

RBI UPDATES

1. Introduction of Legal Entity Identifier (LEI) for Large Value Transactions in Centralised Payment Systems

On **January 05, 2021** the Reserve Bank of India (RBI) vide **Notification No. DPSS.CO.OD No.901/06.24.001/2020-21** has issued a circular for the introduction of Legal Entity Identifier (LEI) for the large value transactions in Centralised Payment Systems. LEI has been introduced by the Reserve Bank in a phased manner for participants in the Over-The-Counter (OTC) derivative and non-derivative markets as also for large corporate borrowers.

It has now been decided to introduce the LEI system for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) using Reserve Bank-run Centralised Payment Systems via Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).

The following guidelines shall be followed by the Banks:

1. Advise entities who undertake large value transactions (₹50 crore and above) to obtain LEI in time, if they do not already have one.
2. Include remitter and beneficiary LEI information in RTGS and NEFT payment messages.
3. Maintain records of all transactions of ₹50 crore and above through RTGS and / or NEFT.
4. Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF), the body tasked to support the implementation and use of LEI.

In India, LEI can be obtained from Legal Entity Identifier India Ltd. (LEIL) (<https://www.ccilindia-lei.co.in>), which is also recognised as an issuer of LEI by the Reserve Bank under the Payment and Settlement Systems Act, 2007.

The link for aforesaid circular is as mentioned below:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NEFT65551DCFBD1E41E6ACBD1B5D89F01329.PDF>

Amita Desai & Co. Company Secretaries, Mumbai

2. Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021

On **January 08, 2021** RBI vide **Notification No.: FEMA 23(R)/(4)/2021-RB** has issued the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 to further amend the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 (Original Regulation).

Regulation 4 (ea) in the Original Regulation, which specifies the de-registration of the aircraft/ helicopters / engines/ auxiliary power units, has been substituted, namely:

“re-export of leased aircraft/helicopter and/or engines/auxiliary power units (APUs), either completely or in partially knocked down condition re-possessed by overseas lessor and duly de-registered by the Directorate General of Civil Aviation (DGCA) on the request of Irrevocable Deregistration and Export Request Authorisation (IDERA) holder under ‘Cape Town Convention’ or any other termination or cancellation of the lease agreement between the lessor and lessee subject to permission by DGCA/Ministry of Civil Aviation for such export/s.”

The link for aforesaid notification is as mentioned below:

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FEMA237A482EDEB9C647469877E7AB32D04EE0.PDF>