

ANNEX

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS: JULY 2015 TO JUNE 2016*

Date of Announcement	Policy Initiative
Monetary Policy Department	
June 2, 2015	The policy repo rate was reduced by 25 bps from 7.50 per cent to 7.25 per cent.
September 29	The policy repo rate was reduced by 50 bps from 7.25 per cent to 6.75 per cent.
March 3, 2016	Marginal Cost of Funds based Lending Rate (MCLR) system introduced effective April 1, 2016.
April 5	<p>The policy repo rate was reduced by 25 bps from 6.75 per cent to 6.5 per cent.</p> <p>The minimum daily maintenance of CRR reduced from 95 per cent of the requirement to 90 per cent effective April 16, 2016.</p> <p>The average <i>ex ante</i> liquidity deficit in the banking system will be progressively reduced from 1 per cent of NDTL to a position closer to neutrality.</p> <p>The policy rate corridor was narrowed from +/-100 bps to +/- 50 bps by reducing the MSF rate by 75 bps to 7.0 per cent and increasing the reverse repo rate by 25 bps to 6.0 per cent for finer alignment of the weighted average call rate (WACR) with the policy repo rate.</p> <p>The supply of durable liquidity will be smoothened over the year using asset purchases and sales as needed.</p>
Financial Inclusion and Development Department	
July 16, 2015	The overall direct lending by banks to non-corporate farmers should not fall below the system-wide average of the last three years' achievement.
August 13	Banks were advised about the central government's interest subvention scheme during 2015-16 for providing short term crop loans up to ₹3 lakhs.
August 21	Banks were advised to provide relief measures (provisioning of input subsidy as compensation to farmers) in areas affected by natural calamities following reduction in the government criteria for crop loss from 50 per cent to 33 per cent.
August 27	Banks were advised to streamline the credit flow to Micro and Small Enterprises (MSEs) facilitating timely and adequate credit during their life cycle.
November 19	The applicable system-wide average figure for computing achievements under priority sector lending by banks (overall direct lending to non-corporate farmers) for FY 2015-16 is 11.57 per cent.
December 3	Priority sector lending guidelines for RRBs were revised by setting for them an overall target of 75 per cent of the total outstanding loans.
December 31	SLBC convenor banks were advised to identify villages (population above 5000) without a bank branch of an SCB and allot the identified villages among SCBs (including RRBs) for opening of branches by March 31, 2017.
January 14, 2016	<p>Guidelines for the conduct of camps by FLCs and rural branches were revised with the objective of targeting different groups as well as to ensure adequate synchronization between various stake holders.</p> <p>Use of Aadhaar card and linking of bank accounts with Aadhaar card is purely voluntary and not mandatory.</p>

*: Indicative in nature and details available on the Reserve Bank's website.

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

Date of Announcement	Policy Initiative
January 21	PSBs were advised that all women SHGs would be eligible for interest subvention on credit upto ₹3 lakhs at 7 per cent per annum under the National Rural Livelihood Mission (NRLM).
March 17	Guidelines on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)' were issued to all SCBs (excluding RRBs) advising them to put in place a board approved policy to operationalise the framework not later than June 30, 2016. Banks were instructed to ensure strict compliance with the guidelines on the Pradhan Mantri Fasal Bima Yojana (PMFBY). As the scheme is compulsory for loanee farmers availing Seasonal Agricultural Operational (SAO) Loans/ Kisan Credit Card (KCC) holders, banks were advised to ensure 100 per cent coverage of loanee farmers in notified areas growing notified crops.
April 7	The scheme of Priority Sector Lending Certificates (PSLC) was introduced to enable the banks to achieve the priority sector lending target and sub-targets. Scope of the National Urban Livelihood Mission (NULM) was enhanced by the Government with the mission renamed as 'Deendayal Antyodaya Yojana (DAY)-National Urban Livelihoods Mission'.
May 5	Banks were advised to discontinue submission of the half yearly statements on Special Agriculture Credit Plans (SACP) from April 2016 onwards.
June 2	Banks were advised to ensure implementation of the guidelines on relief measures by banks in areas affected by natural calamities contained in master circular dated July 1, 2015.
June 30	Banks were advised to act with empathy and consider restructuring and granting fresh loans to farmers in areas affected by natural calamities without waiting for the receipt of the insurance claims, in cases where there is reasonable certainty of receipt of the claim. Banks were advised to facilitate access to their records pertaining to crop insurance schemes to the audit teams deputed by the offices of the Principal Accountant General/Accountant General (Audit) in respective states.
Financial Market Regulation Department	
July 2, 2015	An independent benchmark administrator, 'Financial Benchmarks India Pvt. Ltd.' (FBIL), jointly floated by FIMMDA, FEDAI and IBA was incorporated.
July 16	The restriction on investment with less than three year residual maturity shall not apply to investment by FPIs in SRs issued by ARCs.
July 22	FBIL took over the administration of the benchmark for the overnight inter-bank rate based on the actual traded rate replacing the existing 'FIMMDA-NSE Overnight MIBID/MIBOR'.
September 23	FBIL started publishing the polled term Mumbai interbank offer rate (MIBOR) for three tenors, viz., 14 days, one month and three months.
October 6	A Medium Term Framework (MTF) for FPI limits in g-sec was announced.
October 8	The limit for hedging forex exposure of all resident, individuals, firms and companies through forex forward and FCY-INR options contracts was increased to US\$ 1,000,000 on the basis of a simple declaration.
October 29	Short sale transaction in g-sec by a custodian with its client account holder was allowed within the permissible short sale limit.

ANNUAL REPORT

Date of Announcement	Policy Initiative
November 5	Residents were permitted to enter into FCY-INR swaps with multilateral or international financial institutions in which central government is a shareholder.
November 26	FPIs were permitted to acquire NCDs/bonds, which defaulted, fully or partly, in the repayment of principal or principal instalment for amortising bond.
December 10	SCBs were permitted to take short positions in "When Issued" market while other eligible entities, <i>e.g.</i> , UCBs were permitted to take long position. Recognised stock exchanges were permitted to offer cross-currency futures and exchange traded options in EUR-USD, GBP-USD and USD-JPY, and exchange traded options in EUR-INR, GBP-INR and JPY-INR in addition to the existing USD-INR options.
March 17, 2016	Stand-alone PDs were permitted to deal in currency futures on their own account.
March 29	The FPI investment limit in central g-sec for the next half year was increased in two tranches. The limit for SDL was also increased in two tranches.
April 28	Entities reporting trades on Financial Market Trade Reporting and Confirmation Platform (F-TRAC) of the Clearcorp Dealing System India Ltd. were allowed to enter into multilateral agreement for waiving physical exchange of confirmation for deals in CPs, CDs, NCDs of original maturity up to one year and repo in corporate debt securities, CPs and CDs.
May 5	CCIL was specified as an approved counterparty for IRS on electronic trading platforms where CCIL was the central counterparty to enable participation of regulated institutional entities. FBIL started publishing the FBIL FC-Rupee Options Volatility Matrix rates.
June 23	Eligible Indian exporters and importers were permitted to sell covered options against their contracted exposures.
Financial Markets Operations Department	
July 27, 2015	Straight through processing (STP) for fixed rate repo and reverse repo including MSF was introduced, effective August 03, 2015.
August 28	Call/notice/term money, market repo and CBLO would remain open on all working Saturdays, effective September 01, 2015.
November 24	The timing of fixed rate repo was revised as 9 a.m. to 3 p.m. and that of fixed rate reverse repo and MSF set at 5:30 p.m. to 7:30 p.m., effective November 30, 2015. The option of physical bid was discontinued.
December 9	The Reserve Bank would intervene in the exchange traded currency derivatives segment, if required, to manage excessive volatility and to maintain orderly conditions in the market.
February 17, 2016	For aligning liquidity operations with payment systems, reverse repo and MSF operations will be conducted between 5:30 p.m. and 7:30 p.m. on all Mumbai holidays when the RTGS would be open, effective February 19, 2016.
April 21	USD/INR reference rate would be published based on volume weighted average of actual market transactions instead of polling, effective May 2, 2016.
Foreign Exchange Department	
July 2, 2015	Unsold rough diamonds imported on free of cost basis at special notified zone (SNZ), when re-exported from SNZ without entering the Domestic Tariff Area (DTA) would not require the formality of Export Declaration Form.

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

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July 3	FDI is prohibited only for 'manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes' and not for other activities relating to these products including wholesale cash and carry, and retail trading.
July 16	The ESOP regulations were reframed in sync with those of SEBI for listed companies and of Ministry of Corporate Affairs for unlisted companies. AD banks were permitted to factor export receivables on a non-recourse basis.
August 21	The online filing of form FCTRS with the Reserve Bank was enabled through the e-biz platform from August 24, 2015.
September 10	The filing of return on trade related loans and advances by exporters to overseas importers from their Exchange Earners' Foreign Currency (EEFC) accounts was dispensed with. The submission of documents by full-fledged money changers (FFMC)/AD category II while opening additional branches was relaxed. Resident importers were allowed to raise trade credit in Rupees (INR).
September 24	The instructions, <i>e.g.</i> , eligible credits and debits on opening of foreign currency accounts in India by ship-manning/crew-management agencies were reiterated in a more simplified manner. AD category-I banks were permitted to offer facility of payment for imports by entering into standing arrangements with the Online Payment Gateway Service Providers for goods and software.
September 29	A framework for issuance of Rupee denominated bonds overseas was set within the overarching ECB policy, and the various parameters, <i>e.g.</i> , eligible borrowers, recognised investors, maturity and all-in-cost were defined.
September 30	No proceedings under FEMA will lie against a person resident in India who has acquired any asset outside India in respect of which a declaration has been made under the Black Money Act, and for which taxes and penalties have been paid by the declarant.
October 8	The use of Nostro accounts of commercial banks of ACU countries, <i>i.e.</i> , the ACU Dollar and ACU Euro accounts, for settling the payments of exports and imports among the ACU countries, was permitted.
October 29	The National Pension System (NPS) was enabled as an investment option for NRIs under FEMA, provided such subscriptions were through normal banking channels and the person was eligible to invest under the PFRDA Act.
November 5	The settlement mode at the Indo-Myanmar border was switched from barter to normal trade. All software exporters can file single/bulk SOFTEX form in excel format for certification.
November 26	Bill of entry issued by Customs and courier bill of entry as declared by courier companies to the Customs may be accepted as evidence by AD banks for physical import of goods and import through courier, respectively.
November 30	ECB framework was revised with– (i) fewer restrictions on end uses and higher all-in-cost ceiling for long term foreign currency borrowings; (ii) a more liberal regime for rupee denominated ECBs; (iii) expansion of the list of overseas lenders to include long term lenders; (iv) alignment of the list of eligible infrastructure entities with the harmonized list of the Government of India; and (v) limiting the restrictions on end uses to a small negative list.
February 1, 2016	Physical filing of three FDI related returns: ARF, FC-GPR and FC-TRS was discontinued and online filing of forms on Government's e-Biz portal was introduced.
February 4	Banks were advised to settle export/import transactions in the currency of beneficiary where invoices were in freely convertible currencies and direct exchange rate might not be available. Nine regulations under FEMA were revised, repealing the original nine notifications and subsequent 51 amendments. Circulars were issued for seven out of nine revised regulations.

ANNUAL REPORT

Date of Announcement	Policy Initiative
February 11	The online submission of Form A2 for outward remittances was enabled and certain issues were clarified: issue of shares without cash payment through sweat equity/against legitimate payment owed by a company remittance of which does not require permission under FEMA, collection of payments by startups on behalf of their subsidiaries abroad.
March 3	The AD category I banks were advised to consider requests from status holder exporters for grant of Export Declaration Form (EDF) waiver, for export of goods free of cost based on the revised norm of ₹10 lakh or 2 per cent of average annual export realisation during preceding three licensing years, whichever was lower.
March 23	The reporting by AD banks to the Reserve Bank under the Diamond Dollar Account Scheme was dispensed with.
March 30	Companies in infrastructure sector, NBFC-IFCs, NBFC-AFCs, holding companies and CICs were made eligible to raise ECB under Track I of the framework with minimum average maturity of 5 years, subject to 100 per cent hedging; 'exploration, mining and refinery' sectors would be deemed as 'infrastructure' for the purpose of ECB; and refinancing of ECBs raised under the old regime was allowed.
March 31	AD banks were permitted to extend clean credit for import of rough, cut and polished diamonds up to a maximum 180 days beyond 180 days from the date of shipment. FDI limit for insurance was increased from 26 per cent to 49 per cent under automatic route.
April 13	Keeping of deposits with an Indian Company by persons resident outside India under Section 160 of the Companies Act, 2013 was clarified to be a current account transaction which would not require any approval from RBI. FPI limit in corporate debt is to be fixed in rupee terms. The issuance of rupee denominated bonds will be within such limit notified from time to time. Online reporting requirements for Overseas Direct Investment (ODI) were rationalised.
April 21	A person resident outside India including Registered Foreign Portfolio Investors and NRIs will be allowed to invest in the units issued by Real Estate Investment Trusts, Infrastructure Investment Trusts and Alternate Investment Funds on repatriation basis.
April 28	The notification relating to Remittance of Assets (FEMA 13) and its subsequent amendments were repealed and revised notification FEMA 13(R) was gazetted on April 1, 2016. The main features of the proposed Import Data Processing and Monitoring System (IDPMS) to be operationalised soon were outlined. Under the speed remittance procedure, the mandated requirement of maintenance of collateral or cash deposits by the exchange houses with whom banks entered into Rupee drawing arrangement was done away with, AD banks may, however, determine the collateral requirement.
May 26	The compounding orders issued on or after June 01, 2016 will be placed on the Reserve Bank website. The guidance note on the methodology used for calculation of the amount imposed under the compounding process was released.
June 23	A startup having an overseas subsidiary was permitted to open a foreign currency account outside India for crediting forex earnings out of its exports/sales and/or the receivables arising out of exports/sales of its overseas subsidiary. Indian companies registered under IRDA that are into insurance/reinsurance business are being permitted to open a foreign currency account with a bank outside India.
June 30	The ECB proposals received in the Reserve Bank above a certain threshold (refixed from time to time) will be placed before an empowered committee.

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

Date of Announcement	Policy Initiative
Department of Banking Regulation	
July 2, 2015	<p>Banks were advised to make use of the CRILC information and not limit their due diligence to seeking NOC from the customer's lending banks as per his/her declaration.</p> <p>Banks were permitted to slot their excess SLR securities and MSF eligible securities under day-1 bucket.</p> <p>The actual interest rate charged before restructuring could be used to discount the future cash flows for determining the diminution in fair value of loans on restructuring/flexible structuring of existing project loans. In case of differential interest rates for a borrower, the weighted average interest rate might be used as a discount rate.</p>
July 9	<p>While reporting information to CICs, a new status value: "restructured due to natural calamity" has to be introduced for the fields "written off and settled status" in the consumer bureau and "major reasons for restructuring" in the commercial bureau while reporting restructured/rescheduled agricultural loans on account of declared natural calamities, effective September 30, 2015.</p>
July 16	<p>'Past due' status of a credit card account will be reckoned from the payment due date mentioned in the monthly credit card statement.</p> <p>Banks were advised to present details of deposits with NABARD/SIDBI/NHB for meeting shortfall in priority sector lending in schedule 11 of the balance sheet.</p>
July 30	<p>Banks were permitted to undertake factoring business departmentally with recourse, without recourse or on limited recourse basis under the Factoring Regulation Act, 2011.</p>
August 6	<p>The prescription of additional interest of 1.28 per cent by PSBs on deposits of defence group insurance stands withdrawn.</p> <p>Domestic SCBs were made free to shift, part shift, merge or close all branches without the prior approval of the Reserve Bank. However, banking needs of a centre where a sole rural/semi-urban branch has been closed need to be met through either satellite offices/mobile vans or BCs.</p>
August 28	<p>Rules and subsequently guidance notes, including the amendments to income tax rules for operationalisation of inter-governmental agreement, and common reporting standards under the Foreign Account Tax Compliance Act were released.</p>
September 16	<p>Prior approval of the Reserve Bank is no longer required for non-strategic investments by profit making banks with CRAR of 10 per cent and more.</p> <p>Banks were given general permission to grant loans and advances to their CEOs/ Whole Time Directors for personal use, without seeking prior approval of the Reserve Bank, provided such loans form part of the bank's compensation/ remuneration policy approved by the Board of Directors.</p>
September 24	<p>A JLF-empowered group consisting of ED-level representatives from SBI, ICICI Bank and three other banks having exposure to the concerned borrower and two more banks not having exposure would be tasked to approve the rectification/restructuring packages under the corrective action plans. JLF would decide on the restructuring of an account classified as 'doubtful' if the account is viable and the JLF-EG would approve the proposal. The dissenting lenders would have an option to exit their exposure fully. If restructuring fails, JLF would have the option to initiate strategic debt restructuring bringing about change in management.</p> <p>Banks were allowed to extend partial credit enhancement to corporate bonds as an irrevocable contingent line of credit to be drawn to fund a shortfall in servicing of bonds, if any.</p> <p>Banks were permitted to upgrade the credit facilities to 'standard' category extended to borrowing entities whose ownership was changed outside the SDR mechanism.</p>
September 29	<p>Bank Rate was cut by 50 bps from 8.25 per cent to 7.75 per cent, effective September 29, 2015.</p>

ANNUAL REPORT

Date of Announcement	Policy Initiative
October 8	<p>Claims on foreign central banks would attract risk weights as per the rating to those by international rating agencies.</p> <p>LTV ratio and risk weight on individual housing loans were revised for 'housing for all'.</p>
October 22	<p>SCBs (excluding RRBs) were issued direction on the implementation of the Gold Monetisation Scheme, 2015 of the Government.</p>
October 30	<p>Banks were advised to accept marriage certificate or Gazette notification indicating change in name together with the 'officially valid document' in the existing name while establishing an account based relationship or its updation.</p>
November 3	<p>Minimum deposit under the Gold Monetisation Scheme, 2015 was amended as 30 grams of raw gold instead of 30 grams of gold of 995 fineness.</p> <p>Banks were advised that the rates of interest on medium-term and long-term government deposits as fixed by the government would be 2.25 per cent and 2.5 per cent, respectively.</p>
November 6	<p>Banks were asked to provide their comments on the proposed "harmonised" definitions of major balance sheet/ profit and loss/ off-balance sheet items covered in the banking/ regulatory returns received across various departments of the Bank by November 30, 2015.</p>
November 19	<p>Prior approval for acquisition of shares or voting rights in private banks was made necessary.</p> <p>Consolidated (group) level capital adequacy would apply to non-operative financial holding company (NOFHC) for new private banks.</p> <p>While offering factoring services, banks could decide the percentage of invoice to be paid upfront based on their own assessment of the creditworthiness of the assignor/buyer.</p> <p>RRBs were allowed to extend internet banking facility to their customers.</p>
November 26	<p>Banks were advised to be in readiness to share the KYC data with the Central KYC Records Registry once it is notified by the Government.</p> <p>A foreign bank can deploy a maximum of four expatriates for each branch opened in India and not more than six expatriates for their head office functions.</p> <p>The criterion regarding assets and income of factoring companies eligible for bank finance was revised to 50 per cent from 75 per cent.</p>
December 4	<p>Banks were advised on the operational procedure for claiming the reimbursement under the interest equalisation scheme on pre- and post-shipment rupee export credit.</p>
December 10	<p>SLR would be reduced progressively by 0.25 per cent every quarter till March 31, 2017 as also the ceiling on SLR holding under HTM category.</p>
December 17	<p>Guidelines were issued on computing interest rates on advances based on marginal cost of funds.</p>
December 31	<p>Banks were allowed to extend credit facilities to overseas step down subsidiaries of Indian corporates beyond the first level with the requirement of an additional provision of 2 per cent (over and above the country risk provision that is applicable to all overseas exposures).</p>
January 7, 2016	<p>IBUs were permitted to open foreign currency current accounts of units operating in IFSCs and of non-resident institutional investors. No limit was prescribed for raising short-term liabilities from banks. However, the IBUs must maintain LCR as applicable to Indian banks and follow the liquidity risk management guidelines.</p> <p>Banks were allowed to grant non-fund based facilities including partial credit enhancement to those customers, who did not avail any fund-based facility from any bank in India.</p>

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

Date of Announcement	Policy Initiative
January 7, 2016	If any credit facility availed by the issuer is classified as NPA by an AIFI, investment in any security including preference shares of the same issuer would also be treated as NPI and vice versa. If the preference share is classified as NPI, investment in any other performing securities of the same issuer or performing credit facilities may not be classified as NPI/NPA.
January 14	In relation to Basel III capital regulations, coupons on perpetual debt instruments must be paid out of current year's profits. However, if current year's profits are not sufficient, the balance amount of coupon needs to be paid out of revenue reserves and/or credit balance in profit and loss account, if any. Banks were permitted to offer all their products and services through ATM channels. SCBs including RRBs and CICs were advised to capture member-level data relating to SHGs in phases.
February 11	SCBs (excluding RRBs) were advised to follow the Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 from 2018-19. Banks should seek appointment of a guardian only when the concerned person is mentally ill and is not able to enter into a valid and legally binding contract. Banks have been permitted to reckon government securities held by them by an additional 3 per cent of their NDTL under FALLCR within the mandatory SLR requirement as Level 1 HQLA for the purpose of computing their LCR. Hence the total carved-out from SLR available to banks would be 10 per cent of their NDTL.
February 24	KYC Direction, 2016 was issued consolidating all relevant instructions issued by different departments of the Reserve Bank.
February 25	Prudential guidelines pertaining to SDR, framework to revitalise the distressed assets in the economy, restructuring of advances and sale of financial assets to securitisation/reconstruction company were partly modified and clarified.
March 1	Treatment of certain balance sheet items was amended for determining banks' regulatory capital in line with the Basel III capital standards.
March 13	Master Directions on interest rate on deposits and advances were issued.
March 23	The existing guidelines on LCR were clarified and were added up with instructions making them more compatible with Basel III liquidity risk framework.
March 31	As per the Gold Monetisation Scheme, 2015, redemption of principal at maturity would, at the option of depositor, be in either equivalent Indian Rupee or gold. For redemption in gold, an administrative charge of 0.2 per cent would be collected. Interest accrued on medium and long-term gold deposit would be based on value of gold in Indian Rupees at the time of deposit and would be paid only in cash.
April 5	Bank Rate was reduced by 75 bps to 7.0 per cent, effective April 05, 2016. The minimum daily maintenance of Cash Reserve Ratio has been reduced from 95 per cent to 90 per cent effective from fortnight beginning April 16, 2016.
April 21	Banks were advised to display suitable posters/notices in their branches cautioning public against placing deposits in dubious schemes. Banks could undertake the business of investment advisory services only through a separate subsidiary or one of its existing subsidiaries, with the prior approval of the Reserve Bank. General permission was extended to private banks to issue shares through available routes subject to compliance with the extant provisions and reporting to the Reserve Bank. Private banks and registered NBFCs need to submit information/documents along with the application for amalgamation to the Reserve Bank for consideration.

ANNUAL REPORT

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May 11	Guidelines on ownership in private banks were revised in view of licensing of new banks in the private sector and the need for additional capital under Basel III.
May 18	FDI up to 100 per cent under automatic route was allowed for CICs provided the entities had a track record of running a credit information bureau in a well-regulated environment.
May 26	Banks were provided with a framework of regulations for conduct of certain businesses permitted under Section 6(1) of the BR Act, 1949, apart from the prudential limits for banks' investment in financial and non-financial services companies as also the requirement for approval and procedure for application to the Reserve Bank.
June 13	<p>Banks were allowed to spread out any shortfall over a period of two years for NPAs sold up to March 31, 2016 subject to necessary disclosures. The said dispensation was extended for assets sold up to March 31, 2017. For assets sold during 2016-17, banks were allowed to amortize the shortfall over a period of four quarters.</p> <p>For reworking the financial structure of entities facing genuine difficulties, the Reserve Bank put in place a 'Scheme for Sustainable Structuring of Stressed Assets' (S4A).</p>
June 16	Banks were advised to begin collection of the relevant information from SHG members and reporting to CICs.
June 23	<p>Banks were advised to submit the Proforma Ind AS Financial Statements for the half year ended on September 30, latest by November 30, 2016.</p> <p>Banks were advised to report information on CPs and unhedged foreign currency exposures on a monthly and quarterly basis respectively, to the CICs from July 1, 2016.</p> <p>Directions on financial statements presentation, disclosure and reporting will be applicable to AIFIs effective the quarter ended December 2016.</p>
Department of Co-operative Bank Regulation	
July 16, 2015	CBS-enabled co-operative banks were permitted to issue ATM-cum-debit cards in tie-up with a sponsor bank.
October 15	Co-operative banks were permitted to use spot gold price data of the preceding 30 days, publicly disseminated by a commodity exchange regulated by SEBI for advance against pledge of gold ornaments/jewellery.
October 21	StCBs/DCCBs were permitted to invest in shares of market infrastructure companies as part of their non-SLR investments.
November 5	Co-operative banks which implemented CBS and migrated to Internet Protocol Version (IPv) 6 were permitted to offer internet banking (view only). If the prescribed criteria besides the above were fulfilled, internet banking with transactional facility was allowed.
November 19	Guidelines for acceptance of deposits by scheduled UCBs from other scheduled/non-scheduled UCBs were issued.
January 21, 2016	Co-operative banks were advised to accept cheques bearing a date as per the national calendar (SakaSamvat) for payment, if otherwise found in order.
February 11	Instructions were issued to AD category-I scheduled UCBs for claiming reimbursement under the interest equalisation scheme on pre- and post-shipment rupee export credit.
March 10	StCBs/DCCBs were permitted to include under Tier I capital, contributions received from associate/ nominal members and the outstanding special reserve if created as deferred tax liability under Section 36(1) (viii) of the Income Tax Act, 1961.

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

Date of Announcement	Policy Initiative
March 23	UCBs and StCBs eligible for setting up on-site/off-site/mobile ATMs were permitted to offer their products and services through ATM.
April 13	Financial assistance to UCBs for implementation of CBS through IDRBT/IFTAS was introduced. UCBs which were not operating under directions u/s 35 A of the Banking Regulation Act, 1949 and had not implemented/partially implemented CBS were eligible for assistance.
April 21	UCBs which fulfilled the prescribed criteria and whose priority sector loans were not less than 90 per cent of gross loans were permitted to grant unsecured advances to the extent of 35 per cent of their total assets.
June 30	Licensed UCBs which had implemented CBS and fulfilled the prescribed criteria were allowed to open one controlling office for a cluster of not less than 40 branches without prior approval of the Reserve Bank.
Department of Non-Banking Regulation	
July 2, 2015	For determination of concentration of credit/ investment, investments of NBFC in the shares of its subsidiaries and companies in the same group should be excluded to the extent they have been reduced from owned funds for calculation of NOF.
July 9	NBFCs would require prior approval of the Reserve Bank in cases of acquisition/ transfer of control of NBFCs.
July 23	Guidelines on early recognition of financial distress, prompt steps for resolution and fair recovery for lenders: framework for revitalising distressed assets, review of the guidelines on JLF and corrective action plans as applicable to banks were made, <i>mutatis mutandis</i> , applicable to NBFCs.
July 30	Guidelines on restructuring of advances as applicable to banks were made, <i>mutatis mutandis</i> , applicable to NBFCs.
August 6	The investment ceiling in AAA-rated corporate bonds by standalone PDs was raised from 25 per cent to 50 per cent of the latest audited net owned fund for a single borrower/counterparty and from 40 per cent to 65 per cent for a group borrower.
October 01	The condition relating to the maximum variance permitted would not apply to loans extended by NBFC-MFIs against the funding by National Scheduled Castes Finance and Development Corporation.
October 29	Modifications in the guidelines on early recognition of financial distress, prompt steps for resolution and fair recovery for lenders: framework for revitalising distressed assets in the economy, review of the guidelines on JLF and corrective action plans as applicable to banks were made, <i>mutatis mutandis</i> , applicable to NBFCs.
November 26	The limit of loan issued by NBFC-MFIs with a tenure of not less than 24 months was raised to ₹30,000 from ₹15,000.
January 28, 2016	NBFCs should disclose that the safe deposit locker facility is not regulated by the Reserve Bank. It would be a fee-based service and should not be counted as part of the financial business carried out by NBFCs.
February 18	NBFCs were prohibited from acting as Point of Presence (PoP) under the PFRDA's National Pension System. Clarifications/instructions were issued to NBFC-Factors to discourage regulatory arbitrage between NBFC-Factors and banks. Threshold for fraud reporting by NBFCs to the Central Fraud Monitoring Cell was increased to ₹10 million from ₹2.5 million.
March 3	Draft directions for NBFC-Account Aggregator were placed in public domain for comments.

ANNUAL REPORT

Date of Announcement	Policy Initiative
March 10	Risk weights assigned to exposures of NBFCs to domestic sovereigns or claims guaranteed by them were reviewed.
April 7	Concentration of credit/ investment norms would not apply to an NBFC-NDSI not accessing public funds, either directly or indirectly, and not issuing guarantees.
April 13	NBFC-MFIs were granted general permission to act as channelising agents for distribution of loans under special schemes of central/state government agencies exempting such loans from the qualifying assets criteria.
April 21	IDF-NBFCs were granted general permission to raise funds through shorter tenor bonds and CPs from the domestic market to the extent of up to 10 per cent of their total outstanding borrowing.
April 28	Standalone PDs were advised to link the risk weights assigned to their investments in corporate bonds to the rating of bonds. P2P consultation paper was released on the RBI website for public comments.
May 26	Guidelines on SDR mechanism, framework to revitalise distressed assets and revisions to the guidelines on restructuring as applicable to banks were made, <i>mutatis mutandis</i> , applicable to NBFCs.
June 2	Guidelines on refinancing of loans applicable to banks were extended to NBFCs.
June 17	The process of registration of NBFCs was simplified.
Department of Banking Supervision	
July 1, 2015	The classification and reporting system for frauds was prescribed, consolidating and updating earlier instructions.
July 15	Guidelines on the concurrent audit system in commercial banks were revised setting out its scope and coverage.
September 24	ED-in-charge of internal inspection and audit should be a member of the Audit Committee of the Board of Directors (ACB) in a PSB. Other EDs can be invited if the agenda includes any item for discussion from their domain.
November 23	Select banks were advised to conduct an audit (internal or external) of all the export transactions for KYC/AML/FEMA compliance.
January 20, 2016	Banks were advised to review the internal audit system and fine-tune the scope of the mechanism by strengthening the role of internal auditor.
January 21	Banks having overseas branches/representative offices/subsidiaries and joint ventures were advised to report on overseas operations as per the prescribed format in their quarterly DO letters. Banks were advised of the revised limits for reporting of fraud cases. Banks were advised about the operationalisation of the Central Fund Registry effective January 20, 2016 and revision of limits in reporting of fraud cases.
February 18	Banks were advised to examine the deficiencies in lending practices adopted by them for KCC accounts in their banks.
March 17	Banks were advised to examine the deficiencies in lending practices followed for the facilities extended to the brokers of NSEL.
March 31	Banks were advised that they were not required to submit the single quarterly report on the 'progress in implementation of Risk Management System/ALM, Risk-Based Supervision and Risk-Based Internal Audit', to the Reserve Bank on a quarterly basis effective the quarter ending March 2016 in view of the switch to Risk-Based Supervision from April 1, 2016.

CHRONOLOGY OF MAJOR POLICY ANNOUNCEMENTS

Date of Announcement	Policy Initiative
April 28	Compliance to the recommendations of Jilani Committee on the classification and reporting of frauds need not be reported to the ACB. Banks should ensure that the compliance was complete and sustained.
June 30	Banks were advised to discontinue the submission of quarterly report on foreign branches/subsidiaries/joint ventures/associates effective June 30, 2016.
Consumer Education and Protection Department	
July 15, 2015	The procedural instructions for redressal of grievances by the Chief Customer Service Officer (Internal Ombudsman) of banks were issued.
Internal Debt Management Department	
October 19, 2015	Sovereign yield curve was extended to forty years by issuance of Government of India security of 40 year maturity for the first time.
October 30	Sovereign Gold Bond scheme was introduced, providing an attractive alternate investment opportunity to purchase of gold.
December 31	The Medium-Term Debt Management Strategy (MTDS) formulated by the Reserve Bank in consultation with the Government was placed in public domain.
January 29, 2016	The WMA limit for all states was enhanced to ₹322.25 billion from ₹153.60 billion.
Department of Currency Management	
August 27, 2015	In consultation with the Government, the procedure for detection of counterfeit notes has been reviewed.
September 24	The Reserve Bank decided to issue banknotes in Mahatma Gandhi Series 2005 with a new numbering pattern in all denominations and special features for the visually impaired in ₹100, 500 and 1000 denominations.
December 23	The deadline for exchange of banknotes printed before 2005 was extended from December 31, 2015 to June 30, 2016.
January 21, 2016	Approval has been given by the Reserve Bank to allow the currency chest holding banks to enhance the service charge to be levied on cash deposited by non-chest bank branches to be effective from February 1, 2016.
April 13	Banks having currency chests should ensure conducting of fire audits bi-annually (once in two years) by the officials from the District Fire Department.
May 5	CDES – A revised scheme of incentives for bank branches based on performance in rendering customer service has been formulated by segregating the scheme of incentives from penalties.
June 30	From July 01, 2016 onwards, the facility for the members of public to exchange the pre-2005 banknotes is available only at issue offices of the Reserve Bank (including Kochi).
Department of Payment and Settlement Systems	
July 9, 2015	A new category of semi-closed Prepaid Payment Instruments (PPI) up to ₹2000 was introduced for Mass Transit Systems (PPI-MTS) to facilitate small value electronic payments.
August 27	The limit for cash withdrawal at Point of Sale (POS) was enhanced from ₹1000 to ₹2000 per day in Tier III to VI centres.
August 27	Guidelines were released for issuance of EMV Chip and Pin based cards.

ANNUAL REPORT

Date of Announcement	Policy Initiative
September 1	RTGS time window was modified to be operational for full day on working Saturdays.
December 17	Operative guidelines for banks to carry out changes in their ATM switch to facilitate Customer Registration for Mobile Banking at ATMs connected to National Financial Switch.
February 4, 2016	RTGS service charges were rationalised for members while the maximum fee a member could charge from its customer remained unchanged.
May 12	Guidelines for Voluntary surrender of Certificate of Authorisation (COA) were issued laying out the process for surrendering and consequent cancellation of the COA on voluntary basis.
May 26	<p>To encourage and expand card acceptance infrastructure to a wider segment of merchants across all geographical locations; the banks were advised to put in place their own Board approved policy on merchant acquisition.</p> <p>The banks/ White Label ATM operators were advised to ensure that all the existing ATMs installed/operated by them are enabled for processing of EMV Chip and PIN cards.</p>