

MEMO# 24671

October 28, 2010

Reserve Bank of India Extends Deadline to Comply with Circular on Irrevocable Payment Commitments

[24671]

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TO: INTERNATIONAL COMMITTEE No. 14-10
INTERNATIONAL INVESTING SUBCOMMITTEE No. 8-10 RE: RESERVE BANK OF INDIA
EXTENDS DEADLINE TO COMPLY WITH CIRCULAR ON IRREVOCABLE PAYMENT
COMMITMENTS

The Reserve Bank of India issued a Circular on October 28th delaying for two months the implementation of the Circular on Irrevocable Payment Commitments dated September 30, 2010. [1] Custodian banks now have until December 31st to comply with the requirement to incorporate a clause in the agreement with their clients giving them a right over the securities to be received as payout in any settlement. The Circular also clarifies that, in cases where transactions are pre-funded, the requirement to include such clause will not be insisted upon.

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endnotes

[1] The Circular is available at <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=6061&Mode=0>. See [Memorandum](#) to International Committee No. 13-10 and International Investing Subcommittee No. 7-10, dated October 21, 2010 [24639].

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