

Please find the following updates under RBI as on 29th June 2019.

Permission to acquire financial asset from other Asset Reconstruction Companies (ARCs)

It has been decided to permit ARCs to acquire financial asset from other ARCs on following conditions:

- a. The transaction is settled on cash basis;
- b. Price discovery for such transaction shall not be prejudicial to the interest of Security Receipt holders;
- c. The selling ARC will utilize the proceeds so received for the redemption of underlying Security Receipts;
- d. The date of redemption of underlying Security Receipts and total period of realisation shall not extend beyond eight years from the date of acquisition of the financial asset by the first ARC.

Annual Return on Foreign Liabilities and Assets Reporting by Indian Companies

The main features of the revised Foreign Liabilities and Assets Information Reporting (FLAIR) system:

- a. Reserve Bank would provide a web-portal interface <https://flair.rbi.org.in> to the reporting entities for submitting "User Registration Form" (containing entity identification and business user details, where LLPs and AIFs will no longer required to use dummy CIN). The successful registration on web-portal will enable users to generate RBI-provided login-name and password for using FLA submission gateway and would include system-driven validation checks on submitted data.
- b. The form will seek investor-wise direct investment and other financial details on fiscal year basis as hitherto, where all reporting entities are required to provide information on FATS related variables (it was mandatory only for subsidiary companies earlier). In addition, the revised form seeks information on first year of receipt of FDI/ODI and disinvestment.
- c. Reporting entities will get system-generated acknowledgement receipt upon successful submission of the form.
- d. They can revise the data, if required, and view/download the information submitted.
- e. Entities can submit FLA information for earlier year/s after receiving RBI confirmation on their request email.
- f. The existing mechanism of email-based submission of FLA forms will be discontinued.

Basel III Capital Regulations- Implementation of Leverage Ratio

It has been decided that the minimum Leverage Ratio shall be 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other banks.

Both the capital measure and the exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times.