RBI/2019-20/165
DOR.No.Ret.BC.38/12.01.001/2019-20                                                     February 26, 2020

All Scheduled Commercial Banks (including Regional Rural Banks),
Small Finance Banks, Payments Banks & Local Area Banks.

Dear Sir / Madam

Investment in Certificates of Deposit (CDs) - Reporting in Form ‘A’ Return

Please refer to our circular DBOD.Ret.No.8232/12.01.001/2005-06 dated March 23, 2006 on
“Investment in Certificates of Deposit (CDs)” whereby banks were advised about the reporting
of transactions related to issuance and investment in Certificates of Deposit (CDs) in Form
‘A’ Return under Section 42 of the Reserve Bank of India Act, 1934.

2. On a review, it has been decided that the banks should follow the following practice while
reporting their transactions in CDs in Form ’A’ Return.

A) Based on the statement issued by depositories, if the CDs issued are held by banks on
reporting Friday, the issuer bank should report such CDs under item I of the Form ‘A’
Return i.e., “Liabilities to the Banking System in India”. The CDs held by non-bank entities
should be reported as “Liabilities to Others in India”, as hitherto. If the bank is not in a
position to segregate the holders of CDs issued between bank and non-bank entities, then
the total CDs issued should be reported under item II of the Form ’A’ Return i.e., “Liabilities
to Others in India”. The reporting of CDs should be done as per the issue price of the CDs.
B) Investments in CDs issued by other banks should be reported under item III of the Form 'A' Return i.e., "Assets with the Banking System in India" and these assets could be netted off against "Liabilities to the Banking System in India".

Yours faithfully

(Dr. S K Kar)
Chief General Manager