

## RBI relaxes guidelines for NBFCs on securitisation transactions

This is in reference to the Guidelines on Securitisation Transactions vide paragraph 102 of Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions dated September 01, 2016 and paragraph 89 of Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions dated September 01, 2016.

**In order to encourage NBFCs to securitise/assign their eligible assets, it has been decided by RBI to relax the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly installments or two quarterly installments (as applicable), subject to the following prudential requirement:**

**Minimum Retention Requirement (MRR) for such securitisation/assignment transactions shall be 20% of the book value of the loans being securitised/20% of the cash flows from the assets assigned.**

The above dispensation shall be applicable to securitisation/assignment transactions carried out during a period of six months from the date of issuance of this circular. Other terms and conditions of the above referred Directions remain the same.

Please contact for any query related to this mail to Ms. Surbhi Sharma, Associate Economist at [surbhi@phdcci.in](mailto:surbhi@phdcci.in) with a cc to Dr. S P Sharma, Chief Economist at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) of PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma  
Chief Economist

-----  
PHD Chamber of Commerce and Industry  
PHD House, 4/2 Siri Institutional Area  
August Kranti Marg, New Delhi-110016  
Ph.: + 91-11-26863801-04, 49545454  
Fax: +91- 26855450, 49545451  
Email: spsharma@phdcci.in  
Website: www.phdcci.in



The banner features the ISO 9001:2015 certification logo on the left and the NABET logo on the right. The central text reads "Towards a Prosperous India" in a stylized font. Below this, the full name "PHD CHAMBER OF COMMERCE AND INDUSTRY" is displayed in bold. The contact information includes the address "PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India)", telephone numbers "+91-11-2686 3801-04, 49545454, 49545400", fax number "+91-11-2685 5450", email "phdcci@phdcci.in", website "www.phdcci.in", and CIN "U74899DL1951GAP001947". At the bottom, there are social media icons for Twitter (@phdchamber), Facebook (@phdcci1905), Instagram (@phdcci), YouTube, and LinkedIn.

**COPYRIGHT:** All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

**DISCLAIMER:** This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.