प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to (i) Regulation and Supervision; (ii) Payment and Settlement Systems; and (iii) Financial Markets.

I. Regulation and Supervision

1. SLR Holdings in Held to Maturity (HTM) category

The Reserve Bank had increased the limits under Held to Maturity (HTM) category from 19.5 per cent to 23 per cent of net demand and time liabilities (NDTL) in respect of statutory liquidity ratio (SLR) eligible securities acquired on or after September 1, 2020, up to March 31, 2023. This dispensation of enhancement in HTM limit was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolios, it has been decided to extend the dispensation of enhanced HTM limit of 23 per cent up to March 31, 2024 and allow banks to include securities acquired between September 1, 2020 and March 31, 2024 in the enhanced HTM limit. The HTM limits would be restored from 23 per cent to 19.5 per cent in a phased manner starting from the quarter ending June 30, 2024.

II. Payment and Settlement Systems

2. Enhancements to Unified Payments Interface (UPI) – Processing Mandates with Single-Block-and-Multiple-Debits

Unified Payments Interface (UPI) has emerged as a popular retail payments system for Person to Person (P2P) and Person to Merchant (P2M) transactions. UPI has features which enable processing of mandates for recurring transactions and single-block-and-single-debit functionality. Consequently, over 70 lakh autopay mandates are handled every month and more than half of Initial Public Offer (IPO) applications are processed using the block feature of UPI. The capabilities in UPI can be enhanced to enable a customer to create a payment mandate against a merchant by blocking funds in his/her bank account for specific purposes which can be debited, whenever needed. This would be helpful for hotel bookings, purchase of securities in the secondary capital market as also purchase of government securities using the RBI's Retail Direct scheme, e-commerce transactions etc. This will build higher degree of trust in transactions as merchants will be assured of timely payments, while the funds remain in the customer's account till actual delivery of goods or services. It has, therefore, been decided to introduce a single-block-and-multiple debits functionality in UPI, which will significantly enhance the ease of making payments in e-commerce space and towards investments in securities. Separate instructions to NPCI will be issued shortly.

3. Expanding the Scope of Bharat Bill Payment System (BBPS) to include all Payments and Collections

Bharat Bill Payment System (BBPS), an interoperable platform operated by NPCI Bharat BillPay Ltd. (NBBL), has been facilitating the bill payment needs of consumers and billers alike. Since its launch in 2017, the Reserve Bank has, from time to time, announced various improvements to this platform like including all categories of billers who raise recurring bills, facilitating in-bound cross-border bill payments, reducing the eligibility criteria for Operating Units (BBPOUs), etc. The volume and value of transactions handled on the platform has been increasing steadily. However, BBPS currently does not enable non-recurring payments or collection requirements of individuals even if they are recurring in nature. Consequently, some categories of payments / collections remain outside the ambit of the BBPS *viz.*, professional service fee payments, education fees, tax payments, rent collections, *etc*. It has, therefore, been decided to expand the scope of BBPS to include all categories of payments and collections, both recurring and non-recurring in nature. This will make the platform accessible to a wider set of individuals and businesses who can benefit from the transparent and uniform payments experience, faster access to funds and improved efficiency. Separate guidelines will be issued to NBBL in this regard.

III. Financial Markets

4. Hedging of Gold Price Risk in the International Financial Services Centre (IFSC)

Resident entities in India are currently not permitted to hedge their exposure to gold price risk in overseas markets. With a view to providing greater flexibility to these entities to hedge the price risk of their gold exposures efficiently, it has been decided to permit resident entities to hedge their gold price risk on recognised exchanges in the International Financial Services Centre (IFSC). The related instructions will be issued separately.

(Yogesh Dayal)
Chief General Manager

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