

Knowledge Round-up – 5TH Sept 2016

Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 - 01 September 2016

RBI has issued master directions on Non-Banking Financial Company ('NBFC') - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. These directions consolidate the regulations as issued by Department of Non-Banking Regulation, Reserve Bank of India. The provisions of these directions will apply to the following:

- every Systemically Important Non-Deposit taking NBFC registered with the RBI under the provisions of RBI Act, 1934 ('RBI Act');
- every Deposit taking NBFC registered with the RBI under the provisions of RBI Act;
- every NBFC-Factor registered with the RBI under section 3 of the Factoring Regulation Act, 2011 and having an asset size of INR 500 crore and above;
- every Infrastructure Debt Fund - NBFC registered with the RBI under the provisions of RBI Act;
- every NBFC - Micro Finance Institutions registered with the RBI under the provisions of RBI Act and having an asset size of INR 500 crore and above;
- every NBFC - Infrastructure Finance Company registered with the RBI under the provisions of RBI Act and having an asset size of INR 500 crore and above.

These directions, inter alia, deal with following provisions:

- Prudential issues such as capital requirements, prudential regulations, fair practice code etc.;
- Governance issues such as corporate governance and acquisition/ transfer of control;
- Miscellaneous issues such as reporting requirements, opening of branch/ subsidiary/ Joint venture/ representative office or undertaking investment abroad by NBFCs etc.

These directions are effective from 01 September 2016.

[Click here](#) for directions.

Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 - 01 September 2016

RBI has issued master directions on NBFC - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. These directions consolidate the regulations as issued by Department of Non-Banking Regulation, Reserve Bank of India. The provisions of these directions will apply to the following:

- Every NBFC not accepting/ holding public deposits which is not systemically important as defined in paragraph 3(xxviii) of the directions;

- Every NBFC-Factor registered with the RBI under section 3 of the Factoring Regulation Act, 2011 and having an asset size of below INR 500 crore;
- Every NBFC - Micro Finance Institution registered with the RBI under the provisions of RBI Act and having an asset size of below INR 500 crore;
- Every NBFC - Infrastructure Finance Company registered with the RBI under the provisions of RBI Act and having an asset size of below INR 500 crore.

These directions, inter alia, deal with following provisions:

- Prudential issues such as prudential regulations, fair practice code etc.;
- Governance issues with respect to acquisition/ transfer of control;
- Miscellaneous issues such as reporting requirements, opening of branch/ subsidiary/ Joint venture/ representative office or undertaking investment abroad by NBFCs etc.

These directions are effective from 01 September 2016.

[Click here](#) for directions.

EAC opinion on accounting treatment of machinery/ capital spares on replacement of worn out parts - September 2016

The Expert Advisory Committee (EAC) of the ICAI has issued opinion on 'Accounting treatment of machinery/ capital spares on replacement of worn out parts'. This opinion has been published in the ICAI Journal - September 2016.

[Click here](#) for opinion.

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