

Info Capsule

MASTER DIRECTION - INFORMATION TECHNOLOGY FRAMEWORK FOR THE NBFC SECTOR¹

In exercise of the powers conferred in terms of clause (b) of sub-section (1) of 45-L of the Reserve Bank of India Act, 1934 (Act 2 of 1934), the Reserve Bank of India being satisfied for the purpose of enabling it to regulate the credit system of the country to its advantage it is necessary so to do, hereby issues Master Directions - Information Technology Framework for the NBFC Sector, 2017 hereinafter specified.

Introduction

The NBFC (Non-Banking Finance Company) sector has grown in size and complexity over the years. As the NBFC industry matures and achieves scale, its Information Technology /Information Security (IT/IS) framework, Business continuity planning (BCP), Disaster Recovery (DR) Management, IT audit, etc. must be benchmarked to best practices.

2. Accordingly, directions on IT Framework for the NBFC sector that are expected to enhance safety, security, efficiency in processes leading to benefits for NBFCs and their customers are enclosed. NBFCs may have already implemented or may be implementing some of the requirements indicated in the circular. NBFCs are therefore required to conduct a formal gap analysis between their current status and stipulations as laid out in the circular and put in place a time-bound action plan to address the gap and comply with the guidelines.

3. The focus of the proposed IT framework is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing. The directions are categorized into two parts, those which are applicable to all NBFCs with asset size above Rs. 500 crore (Considered Systemically Important) are provided in Section-A of the Master Direction. Directions for NBFCs with asset size below Rs. 500 crore are provided in Section-B of the Master Direction.

4. NBFCs may place these directions before their Board, together with a gap-analysis vis-a-vis the Master Direction and the proposed action by September 30, 2017.

5. NBFCs- Systemically Important shall comply with the Master Directions by June 30, 2018 and other NBFCs (asset size below Rs. 500 crore) shall comply by September 30, 2018.

For detail Master Directions, please click: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10999&Mode=0>

¹ Available at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10999&Mode=0>

RELAXATION IN RETURN FILING PROCEDURE FOR FIRST TWO MONTHS OF GST IMPLEMENTATION²

With the objective of ensuring smooth rollout of GST and taking into account the concerns expressed by the trade and industry regarding filing of the returns in GST regime, it has been decided that, for the first two months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month. However, the invoice-wise details in regular GSTR- 1 would have to be filed for the month of July and August, 2017 as per the timelines given below –

Month	GSTR – 3B	GSTR - 1	GSTR – 2 (auto populated from GSTR-1)
July, 2017	20th August	1st –5th September*	6th – 10th September
August, 2017	20th September	16th – 20 th September	21st – 25th September

* Facility for uploading of outward supplies for July, 2017 will be available from July 15, 2017.

No late fees and penalty would be levied for the interim period. This is intended to provide a sense of comfort to the taxpayers and give them an elbow room to attune themselves with the requirements of the changed system. This not only underlines the government's commitment towards ensuring that all the stakeholders are on board but also provides an opportunity to the taxpayers to be ready for this historic reform.

SETTING UP OF GST FACILITATION CELL IN DIPP³

In pursuance to Cabinet Secretary's directions a GST facilitation cell has been set up in the Department with a view to facilitate the rollout of GST. The GST facilitation cell is headed by Sh. Sudhansu Sekhar Das, Economic Adviser. The cell shall have the following functions:

- (i) Be in Constant touch with the major industry and business associations relating to the Department.
- (ii) Shall be the first point of contact for addressing any issue being faced by any sector related to the Department.

Team ICSI

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² Available at: <http://pib.nic.in/newsite/erelease.aspx>

³ Available at: <http://pib.nic.in/newsite/erelease.aspx>