

# Bill Summary

## The Banking Regulation (Amendment) Bill, 2017

- The Banking Regulation (Amendment) Bill, 2017 was introduced in Lok Sabha by the Minister of Finance, Mr. Arun Jaitley, on July 24, 2017. It seeks to amend the Banking Regulation Act, 1949 to insert provisions for handling cases related to stressed assets. Stressed assets are loans where the borrower has defaulted in repayment or where the loan has been restructured (such as by changing the repayment schedule). It will replace the Banking Regulation (Amendment) Ordinance, 2017.
- **Initiating insolvency proceedings:** The central government 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 RBI may, from time to time, 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.
- **Applicability to State Bank of India:** The Bill inserts a provision to state that it will also be applicable to the State Bank of India, its subsidiaries, and Regional Rural Banks.

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