

### **RBI Guidelines for Banks to Enter Into Insurance Business**

With the objective of increasing insurance penetration, Reserve Bank of India has finalised the guidelines for the entry of banks into insurance business followed by the announcement made by the Finance Minister in the budget speech 2013-14.

RBI guidelines are summarized as under::

1. A participant who has been granted a certificate of registration may act as a participant of another depository without obtaining separate certificate of registration subject to approval by such other depository.
2. Banks require prior approval of RBI for setting up a subsidiary/JV.

[Read more](#)

### **Amendment in Mines and Minerals Development Regulation (MMDR) Act 1957.**

The Union Cabinet has approved the MMDR Act on 5th January 2015 and the President has signed the Ordinance on 12th January 2015 with the following changes:-

1. Substitution of new section for section 11A
  - a. The Central Government may select companies through auction by competitive bidding for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal or lignite, on such terms and conditions as may be prescribed.

[Read more](#)

### **Citizenship (Amendment) Ordinance, 2015 Promulgated**

The President of India has promulgated the Citizenship (Amendment) Ordinance, 2015 on January 06, 2015 with immediate effect which provides for the following amendments to the Indian Citizen Act, 1955:

- At present one year continuous stay in India is mandatory for Indian Citizenship which is relaxed stating that if the Central Government is satisfied that special circumstances exist, it may, after recording such circumstances in writing, relax the period of twelve months specified upto a maximum of thirty days which may be in different breaks.

19 Jan 2015

In this issue:

- **RBI Guidelines for Banks to Enter Into Insurance Business**
- **Amendment in Mines and Minerals Development Regulation (MMDR) Act 1957.**
- **Citizenship (Amendment) Ordinance, 2015 Promulgated**
- **Non-resident guarantee for non-fund based facilities entered between two resident entities**

#### INDIA JURIS

F-116

Lajpat Nagar-I

New Delhi - 110 024, India

Ph: +91-11-29814816 / 29814817

Fax: +91-11-29815116

E: newdelhi@indiajuris.com

www.indiajuris.com

#### International Desks

Asia & Australia

M.P.Mehani

asia@indiajuris.com

Americas

Shivkumar Idnani

[Read more](#)

americas@indiajuris.com

## **Non-resident guarantee for non-fund based facilities entered between two resident entities**

On 6th January 2015 RBI have clarified via circular No. RBI/2014-15/387 A.P. (DIR Series) Circular No. 56 that residents that are subsidiaries of multinational companies can also hedge their foreign currency exposure through permissible derivative contracts executed with an AD Category – I bank in India on the strength of guarantee of its non-resident group entity.

[Read more](#)

**UK & Europe**

Sameer Rastogi

europa@indiajuris.com

**Africa**

Vineet Verma

africa@indiajuris.com

**Middle East**

Dinesh Sabharwal

mideast@indiajuris.com