

# Ordinance Summary

## The Banking Regulation (Amendment) Ordinance, 2017

- The Banking Regulation (Amendment) Ordinance, 2017 was promulgated on May 4, 2017. It inserts provisions in the Banking Regulation Act, 1949 to handle cases related to stressed assets. Stressed assets are loan accounts where the borrower has defaulted in debt repayment or where the repayment schedule has been restructured.
- **Initiating insolvency proceedings:** The centre may authorise the Reserve Bank of India (RBI) to issue directions to banks for initiating proceedings in case of a default in loan repayment. These proceedings would be under the Insolvency and Bankruptcy Code, 2016.
- **Issuing directions on stressed assets:** The Ordinance allows the RBI to issue directions to banks for resolution of stressed assets.
- **Committee to advise banks:** The RBI may specify authorities or committees to advise banks on resolution of stressed assets. The members on such committees will be appointed or approved by the RBI.

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