

# RBI SETS UP COMMITTEE TO REVIEW WORKING OF ARCS

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The RBI on Monday set up a committee to undertake a comprehensive review of the working of asset reconstruction companies (ARCs) in the financial sector ecosystem and recommend suitable measures for enabling them to meet the growing requirements.

The six-member committee will be headed by Sudarshan Sen, former executive director, Reserve Bank of India (RBI).

As per the terms of reference of the committee, the panel will review the existing legal and regulatory framework applicable to ARCs and recommend measures to improve efficacy of ARCs.

It will also review the role of ARCs in the resolution of stressed assets, including under the Insolvency and Bankruptcy Code (IBC), and give suggestions for improving liquidity in and trading of security receipts.

Besides, it has also been asked to review the business models of ARCs.

“The committee will submit its report within three months from the date of its first meeting,” the central bank said in a statement.

**END**

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