



Lex Favios
Advocates & Solicitors

22nd April 2022 – Issue 372

Reserve Bank of India vide notification dated April 21, 2022, has extended guidelines for Legal Entity Identifier (LEI) for Borrowers

- RBI vide notification dated April 21, 2022, has extended guidelines for Legal Entity Identifier (LEI) for Borrowers.
- It has been decided that the guidelines on LEI stand extended to Primary (Urban) Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs). It is further advised that non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks¹ and financial institutions (FIs)² shall be required to obtain LEI codes as per the timeline given in the attached notification.
- Borrowers who fail to obtain LEI codes from an authorized Local Operating Unit (LOU) shall not be sanctioned any new exposure nor shall they be granted renewal/enhancement of any existing exposure.

[Click Here](#)

Reserve Bank of India vide notification dated April 19, 2022, has issued Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

- RBI vide notification dated April 19, 2022, has issued Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs).
- The limits for FPI investment in Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall remain unchanged at 6%, 2% and 15% respectively, of outstanding stocks of securities for FY 2022-23.
- The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – ‘General’ and ‘Long-term’ – shall be retained at 50:50 for FY 2022-23.
- The revised limits are herein attached .

[Click Here](#)



Lex Favios
Advocates & Solicitors

Reserve Bank of India vide notification dated April 19, 2022, has issued guidelines for restrictions on Loans and Advances on NBFCs

- RBI vide notification dated April 19, 2022, has issued Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs).
- Loans and advances to Directors - Unless sanctioned by the Board of Directors/ Committee of Directors, NBFCs shall not grant loans and advances aggregating Rupees five crores and above to -
 - i. their directors (including the Chairman/ Managing Director) or relatives of directors.
 - ii. any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor.
 - iii. any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.
- Complete guidelines are herein attached.

[Click Here](#)

Reserve Bank of India vide notification dated April 19, 2022, has issued guidelines for Disclosures in Financial Statements- Notes to Accounts of NBFCs

- RBI vide notification dated April 19, 2022, has issued guidelines for Disclosures in Financial Statements- Notes to Accounts of NBFCs.
- Non-Banking Finance Companies (NBFCs) are required to make disclosures in their financial statements in accordance with existing prudential guidelines, applicable accounting standards, laws, and regulations. The additional disclosure requirements for NBFCs in accordance with the SBR framework are outlined in the attached notification.
- This circular is applicable to all NBFCs. The Annex specifies the applicability of specific disclosure requirements to specific NBFC layers as per Scale Based Regulation. It may be noted that disclosure requirements applicable to lower



Lex Favios
Advocates & Solicitors

layers of NBFCs will be applicable to NBFCs in higher layers. These guidelines shall be effective for annual financial statements for year ending March 31, 2023, and onwards.

[Click Here](#)

In case you have suggestions or do not wish to receive our newsletter, please email us at info@lexfavios.com

Contact details

Sumesh Dewan

Managing Partner

Lex Favios

Email: sumes.dewan@lexfavios.com

Tel: 91-11-32084941 (D) 91-11-41435188/45264524