

Regulatory Update | Covid-19

Relaxations announced by Reserve Bank of India due to Covid-19 – Compliance and Timelines

In light of the economic distress caused by the outbreak of Covid-19 pandemic, the Reserve Bank of India (RBI) has announced slew of measures to tackle the situation.

The key measures announced by RBI pertaining to compliance and timelines are summarized hereunder:

Compliance and Timelines

- 1. Extension of timelines for submission of various supervisory returns and regulatory returns** – The RBI has extended the due dates for submission of various returns by All Scheduled Commercial Banks (SCB), Small Finance Banks (SFBs), Payment Banks (PBs) and Local Area Banks (LABs), All India Financial Institutions (AIFIs), All Non-Banking Finance Companies and Primary (Urban) Co-operative Banks. The list of exemptions is enclosed herewith in Annexure. Further, RBI has extended timelines by 30 days for filing of certain 'regulatory returns' by all SCBs including SFBs and Regional Rural Banks, PBs, LABs. AIFIs and Co-operative Banks.
- 2. Relaxation in timelines for investment of 75% of funds under the Voluntary Retention Route (VRR)** – In view of difficulties expressed by FPIs and their custodians on account of Covid-19 related disruptions in adhering to the condition that at least 75% of allotted limits be invested within three months, RBI has allowed additional three months to FPIs to fulfil this requirement.
- 3. Extension of resolution timelines for stressed assets** – Moratorium period (from 1 March 2020 to 31 August 2020) shall be excluded from calculation of 30 day timeline for review period or 180-day Resolution Period, if the Review/Resolution Period had not expired as on March 1, 2020.
- 4. Extension of deadline to obtain Legal Entity Identifier (LEI) code:** The deadline for entities dealing in non-derivative markets with net worth of up to INR 200 crores has been extended by the RBI from 31 March 2020 to 30 September 2020.
- 5. RBI extends timeline for finalization of audited accounts by NBFC:** RBI has provided that the finalization of audited accounts by NBFCs can be done within 3 months from the date to which it pertains or any date as notified by SEBI for submission of financial results by listed entities.

Conclusion:

The above measures announced by RBI will enable various stakeholders including Banks and other financial institution to avoid penalties on account of unavoidable delay in meeting the regulatory compliances and ease their compliance burden.

Annexure

Extension of timelines for various supervisory returns with RBI

The effective timelines for submission of various supervisory returns with RBI is amended as follows:

Sr. No.	Periodicity	Current timeline	Proposed timeline	Extension by
SCBs / AIFIs				
1	Weekly	5 days	12 days	1 Week
2	Fortnightly	7 days	14 days	1 Week
3	Monthly	15 days	30 days	15 Days
4	Quarterly and above	21 days	45 days	24 Days
5	LFAR by Statutory Auditors to banks	June 2020	July 2020	One Month
UCBs				
1	Fortnightly	7 days	14 days	1 Week
2	Monthly	30 days	45 days	15 Days
3	Quarterly and above	30 days	60 days	30 Days
NBFCs				
1	Monthly	10 Days	20 Days	10 Days
2	Quarterly and above	15 Days	45 Days	30 Days



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