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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

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MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 9*th August,* 2021/*Sravana* 18, 1943 (*Saka*)

The following Act of Parliament received the assent of the President on the 7th August, 2021, and is hereby published for general information :—

THE FACTORING REGULATION (AMENDMENT) ACT, 2021

NO. 21 OF 2021

[7*th August,* 2021.]

An Act to amend the Factoring Regulation Act, 2011.

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

Short title and commencement.

1. (*1*) This Act may be called the Factoring Regulation (Amendment) Act, 2021.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

12 of 2012.

Amendment of section 2.

2. In section 2 of the Factoring Regulation Act, 2011 (hereinafter referred to as the principal Act),—

(*i*) in clause (*a*), for the words commencing with "transfer by agreement" and ending with "outside India", the words "transfer by agreement to a factor of an undivided interest, in whole or in part, in the receivables of an assignor due from a

debtor and includes such transfer where either the assignor or the debtor is situated or established outside India" shall be substituted;

(*ii*) in clause (*j*),—

(*A*) in the opening portion, for the words commencing with "acquisition of receivables" and ending with "any receivables but", the words "acquisition by way of assignment of receivables of assignor for a consideration for the purpose of collection of such receivables or for financing, whether by way of making loans or advances or otherwise, against such assignment, but" shall be substituted;

(*B*) in sub-clause (*i*), after the word "bank", the words "or a non-banking financial company" shall be inserted;

(*iii*) for clause (*p*), the following clauses shall be substituted, namely:—

'(*p*) "receivables" means the money owed by a debtor and not yet paid to the assignor for goods or services and includes payment of any sum, by whatever name called, required to be paid for the toll or for the use of any infrastructure facility or services;

(*pa*) "regulations" means regulations made by the Reserve Bank under this Act;';

(*iv*) after clause (*s*), the following clause shall be inserted, namely:—

'(*sa*) "Trade Receivables Discounting System" means a payment system authorised by the Reserve Bank under section 7 of the Payment and Settlement Systems Act, 2007 for the purpose of facilitating financing of trade receivables;'. 51 of 2007.

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Amendment of section 3.

3. In section 3 of the principal Act,—

(*i*) in sub-section (*2*), the proviso and the *Explanation* shall be omitted;

(*ii*) for sub-section (*4*), the following sub-section shall be substituted, namely:—

"(*4*) The Reserve Bank may grant the certificate of registration in such manner as may be specified by regulations.".

Amendment of section 19.

4. In section 19 of the principal Act,—

(*i*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Every factor shall register the particulars of every transaction of assignment of receivables in his favour with the Central Registry set-up under section 20 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, within such time from the date of such assignment, in such manner and subject to payment of such fee, as may be prescribed."; 54 of 2002.

(*ii*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Where any trade receivables are financed through a Trade Receivables Discounting System, the particulars specified in sub-section (*1*) and sub-section (*3*) shall be filed with the Central Registry on behalf of the factor by the Trade Receivables Discounting System concerned, in such manner as may be specified by regulations.".

Insertion of new section 31A.

5. After section 31 of the principal Act, the following section shall be inserted, namely:—

Power to make regulations.

"31A. (*1*) The Reserve Bank may, by notification, make regulations consistent with this Act to carry out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(*a*) the manner of granting certificate of registration under sub-section (*4*) of section 3;

(*b*) the manner of filing of particulars of transactions with the Central Registry on behalf of factors under sub-section (*1A*) of section 19;

(*c*) any other matter which is required to be, or may be, specified by regulations.

(*3*) Every regulation shall, as soon as may be after it is made by the Reserve Bank, be forwarded to the Central Government and that Central Government shall cause a copy of the same to be laid before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation, or both Houses agree that the regulation should not be made, the regulation shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.".

Amendment of section 32.

6. In section 32 of the principal Act, in sub-section (*2*), in clause (*a*), for the words "the form and manner", the words "the time within which, the form and manner" shall be substituted.

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ANOOP KUMAR MENDIRATTA,
Secretary to the Govt. of India.

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