



# Regulations Review Authority 2.0

## Why in News

Recently, the [Reserve Bank Of India \(RBI\)](#) has constituted an Advisory Group to assist the second Regulations Review Authority (RRA 2.0).

- The RBI has set up the **RRA 2.0**, initially for a period of one year from **1<sup>st</sup> May, 2021**, with a view to **streamline regulations and reduce the compliance burden of regulated entities**.

## Key Points

- **Background:**
  - In **1999**, the RBI had set up a **Regulations Review Authority (RRA)** for reviewing the regulations, circulars, reporting systems, based on the feedback from the public, banks, and financial institutions.
- **RRA 2.0:**
  - It will focus on **streamlining regulatory instructions, reducing compliance burden of the regulated entities** by **simplifying procedures and reducing reporting requirements**, wherever possible.
    - It will also obtain feedback from regulated entities.
    - **Regulated entities** include **commercial banks, urban co-operative banks, Non-Banking Financial Companies**.

## Reserve Bank of India

- **Formation:**
  - RBI was established on **1<sup>st</sup> April, 1935** in accordance with the provisions of the **Reserve Bank of India Act, 1934**.
  - Though originally privately owned, since nationalization in 1949, the Reserve Bank is **fully owned by the Government of India**.
- **Major Functions:**
  - **Monetary Authority:** Formulates, implements and monitors the [monetary policy](#).
    - **Recent Initiative:** [Government Securities Acquisition Programme \(G-SAP\)](#).
  - **Regulator and supervisor of the financial system:** Prescribes broad parameters of banking operations within which the country's banking and financial system functions.
  - **Manager of Foreign Exchange:** Manages the Foreign Exchange Management Act, 1999.
  - **Issuer of currency:** Issues and exchanges or destroys currency and coins not fit for circulation.
  - **Developmental role:** Performs a wide range of promotional functions to support national objectives.
  - **Regulator and Supervisor of Payment and Settlement Systems:** Introduces and

upgrades safe and efficient modes of payment systems in the country to meet the requirements of the public at large.

- **Recent Initiatives:** [Digital Payments Index](#), [Payments Infrastructure Development Fund](#)
- [National Payments Corporation of India \(NPCI\)](#), an umbrella organisation for all retail payments systems in India, was set up with the guidance and support of the RBI and Indian Banks' Association (IBA).
- **Related Functions:**
  - **Banker to the Government:** performs merchant banking function for the central and the state governments; also acts as their banker.
  - **Banker to banks:** maintains banking accounts of all scheduled banks.
  - The [Ways and Means Advances](#) (WMA) are short-term loan facilities which allow the Centre and states to borrow funds from the RBI to bridge their temporary mismatch between expenditure and receipts.
- **RBI's Publications:**
  - [Consumer Confidence Survey \(CCS - Quarterly\)](#)
  - [Inflation Expectations Survey of Households \(IESH - Quarterly\)](#)
  - [Financial Stability Report \(Half-Yearly\)](#)
  - [Monetary Policy Report \(Half-Yearly\)](#)
  - [Report on Foreign Exchange Reserves \(Half-Yearly\)](#)

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