

MINISTRY OF FINANCE
(Department of Economic Affairs)
NOTIFICATION

New Delhi, the 27th June, 2016

G.S.R. 633(E).— In exercise of the powers conferred by sub-section (3) of section 45ZC and sub-section (2) of section 45ZD of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby makes the following rules, namely:—

1. **Short title and commencement.**— (1) These rules may be called the Procedure for Selection of Members of Monetary Policy Committee and Terms and Conditions of their Appointment Rules, 2016.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.**— (1) In these rules, unless the context otherwise requires,—

(a) “Act” means the Reserve Bank of India Act, 1934 (2 of 1934);

(b) “Chairperson” means the Chairperson of the Search-cum-Selection Committee;

(c) “member” means a member of the Search-cum-Selection Committee referred to in clause (d) of sub-section (2) of section 45ZC of the Act;

(d) “Member of the Monetary Policy Committee” means a Member of the Monetary Policy Committee referred to in clause (d) of sub-section (2) of section 45ZB of the Act;

(e) “Search-cum-Selection Committee” means the Search-cum-Selection Committee referred to in sub-section (2) of section 45ZC of the Act.

(2) All other words and expressions used in these rules and not defined herein shall have the same meaning respectively assigned to them under the Act.

3. **Procedure for selection of Members of Monetary Policy Committee.**— (1) The Search-cum-Selection Committee shall follow such procedure as may be determined by the Central Government from time to time.

(2) The procedure referred to in sub-rule (1) shall be fair, transparent and efficient.

(3) The Search-cum-Selection Committee may recommend up to three persons for every vacancy.

4. **Nomination of experts for Search-cum-Selection Committee.**— (1) The Central Government shall maintain a list of independent experts from the field of economics or banking or finance or Monetary Policy, who are eligible to serve as members.

(2) The Central Government shall select the members from the list maintained under sub-rule (1) for constituting the Search-cum-Selection Committee.

Explanation.— For the purpose of sub-rule (1), the term “independent” shall mean a person who is not an employee of the Central Government or the Bank.

5. **Terms and conditions of appointment of Members of Monetary Policy Committee.**— (1) No Member of the Monetary Policy Committee appointed under clause (d) of sub-section (2) of section 45ZB shall, during the term of his membership, have any financial or other interests as are likely to prejudicially affect his functions as such Member.

(2) A Member of the Monetary Policy Committee referred to in sub-rule (1) shall be a part-time Member.

[F. No. 12/1/2016-FSLRC(iii)]

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