an AD bank, which are maintaining Rupee accounts of non-resident banks.
3.	Suspicious Transactions undertaken by Non-Resident Importer/Exporter	Returns covers the information pertaining to Doubtful transactions involving frequent cancellation of hedge transactions and / or the underlying trade transactions.
4.	Interest Rate Risk Positions for clients	Return captures the details related to Interest Rate Risk (IRR) Positions for clients having outstanding derivative of ₹10 billion.
5.	Cross-border remittances arising out of Rupee interest rate derivatives transactions undertaken by non-residents	Return contains the details related to Cross-border remittances arising out of Rupee interest rate derivatives transactions undertaken by non-residents.
6.	FX transactions with clients across various channels	Return captures the information on distribution of customer transactions (across FX-Retail, other electronic trading platforms and other channels) and the fees charged for them.

### Details of External Consultations by the RRA and Advisory Group

S.No.	Date of Meeting	Subject of the Meeting
1.	May 08, 2021	Introductory meeting with Advisory Group - Outlining the scope of work
2.	May 22, 2021	Presentation by Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry
3.	May 29, 2021	Presentation by Finance Industry Development Council and Sa-Dhan
4.	June 01, 2021	Presentation by M/s Alpha Plus Technologies Private Limited
5.	June 05, 2021	Presentation by Foreign Exchange Dealers' Association of India and Fixed Income Money Market and Derivatives Association of India
6.	June 12, 2021	Presentation by Association of Small Finance Banks in India and Indian Banks' Association
7.	June 19, 2021	Presentation by DBS Bank India Ltd. and Federal Bank
8.	June 19, 2021	Introductory Meeting with the officials of National Law School of India University (NLSIU), Bengaluru
9.	June 26, 2021	Presentation by Deloitte and Payments Council of India
10.	July 03, 2021	Presentation by National Federation of Urban Cooperative Banks and Credit Societies Ltd.
11.	July 10, 2021	Presentation by Mashreq Bank and Merchants Association of Payment System Advisors
12.	July 14, 2021	Meeting with the officials of NLSIU, Bengaluru
13.	July 24, 2021	Presentation by J P Morgan Chase Bank, India
14.	July 31, 2021	Presentation by the AG
15.	November 30, 2021	RRA 2.0 meeting with M/s Alpha Plus Technologies Private Limited
16.	January 24, 2022	Presentation by the AG
17.	February 28, 2022	Discussion with AG
18.	April 12, 2022	Meeting of RRA with Vice Chancellor and officials of NLSIU, Bengaluru





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