

**Annex 3**  
**Important Regulatory Measures**

**1. Reserve Bank of India**

<b>Date</b>	<b>Regulation</b>	<b>Rationale</b>
January 04, 2022	<b>Retail Direct Scheme – Market Making:</b> The Reserve Bank notified market-making scheme to provide liquidity in the secondary market, wherein the Primary Dealers shall be present on the NDS-OM platform (odd-lot and Request for Quotes segments) throughout market hours and respond to buy/sell requests from Retail Direct Gilt Account Holders (RDGAHs).	To promote retail participation in Government Securities market by providing prices/quotes to Retail Direct Gilt (RDG) account holders enabling them to buy/sell securities under the RBI Retail Direct Scheme.
January 20, 2022	<b>Amendment to regulations under the amended Factoring Regulation Act, 2011:</b> In addition to NBFC-Factors, all non-deposit taking NBFC-Investment and Credit Companies (NBFC-ICCs) with asset size of ₹1,000 crore & above have been allowed to undertake factoring business, subject to satisfaction of certain conditions; and other NBFCs can undertake factoring business by converting themselves as NBFC-Factor.	To widen the scope of companies that can undertake factoring business.
February 10, 2022	<b>Permitting banks to deal in Offshore Foreign Currency Settled Rupee Derivatives market:</b> Banks in India having AD category-I license under the Foreign Exchange Management Act (FEMA), 1999, were permitted to undertake transactions in the offshore foreign currency settled overnight indexed swap (FCS-OIS) market with non-residents and other AD category-I banks.	To aid in removing the segmentation between onshore and offshore markets and improving the efficiency of price discovery.
February 10, 2022	<b>Voluntary Retention Route (VRR) for Foreign Portfolio Investors (FPIs) investment in debt:</b> The investment limit of ₹1,50,000 crore under VRR has been increased to ₹2,50,000 crore with effect from April 1, 2022. The minimum retention period shall be three years, or as decided by RBI for each allotment by tap or auction.	To facilitate stable investments by FPIs in debt instruments issued in the country.

Date	Regulation	Rationale
February 10, 2022	<b>Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022:</b> These Directions shall apply to credit derivatives transactions undertaken in OTC markets and on recognised stock exchanges in India. Residents and Non-residents, who are eligible to invest in corporate bonds and debentures under the Foreign Exchange Management (Debt Instruments) Regulations, 2019 can participate in the credit derivatives market. Eligible market-makers in credit derivatives consist of SCBs (except SFBs, LABs and RRBs), NBFCs (including SPDs and HFCs) with a minimum NOF of ₹500 crore and subject to specific approval of the Department of Regulation, Reserve Bank, and EXIM Bank, NABARD, NHB and SIDBI. The market-makers will classify users as retail or non-retail.	To promote the development of the CDS market in India for facilitating development of a liquid market for corporate bonds, especially for the bonds of lower-rated issuers.
March 08, 2022	<b>Reserve Bank launched: (a) UPI123Pay-</b> It provides various options to enable feature phone users make payments through Unified Payments Interface (UPI); and <b>(b) DigiSaathi-</b> A 24x7 Helpline to address the queries of digital payment users across products.	To accelerate the process of digital adoption in India, by creating a richer and more inclusive ecosystem that can accommodate larger sections of the population.
March 09, 2022	<b>NaBFID - All India Financial Institution (AIFI):</b> National Bank for Financing Infrastructure and Development (NaBFID) has been set up as a Development Financial Institution. NaBFID shall be regulated and supervised as an All India Financial Institution (AIFI) by the Reserve Bank. It shall be the fifth AIFI after EXIM Bank, NABARD, NHB and SIDBI.	NaBFID has been set up by the Government to support development of long term infrastructure financing in India and the press release was issued to inform public about its position in the regulatory landscape.
March 14, 2022	<b>Regulatory framework for Microfinance Loans Direction:</b> The new regulatory framework for microfinance loans includes common definition of microfinance loan for all REs, limit on loan repayment obligations of a household, detailed guidelines on pricing of microfinance loans, conduct towards microfinance borrowers, and withdrawal of exemption for 'not for profit'	To deleverage the microfinance borrowers, enhance the customer protection measures, enable the competitive forces to bring down the interest rates, provide flexibility to the REs to meet the credit needs of the microfinance borrower

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	companies engaged in microfinance activities. The REs are required to put in place board-approved policies on assessment of household income and indebtedness, pricing of microfinance loans, conduct of employees and providing flexibility of repayment periodicity on microfinance loans as per borrowers' requirements.	comprehensively and introduce activity-based regulation in the microfinance sector.
March 25, 2022	<b>Framework for Geo-Tagging of Payment System Touch Points:</b> Reserve Bank has released a framework for capturing geo-tagging information of payment system touch points deployed by banks/non-bank PSOs. Geo-tagging of payment system touch points will enable proper monitoring of the availability of payment acceptance infrastructures, <i>inter alia</i> , Points of Sale (PoS) terminals, and Quick Response (QR) codes. In turn, such monitoring will support policy intervention to optimise the distribution of payment infrastructure.	To facilitate the nuanced spread of acceptance infrastructure and inclusive access to digital payments.
April 07, 2022	<b>Establishment of Digital Banking Units (DBUs):</b> Domestic SCBs (other than RRBs, PBs and LABs) with past digital banking experience are permitted to open Digital Banking Units (DBUs) in Tier-1 to Tier-6 centres, without having the need to take permission from Reserve Bank of India. The DBUs of the banks will be treated as Banking Outlets (BOs). In addition to ensuring the physical security of the infrastructure of the DBU, adequate safeguards for the cyber security of the DBUs will have to be ensured by the banks.	To improve the availability of digital infrastructure for banking services and to accelerate and widen the reach of digital banking services.
April 21, 2022	<b>Legal Entity Identifier (LEI) for Borrowers:</b> Extension of guidelines on LEI to UCBs and NBFCs. Further, non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks and financial institutions (FIs) shall be required to obtain LEI codes. As per the timeline for obtaining LEI, borrowers with total exposure above ₹25 crore are required to obtain LEI by April 30, 2023. Borrowers who fail to obtain LEI will not	To further harness the benefits of LEI viz. identification of financial transactions and improvement in the quality and accuracy of financial data systems for better risk management.

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	be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure.	
April 21, 2022 (effective from July 01, 2022)	<b>Master Direction on Credit Card and Debit Card – Issuance and Conduct Directions:</b> These directions cover the general and conduct regulations relating to credit, debit and co-branded cards which shall be read along with prudential, payment and technology & cybersecurity-related directions applicable to credit, debit and co-branded cards, as issued by the Reserve Bank.	To set standards for card issuance and conduct business.
June 01, 2022	<b>Master Direction on Variation Margin:</b> The Reserve Bank issued Master Directions regarding the exchange of variation margin (VM) for non-centrally cleared derivatives (NCCDs). A domestic covered entity shall exchange variation margin with a counterparty to an NCCD transaction if the counterparty is a domestic covered entity or a foreign covered entity. VM shall be calculated and exchanged on an aggregate net basis, across all NCCD contracts that are executed under a single, legally enforceable netting agreement.	To strengthen the resilience of OTC derivatives markets.

## 2. Securities and Exchange Board of India

Date	Regulation	Rationale
November 09, 2021	Strengthening of regulatory provisions and enhancing disclosures related to Related Party Transactions (RPTs).	To expand the scope of related parties, RPTs and material RPTs and to address the issue of siphoning of funds through unlisted subsidiaries.
November 09, 2021	Backstop facility for Corporate Debt Securities.	To facilitate liquidity in the corporate bond market and to respond quickly to stress situations.
December 02, 2021	Investor Charter for Stock Brokers and Depository Participants.	To promote transparency, and enhance awareness, trust and confidence of investors in the Indian securities market.

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December 03, 2021	SOP for handling technical glitches at the end of stock brokers.	To prevent disruptions like inability to login, and failure to transact faced by clients etc.
December 09, 2021	Transaction in Corporate Bonds through Request for Quote (RFQ) platform by Portfolio Management Services.	To enhance price discovery and transparency in transaction of eligible securities and to increase liquidity on the exchange platform.
January 10, 2022	Framework for operationalising the Gold Exchange in India.	Government of India vide Gazette notification S.O. 5401 (E) dated December 24, 2021, notified "Electronic Gold Receipts" as 'securities' and vide Gazette notification dated December 31, 2021, SEBI (Vault Managers) Regulations, 2021, were notified, paving the way for operationalisation of Gold Exchange.
January 25, 2022	Introduction of Special Situation Fund, which shall invest only in 'stressed assets', as a new sub-category of Alternative Investment Funds (AIFs).	To enable AIFs, as a source of capital, to supplement the efforts of ARCs in buying stressed loans.
February 04, 2022	Stress Testing for open-ended debt mutual fund schemes.	To have a common methodology across the industry for stress testing and dynamic evaluation of risk parameters (viz. interest rate risk, credit risk and liquidity risk).
February 14, 2022	Standard Operating Guidelines for the Vault Managers and Depositories - Electronic Gold Receipts (EGR) segment.	To ensure ease of compliance for the market participants in the EGR ecosystem as well as effective implementation of the regulations.
March 24, 2022	Introduction of Options on Commodity Indices: Product Design and Risk Management Framework.	To further deepen the commodity derivatives market.

<b>Date</b>	<b>Regulation</b>	<b>Rationale</b>
March 29, 2022	Operational guidelines for Security and Covenant Monitoring using Distributed Ledger Technology (DLT).	To further strengthen the process of security creation, monitoring of security created, monitoring of asset cover and covenants of the non-convertible securities by Debenture Trustee using blockchain technology.
April 01, 2022	Standardisation of industry classification.	To bring uniformity in the industry classification structure in Indian securities market.
April 04, 2022	Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries/settlement obligations and pledging/re-pledging of securities.	To make the process of the authorisation given by a client to stock brokers and DPs more transparent and simpler, and mitigate the possible misuse of Power of Attorney by stock brokers.
April 11, 2022	Comprehensive Risk Management Framework for Electronic Gold Receipts (EGR) segment.	To have appropriate provisions for risk management for trading in the EGR segment.

### 3. Insurance Regulatory and Development Authority of India

<b>Date</b>	<b>Regulation</b>	<b>Rationale</b>
December 30, 2021	IRDAI releases 2021-22 - List of Domestic Systemically Important Insurers (D-SIIs): 1. Life Insurance Corporation of India; 2. General Insurance Corporation of India, and 3. New India Assurance Co. Ltd.	To identify systemically important insurers for enhanced regulatory supervision.
January 03, 2022	IRDAI (Surety Insurance Contracts) Guidelines, 2022.	To regulate and develop the Surety Insurance business.
April 29, 2022	Exposure of Insurers to Financial and Insurance Activities.	To permit all Insurers to have exposure to Financial and Insurance activities up to 30% of investment assets.

#### 4. Pension Fund Regulatory and Development Authority

Date	Regulation	Rationale
December 23, 2021	Guidelines for Operational Activities - to be followed by Point of Presence (PoPs-APY).	To smoothen the operations for the Points of Presence under the NPS, the guidelines were issued for compliance by all PoPs.
January 27, 2022	Change of Pension Fund and Asset Allocation by NPS subscribers.	Under the All Citizen Model and NPS Corporate Sector Model, the subscriber or the employer has been provided with the option to change the investment choice and the asset allocation four times in a financial year.
January 31, 2022	Revision of Services charges for PoP under NPS (All Citizen Model and Corporate sector).	To incentivize the PoPs to actively promote and distribute NPS and provide better customer service.
March 16, 2022	Guidelines for Operational Activities - to be followed by Point of Presence (PoPs-NPS-Lite).	To streamline the processes covering, <i>inter alia</i> , service standards, standard operating procedures, contribution management procedures, reports and disclosures, and redressal of grievances.

#### 5. Insolvency and Bankruptcy Board of India

Date	Regulation	Rationale
February 09, 2022	<b>Amendment to CIRP Regulations:</b> The Insolvency and Bankruptcy Board of India (IBBI/Board) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2022 (CIRP Regulations).	For integrating directions given by IBBI's circulars on the subjects 'Clarification - Consideration of matters/issues by the committee of creditors on request by members of the committee' and 'Retention of records relating to Corporate Insolvency Resolution Process' into the CIRP regulations.

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April 05, 2022	<p><b>Amendment to Voluntary Liquidation Process Regulations:</b> The IBBI amended the IBBI (Voluntary Liquidation Process) Regulations, 2017 to modify timelines for some stipulated activities undertaken by the liquidator during the voluntary liquidation process such as preparation of a list of claims, distribution of proceeds from realisation to stakeholders and completion of the liquidation process. It is also provided for submission of a compliance certificate by the liquidator to the Adjudicating Authority, summarising the actions taken by the liquidator during the process.</p>	To curtail delay in completion of the voluntary liquidation process and ensure faster exit for firms.
April 28, 2022	<p><b>Amendment to Liquidation Process Regulations:</b> The IBBI amended the IBBI (Liquidation Process) Regulations, 2016 to insert explanations after regulations 2A, 21A and 31A to clarify that the requirements of these regulations shall apply to the liquidation processes commencing on or after the date of the commencement of the IBBI (Liquidation Process) (Amendment) Regulations, 2019. It also inserted an explanation after regulation 44 to clarify that in relation to the liquidation processes commenced prior to the commencement of the IBBI (Liquidation Process) (Amendment) Regulations, 2019, the requirements of this regulation as existing before such commencement, shall apply.</p>	To provide clarity on the application of IBBI (Liquidation Process) (Amendment) Regulations, 2019 on certain aspects of the liquidation process.
June 14, 2022	<p><b>Amendment to CIRP Regulations:</b> The IBBI amended the CIRP Regulations to <i>inter alia</i> provide for the following: (a) OCs can furnish extracts of Form GSTR-1, Form GSTR-3B and e-way bills, wherever applicable along with the application filed under section 9 of the Code, as evidence of transaction with the CD; (b) Place a duty on CD, its promoters or any other person associated with the management of the CD to provide the information sought by the RP; (c) Duty on the creditors to share all relevant financial information of the CD from their records with RP in preparation of the information memorandum and avoidance</p>	To improve information sharing among stakeholders and further streamline the CIRP process.



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	<p>transactions application; (d) Resolution plan shall provide for the manner in which avoidance applications will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed; and (e) Enables the CoC to make a request to the RP regarding the appointment of a third valuer if there is significant difference in valuations during CIRP.</p>	
June 14, 2022	<p><b>Amendment to IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 and the IBBI (Inspection and Investigation) Regulations, 2017:</b> The Amendment Regulations provides for following: (a) Revisions in various timelines related to enforcement process provided in the said regulations for addressing the issue of delay in present mechanism; (b) Effective participation of IPAs in regulating the IPs through examination of grievances received against IPs; and (c) Intimation to CoC/AA about the outcome of Disciplinary Committee (DC) order.</p>	<p>To facilitate expeditious redressal and avoid placing undue burden on the service providers.</p>
June 14, 2022	<p><b>Amendment to IBBI (Information Utilities) Regulations, 2017:</b> The amendment <i>inter alia</i> provides for the following: (a) Expansion of the list of documents evidencing the debt or default information in the Form C under the Schedule of the Information Utilities (IU) Regulations; (b) The category of record of default issued by an IU with "deemed to be authenticated status" has been removed in case of FCs which are banks included in the second schedule of the Reserve Bank of India Act, 1934; (c) To enhance effectiveness and admissibility of the Record of Default (ROD), a format of ROD has been specified; and (d) Before filing an application to initiate CIRP under section 7 or 9, the creditor shall file the information of default, with the IU and the IU shall process the information for the purpose of issuing ROD in accordance with regulation 21.</p>	<p>To strengthen the IU, reduce delay in initiation of insolvency resolution process and bring information symmetry amongst various stakeholders.</p>

## 6. International Financial Service Centres Authority

Date	Regulation	Rationale
November 12, 2021	<b>Version 2.0 of IFSCA Banking Handbook.</b>	To improve the regulatory framework.
November 25, 2021	<b>Circular on Global Access to broker Dealers in IFSC:</b> Vide this circular, IFSCA laid down the regulatory framework for various categories of capital market intermediaries operating in IFSC, including broker-dealers.	To permit registered broker-dealers incorporated in IFSC to access exchanges in jurisdictions outside IFSC.
January 19, 2022	<b>Circular on Qualified Jewellers importing gold through India International Bullion Exchange:</b> The Directorate General of Foreign Trade, Ministry of Commerce & Industry specified that the import of gold under ITC(HS) Codes 71081200 and 71189000, shall be permitted by Qualified Jewellers through India International Bullion Exchange (IIBX).	To lay down conditions for entities to be considered as 'Qualified Jewellers' for transacting as trading members/clients of trading members on IIBX for import of gold.
January 31, 2022	<b>IFSCA (Insurance Web Aggregator) Regulations, 2022:</b> The IFSCA notified a comprehensive regulatory framework for the Insurance Web Aggregator (IWA), which <i>inter alia</i> provides liberalised minimum capital and net-worth requirements and a light-touch regulatory framework for operations of IWAs from the IFSC.	To cater to the insurance requirements of the Indian diaspora and to promote such retail businesses through technology at IFSC.
April 19, 2022	<b>IFSCA (Fund Management) Regulations, 2022:</b> The internationally aligned regulations, <i>inter alia</i> , provide for registration and regulations of Fund Management Entity (FME), single registration for multiple activities such as management of retail schemes (Mutual Funds, ETFs), non-retail schemes (AIFs), Portfolio Management Services, InvITs, REITs, Family Offices, Investment Advisors, Fund Administrators and Fund Labs.	To streamline and consolidate all existing regulations on Fund Management in IFSC.

Date	Regulation	Rationale
April 27, 2022	<p><b>Framework for FinTech Entity in the International Financial Services Centres (IFSCs):</b> The framework covers FinTech and TechFin solutions and, <i>inter alia</i>, provides for Direct Entry Authorisation to eligible FinTechs, dedicated Regulatory Sandbox to test FinTech solutions under IFSCA FinTech Regulatory Sandbox and Innovation Sandbox. It also incorporates the Inter-Operable Regulatory Sandbox (IORS) mechanism - a mechanism to facilitate the testing of innovative hybrid financial products/services falling within the regulatory ambit of more than one financial sector regulator.</p>	The framework is aimed at giving a boost to the establishment of a world-class FinTech Hub at GIFT IFSC comparable with other International Financial Centers (IFCs).
May 18, 2022	<p><b>Framework for Aircraft Lease:</b> The revised framework consolidates the guidelines relating to the business of operating and/or financial lease of aircraft or helicopter and engines of aircraft or helicopter or any part thereof and/or Aircraft Ground Support Equipment by the aircraft leasing entities registered with the IFSCA.</p>	To grow aircraft financing and leasing activities within Indian shores for the development of the aviation industry.