

Payments Bank and Small Finance Banks eligible to access Call/Notice/Term Money Market

A reference is invited to Master Direction No.2/2016-17, dated July 7, 2016 on Money Market Instruments by RBI. A reference is also invited to the Guidelines for Licensing of Payments Banks and Guidelines for Licensing of Small Finance Banks in the Private Sector, dated November 27, 2014.

It is clarified by Reserve Bank of India (RBI) that Payments Banks and Small Finance Banks are eligible to participate in the Call/Notice/Term money market (hereafter referred to as Call money market) both as borrowers and lenders. Such eligibility is valid even prior to the completion of the process to get themselves included in the Second Schedule of Reserve Bank of India Act, 1934

The prudential limits and other guidelines on Call money market for Payments Banks and Small Finance Banks will be the same as those applicable to Scheduled Commercial Banks in terms of the Master Direction referred above. These Directions have been issued by RBI in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf. These directions are applicable with immediate effect.

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

Warm regards,

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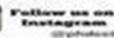
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