

RBI's Operational and Business Continuity Measures for COVID-19

Government of India, in co-ordination with the state machineries, is already taking steps for preventing and controlling the local transmission of COVID-19 disease. Reserve Bank of India (RBI) has provided indicative list that are required to be taken by the respective banks/financial institutions as a part of their existing operational and business continuity plans.

The World Health Organization (WHO) has declared the recent outbreak of the novel coronavirus disease (COVID-19) a pandemic indicating significant and on-going person-to-person spread in multiple countries, with the uncertainty about the extent of spread and the likely impact on the global economy. Several confirmed cases have also been detected in India, which according to the RBI, highlight the need of a co-ordinated strategy for handling the emerging situations for protecting the resilience of the Indian financial system.

At this background, RBI has provided Operational and Business Continuity Measures for COVID-19 that include:

1. Devising strategy and monitoring mechanism concerning the spread of the disease within the organisation, making timely interventions for preventing further spread in case of detection of infected employees including travel plans and quarantine requirements as well as avoiding spread of panic among staff and members of the public.
2. Taking stock of critical processes and revisiting Business Continuity Plan (BCP) in the

emerging situations/scenarios with the aim of continuity in critical interfaces and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures.

3. Taking steps of sharing important instructions/ strategy with the staff members at all levels, for soliciting better response and participation and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time.
4. Encourage their customers to use digital banking facilities as far as possible.

Besides taking steps as above for ensuring business process resilience, supervised entities should also assess the impact on their balance sheet, asset quality, liquidity, etc. arising out of potential scenarios such as further spread of COVID-19 in India and its effect on the economy, contagion from wider disruption in the global economy and the global financial system, etc. Based on the above studies, they should take immediate contingency measures to manage the risks under intimation to us.

As the situation requires to be monitored closely, both from business and social perspective, a Quick Response Team may be constituted for the purpose, which shall provide regular updates to the top management on significant developments and act as a single point of contact with regulators/outside institutions/agencies.

Please contact for any query related to this mail to Ms. Kritika Bhasin, Research Officer at kritika.bhasin@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms Surbhi Sharma, Associate Economist at surbhi@phdcci.in, 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, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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