



BRBL — Banking Regulations and Business Laws

Complete Book | Table of Contents | 62 chapters + 4 sections

Module A — Regulations and Compliance

CH-1	Legal Framework of Regulation of Banks	3
CH-2	Control over Organisation of Banks	6
CH-3	Regulation of Banking Business	11
CH-4	Returns, Inspection, Winding Up, Mergers & Acquisitions	14
CH-5	Public Sector Banks, Private Sector Banks, Regional Rural Banks, Differentiated Banks and Co-operative Banks, Local Area Banks	18
CH-6	Non-Banking Financial Companies (NBFCs)	21
CH-7	Financial Sector Legislative Reforms and Financial Stability and Development Council	24

Module B — Important Acts/Laws & Legal Aspects of Banking Operations

CH-8	The Prevention of Money Laundering Act, 2002	27
CH-9	Negotiable Instruments Act, 1881	30
CH-10	Foreign Exchange Management Act, 1999	33
CH-11	Payment & Settlement Systems Act, 2007	36
CH-12-13	Law Relating to Securities and Modes of Charge	38
CH-14	Creation-Registration and Satisfaction of Charges	43

Module C — Important Acts/Laws & Legal Aspects of Banking Operations - Part B

CH-15	Reserve Bank - Integrated Ombudsman Scheme, 2026	47
CH-16	The Micro, Small and Medium Enterprises Development Act, 2006	50
CH-17	Introduction to Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002)	52
CH-18	Definitions Under SARFAESI Act, 2002	54
CH-19	Regulation of Securitisation and Reconstruction of Financial Assets of Banks and Financial Institutions	56
CH-20	Enforcement of Security Interest	58
CH-21	Central Registry	61
CH-22	Offences and Penalties	62
CH-23	Miscellaneous Provisions	64
CH-24	Registration of Security Interest by Secured Creditors and Other Creditors-Rectification by Central Government in Some Cases	66
CH-25	The Recovery of Debts and Bankruptcy Act, 1993	68
CH-26	Establishment of Tribunal and Appellate Tribunal	69
CH-27	Jurisdiction, Powers & Authority of Tribunals	71
CH-28	Procedure of Tribunals	72
CH-29	Recovery of Debts Determined by Tribunal and Miscellaneous Provisions	74
CH-30	Introduction to the Insolvency and Bankruptcy Code, 2016	76
CH-31	The Bankers Books Evidence Act, 1891	80
CH-32	The Legal Services Authorities Act, 1987 - Lok Adalats	82
CH-33	The Consumer Protection Act, 2019	84
CH-34	The Law of Limitation	86
CH-35	Tax Laws	88

Module D — Commercial Laws with Reference to Banking Operations

CH-36	Meaning and Essentials of a Contract	91
CH-37	Contracts of Indemnity	94
CH-38	Contracts of Guarantee	95
CH-39	Contract of Bailment	98
CH-40	Contract of Pledge	101
CH-41	Contract of Agency	104
CH-42	Meaning and Essentials of a Contract of Sale	108
CH-43	Conditions and Warranties	110
CH-44	Unpaid Seller	113
CH-45	Definition, Meaning and Nature of a Partnership	115
CH-46	Relations of Partners to One Another	117

CH-47	Relations of Partners to Third Parties	119
CH-48	Minor Admitted to the Benefit of a Partnership	121
CH-49	Dissolution of a Firm	123
CH-50	Effect of Non-Registration	125
CH-51	Definition and Features of a Company	127
CH-52	Types of Companies	129
CH-53	Memorandum of Association and Articles of Association	131
CH-54	Doctrines of Ultra Vires-Constructive Notice-Indoor Management	133
CH-55	Membership of Company	135
CH-56	Prospectus	138
CH-57	Directors	140
CH-58	Limited Liability Partnership Act, 2008	143
CH-59	Transfer of Property Act, 1882	146
CH-60	The Right to Information Act, 2005	151
CH-61	Right to Information and Obligations of Public Authorities	154
CH-62	Information Technology Act, 2000	157
CH-63	Prevention of Corruption Act, 1988	161
Additional Resources		
—	Case Studies — Module A: Regulations and Compliance	164
—	Case Studies — Module B: Important Acts/Laws & Legal Aspects of Banking Operations	174
—	Case Studies — Module C: Important Acts/Laws & Legal Aspects of Banking Operations - Part B	184
—	Case Studies — Module D: Commercial Laws with Reference to Banking Operations	200

CH-1

Legal Framework of Regulation of Banks

Topic 1 — Statutory Framework and Definition of Banking

- **Governing laws** — Banking in India is mainly governed by the **Banking Regulation Act, 1949 (BR Act)** and the **Reserve Bank of India Act, 1934 (RBI Act)**.
- **Control** — Through these statutes the **RBI** and the **Government of India** control banks from **opening to winding up**.
- **Definition** — **Section 5(b)** of the BR Act defines **banking** as the **acceptance of deposits of money from the public for lending or investment**.
- **Repayment** — Such deposits are repayable **on demand or otherwise**.
- **Withdrawal** — They are withdrawable by **cheque, draft, order or otherwise**.
- **Two essential functions** — A bank performs **(a) acceptance of public deposits** and **(b) lending or investment** of such deposits.

Provision	Rule
Sec 7 — use of words	A banking company must use at least one of 'bank', 'banker' or 'banking' in its name. Other companies generally cannot use these words; exceptions exist for statutory subsidiaries and bank-employee associations.
Sec 22 — licence	A licence from RBI is necessary to commence or carry on banking business in India.
Sec 49A — cheque-withdrawable deposits	Only specified banks or notified persons may accept public deposits withdrawable by cheque. Government savings-bank schemes are excepted.
RBI Act Chapter IIIB — NBFC deposits	Deposit acceptance by NBFCs is regulated under Chapter IIIB and RBI public-deposit directions. Registration alone does not authorise acceptance of public deposits.

Topic 2 — Banking Laws (Amendment) Act, 2025

The **Banking Laws (Amendment) Act, 2025** amended the **RBI Act, BR Act, SBI Act and the Banking Companies (Acquisition and Transfer of Undertakings) Acts**. Its provisions are now in force in phases.

Area	Current position
Substantial interest — Sec 5(ne) BR Act	Shareholding exceeding ₹2 crore (earlier ₹5 lakh) or 10% of paid-up capital , whichever is less . Relevant to Sec 10 and Sec 20 restrictions.
Director tenure — co-operative banks	Maximum tenure of a director (other than chairman and whole-time director) of a co-operative bank is 10 years ; for banking companies it remains 8 continuous years .
Central co-operative bank directors	A director of a central co-operative bank may serve on the board of the State co-operative bank of which it is a member.
Nomination	Up to 4 nominees for deposit accounts — simultaneous (shares totalling 100%) or successive ; lockers and safe custody — successive only .

Area	Current position
Unclaimed amounts of PSBs	Unclaimed dividends, shares, interest and bond redemption amounts of public sector banks unpaid for 7 years are transferred to the Investor Education and Protection Fund (IEPF) .
Statutory auditors of PSBs	PSBs themselves decide the remuneration of their statutory auditors.
Reporting fortnight — RBI Act Sec 42	CRR is maintained and reported on calendar fortnights: 1st–15th and 16th–last day of the month (earlier alternate Fridays). Monthly and quarterly returns refer to the last day of the month/quarter.

Remember this

- Substantial interest: **₹2 crore or 10%, whichever is less**.
Nominees: **up to 4**.

Topic 3 — Business Permitted to Banks — Section 6

Besides banking, **Section 6(1)** of the BR Act lists the forms of business a banking company may undertake, in clauses **(a)** to **(o)**.

Clause	Permitted business
(a)	(i) Borrowing, raising or taking up money. (ii) Lending or advancing money with or without security.
(a)	(iii) Drawing, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading .
(a)	(iii) contd. — Also railway receipts, warrants, debentures, certificates, scrips and other instruments, negotiable or not.
(a)	(iv) Granting letters of credit, travellers' cheques and circular notes. (v) Dealing in bullion (high-purity gold and silver in bars, ingots or coins) and specie (money in coins).
(a)	(vi) Buying and selling foreign exchange including foreign bank notes. (vii) Acquiring, holding, underwriting and dealing in stock, shares, debentures, bonds and securities.
(a)	(viii) Buying and selling securities on behalf of constituents. (ix) Negotiating loans and advances. (x) Receiving valuables on deposit or for safe custody .
(a)	(xi) Providing safe deposit vaults . (xii) Collecting and transmitting money and securities.
(b)	Acting as agent of Government, local authority or any other person; agency business.
(c)	Contracting for public and private loans and negotiating and issuing them.
(d)	Insuring, guaranteeing, underwriting and managing issues of State, municipal or other loans, shares, stock or debentures, and lending for such issue.
(e)	Every kind of guarantee and indemnity business.
(f)	Managing, selling and realising property that comes into its possession in satisfaction of its claims .
(g)	Acquiring and dealing with property that forms security for any loan or advance.
(h), (i)	Undertaking and executing trusts ; administering estates as executor, trustee or otherwise.
(j)	Supporting employee-benefit associations and funds; granting pensions, allowances and gratuities; contributing to charitable or benevolent purposes.
(k), (l)	Acquiring, constructing and maintaining buildings for its own purpose ; selling, leasing, mortgaging or otherwise dealing with its own property.
(m)	Acquiring the whole or part of the business of any person or company whose business is of a nature described in Section 6.



Clause	Permitted business
(n)	Doing all things incidental or conducive to the promotion of its business.
(o)	Any other business specified by the Central Government — e.g. leasing and factoring have been so notified.

Topic 4 — Constitution of Banks

Every bank in India falls into one of three categories

- **(1) Statutory body** — A body corporate constituted under a **special Act of Parliament**.
- **(2) Company** — A **company** registered under the Companies Act, 1956/2013, or a **foreign company**.
- **(3) Co-operative society** — A **co-operative society** registered under a Central or State co-operative law.

Type	Constituted / governed by
Nationalised banks (corresponding new banks)	Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980 ; constituted under Section 3 of these Acts as statutory bodies.
State Bank of India	State Bank of India Act, 1955 . Its associate banks (State Bank (Subsidiary Banks) Act, 1959) have been merged into SBI .
Regional Rural Banks	Regional Rural Banks Act, 1976 .
Banking companies (all private sector banks)	Constitution by Companies Act ; banking business by BR Act and RBI Act . Foreign companies under Sec 2(42) of Companies Act, 2013 may also carry on licensed banking.
Co-operative banks	Multi-State co-operative banks — Central Act ; single-State co-operative banks — State co-operative societies Act ; banking functions — BR Act (as applicable to co-operative societies).

Public sector banks — nationalised banks, SBI and RRBs — fall in the **first category**.

Co-operative banks

- The **Banking Laws (Application to Co-operative Societies) Act, 1965** extended specified provisions of the BR Act and RBI Act to co-operative banks.
- After the Supreme Court held (Apex Co-operative Bank case) that multi-State co-operative societies could not be licensed, the **Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004** enabled licensing of **multi-State co-operative banks**.
- Co-operative banks may issue **equity, preference or special shares** at face value or premium to **members** or to persons **residing within their area of operation**.
- They may also issue **unsecured debentures or bonds** with maturity of **10 years or more** to such persons, with **prior RBI approval**.
- No person can **demand payment on surrender** of shares issued by a co-operative bank.
- RBI may, by notification, **exempt** a co-operative bank or class of them from provisions on **employment, board qualifications and appointment of chairman**.
- RBI may **supersede the board** of a multi-State co-operative bank for up to **5 years**, in public interest or to protect depositors.

Remember this

- Co-operative bank bonds: **maturity ≥ 10 years**, prior RBI approval. Board supersession: up to **5 years**.

Topic 5 — Reserve Bank of India Act, 1934

— Key Sections

The RBI Act was enacted in **1934** and RBI began operations on **1 April 1935**. It provides the central-banking functions of RBI and the **NBFC regulatory framework**.

Section	Provision
2(e)	Scheduled bank — a bank included in the Second Schedule ; it must have paid-up capital and reserves of at least ₹5 lakh . Others are non-scheduled banks .
17	Business RBI may transact — interest-free deposits of Central/State Governments, forex, securities, rediscounting bills and promissory notes, loans, etc.
21	RBI's right and obligation to transact Government business — remittance, exchange, interest-free deposits.
22	Sole right to issue bank notes .
23	Issue Department kept separate from the Banking Department.
24	Denominations — notes may not exceed ₹10,000 (statutory authority; differs from notes actually in circulation).
28	Rules for refund of value of mutilated, soiled or imperfect notes — as a matter of grace .
29	Bank notes are exempt from stamp duty .
31	Only RBI (and Government) may issue bearer-on-demand instruments; bearer promissory notes are prohibited even if payable later. Cheques/drafts drawn on an account are excepted.
33	Assets of Issue Department — gold coin, gold bullion, foreign securities, etc. Gold + foreign securities ≥ ₹200 crore , of which gold ≥ ₹115 crore (a backing minimum, not an issue ceiling).
42(1)	CRR for scheduled banks — no statutory floor or ceiling ; no interest paid on CRR balances. Current CRR 3% of NDTL .
45A–45F	Collection and furnishing of credit information .
45H–45T (Chapter IIIB)	Regulation of NBFCs and their deposit acceptance.
45W	Power to regulate interest rates and interest-rate products in securities, money market, forex and derivatives.
49	Publication of Bank Rate — the standard rate at which RBI buys or rediscounts bills of exchange or other eligible commercial paper.
58B(2)	Failure to produce books or furnish information — fine up to ₹1 lakh per offence, plus up to ₹5,000 per day for continuing failure.

Remember this

- Sec 33: **₹200 crore** (gold + forex) / **₹115 crore** (gold). Sec 24: max note **₹10,000**.

Topic 6 — Credit Information Reporting and Basic Statistical Returns

- **Enabling sections** — RBI Act Sections **45A–45F** enable collection of credit information.
- **CIC reporting** — Reporting to **Credit Information Companies (CICs)** is governed by the **Credit Information Companies (Regulation) Act**.
- **Other rules** — Its rules and regulations and current RBI directions also apply.

Item	Current requirement
Reference dates	9th, 16th, 23rd and last day of each month (or shorter mutually agreed intervals).
Incremental files (9th, 16th, 23rd)	Within 4 calendar days .



Item	Current requirement
Full month-end file	By the 5th of the next month .
Distinction	CIC reference dates are different from CRR fortnights (1–15, 16–month-end).

Banks must follow current record, correction and reporting requirements; old secured/unsecured credit-return thresholds no longer apply.

Basic Statistical Returns (BSR)

- **BSR-1** — It classifies **bank credit** by borrower and account characteristics.
- **BSR-2** — It classifies **deposits**.
- **Older BSR-1A/1B split** — Large accounts were reported individually; smaller accounts (up to ₹2 lakh) were reported in grouped form.
- **Threshold only** — ₹2 lakh was a classification threshold, **not an exclusion** of small loans.

Topic 7 — Regulatory Responsibilities

RBI combines central-bank and bank-regulator functions

- **Monetary policy** — RBI formulates **monetary policy** and issues notes.
- **Banker** — It acts as **banker to Governments and banks**.
- **External sector** — It manages **foreign exchange and reserves**.
- **Payments** — It regulates **payment systems**.
- **Three separate authorisations** — A banking licence, NBFC registration and permission to accept public deposits are three different legal authorisations.

Authority / law	Role
BR Act	Licensing, permitted business, management, prudential restrictions, directions and inspection.
RBI Act	Central-bank functions and NBFC regulatory framework.
Constituting Acts	Statutory PSBs also follow their own Acts; incorporation under company law alone does not permit banking .
Central Government	Powers expressly given by banking laws — appeals, notifications, exemptions ; as owner of PSBs it has shareholder responsibilities, which do not remove RBI regulation.
Co-operative banks	Banking operations under RBI ; organisational matters under co-operative law (Registrar) — dual control.
SEBI	Securities markets and intermediaries; listed-entity obligations.
IRDAI	Insurance and registered corporate agents — a bank distributing insurance is not an insurer .
PFRDA	National Pension System and its intermediaries.

BRBL | Module A | CH-1 | MCQs

Q1. A company accepts deposits from the public repayable after 3 years, not withdrawable by cheque, and invests them in shares. Under Section 5(b) of the BR Act, this activity is: [Ref: Topic 1, p. 3]

- (a) Not banking, because cheque withdrawal is essential
- (b) Banking, as deposits may be repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise
- (c) Banking only if deposits are repayable on demand
- (d) Not banking, because investment is not lending

Q2. An NBFC has obtained a certificate of registration from RBI. Which statement is correct regarding its acceptance of public deposits? [Ref: Topic 1, p. 3]

- (a) Registration automatically permits public deposits
- (b) It can accept cheque-withdrawable deposits
- (c) It needs separate eligibility under Chapter IIIB public-deposit directions
- (d) It needs a licence under Section 22 of the BR Act

Q3. After the Banking Laws (Amendment) Act, 2025, a director holds shares of ₹1.5 crore in a company whose paid-up capital is ₹10 crore. Does he have 'substantial interest'? [Ref: Topic 2, p. 3]

- (a) Yes, as holding exceeds ₹5 lakh
- (b) No, as holding is below ₹2 crore
- (c) Yes, as 10% of paid-up capital (₹1 crore) is lower and is exceeded
- (d) No, as only listed companies are covered

Q4. The maximum tenure of a non-chairman, non-whole-time director of a co-operative bank, as currently provided, is: [Ref: Topic 2, p. 3]

- (a) 8 years
- (b) 5 years
- (c) 12 years
- (d) 10 years

Q5. Which business has been specifically notified by the Central Government under Section 6(1)(o) of the BR Act as permissible for banks? [Ref: Topic 3, p. 3]

- (a) Trading in commodities
- (b) Leasing and factoring
- (c) Real estate development
- (d) Running a stock exchange

Q6. A bank acquires a flat mortgaged to it by a defaulting borrower and later sells it. This is permitted under Section 6(1): [Ref: Topic 3, p. 3]

- (a) Clause (k) — buildings for own use
- (b) Clause (o) — notified business
- (c) Clause (f) — realising property acquired in satisfaction of claims
- (d) Not permitted at all

Q7. A co-operative bank wants to raise funds through unsecured bonds from residents in its area of operation. Which condition applies? [Ref: Topic 4, p. 4]

- (a) Maturity of at least 10 years and prior RBI approval
- (b) Maturity of at least 5 years, no approval needed
- (c) Only members can subscribe, any maturity
- (d) Bonds must be secured

Q8. Under Section 33 of the RBI Act, the minimum aggregate value of gold coin, gold bullion and foreign securities in the Issue Department is: [Ref: Topic 5, p. 4]

- (a) ₹115 crore
- (b) ₹200 crore
- (c) ₹500 crore
- (d) ₹100 crore

Q9. Which statement about CRR under Section 42(1) of the RBI Act is correct? [Ref: Topic 5, p. 4]

- (a) There is no statutory floor or ceiling and no interest is paid on CRR balances
- (b) Minimum CRR is 3% and maximum 20%
- (c) RBI pays bank rate on eligible CRR balances
- (d) CRR applies to non-scheduled banks under this section

Q10. A trust issues bearer promissory notes payable on demand to its donors. This contravenes: [Ref: Topic 5, p. 4]

- (a) Section 22 of RBI Act
- (b) Section 31 of RBI Act
- (c) Section 49 of RBI Act
- (d) Section 24 of RBI Act

Q11. A bank refunds the value of a badly mutilated note to a customer. The refund is made under rules framed under Section 28 of the RBI Act: [Ref: Topic 5, p. 4]

- (a) As a legal right of the holder
- (b) Only through a court order
- (c) As a matter of grace
- (d) Only for notes of ₹500 and above

Q12. Under the current credit information reporting framework, a bank must submit the full month-end data file to CICs by: [Ref: Topic 6, p. 4]

- (a) 4 calendar days of month-end
- (b) 15th of the next month
- (c) Last day of the next month
- (d) 5th of the next month

Q13. A bank fails to furnish information to RBI under the RBI Act and continues the default for 10 days after the first day. The maximum further fine under Section 58B(2) for those days is: [Ref: Topic 5, p. 4]

- (a) ₹50,000 (b) ₹10 lakh (c) ₹1 lakh (d) ₹5,000

Q14. A bank distributes life insurance policies as a corporate agent. Which statement is correct? [Ref: Topic 7, p. 5]

- (a) The bank becomes an insurer regulated by RBI
(b) IRDAI regulates its corporate-agency activity and the bank does not become an insurer
(c) PFRDA regulates the activity
(d) No regulator has jurisdiction

Q15. In a co-operative bank, which matter is governed by co-operative law rather than RBI? [Ref: Topic 7, p. 5]

- (a) Organisational matters such as registration and bye-laws
(b) Licensing of banking business
(c) CRR and SLR
(d) Branch authorisation

Answer key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	b	4	d	7	a	10	b	13	a
2	c	5	b	8	b	11	c	14	b
3	c	6	c	9	a	12	d	15	a

CH-2

Control over Organisation of Banks

Topic 1 — Licensing of Banking Companies — Section 22

- Licence needed** — A company needs a licence from RBI under Section 22 of the BR Act to **commence or carry on** banking business in India.
- Conditions** — RBI may grant it subject to **such conditions as it thinks fit**.
- RBI's satisfaction** — RBI first satisfies itself, by **inspection of books** or otherwise, on the following matters.

No.	Matter on which RBI must be satisfied
(a)	Company is or will be able to pay present and future depositors in full as claims accrue.
(b)	Affairs are not conducted in a manner detrimental to depositors .
(c)	General character of proposed management is not prejudicial to public or depositors' interest.
(d)	Company has adequate capital structure and earning prospects .
(e)	Public interest will be served by the licence.
(f)	Considering banking facilities in the area and scope for expansion, the licence will not be prejudicial to operation and consolidation of the banking system , consistent with monetary stability and economic growth.
(g)	Any other condition RBI considers relevant in public or depositors' interest.

Although **Section 11** prescribes minimum capital, RBI can stipulate a **higher capital** for licensing under Section 22.

Cancellation of licence

Aspect	Rule
Grounds	Company ceases to carry on banking in India; or fails to comply with conditions imposed under Sec 22(1) ; or at any time does not fulfil the conditions referred to.
Opportunity	Before cancelling for non-compliance, company must get an opportunity to comply — may be dispensed with if delay would prejudice depositors or the public.
Appeal	To the Central Government within 30 days of communication of cancellation.

Topic 2 — Universal Bank Licensing

The **2025 universal-bank guidelines** provide **on-tap** licensing. Eligibility does not guarantee a licence: RBI assessment and **in-principle approval** precede the final licence and commencement.

Parameter	Requirement
Eligible promoters	Resident individuals/professionals with 10 years senior banking/finance experience. Resident-owned/controlled private entities with a successful 10-year track record (if group assets are ₹5,000 crore or more, non-financial business must be below 40% of assets and gross income). Existing resident-controlled NBFCs with a 10-year track record. Large industrial houses may invest up to 10% but cannot promote a bank.
Fit and proper	Integrity, reputation, financial soundness and track record.
Initial capital	Paid-up voting equity capital / net worth of at least ₹1,000 crore , maintained thereafter.
Capital adequacy	At least 13% for the first 3 years (or higher if prescribed).
Listing	Shares to be listed within 6 years of commencement.
Promoter holding	At least 40% initially, locked in for 5 years ; diluted to 26% within 15 years .
NOFHC	Need depends on the promoter group's financial-service activities; it ring-fences regulated financial entities from commercial interests.
Obligations	Sustainable operations and financial inclusion, including rural-outlet and priority-sector requirements.

Remember this

- Universal bank: **₹1,000 crore**, CRAR **13%** (3 yrs), promoter **40% → 26%** in 15 yrs, list in **6 yrs**.

Topic 3 — Small Finance Bank Licensing

- Purpose** — A **Small Finance Bank (SFB)** furthers financial inclusion through savings facilities and credit.
- Target groups** — It serves **small businesses, small and marginal farmers, micro and small industries** and other unserved groups.
- Licence type** — Its licence is **differentiated**.
- Becoming universal** — An SFB needs a separate eligible transition process to become a universal bank.

Parameter	Requirement
Eligible promoters	Resident individuals/professionals with 10 years senior banking/finance experience; resident-controlled companies and societies with a successful 5-year record; NBFCs, MFIs, LABs and payments banks may convert.
Minimum capital	₹300 crore paid-up voting equity / net worth. For conversions, to be available within 18 months of in-principle approval or by commencement, whichever is earlier.