

THE BANKING REGULATION (AMENDMENT) ACT, 2017

NO. 30 OF 2017

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An Act further to amend the Banking Regulation Act, 1949.

THE BANKING REGULATION (AMENDMENT) ACT, 2017

NO. 30 OF 2017

[25th August, 2017.]

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. Short title and commencement

This Act may be called the Banking Regulation (Amendment) Act, 2017 [10 of 1949].

(2) It shall be deemed to have come into force on the 4th day of May, 2017.

2. Insertion of new sections 35AA and 35AB

In the Banking Regulation Act, 1949 (hereinafter referred to as the principal Act), after section 35A, the following sections shall be inserted, namely:—

'35AA. Power of Central Government to authorise Reserve Bank for issuing directions to banking companies to initiate insolvency resolution process.

The Central Government may, by order, authorise the Reserve Bank to issue directions to any banking company or banking companies to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and 31 of 2016. Bankruptcy Code, 2016 [31 of 2016.].

Explanation.—For the purposes of this section, “default” has the same meaning assigned to it in clause (12) of section 3 of the Insolvency and Bankruptcy Code,

2016[31 of 2016.].

35AB. Power of Reserve Bank to issue directions in respect of stressed assets.

(1) Without prejudice to the provisions of section 35A, the Reserve Bank may, from time to time, issue directions to any banking company or banking companies for resolution of stressed assets.

(2) The Reserve Bank may specify one or more authorities or committees with such members as the Reserve Bank may appoint or approve for appointment to advise any banking company or banking companies on resolution of stressed assets.’.

3. Amendment of section 51

In section 51 of the principal Act, in sub-section (1), after the figures and letter “35A,”, the figures and letters “35AA, 35AB,” shall be inserted.

4. Repeal and savings.

The Banking Regulation (Amendment) Ordinance, 2017[Ord. 1 of 2017] is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Banking Regulation Act, 1949[10 of 1949.] as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.