

## Regulatory Update | Covid-19

### Relaxations announced by Reserve Bank of India due to Covid-19 – Changes in Law

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 relaxations announced by RBI pertaining to changes in law are summarized hereunder:

#### Changes in Law

- 1. Restrictions on Banks to declare dividend** – RBI barred banks from making any dividend payouts from the profits pertaining to the financial year ended 31 March 2020 until further instructions from RBI.
- 2. Banking transactions:**
  - No charges to be levied on cash withdrawal through Debit Card from any other bank's ATM
  - Waiver of fees for maintaining minimum balance requirement
  - Reduction in bank charges for digital trade transactions for all trade finance consumers.

#### Conclusion:

Restriction on payment of dividend by Banks for a certain period will enable the Banks to conserve capital and absorb losses during these uncertain times.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

This material and the information contained herein prepared by Deloitte Touche Tohmatsu India LLP (DTTI LLP) is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This material contains information sourced from third party sites (external sites).

DTTI LLP is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such external sites. None of DTTI LLP, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this material, rendering professional advice or services. This information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this material.

©2020 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited