



International Financial Services Centres Authority

F.No.110/IFSCA/Banking Regulation/2022-23/1

June 6, 2022

To,

All Banking Units

Dear Sir/Madam,

Amendments and additions to IFSCA Banking Handbook

IFSC Banking units (IBUs) may refer to circular F.No.110/IFSCA/Banking Regulation/2021-22/ 9 dated November 12 ,2021 on amendments/additions to the Banking Handbook (v.1)

2. Based on the feedback received from IBUs certain further amendments/additions have been carried out to the contents of the Handbook. The list of such amendments/additions is enclosed in the annexure to this circular.

3. The following module has been added to the Handbook:

- a. Raising queries pertaining to Banking – inserted as a Module 7 of the General Handbook

4. The abovementioned amendments/additions shall be effective from the date of this circular

5. IBUs are directed to ensure compliance to the directions this circular.

Yours faithfully

(Raghuraman Kumar)

Head – Banking

Annexure

List of amendments/additions to provisions under the IFSCA Banking Handbook

GENERAL DIRECTIONS				
S.N.	Module No.	Module Name	Section	Amendment/addition
1	1	LIBU	7	Issuance / Denial of license – Provisions added for issuance of “In-principle approval” by the Authority before issuance of full license.
2	7	QUEST		New module on “Raising queries pertaining to Banking” added.
CONDUCT OF BUSINESS DIRECTIONS				
S.N.	Module No.	Module Name	Section/ Module	Amendment/addition
1	1	ACBU	4 (xxii)	Section amended to permit IBUs of Indian banks to invest in the Indian securities market under the FPI route.
2	3	CLIC	4.ii(m)	A non-individual entity enjoying credit facility with any branch or banking subsidiary of the Banking company of which the IBU is a branch included in the list of Deemed Professional Client.
3	16	PRCR	4	Restrictions on activity of providing credit - Section rewritten to: <ul style="list-style-type: none"> i. Clarify the applicability of restrictions under the Banking Regulation Act, 1949 to IBUs of Indian and Foreign Banks ii. Lay down the restrictions placed by the Authority iii. Clarify that restrictions by the home regulator of the IBU shall be applicable

PRUDENTIAL DIRECTIONS

S.N.	Module No.	Module Name	Section	Amendment/addition
1	3	PRDS	1.iii (b) & Annex 1	Para and Annex 1 updated
2	3	PRDS	1.iii (g)	Reference to the Risk Manager and the Compliance Officer removed.
3	3	PRDS	1.v.(b). (iii)	Obligation to report to the Authority, " <i>significant adverse change in the market price of, or trading volume of the equity capital or other capital instruments of the Banking Company or those of the Banking Company's financial group</i> " removed.
4	3	PRDS	1.v	Guidance added on reporting of actual and anticipated breaches