

**ANNEX I****CHRONOLOGY OF  
MAJOR POLICY ANNOUNCEMENTS:  
JULY 2019 TO JUNE 2020<sup>1</sup>**

Date of Announcement	Policy Initiative
<b>Monetary Policy Department</b>	
August 7, 2019	The policy repo rate was reduced by 35 bps to 5.40 per cent.
October 4, 2019	The policy repo rate was reduced by 25 bps to 5.15 per cent.
February 6, 2020	Cash reserve ratio (CRR) exemption to scheduled commercial banks (SCBs) for a period of 5 years (from the date of origination of the loan or the tenure of the loan, whichever is earlier) for the amount equivalent to the incremental credit extended as retail loans for automobiles, residential housing and loans to micro, small and medium enterprises (MSMEs) during January 31, 2020 and July 31, 2020.
March 27, 2020	<ul style="list-style-type: none"> <li>• The policy repo rate was reduced by 75 bps to 4.4 per cent. The reverse repo rate was reduced by 90 bps to 4.0 per cent creating an asymmetrical corridor<sup>2</sup>.</li> <li>• CRR reduced<sup>3</sup> by 100 bps to 3.0 per cent of NDTL effective March 28, 2020 for a period of one year ending on March 26, 2021.</li> <li>• Effective March 28, 2020, requirement of minimum daily CRR balance maintenance reduced from 90 per cent to 80 per cent of the prescribed CRR. This dispensation, initially available up to June 26, was further extended up to September 25, 2020<sup>4</sup>.</li> <li>• Increase in marginal standing facility (MSF) borrowing from 2 per cent of statutory liquidity ratio (SLR) to 3 per cent effective March 28, 2020. This measure was initially available up to June 30, 2020 and later extended up to September 30, 2020.</li> </ul>
April 17, 2020	<ul style="list-style-type: none"> <li>• The reverse repo rate was reduced by 25 bps to 3.75 per cent.</li> <li>• Special refinance facilities for a total amount of ₹ 50,000 crore were provided to NABARD, SIDBI and NHB to enable them to meet sectoral credit needs<sup>5</sup>.</li> </ul>
May 22, 2020	<ul style="list-style-type: none"> <li>• The policy repo rate was reduced by 40 bps to 4.0 per cent.</li> <li>• The reverse repo rate was reduced by 40 bps to 3.35 per cent.</li> <li>• A line of credit of ₹ 15,000 crore was extended to EXIM bank for a period of 90 days from the date of availment with rollover up to a maximum period of one year to enable it to avail a US dollar swap facility to meet its foreign exchange requirements.</li> </ul>

<sup>1</sup> The list is indicative in nature and details are available on the Reserve Bank's website.

<sup>2</sup> The purpose of this measure relating to reverse repo rate is to make it relatively unattractive for banks to passively deposit funds with the Reserve Bank and instead, to use these funds for on-lending to productive sectors of the economy.

<sup>3</sup> This reduction in the CRR released primary liquidity of about ₹ 1,37,000 crore uniformly across the banking system in proportion to liabilities of constituents rather than in relation to holdings of excess SLR.

<sup>4</sup> This measure was announced taking cognisance of hardships faced by banks in terms of social distancing of staff and consequent strains on reporting requirements.

<sup>5</sup> This comprised ₹ 25,000 crore to NABARD for refinancing regional rural banks (RRBs), cooperative banks and micro finance institutions (MFIs); ₹ 15,000 crore to SIDBI for on-lending/refinancing; and ₹ 10,000 crore to NHB for supporting housing finance companies (HFCs). Advances under this facility were provided at the Reserve Bank's policy repo rate.

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<b>Financial Inclusion and Development Department</b>	
August 1, 2019	Master Direction on priority sector lending was issued for small finance banks (SFBs).
August 13, 2019	Lending by banks to NBFCs (other than MFIs) for 'on-lending' under specific categories was made eligible for classification under priority sector lending up to the limits prescribed.
September 20, 2019	The sanctioned limits towards export credit for domestic SCBs were enhanced to boost credit to export sector.
October 7, 2019	With a view to expanding and deepening the digital payments ecosystem, State/UT Level Bankers' Committee Convenor banks were advised to identify one district in their respective States/UTs to make the district 100 per cent digitally enabled within one year.
February 5, 2020	Modification in operational guidelines on interest subvention scheme (ISS) for MSMEs was issued.
March 31, 2020	Circular on short-term crop loans eligible for ISS and prompt repayment incentive (PRI) extending timeline till June 30, 2020 in view of the COVID-19 pandemic, for converting all short-term crop loans into KCC loans.
June 4, 2020	Circular on ISS and PRI for short-term crop loans during the years 2018-19 and 2019-20 extending moratorium period till August 31, 2020 in view of the COVID-19 pandemic.
<b>Financial Markets Regulation Department</b>	
November 28, 2019	Units of debt exchange traded fund (ETF) were permitted as eligible security for repo.
January 1, 2020	<ul style="list-style-type: none"> <li>• Client transactions in currency derivatives above a threshold of USD 1 million were mandated to be reported to the trade repository. With effect from January 6, 2020, all client transactions in currency derivatives have been mandated to be reported to the trade repository.</li> <li>• Six benchmarks administered by Financial Benchmarks India Private Limited (FBIL) were notified by the Reserve Bank as 'significant benchmarks' under the Financial Benchmark Administrators (Reserve Bank) Directions, 2019, dated June 26, 2019.</li> </ul>
January 6, 2020	Authorised Dealers (AD) Category-I banks were permitted to voluntarily undertake client and inter-bank transactions beyond onshore market hours.
January 20, 2020	Rupee derivatives with settlement in foreign currency were allowed to be traded in international financial services centres (IFSCs), starting with exchange traded currency derivatives (ETCD).
January 23, 2020	<ul style="list-style-type: none"> <li>• The short-term investment limit for Foreign Portfolio Investors (FPIs) in both corporate bonds and government securities were revised to 30 per cent from the existing 20 per cent. Also, debt instruments issued by asset reconstruction companies and by an entity under the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 were exempted from the short-term investment limit.</li> <li>• Investment cap for FPIs under voluntary retention route (VRR) scheme was increased to ₹ 1,50,000 crore from the existing ₹ 75,000 crore. FPIs under the VRR scheme were also permitted to transfer their investments made under the general investment limit to VRR. Exchange traded funds that invest only in debt instruments were allowed under VRR.</li> </ul>
March 27, 2020	<ul style="list-style-type: none"> <li>• AD Category-I banks in India which operate international financial services centre (IFSC) banking units (BUs) were permitted to offer non-deliverable derivative contracts involving the rupee, or otherwise, to persons not resident in India, with effect from June 1, 2020.</li> </ul>

Date of Announcement	Policy Initiative
March 30, 2020	<ul style="list-style-type: none"> <li>The timeline for implementation of legal entity identifier (LEI) in non-derivative markets was extended till September 30, 2020, in view of the challenges posed by the outbreak of the COVID-19 pandemic.</li> </ul> <p>A separate route, viz., fully accessible route (FAR) for investment by non-residents in specified securities issued by the Government of India (GoI) was introduced.</p>
April 3, 2020 followed by April 16 and April 30, 2020	The trading hours for various markets under the Reserve Bank's regulation were revised to ensure that market participants maintain adequate checks and controls while optimising their resources and ensuring safety of personnel amid COVID-19 pandemic.
April 7, 2020	The existing facilities for non-residents and residents to hedge foreign exchange risk have been reviewed to ease access to the domestic foreign exchange market, ensure protection for the retail customer and promote innovation for the sophisticated customers.
April 15, 2020	The investment limits for the FPIs in debt securities under medium term framework (MTF) for the financial year 2020-21 were announced.
May 18, 2020	<ul style="list-style-type: none"> <li>All non-deliverable derivative contracts involving the rupee, or otherwise, were mandated to be reported to the trade repository. All IFSC Banking Units were mandated to report all OTC foreign exchange, interest rate and credit derivative transactions (both inter-bank and client transactions) undertaken by them to the trade repository with effect from June 1, 2020.</li> <li>The implementation date for the directions on hedging of foreign exchange risk (dated April 7, 2020) was deferred to September 1, 2020 from June 1, 2020 in view of the difficulties arising from the outbreak of COVID-19.</li> </ul>
May 22, 2020	FPIs that were allotted investment limits under the VRR scheme between January 24, 2020 and April 30, 2020 were allowed an additional time of three months to invest 75 per cent of their committed portfolio size (CPS) in view of the COVID-19 pandemic.
<b>Financial Markets Operations Department</b>	
December 13, 2019	In order to facilitate smooth settlement of NEFT transactions in a 24x7 environment, an additional collateralised intra-day liquidity facility called liquidity support (LS) was provided to member banks.
December 19, 2019	The Reserve Bank announced conducting simultaneous purchase of long-term and sale of short-term government securities under open market operations (OMOs). The first such auction was conducted on December 23, 2019.
February 6, 2020	<ul style="list-style-type: none"> <li>The Reserve Bank revised its liquidity management framework based on the report of the Internal Working Group set up to review the liquidity management framework and comments/feedback received from stakeholders and members of the public.</li> <li>The Reserve Bank augmented its liquidity management toolkit by announcing the long-term repo operations (LTROs) at fixed rate with a view to assuring banks about the availability of durable liquidity and facilitate the transmission of monetary policy actions and flow of credit to the economy. The first such LTRO was conducted on February 17, 2020.</li> </ul>
March 12, 2020	The Reserve Bank announced to undertake 6-month US Dollar sell/buy swap auctions to provide US Dollar liquidity to the foreign exchange market. The first such auction was conducted on March 16, 2020 <sup>6</sup> .

<sup>6</sup> This measure was announced as financial markets worldwide were facing intense selling pressures on extreme risk aversion due to the spread of COVID-19 infections.

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March 27, 2020	The Reserve Bank announced conducting targeted long-term repo operations (TLTROs) at a floating rate linked to the policy repo rate. Liquidity availed under the scheme by banks had to be deployed in investment grade corporate bonds, commercial paper, and non-convertible debentures. The first such TLTRO auction was conducted on March 27, 2020.
March 30, 2020	Taking into account the impact of disruptions caused by COVID-19, it was decided to extend the window timings of fixed rate reverse repo and MSF operations as an interim measure so as to provide eligible market participants with greater flexibility in their liquidity management.
April 17, 2020	The Reserve Bank announced conducting targeted long-term repo operations (TLTROs) 2.0 at the policy repo rate. Liquidity availed under the scheme by banks is to be deployed in investment grade corporate bonds, commercial paper, and non-convertible debentures with at least 50 per cent of the total amount availed going to small and mid-sized NBFCs and MFIs. Investments made under this facility would be classified as held to maturity (HTM) even in excess of 25 per cent of total investment permitted to be included in the HTM portfolio. Exposures under this facility would also not be reckoned under the large exposure framework (LEF). The first such TLTRO 2.0 auction was conducted on April 23, 2020.
April 27, 2020	In order to ease the liquidity pressure on mutual funds, it was decided to open a special liquidity facility for mutual funds (SLF-MF). Liquidity availed under the scheme by banks is to be deployed exclusively for meeting needs of mutual funds. Liquidity availed under the facility would be classified as HTM even in excess of 25 per cent of total investment permitted to be included in the HTM portfolio. Exposures under this facility would also not be reckoned under the LEF. The first such SLF-MF auction was conducted on April 27, 2020.
April 30, 2020	It was decided to extend regulatory benefits announced under the SLF-MF scheme to all banks, irrespective of whether they avail funding from the Reserve Bank or deploy their own resources to meet liquidity requirements of mutual funds.
<b>Foreign Exchange Department</b>	
July 30, 2019	In consultation with the Government of India (GoI), the Reserve Bank relaxed the end-use restrictions on external commercial borrowing (ECB) proceeds, with a view to further liberalise the ECB framework.
August 16, 2019	In order to bring in consistency in statutory provisions/regulations relating to commercial papers (CPs), sub-regulation (3) of Regulation 6 of FEMA 5(R)/2016-RB was deleted <i>vide</i> GoI Notification No. FEMA 5(R)(2)/2019-RB dated July 16, 2019.
October 17, 2019	Consequent to the notification of Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 by GoI, the Reserve Bank issued "Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019" relating to mode of payment and reporting requirements for investment in India by a person resident outside India.
November 22, 2019	<ul style="list-style-type: none"> <li>• With a view to promote the usage of INR products by persons resident outside India, the scope of special non-resident rupee accounts (SNRR) was expanded, in consultation with the GoI.</li> <li>• The guidelines on re-export of unsold rough diamonds from special notified zone of customs were modified. As per the revised instructions, bill of entry shall be filed by the buyer for the lot(s) of imported rough diamonds meant to be traded by diamond mining companies and these are to be cleared at the centre(s), which are duly notified under Customs Act, 1962.</li> </ul>

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December 9, 2019	In order to smoothen the process of obtaining permission of the Reserve Bank for re-exporting of leased aircraft/helicopter and/or engines/auxiliary power units (APUs) re-possessed by the overseas lessor, they were exempted from submission of export declaration form (EDF).
January 23, 2020	With a view to further facilitate merchanting trade transactions (MTT), the existing guidelines on MTT were reviewed.
March 17, 2020	Japanese Yen was permitted as currency of settlement under Asian Clearing Union (ACU) mechanism. The Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016 were amended accordingly.
April 1, 2020	Consequent to the COVID-19 pandemic, it was decided, in consultation with GoI, to increase the present period of realisation and repatriation to India of the amount representing the full export value of goods or software or services exported, from nine months to fifteen months from the date of export, for the exports made up to or on July 31, 2020.
April 3, 2020	It was decided, in consultation with the GoI, to permit receipt of foreign inward remittances from non-residents through the overseas exchange houses in favour of the 'Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund', subject to the condition that AD Category-I banks shall directly credit the remittances to the 'PM-CARES Fund' and maintain the full details of the non-residents sending the donations/contributions under rupee drawing arrangement (RDA).
May 22, 2020	In view of the disruptions due to the COVID-19 pandemic, the time period for completion of remittances against normal imports, <i>i.e.</i> , excluding import of gold/diamonds and precious stones/jewellery, (except in cases where amounts are withheld towards guarantee of performance, <i>etc.</i> ) was extended from six months to twelve months from the date of shipment for such imports made on or before July 31, 2020.
<b>Department of Regulation: Commercial Banks</b>	
July 5, 2019	Banks were permitted to reckon the increase in facility to avail liquidity for liquidity coverage ratio (FALLCR) of 1.0 per cent of the bank's NDTL as Level 1 high quality liquid assets (HQLA) for computing liquidity coverage ratio (LCR) [0.50 per cent each on August 1 and December 1, 2019], to the extent of incremental outstanding credit to NBFCs and Housing Finance Companies (HFCs) over and above the amount of credit to NBFCs/HFCs outstanding on their books as on July 5, 2019.
August 2, 2019	<ul style="list-style-type: none"> <li>• Banks were instructed that they shall not charge foreclosure charges/pre-payment penalties on any floating rate term loan sanctioned, for purposes other than business, to individual borrowers with or without co-obligant(s).</li> <li>• Revised guidelines on 'fit and proper' criteria for shareholder directors in the public sector banks (PSBs) were issued thereby aligning them with the eligibility requirements applicable for other directors.</li> </ul>
August 7, 2019	The bank rate was revised downwards by 35 bps from 6.00 per cent to 5.65 per cent with effect from August 7, 2019. Accordingly, all penal interest rates on shortfall in reserve requirements, which are specifically linked to the bank rate, also stand revised as bank rate plus 3.0 percentage points (8.65 per cent) or bank rate plus 5.0 percentage points (10.65 per cent), depending on the duration of the shortfalls.

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August 9, 2019	Consequent to Gol notifying amendment to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 on May 28, 2019, Master Direction was amended to the effect that, where the individual is a prisoner in a jail, the signature or thumb print shall be affixed in presence of the officer in-charge of the jail and the said officer shall certify the same under his signature and the account shall remain operational on annual submission of certificate of proof of address issued by the officer in-charge of the jail.
August 13, 2019	The Reserve Bank of India placed on its website the final 'Enabling Framework for Regulatory Sandbox', after taking into consideration comments/feedback from various stakeholders including FinTech entities, banks, multilateral agencies, industry associations, payment aggregators, audit and legal firms, government departments and individuals on various aspects of the framework.
August 16, 2019	Two changes were brought in the Gold Monetisation Scheme, 2015 - (i) Banks may identify at least one branch in a State/Union Territory where they have presence to accept the deposits under the Scheme and (ii) all designated banks shall give adequate publicity to the scheme through their branches, websites and other channels.
September 4, 2019	Based on the recommendations of an internal study group constituted to examine various aspects of the marginal cost of funds-based lending rate (MCLR) system, banks were mandated to link all new floating rate personal or retail loans (housing, automobile, <i>etc.</i> ) and floating rate loans to micro and small enterprises to an external benchmark from October 1, 2019, like Reserve Bank's policy repo rate, Gol three/six months' treasury bill yield published by the Financial Benchmarks India Private Limited (FBIL) or any other benchmark market interest rate published by the FBIL.
September 12, 2019	<ul style="list-style-type: none"> <li>• The risk weight for consumer credit, including personal loans, but excluding credit card receivables was reduced to 100 per cent. Earlier, consumer credit, including personal loans and credit card receivables but excluding educational loans, attracted a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty.</li> <li>• The exposure limit of banks to a single NBFC (excluding gold loan companies) was harmonised with the general single counterparty limit under the LEF by increasing the limit on exposure to a single NBFC from 15 per cent to 20 per cent of bank's eligible capital base. Bank finance to NBFCs predominantly engaged in lending against gold will continue to be governed by the limits prescribed earlier.</li> </ul>
October 4, 2019	The bank rate was revised downwards by 25 bps from 5.65 per cent to 5.40 per cent.
October 14, 2019	Banks were permitted to lend to Infrastructure Investment Trusts (InvITs) subject to certain safeguards which include a Board approved policy on exposures to InvITs, assessment of all critical parameters including sufficiency of cash flows at InvIT level, overall leverage of the InvITs and the underlying special purpose vehicles (SPVs) to be within the leverage permitted under the Board approved policy, monitoring of performance of the underlying SPVs on an ongoing basis and lending to only those InvITs where none of the underlying SPVs are facing financial difficulty.
November 1, 2019	RRBs were allowed to issue perpetual debt instruments (PDIs) eligible for inclusion as Tier-I capital with the prescription of terms and conditions for their issue.
November 4, 2019	<ul style="list-style-type: none"> <li>• Opening of the first cohort under the regulatory sandbox (RS), with retail payments as the theme and a window for submission of application were announced. The innovative products/services which, among others, shall be considered for inclusion under RS are: mobile payments including feature phone-based payment services, offline payment solutions and contactless payments.</li> </ul>

Date of Announcement	Policy Initiative
	<ul style="list-style-type: none"> <li>Revised final guidelines on compensation of whole time directors/chief executive officers/material risk takers and control function staff for private sector banks were issued with salient features like inclusion of share-linked instrument such as employee stock ownership plans (ESOPs) as a component of variable pay and imposition of malus for divergence in NPA/provisioning. The revised guidelines were issued to better align with Financial Stability Board (FSB) guidelines on compensation practices. This was made applicable for pay cycles beginning from/after April 1, 2020.</li> </ul>
November 18, 2019	Banks were advised that on a voluntarily winding up application by Aditya Birla Idea Payments Bank Limited, the Hon'ble Bombay High Court passed an order on September 18, 2019 for liquidation and a liquidator was appointed.
November 28, 2019	Vijaya Bank and Dena Bank were excluded from the Second Schedule to the Reserve Bank of India Act, 1934 with effect from April 1, 2019 since, after amalgamation with Bank of Baroda, they ceased to carry on banking business.
December 5, 2019	The Reserve Bank released on its website, "Guidelines for 'on tap' licensing of small finance banks (SFBs) in the private sector with some important features like minimum paid-up voting equity capital/net worth requirement of ₹200 crore, considering voluntary transition of primary (Urban) co-operative banks (UCBs) into SFBs with initial requirement of net worth of ₹100 crore and giving scheduled bank status to SFBs immediately upon commencement of operations.
December 23, 2019	IFSC Banking Units (IBUs) were permitted to open current accounts (including escrow accounts) for their corporate borrowers subject to provisions of FEMA, 1999 to accept fixed deposits in foreign currency of tenor less than one year from non-bank entities and also repay fixed deposits prematurely without any time restrictions.
January 9, 2020	Master Direction on know your customer (KYC) was updated to align it with the amendments brought in the prevention of money laundering (PML) Rules by the GoI <i>vide</i> Gazette Notifications issued on August 19, 2019 and November 13, 2019. Video based customer identification process (V-CIP) was also introduced by the Reserve Bank as a consent based alternate method of establishing the customer's identity, for customer on-boarding.
January 21, 2020	IFSC Banking Units (IBUs) were permitted to participate in exchange traded currency derivatives on rupee (with settlement in foreign currency) listed on stock exchanges set up at IFSCs.
February 6, 2020	RRBs were allowed to act as merchant acquiring banks using <i>Aadhaar</i> Pay – BHIM app and point of sale (POS) terminals subject to certain conditions.
February 7, 2020	Project loans in commercial real estate (CRE) sector were permitted to be restructured, without a downgrade in the asset classification, by way of revision of date of commencement of commercial operation (DCCO) up to one additional year ( <i>i.e.</i> , total 2 years extension from the original DCCO), as in the case of projects in non-infrastructure sectors. The asset classification benefit will be subject to certain conditions.
February 11, 2020	A one-time restructuring of loans to MSMEs that were in default but 'standard' as on January 1, 2020, was permitted, without an asset classification downgrade, subject to certain conditions like aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower not exceeding ₹25 crore as on January 1, 2020 and the borrower's account is in default but is a 'standard asset' as on January 1, 2020 and continues to be classified as a 'standard asset' till the date of implementation of the restructuring. The borrowing entity has to be GST-registered. However, this condition will not apply to MSMEs that are exempt from GST-registration.

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February 26, 2020	With a view to further strengthening monetary transmission, it was decided to link pricing of all new floating rate loans by SCBs for the medium enterprises also to the external benchmarks effective April 1, 2020 and accordingly, guidelines were issued to banks.
March 17, 2020	<ul style="list-style-type: none"> <li>• On account of inclusion of affordable housing under the harmonised master list (HML) for infrastructure sub-sectors by GoI, the definition of lending to affordable housing was re-aligned with that provided in the HML. Accordingly, for the purpose of issue of long terms bonds, the revised definition would include housing loans, eligible to be classified under priority sector lending (as updated from time to time) and to individuals for acquiring dwelling units within the prescribed threshold under the affordable housing definition in the HML.</li> <li>• Banks were permitted to treat investment fluctuation reserve (IFR), being at least 2 per cent built up out of profit on sale of securities under the held for trading (HFT) and available for sale (AFS) portfolios on a continuous basis, as part of Tier-II capital without the cap of 1.25 per cent of total credit risk weighted assets.</li> </ul>
March 23, 2020	A clarification was issued to the banks that exposure can be shifted from the credit risk mitigation (CRM) provider to the original counterparty, even if the counterparty was a person resident outside India, if CRM benefits like shifting of exposure/risk weights are not derived by that bank. The exposures thus shifted to a person resident outside India, will attract a minimum risk weight of 150 per cent. The date of applicability of the LEF guidelines to non-centrally cleared derivatives exposures was also deferred by one year to April 1, 2021.
March 27, 2020	<ul style="list-style-type: none"> <li>• The implementation of the last tranche of 0.625 per cent of capital conservation buffer (CCB) shall stand deferred from March 31, 2020 to September 30, 2020. Accordingly, minimum capital conservation ratios as applicable from March 31, 2018, will also apply for a further period of six months from March 31, 2020 till the CCB attains the level of 2.5 per cent on September 30, 2020. Further, the pre-specified trigger for loss absorption through conversion/write-down of additional tier 1 instruments (perpetual non-cumulative preference shares and perpetual debt instruments) shall remain at 5.5 per cent of risk-weighted assets (RWAs) and will rise to 6.125 per cent of RWAs on September 30, 2020.</li> <li>• The implementation of net stable funding ratio (NSFR), was deferred by six months from April 1, 2020 to October 1, 2020.</li> <li>• Certain regulatory measures were announced to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The salient features included rescheduling of payments for term loans and working capital facilities, easing of working capital financing and exemption from classification of special mention account (SMA) and non-performing assets (NPA) on account of implementation of the above reliefs.</li> <li>• The bank rate was revised downwards by 75 bps from 5.40 per cent to 4.65 per cent with immediate effect. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the bank rate, also stand revised, accordingly, depending on duration of shortfalls <i>i.e.</i>, bank rate plus 3.0 percentage points (7.65 per cent from the earlier 8.40 per cent) or bank rate plus 5.0 percentage points (9.65 per cent instead of the earlier rate of 10.40 per cent).</li> </ul>
March 28, 2020	Guidelines for on-tap licensing of SFBs in private sector were modified to extend certain norms to existing SFBs like granting of general permission to open banking outlets subject to adherence to unbanked rural centre norms and exemption from seeking prior approval of the Reserve Bank for undertaking such non-risk sharing simple financial service activities, which do not require any commitment of own fund, after three years of commencement of business of SFBs. Some clarifications were also provided on promoters and paid up equity capital.



Date of Announcement	Policy Initiative
March 30, 2020	<p>As announced in the scheme of amalgamation of certain public sector banks by GoI dated March 4, 2020, Oriental Bank of Commerce/United Bank of India/Andhra Bank/Corporation Bank/Syndicate Bank/Allahabad Bank (transferor banks) will be excluded from the Second Schedule to the RBI Act as they would cease to carry on banking business w.e.f., April 1, 2020. Consequently, all their branches will function as branches of their respective transferee bank (Punjab National Bank/Union Bank of India/Canara Bank/Indian Bank) from April 1, 2020 and their customers, including depositors, will be treated as customers of respective transferee banks with effect from April 1, 2020.</p>
March 31, 2020	<ul style="list-style-type: none"> <li>• Based on the review of certain instructions regarding appointment of managing director and chief executive officer (MD and CEO)/CEO/part-time chairperson (PTC) in private sector banks and foreign banks, the 'Declaration and Undertaking' to be obtained from candidate and specimen of 'Form A' (Application by bank for amendment in its appointment related provisions) as well as 'Form B' (Application for approval of appointment/re-appointment) were revised. Two other changes were also introduced, viz., submission of application to the Reserve Bank by banks for re-appointment of MD and CEO at least six months (as against four months) before the expiry of the term of office and submission of proposals for appointment of a new MD and CEO with a panel of at least two names (as against three, currently) in the order of preference, at least four months before the expiry of the term of the present incumbent.</li> <li>• In order to make the doorstep banking services for senior citizens and differently abled persons effective, banks were advised to offer these services on pan India basis by developing a Board approved framework for determining the nature of branches where these services will be provided mandatorily and those where it will be provided on a best effort basis. Banks have to update the list of such branches on its website regularly, make the policy and charges in this regard public and give adequate publicity on the availability of such services in their public awareness campaigns. The progress made in this regard has to be reported to the Customer Service Committee of their Board every quarter and banks were advised to ensure compliance to the instructions by April 30, 2020.</li> </ul>
April 1, 2020	<ul style="list-style-type: none"> <li>• Based on the review and empirical analysis of counter cyclical capital buffer (CCyB) indicators, it was decided not to activate CCyB (framework for which was put in place in terms of guidelines issued on February 5, 2015, with pre-announcement of the decision to activate it as and when circumstances warranted) for a period of one year or earlier, as may be necessary.</li> <li>• Amendment to the Master Direction on KYC dated February 25, 2016 was made to align it with the amendment brought in the PML Rules by the GoI through a gazette notification dated March 31, 2020. The amendment pertains to small accounts, opened for customers unable to furnish officially valid documents (OVDs) to banks, for which the limitations and conditions have been provided in the PML rules itself. The amendment was carried out to enable the Government to transfer the direct benefit transfer (DBT) amounts to the beneficiaries' accounts and allow the beneficiaries to withdraw the amount for their needs in the current pandemic situation due to COVID-19, without causing any hardships due to the KYC requirements.</li> </ul>
April 17, 2020	<ul style="list-style-type: none"> <li>• It was decided that in respect of all accounts for which lending institutions decide to grant moratorium or deferment, and which were standard as on March 1, 2020, the 90-day NPA norm shall exclude the moratorium period, i.e., there would be an asset classification standstill for all such accounts from March 1, 2020 to May 31, 2020. At the same time, with the objective of ensuring that banks maintain sufficient buffers and remain adequately provisioned to meet future challenges, they will have to maintain higher provision of 10 per cent on all such accounts under the standstill, spread over two quarters, i.e., March, 2020 and June, 2020. These provisions can be adjusted later on against the provisioning requirements for actual slippages in such accounts.</li> </ul>

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Date of Announcement	Policy Initiative
April 20, 2020	<ul style="list-style-type: none"> <li>• Under Reserve Bank’s prudential framework of resolution of stressed assets dated June 7, 2019, in the case of large accounts under default, SCBs are currently required to hold an additional provision of 20 per cent if a resolution plan has not been implemented within 210 days from the date of such default. Recognising the challenges to resolution of stressed assets in the current volatile environment, it has been decided that the period for resolution plan shall be extended by 90 days.</li> <li>• With a view to conserve capital of banks to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty, it was decided that in view of the COVID-19-related economic shock, SCBs shall not make any further dividend payouts from profits pertaining to the financial year ended March 31, 2020 until further instructions. This restriction shall be reviewed on the basis of the financial position of banks for the quarter ending September 30, 2020.</li> <li>• In order to ease the liquidity position at the level of individual institutions, the LCR requirement for SCBs is being brought down from 100 per cent to 80 per cent with immediate effect. The requirement shall be gradually restored back in two phases – 90 per cent by October 1, 2020 and 100 per cent by April 1, 2021.</li> </ul> <p>Master Direction on KYC was updated regarding internal risk assessment by regulated entities (REs) relating to money laundering/terrorist financing to further align the Reserve Bank’s instructions to the provisions of financial action task force (FATF) Recommendation 1. The internal risk assessment carried out by REs should be commensurate to their size, geographical presence, complexity of activities/structure, etc. REs shall have to apply a Risk Based Approach (RBA) for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. The assessment will have to be properly documented and the outcome should be reported to the Board or any Committee of the Board.</p>
April 23, 2020	<p>Banks were permitted to issue electronic cards, with their Board approved policy, to natural persons having overdraft accounts that are in the nature of personal loan without any specific end-use restrictions, only for domestic online/non-cash transactions. However, restrictions on cash transaction shall not apply to <i>Pradhan Mantri Jan-Dhan Yojana</i> (PMJDY) overdraft facility. The card shall be issued for a period not exceeding the validity of the facility and instructions on terms and conditions, security aspects, etc., as applicable for debit cards, will be applicable to these cards.</p>
April 29, 2020	<p>In order to mitigate the difficulties in timely submission of various regulatory returns, due to disruptions on account of COVID-19 pandemic, the timelines for the submission was extended for the regulated entities, permitting a delay of up to 30 days from the due date, which will be applicable to regulatory returns required to be submitted up to June 30, 2020. However, no extension is permitted for submission of statutory returns, i.e., returns prescribed under the Banking Regulation Act, 1949, RBI Act, 1934 or any other Act (for instance, returns related to CRR/SLR).</p>
May 13, 2020	<p>Interest equalisation scheme on pre- and post-shipment rupee export credit was extended by Gol for one year, i.e., up to March 31, 2021, with same scope and coverage, and all extant operational instructions issued by the Reserve Bank under the said scheme shall continue to remain in force up to March 31, 2021.</p>
May 22, 2020	<p>The bank rate was revised downwards by 40 bps from 4.65 per cent to 4.25 per cent with effect from May 22, 2020. Accordingly, all penal interest rates on shortfall in reserve requirements, which are specifically linked to the bank rate, also stand revised as bank rate plus 3.0 percentage points (7.25 per cent from the earlier 7.65 per cent) or bank rate plus 5.0 percentage points (9.25 per cent instead of the earlier rate of 9.65 per cent), depending on the duration of the shortfalls.</p>

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May 23, 2020	<ul style="list-style-type: none"> <li>• With a view to facilitate greater flow of resources to corporates that faced difficulties in raising funds from the capital market and predominantly dependent on bank funding, caused by market uncertainties due to COVID-19 pandemic, a bank's exposure under the Large Exposure Framework, to a group of connected counterparties was increased from 25 per cent to 30 per cent of the eligible capital base of the bank. The increased limit will be applicable up to June 30, 2021.</li> <li>• Taking forward the COVID-19 regulatory package released in March and April 2020, additional measures were announced, providing relaxations in repayment pressures and improving access to working capital by mitigating the burden of debt servicing, for preventing the transmission of financial stress to the real economy, and ensuring the continuity of viable businesses and households on continuous economic disruption due to extension of lockdown.</li> <li>• Further extension of the resolution timelines, prescribed in the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, was provided after a review in continuation of the earlier instructions of April 2020, on account of continued challenges to resolution of stressed assets in a volatile environment. This was applicable in respect of accounts which were within and past the review period as on March 1, 2020, subject to conditions.</li> <li>• To alleviate genuine difficulties being faced by exporters in their production and realisation cycles, the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks was increased from one year to 15 months, for disbursements made up to July 31, 2020. This was in line with the permission already granted for increase in the period of realisation and repatriation of the export proceeds to India from nine months to 15 months from the date of export in respect of exports made up to July 31, 2020.</li> </ul>
June 21, 2020	<p>As credit facilities to MSME borrowers, extended under the emergency credit line guarantee scheme of GoI guaranteed by National Credit Guarantee Trustee Company (NCGTC), are backed by an unconditional and irrevocable guarantee provided by the GoI, member lending institutions, viz., SCBs (including scheduled RRBs), NBFCs (including HFCs as eligible under the scheme) and all India financial institutions (AIFIs), were permitted to assign zero per cent risk weight on the credit facilities extended under these schemes to the extent of guarantee coverage.</p>
<b>Department of Regulation: Cooperative Banks</b>	
August 30, 2019	The Meghalaya Co-operative Apex Bank Limited was included in the Second Schedule to the Reserve Bank of India Act, 1934.
November 29, 2019	The amalgamation of 13 District Central Co-operative Banks (DCCBs) in the state of Kerala with Kerala State Co-operative Bank was undertaken.
December 19, 2019	Banking license was issued to Supaul District Central Co-operative Bank, Supaul, Bihar.
December 27, 2019	The guidelines on reporting of large exposures to central repository of information on large credits (CRILC) issued to urban co-operative banks.
December 31, 2019	The guidelines on Board of Management were issued to urban co-operative banks.
January 6, 2020	<ul style="list-style-type: none"> <li>• The revised guidelines on supervisory action framework for urban co-operative banks were issued.</li> <li>• Shivalik Mercantile Co-operative Bank Limited was granted 'in principle' approval for grant of an SFB license.</li> </ul>

**CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS**

<b>Date of Announcement</b>	<b>Policy Initiative</b>
March 13, 2020	Guidelines on limits on exposure to single and group borrowers/parties and large exposures and revision in the target for priority sector lending were issued to UCBs.
April 20, 2020	Guidelines related to provisioning on inter-bank exposure of Primary UCBs under all inclusive directions were issued to UCBs.
April 24, 2020	Guidelines on non-achievement of priority sector lending targets by Primary UCBs - contribution to the rural infrastructure development fund (RIDF) and other funds were issued to UCBs.
June 8, 2020	'In-principle' approval was granted to Government of Punjab for the amalgamation of DCCBs in the state with the Punjab State Co-operative Bank, subject to fulfilment of conditions stipulated by the Reserve Bank and additional conditions, if any, imposed by NABARD.
<b>Department of Regulation: NBFCs</b>	
August 2, 2019	Clarification was issued to NBFCs not to charge foreclosure charges/pre-payment penalties on floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
November 4, 2019	Revised liquidity risk management framework for NBFCs and core investment companies (CICs) was issued.
November 8, 2019	<ul style="list-style-type: none"> <li>• Technical specifications (framed by ReBIT) were prescribed for all the participants of the NBFC-account aggregator (NBFC-AA) ecosystem, regulated by the Reserve Bank.</li> <li>• Household income limits and loan limits for qualifying assets of NBFC-MFIs were increased.</li> </ul>
November 11, 2019	Exemptions granted to housing finance institutions from the provisions of Chapter IIIB of RBI Act (except Section 45-IA) were withdrawn.
December 6, 2019	Asset reconstruction companies (ARCs) were advised to acquire financial assets from their lenders, sponsors or group entities through auctions which are conducted in a transparent manner, on arm's length basis and at prices determined by market forces.
December 23, 2019	The aggregate exposure of a lender to all borrowers at any point of time, across all peer-to-peer (P2P) platforms, was increased to ₹ 50,00,000.
December 31, 2019	Relaxation on minimum holding period (MHP) requirement for securitisation transactions related to loans of original maturity above 5 years, was further extended for six months, <i>i.e.</i> , till June 30, 2020.
January 21, 2020	NBFCs were permitted to pool gold jewellery from different branches in a district and auction it at any location within the district, if the first auction has failed.
March 13, 2020	Guidelines related to specific prudential aspects of Ind AS applicable on Ind AS implementing NBFCs and ARCs were issued.
April 17, 2020	Guidelines related to prudential norms on income recognition, asset classification and provisioning pertaining to advances - projects under implementation in commercial real estate (CRE) sectors as applicable to banks were extended, <i>mutatis mutandis</i> , to NBFCs.
May 19, 2020	Master Direction on KYC Direction, 2016 was extended to housing finance companies (HFCs).
June 17, 2020	A draft framework reviewing the extant regulations applicable to HFCs was released for public comments.

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June 24, 2020	All SCBs (excluding RRBs) and NBFCs (including HFCs) were advised to adhere to Fair Practices Code and Outsourcing Guidelines for loans sourced over digital lending platforms either through their own or under an outsourcing arrangement.
<b>Department of Supervision</b>	
September 18, 2019	The guidelines on concurrent audit system in commercial banks were revised based on a review undertaken.
December 31, 2019	<ul style="list-style-type: none"> <li>• Comprehensive cyber security framework for primary UCBs was framed based on a graded approach.</li> <li>• Baseline cyber security controls were mandated for third party ATM switch application service providers through contractual agreements with supervised entities.</li> </ul>
March 16, 2020	In the context of COVID-19 outbreak, banks/financial institutions were advised regarding an indicative list of measures to be taken by them as part of their operational and business continuity plans.
<b>Consumer Education and Protection Department</b>	
October 22, 2019	Internal Ombudsman Scheme was extended to non-bank system participants with more than one crore outstanding prepaid payment instruments (PPIs) as on March 31, 2019.
April 3, 2020	The Consumer Education and Protection cells at the Reserve Bank's regional offices and all subordinate offices under the centralised public grievance redress and monitoring system (CPGRAMS) were advised regarding the prompt handling of public grievances pertaining to COVID-19 in line with GoI guidelines.
<b>Internal Debt Management Department</b>	
November 7, 2019	The 'scheme for non-competitive bidding facility in the auction of state development loans' (SDLs) was revised to permit specified stock exchanges to act as aggregators/facilitators (in addition to scheduled banks and primary dealers) to aggregate the bids of their stockbrokers/other retail participants and submit a single consolidated bid under the non-competitive segment of primary auctions of SDLs.
February 6, 2020	It was decided that the Reserve Bank will modify its government securities registry (the PDO-NDS system) to include constituent details in the constituent subsidiary general ledger (CSGL) accounts. This is expected to fuel interest of retail investors to invest in government securities.
April 1, 2020	The ways and means advances (WMA) limit of state governments/union territories (UT) were increased by 30 per cent from the limit existing on March 31, 2020, to enable the state governments to tide over the fiscal stress caused by the outbreak of COVID-19 pandemic. The revised limits came into effect from April 1, 2020 and will be valid till September 30, 2020.
April 7, 2020	In order to provide greater flexibility to state governments to tide over their cash-flow mismatches, the 'overdraft (OD) scheme for state governments' was reviewed and the number of days for which a State/UT can be in OD continuously, was increased from 14 working days to 21 working days. Further, the number of days for which a State/UT can be in OD in a quarter, was increased from 36 working days to 50 working days.
April 13, 2020	With a view to facilitate availability of all the current operative instructions on the sovereign gold bond (SGB) scheme of the GoI at one place, consolidated procedural guidelines on the SGB scheme were issued.

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April 17, 2020	With a view to provide greater comfort to state governments in undertaking containment and mitigation efforts for COVID-19, and to enable them to plan their market borrowings, the WMA limit of states was increased further, by 60 per cent over and above the level existing on March 31, 2020. The increased limit will be valid till September 30, 2020.
April 20, 2020	To tide over the situation arising from the outbreak of COVID-19 pandemic, it was decided in consultation with the GoI, that the limit for WMA of GoI for the remaining part of first half of the financial year 2020-21 (April 2020 to September 2020) will be revised from ₹1,20,000 crore to ₹2,00,000 crore.
May 22, 2020	In the light of the COVID-19 pandemic and the consequent stress created on state government finances, the 'scheme for constitution and administration of consolidated sinking fund (CSF)' was reviewed and the rules governing withdrawal from CSF were relaxed, while ensuring that a sizeable corpus is retained in the fund.
June 26, 2020	A new Savings Bonds Scheme - Floating Rate Savings Bonds 2020 (Taxable) was announced to open for subscription from July 1, 2020.
<b>Department of Currency Management</b>	
January 1, 2020	Launch of MANI (Mobile Aided Note Identifier), a mobile application for aiding visually impaired persons to identify the denomination of Indian banknotes.
<b>Department of Payment and Settlement Systems</b>	
August 14, 2019	It was clarified that transactions failed due to technical reasons ascribable to the bank/service provider, invalid PIN/validations, etc., shall not form part of free transactions available to a customer. Non-cash withdrawal 'on-us' transactions shall also not form part of free transactions allowed at an ATM.
August 21, 2019	<ul style="list-style-type: none"> <li>• The availability of RTGS system was increased with operations commencing from 7:00 AM instead of 8:00 AM.</li> <li>• Processing of e-mandate on cards for recurring transactions (merchant payments) was permitted with additional factor of authentication (AFA) during e-mandate registration, modification and revocation, as also for the first transaction.</li> </ul>
August 30, 2019	The timeline for conversion of minimum detail prepaid payment instruments (PPIs) to KYC compliant PPIs was extended from 18 months to 24 months.
September 16, 2019	Scope and coverage of <i>Bharat</i> Bill Payment Systems (BBPS) was enhanced to include all categories of billers who raise recurring bills (except prepaid recharges) as eligible participants, on a voluntary basis.
September 20, 2019	Framework for turn around time (TAT) and customer compensation for failed transactions using authorised payment systems was prescribed.
October 15, 2019	On-tap authorisation was allowed for <i>Bharat</i> bill payment operating units (BBPOU); trade receivables discounting system (TReDS) platforms; and white label ATM (WLA) operators.
December 6, 2019	Modalities of the NEFT 24x7 system and timeline were advised to all member banks.
December 16, 2019	Member banks were advised to waive charges for NEFT transactions initiated online by savings bank account holders.

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December 24, 2019	A new type of semi-closed PPI was introduced with loading only from a bank account, amount loaded during any month restricted to ₹ 10,000 and usage restricted to purchase of goods and services.
December 30, 2019	All authorised payment systems and instruments were permitted for linking with FASTags under the national electronic toll collection (NETC) system.
January 10, 2020	<ul style="list-style-type: none"> <li>• Processing of e-mandate on unified payments interface (UPI) for recurring transactions (merchant payments) was permitted with AFA during e-mandate registration, modification and revocation, as also for the first transaction.</li> <li>• Amendment was made to the master circular to enable use of mobile banking for cross-border transactions.</li> <li>• Framework for imposing monetary penalty on authorised payment system operators/banks was revised.</li> </ul>
January 15, 2020	Guidelines were issued to improve user convenience and increase security of card transactions.
January 31, 2020	Banks were permitted to provide facility of cash withdrawal at PoS terminals based on approval from their Board.
March 16, 2020	Press release informing the general public about round the clock availability of payment systems that could be used for making payments from comfort of their home by avoiding social contact.
March 17, 2020	Guidelines covering regulation of payment aggregators and payment gateways covering authorisation, capital requirements, governance, merchant on-boarding, settlement and escrow account management, dispute management framework, <i>etc.</i> , were issued.
March 24, 2020	Extension of timeline for compliance with various payment system requirements in view of the ongoing COVID-19 situation.
June 4, 2020	Further extension in timeline provided to payment system operators to comply with various payment system requirements in view of the ongoing COVID-19 situation.
June 22, 2020	Authorised payment system operators and participants were advised to undertake targeted multi-lingual campaigns to educate their users on safe and secure use of digital payments.