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Regulatory Updates

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Table of Contents

Dec 03, 2025 : Liberalised Remittance Scheme (LRS)- Submission of 'LRS Daily Return' by Authorised Dealers- Category -II banks/ entities and Full-Fledged Money Changers

Tags:

Liberalised Remittance Scheme (LRS), AD Category-II Banks, Centralised Information Management System (CIMS)

Summary:

The Reserve Bank of India's circular focuses on the submission of the 'LRS Daily Return' under the Liberalised Remittance Scheme (LRS) by Authorised Dealer Category-II banks, entities, and Full-Fledged Money Changers (FFMCs). Starting from January 1, 2026, these entities must independently submit LRS daily returns via the Centralised Information Management System (CIMS), eliminating the need to route transactions through AD Category-I banks. This change ensures all stakeholders, including AD Category-II banks/entities and FFMCs, adhere to updated reporting requirements under the Foreign Exchange Management Act, 1999.

Insights:

• Effective January 01, 2026, AD Category-II banks/entities and FFMCs must submit LRS daily returns via CIMS, including 'nil' reports if applicable.

• Starting from 2026, AD Category-II banks/entities and FFMCs are to halt LRS transaction submissions through AD Category-I banks as per the new directive.

• Newly onboarded AD Category-II banks/entities and FFMCs should consult RBI's Foreign Exchange Department for any CIMS access issues.

• The directive outlined in this circular, per A.P. (DIR Series) Circular No. 17, supersedes the requirement of AD Category-II entities routing LRS transactions through AD Category-I banks.

• In alignment with Section 10(4) and 11(2) of FEMA, 1999, as updated in the Master Direction, entities must ensure compliance with the updated guidelines for LRS transaction reporting.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13172&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks - Credit Facilities) Amendment Directions, 2025

Tags:

Gold Metal Loans, Small Finance Banks, Gold Monetization Scheme

Summary:

The Reserve Bank of India has amended its Small Finance Banks - Credit Facilities Directions to introduce Gold Metal Loans (GML) schemes allowing eligible and nominated banks to offer gold loans to jewellers and MMTC Limited under specified conditions, focusing on mitigating associated risks. Major changes include definitions and guidelines for GML linked to both Import and Gold Monetization Schemes, requirements for lending and risk management policies, due diligence, repayment guidelines, and quarterly reporting obligations. This regulation directly impacts small finance banks, jewellery manufacturers, MMTC Limited, and designated banks managing gold imports and deposits.

Insights:

• From April 1, 2026, banks must align Gold Metal Loan (GML) repayment tenors with jewellers' working capital cycles, capping at 270 days unless implemented earlier.

• Banks offering GML should establish a lending and risk management policy specifying quantities of gold lent per borrower and due-diligence protocols.

• Section 53C mandates that banks ensure GML gold is not sold or exported as primary gold, requiring continuous monitoring of exposure levels.

• Banks providing GMS-linked GML must offer borrowers the option to repay part or full principal in IGDS/LGDS gold, mandating pre-defined delivery standards.

• Chapter V on Gold Metal Loans (GML) is repealed and replaced, altering previous directions under the Reserve Bank of India (Small Finance Banks - Credit Facilities).

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13195&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks - Credit Facilities) Amendment Directions, 2025

Tags:

Gold Metal Loans, GMS-linked GML, Import-linked GML

Summary:

The Reserve Bank of India has issued an amendment to the Reserve Bank of India (Commercial Banks - Credit Facilities) Directions, 2025, focusing on Gold Metal Loans (GML). Key updates include the introduction of definitions for GMS-linked and import-linked GML, the repeal and substitution of Chapter V with detailed prudential guidelines, and specific conditions for banks extending such loans. The regulation impacts nominated and designated banks, particularly affecting their lending policies to jewellers and MMTC Limited, and mandates new reporting requirements to the Reserve Bank on a quarterly basis.

Insights:

• Banks must establish a lending and risk management policy for GML, detailing borrower eligibility and quantity limits, operational from April 1, 2026.

• Implementation of daily valuation of GML using LBMA Gold AM price to INR is mandatory, ensuring compliance with prudential requirements.

• GML offerings require an independent credit assessment, even when supported by SBLC or BG from other scheduled commercial banks.

• Chapter V regarding Gold Metal Loans (GML) is repealed and replaced, mandating banks to align with the new chapter directives by April 1, 2026.

• Quarterly GML data reporting to the RBI as per the new Annex V format must be initiated, with submissions required by the seventh day of the subsequent month.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13194&Mode=0

Dec 04, 2025 : Reserve Bank of India (Urban Co-operative Banks – Licensing, Scheduling and Regulatory Classification) Repeal Guidelines, 2025

Tags:

Urban Co-operative Banks, Licensing Guidelines, Regulatory Classification, Repeal and Replacement

Summary:

The Reserve Bank of India has repealed the earlier guidelines for Urban Co-operative Banks (UCBs) related to licensing, scheduling, and regulatory classification issued on November 28, 2025, and replaced them with updated guidelines effective December 04, 2025. Although the previous guidelines have been revoked, any actions, rights, liabilities, or punishments incurred under them shall continue to be applicable, ensuring a seamless transition without affecting ongoing investigations or legal proceedings. This change primarily affects Urban Co-operative Banks, who must align with the new regulatory framework provided in the updated guidelines.

Insights:

• Entities must align with the new Reserve Bank of India (Urban Co-operative Banks – Licensing, Scheduling and Regulatory Classification) Guidelines, 2025 issued on December 04, 2025, as the previous guidelines (RBI/DOR/2025-26/269) issued on November 28, 2025, have been repealed.

• Organizations must conduct a compliance audit to ensure that ongoing actions initiated under the repealed guidelines continue to adhere to the provisions of the successor guidelines.

• Any approvals, acknowledgments, or regulatory permissions obtained under the repealed guidelines will automatically be governed by the new 2025 guidelines, and entities should verify alignment with the updated requirements.

• Legal and compliance teams need to review any investigations or legal proceedings related to rights and penalties from the previous guidelines to guarantee that these are treated as per the new rules.

• Urban Co-operative Banks should update their operational protocols to incorporate changes from the newly issued 2025 guidelines, ensuring that no aspect of their processes remains aligned solely with the repealed version.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13191&Mode=0

Dec 04, 2025 : Reserve Bank of India (Asset Reconstruction Companies – Credit Information Reporting) Amendment Directions, 2025

Tags:

Asset Reconstruction Companies, Credit Information Reporting, Central KYC

Summary:

The Reserve Bank of India has introduced amendments to the 2025 Asset Reconstruction Companies - Credit Information Reporting Directions to enhance the credit information reporting system's efficiency. Key updates include revised timelines for submitting credit information by Credit Institutions (CIs) to Credit Information Companies (CICs), the mandatory reporting of Central KYC number of borrowers, and the requirement for CIs to rectify and resubmit rejected data promptly. This regulation primarily impacts Credit Institutions by imposing stricter data submission and correction obligations to improve the accuracy and timeliness of credit information shared with CICs.

Insights:

• Asset Reconstruction Companies need to update credit information to Credit Information Companies (CICs) on four reference dates within a month: 9th, 16th, 23rd, and last day, effective July 1, 2026.

• ARCs are required to submit incremental accounts to CICs, including opened accounts and any changes, within four days of the designated reference dates.

• Entities must report borrowers' Central KYC (CKYC) number to CICs when available, adhering to the new insertion in the guidelines.

• Credit Information Companies must provide rectification reports to CIs by specific timelines, such as by the 16th when data is reported for the 9th of the month.

• CICs are tasked with reporting the compliance failures of CIs to the RBI's Department of Supervision every six months, as on March 31 and September 30.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13188&Mode=0

Dec 04, 2025 : Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Non-Banking Financial Companies

Summary:

The RBI has amended the Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025, to enhance efficiency in credit information reporting, effective from July 01, 2026. Major updates include required submission of credit information by Credit Information Companies (CIs) on specific dates each month, reporting of Central KYC numbers when available, and timelines for rectifying rejected data. These amendments primarily impact Credit Information Companies and Credit Information Corporations (CICs) in terms of data submission and timely reporting.

Insights:

• Non-Banking Financial Companies must submit credit information to CICs on the 9th, 16th, 23rd, and last day of each month starting July 1, 2026.

• Full files containing credit information records for the previous month must be submitted by the 5th of the next month as per the amended guidelines.

• Submit incremental account details to CICs within four calendar days from the reference dates to comply with the new amendment.

• CIs are required to report CKYC number for borrowers to CICs, ensuring compliance with updated credit information reporting requirements.

• Timely rectification of data rejected by CICs is required before or along with the next cycle reporting to avoid compliance issues.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13187&Mode=0

Dec 04, 2025 : Reserve Bank of India (All India Financial Institutions – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Financial Institutions, Central KYC Number

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (All India Financial Institutions – Credit Information Reporting) Directions, 2025, to enhance the efficiency of credit information reporting. Key updates include new timelines for reporting credit data by financial institutions, regular updates on credit information at specified intervals, and mandatory reporting of Central KYC numbers where available. These changes impact all India Financial Institutions, who must comply with the revised reporting schedules and ensure timely correction of data as required.

Insights:

• All India Financial Institutions must update credit information at specified intervals (9th, 16th, 23rd, last day of each month) and submit to CICs within four days, requiring a review and enhancement of existing data submission processes.

• From July 01, 2026, institutions should submit complete credit information by the 5th of every month, necessitating operational adjustments to meet the new timeline.

• Central KYC (CKYC) numbers must now be reported to CICs wherever available, highlighting an expanded scope of data compliance to include CKYC integration.

• Institutions are required to address and rectify any rejected data by the next reporting reference date, ensuring improved data accuracy and continuity in submissions.

• The new amendment overrides specific sections of the previous 2025 Directions, calling for institutions to revisit and update their compliance frameworks to align with recent modifications.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13186&Mode=0

Dec 04, 2025 : Reserve Bank of India (Rural Co-operative Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Rural Co-operative Banks, Credit Information Reporting, Central KYC (CKYC),

Summary:

The Reserve Bank of India has issued the Reserve Bank of India (Rural Co-operative Banks – Credit Information Reporting) Amendment Directions, 2025, introducing changes to enhance the credit information reporting system. Major updates require Credit Institutions (CIs) to submit credit information based on specified reference dates and report incremental accounts periodically, while also incorporating the Central KYC number for borrowers. These amendments impact rural co-operative banks by necessitating compliance with tighter timelines for data submission and reporting to Credit Information Companies (CICs), with the Reserve Bank monitoring adherence through half-yearly reports.

Insights:

• Rural Co-operative Banks must update credit information regularly and submit it on the 9th, 16th, 23rd, and last day of each month to CICs starting July 1, 2026.

• Complete credit information files for Rural Co-operative Banks must be submitted to CICs by the 5th day of the subsequent month, beginning with July 2026 data.

• Any changes in accounts, such as repayments or changes in outstanding balances, must be reported by Rural Co-operative Banks within four calendar days of the reporting dates.

• Rural Co-operative Banks need to report the CKYC number of borrowers to CICs when available, ensuring alignment with client KYC practices.

• Rejected data provided by CICs must be rectified and resubmitted by Rural Co-operative Banks before the next reporting cycle to ensure data accuracy.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13185&Mode=0

Dec 04, 2025 : Reserve Bank of India (Urban Co-operative Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Urban Co-operative Banks, Central KYC

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (Urban Co-operative Banks – Credit Information Reporting) Directions, introducing new requirements for timely and updated credit information reporting by Urban Co-operative Banks (UCBs). Key changes mandate UCBs to submit credit information multiple times within a month and to report Central KYC numbers. Additionally, timelines for reporting and rectifying data with Credit Information Companies (CICs) are specified, impacting both UCBs and CICs in their data handling responsibilities.

Insights:

• Urban Cooperative Banks must update credit information on 9th, 16th, 23rd, and the last day of each month with Credit Information Companies by respective deadlines in July 2026.

• Regulated entities must submit full credit information records as of the last day of the month to CICs by the 5th day of the following month, incorporating all active and terminated accounts since the last report.

• Incremental account information, including new account openings, closures, and changes in account status, must be reported within four calendar days of the specified dates.

• Introduction of mandatory reporting of Central KYC numbers to CICs as soon as they are available, aligning with new paragraph 12(10).

• Entities must rectify and resubmit credit information data rejected by CICs before or together with the next reporting date's data.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13184&Mode=0

Dec 04, 2025 : Reserve Bank of India (Regional Rural Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Regional Rural Banks, CKYC Reporting

Summary:

The Reserve Bank of India amends the RBI (Regional Rural Banks – Credit Information Reporting) Directions, 2025, to enhance the credit information reporting system. The amendments mandate Credit Institutions (CIs) to update and submit credit information to Credit Information Companies (CICs) on specified dates each month, including comprehensive data submissions at the month's end and incremental data at interim dates. These changes, effective from July 1, 2026, require CIs to report Central KYC numbers to CICs and rectify data errors promptly, ensuring accurate credit information for efficient oversight by regulatory authorities, thereby impacting regional rural banks significantly.

Insights:

• Regional Rural Banks must update credit information on the 9th, 16th, 23rd, and last day of each month to CICs, effective from July 01, 2026.

• From July 01, 2026, submission of the full file of credit information records to CICs is required by the 5th day of the next month.

• Newly opened, closed, or altered accounts within a month must be incrementally reported to CICs, ensuring submission within four calendar days of specified reference dates.

• Central KYC (CKYC) numbers must be reported to CICs by credit institutions when available or once obtained, reinforcing KYC compliance measures.

• Rejected data by CICs needs rectification and resubmission prior to or concurrent with the next reporting cycle to maintain data integrity and compliance.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13183&Mode=0

Dec 04, 2025 : Reserve Bank of India (Local Area Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Local Area Banks, CIC Compliance

Summary:

The Reserve Bank of India's latest regulation pertains to amendments in the Credit Information Reporting for Local Area Banks, effective from July 1, 2026, under the Credit Information Companies (Regulation) Act, 2005. Key updates include specific timelines for Local Area Banks to submit credit information to Credit Information Companies (CICs) on the 9th, 16th, 23rd, and the last day of each month, alongside full submissions by the 5th of the following month, with an emphasis on reporting incremental accounts and Central KYC numbers. This regulation impacts Local Area Banks, requiring them to enhance data submission processes, with compliance monitored by CICs and reported to the RBI.

Insights:

• Local Area Banks must ensure that credit information is updated on the 9th, 16th, 23rd, and last day of each month as per the amended directions.

• Central KYC (CKYC) numbers must be reported to Credit Information Companies by Local Area Banks whenever available or when a new CKYC number is generated.

• Full credit information files, including all active accounts, must be submitted by Local Area Banks to CICs by the 5th of each month.

• In cases of rejected data from CICs, Local Area Banks must rectify and resubmit this data before or during the next scheduled reporting period.

• Credit Information Companies must report non-compliance by Local Area Banks to the Reserve Bank of India's Department of Supervision biannually on the DAKSH portal.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13182&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Small Finance Banks, Credit Information Reporting, Central KYC (CKYC), Credit Information Companies (CICs)

Summary:

The Reserve Bank of India has issued the Reserve Bank of India (Small Finance Banks – Credit Information Reporting) Amendment Directions, 2025, which mandates Small Finance Banks to update their credit information reporting system by submitting detailed credit data on specific dates each month to Credit Information Companies (CICs). The updated requirements include providing comprehensive data as well as incremental account details on set dates, reporting CKYC numbers where available, and ensuring rectification of rejected data promptly. These amendments are aimed at enhancing the accuracy and timeliness of credit information reporting, and the stakeholders are obliged to adhere to the new timelines and procedures by July 01, 2026.

Insights:

• Small Finance Banks (SFBs) must submit credit information as on 9th, 16th, 23rd, and the last day of each month to Credit Information Companies (CICs) starting July 01, 2026.

• Entities are required to report 'incremental accounts' within four calendar days from the specified dates to ensure timely credit information updating.

• SFBs must ensure the submission of full credit files by the 5th day of the following month, including both active and terminated accounts.

• Central KYC (CKYC) numbers must be reported to CICs by SFBs as soon as they become available, enhancing borrower identity tracking.

• Rejected data from CICs must be corrected and resubmitted before or along with the next scheduled data reporting to maintain compliance with RBI requirements.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13181&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks – Credit Information Reporting) Amendment Directions, 2025

Tags:

Credit Information Reporting, Commercial Banks Compliance, CKYC Integration

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Commercial Banks – Credit Information Reporting) Amendment Directions, 2025, designed to enhance the credit information reporting system for commercial banks. Key changes include updates to timelines for commercial banks to report credit information to Credit Information Companies (CICs) on specified dates and requirements for reporting Central KYC numbers. These amendments, effective from July 1, 2026, aim to improve data accuracy and ensure compliance, impacting both commercial banks and CICs.

Insights:

• Banks are required to submit credit information to CICs on the 9th, 16th, 23rd, and last day of each month starting July 01, 2026, ensuring timely data updates.

• Full files, including all active accounts and those with ended relationships since the last reporting date, must be submitted by the 5th day of the following month to CICs.

• Central KYC (CKYC) numbers should be included in credit information submissions to CICs as they become available, ensuring more thorough borrower identification.

• CICs must report banks failing to meet submission deadlines on the DAKSH portal semi-annually, enhancing compliance and monitoring.

• Rejected data needs to be rectified and resubmitted before or alongside the next scheduled submission to CICs, ensuring accuracy in credit reporting.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13180&Mode=0

Dec 04, 2025 : Reserve Bank of India (Rural Co-operative Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

Basic Savings Bank Deposit Account, Rural Co-operative Banks, Financial Inclusion

Summary:

The Reserve Bank of India (RBI) has amended its guidelines for Rural Co-operative Banks (RCBs) regarding Basic Savings Bank Deposit (BSBD) Accounts to enhance financial inclusion and customer service, effective April 1, 2026. The amendments mandate RCBs to provide BSBD accounts with new features like internet banking, cheque books, and free withdrawal facilities, all without requiring a minimum balance. These changes impact RCBs and BSBD account holders, emphasizing more accessible banking services while prohibiting multiple BSBD accounts across banks.

Insights:

• RCBs must implement and offer the new BSBD Account features, including four free withdrawals and free ATM/Debit cards, by April 1, 2026, with no requirement for a minimum balance.

• RCBs must ensure existing BSBD account holders can request new services like cheque books and internet banking through both physical and digital channels.

• RCBs should update their account opening procedures to avoid requiring an initial deposit for BSBD accounts, in line with the new provisions.

• RCBs must obtain a declaration from new BSBD applicants confirming they do not hold another BSBD account in any bank, ensuring compliance with single-account rule.

• RCBs should communicate BSBD account features and differences with other savings accounts to customers, helping them make informed choices.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13179&Mode=0

Dec 04, 2025 : Reserve Bank of India (Urban Co-operative Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

BSBD Account, Financial Inclusion, ATM/Digital Transactions, Minimum Balance Requirement

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Urban Co-operative Banks - Responsible Business Conduct) Amendment Directions, 2025, mandating Urban Co-operative Banks (UCBs) to offer Basic Savings Bank Deposit (BSBD) Accounts with enhanced free facilities such as ATM cards, internet/mobile banking, and cheque books without requiring a minimum balance. Key updates include the prohibition of charges on annual ATM card fees and the categorization of digital payment transactions outside the ATM as non-withdrawals, which aims to promote financial inclusion by making BSBD accounts more accessible and cost-efficient for the public. UCBs are directed to publicize these features and accommodate customer requests for account conversions or additional facilities without mandating initial deposits or maintaining minimum balances.

Insights:

• Urban Co-operative Banks must implement the new BSBD account guidelines by April 1, 2026, or earlier, focusing on free facilities such as ATM cards and chequebooks without a minimum balance requirement.

• UCBs are required to transition existing BSBD accounts to the new free facility offerings upon customer request, ensuring accessibility through both physical and digital channels.

• For BSBD accounts, UCBs must not mandate an initial deposit or impose minimum balance requirements, ensuring transparent customer communication regarding optional additional services.

• UCBs need to verify that customers do not hold another BSBD account within any bank, requiring a declaration before opening or converting accounts, aimed at preventing duplicate account ownership.

• The Reserve Bank of India (Urban Co-operative Banks - Know Your Customer) Directions, 2025, are applicable to BSBD account opening and operations, necessitating compliance with KYC and Anti-Money Laundering norms.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13178&Mode=0

Dec 04, 2025 : Reserve Bank of India (Regional Rural Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

BSBD Accounts, Financial Inclusion, Banking Facilities, Digital Payments

Summary:

The Reserve Bank of India (RBI) has issued the Amendment Directions, 2025 to enhance Basic Savings Bank Deposit (BSBD) accounts, targeting better customer service and financial inclusion through Regional Rural Banks (RRBs). Key updates include mandatory provision of free minimum facilities such as ATM/debit card, cheque books, and internet/mobile banking, while removing the necessity of maintaining a minimum balance. RRBs are required to promptly implement these changes by April 1, 2026, and ensure transparent communication to customers; they must also facilitate conversion of existing savings accounts to BSBDs, subject to customer declarations of no existing BSBD account elsewhere.

Insights:

• RRBs must implement the Amendment Directions by April 1, 2026, or earlier if feasible, to align with RBI's updated mandates for BSBD accounts.

• RRBs are required to offer specified free banking facilities like ATM-cum-Debit Cards and internet banking without a minimum balance requirement, ensuring customer-friendly service.

• RRBs must facilitate existing BSBD account holders' access to new free features through both physical and digital channels by receiving requests.

• Under Paragraph 139 of the directions, RRBs must ensure compliance with KYC/AML guidelines in line with amended 'Know Your Customer' Directions, 2025.

• Each RRB must verify no duplicate BSBD accounts upon new account opening or conversion from existing savings accounts, acquiring necessary customer declarations.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13177&Mode=0

Dec 04, 2025 : Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

BSBD Account, Financial Inclusion, Digital Payment Transactions

Summary:

The Reserve Bank of India issued the Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Amendment Directions, 2025, aimed at enhancing the Basic Savings Bank Deposit (BSBD) Accounts offered by Local Area Banks (LABs). Key updates include providing mandatory free of charge services such as ATM cards, internet banking, and a minimum of four free withdrawals per month, along with eliminating the requirement for minimum balances or initial deposits. The regulation impacts LABs by necessitating transparent customer communication and facilitating conversions from regular savings accounts to BSBD accounts upon customer request while ensuring that a customer holds only one BSBD account across all banks.

Insights:

• Local Area Banks (LABs) must ensure the amendment directions for the Basic Savings Bank Deposit (BSBD) account are implemented by April 1, 2026, or earlier if possible.

• LABs are required to offer at least 25 cheque leaves per year as a free facility for BSBD account holders upon customer request, demanding an update in their system offerings.

• Before converting a customer's savings account to a BSBD account, LABs must obtain a declaration confirming that the customer does not hold a BSBD account in any bank.

• The introduction of minimum four free withdrawals for BSBD accounts necessitates that LABs adjust their transaction processing systems and customer information channels.

• LABs must align their compliance processes with the Reserve Bank of India (Local Area Banks – Know Your Customer) Directions, 2025, affecting account opening and maintenance protocols.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13176&Mode=0

Dec 04, 2025 : Reserve Bank of India (Payments Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

Basic Savings Bank Deposit Account, Financial Inclusion, Digital Payment Transactions

Summary:

The Reserve Bank of India's Amendment Directions, 2025, focus on enhancing the Basic Savings Bank Deposit (BSBD) Account operations for Payments Banks to promote financial inclusion and customer service. Key updates include mandatory provision of several free facilities such as ATM and internet banking, removal of limits on deposits, and waiver of minimum balance requirements. These changes impact all Payments Banks, requiring them to inform customers about the BSBD account benefits, ensure the non-duplication of such accounts across banks, and provide detailed disclosures about additional and free services.

Insights:

• Payments Banks must implement the Reserve Bank of India (Payments Banks - Responsible Business Conduct) Amendment Directions, 2025 by April 1, 2026, or earlier if adopted sooner.

• All Payments Banks are mandated to offer Basic Savings Bank Deposit (BSBD) Accounts with specified minimum facilities, including no minimum balance requirement and no annual fee for ATM-cum-Debit Cards.

• When opening BSBD accounts, Payments Banks must ensure compliance with the Reserve Bank of India (Payments Banks - Know Your Customer) Directions, 2025.

• Existing BSBD account holders should receive newly introduced free facilities (clause 5-7 of paragraph 43) upon request, and the facility must be available through both physical and digital channels.

• Before opening or converting an account to a BSBD account, Payments Banks must obtain a customer declaration confirming the absence of another BSBD account, ensuring compliance with the one-account policy per customer.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13175&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

Basic Savings Bank Deposit Account, Financial Inclusion, Small Finance Banks

Summary:

The Reserve Bank of India has issued amendments to the Small Finance Banks - Responsible Business Conduct Directions, 2025, focusing on enhancing the Basic Savings Bank Deposit (BSBD) Accounts to promote financial inclusion. Key updates include offering certain facilities free of charge, like ATM cards, cheque books, and a minimum of four free withdrawals per month without balance requirements. Small Finance Banks must implement these changes by April 1, 2026, significantly impacting their operations and customer interactions by providing more accessible banking services.

Insights:

• Small Finance Banks must implement the Amendment Directions by April 1, 2026, or earlier if adopted sooner per paragraph 3(2).

• Banks must ensure that BSBD accounts offer the minimum set of facilities outlined in paragraph 86 without any imposition of minimum balance requirements.

• Existing BSBD account holders must be offered new free facilities upon request, and banks must provide both physical and digital channels for this per paragraph 86B.

• Upon a customer's request, banks must convert existing savings accounts to BSBD accounts within seven days, available through both traditional and digital channels according to paragraph 90.

• Banks must publicize BSBD account features and highlight differences with other accounts to customers as required by paragraph 92.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13174&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Amendment Directions, 2025

Tags:

Basic Savings Bank Deposit (BSBD) Account, Digital Payment Transactions, Know Your Customer (KYC) Compliance

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025, focusing on enhancing and clarifying the features of Basic Savings Bank Deposit (BSBD) accounts. Key changes include the requirement for banks to offer several free facilities without a minimum balance requirement, such as cash deposits, electronic receipts, ATM cards, internet banking, and a minimum of four free withdrawals per month. While applicable to commercial banks, excluding Small Finance Banks, Payments Banks, and Local Area Banks, the amendment encourages banks to provide these basic facilities while allowing additional services without imposing a minimum balance obligation on customers. Existing BSBD accounts will also be updated to include new facilities upon customer request, ensuring transparent disclosures and promoting financial inclusion.

Insights:

• BSBD accounts must now include facilities like cheque books, internet and mobile banking, and free minimum withdrawals effective from April 1, 2026.

• Banks are required to convert existing savings accounts to BSBD accounts within seven days upon written request from the customer, starting no later than the effective date.

• Banks must remove any initial deposit requirements for opening a BSBD account and facilitate the process through both physical and digital channels.

• The inclusion of digital payment transactions, excluding ATM transactions, as non-chargeable actions highlights a push towards increased digital transactions.

• BSBD account holders need to declare the non-existence of another BSBD account in any bank before account opening or conversion, ensuring compliance with the single account mandate.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13173&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Amendment Directions, 2025

Tags:

Small Finance Banks, Concentration Risk Management, Risk Weighted Assets

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025, aimed at modifying the existing prudential norms for Small Finance Banks regarding capital adequacy. The amendment notably deletes Paragraph 68 under 'Chapter IV - Calculation of risk weighted assets (RWAs)', with the updated norms to be effective from January 1, 2026. This regulatory change impacts all Small Finance Banks by altering the calculation of RWAs, thereby affecting their capital management strategies.

Insights:

• From January 1, 2026, Small Finance Banks (SFBs) must revise their risk management frameworks to exclude Paragraph 68 of Chapter IV related to risk-weighted assets (RWAs) calculation as per the current amendment.

• With the omission of Paragraph 68, SFBs need to update their compliance checklists to ensure exclusion of calculations previously based on this paragraph from risk assessment processes.

• Organizations should promptly review the Reserve Bank of India (Small Finance Banks – Concentration Risk Management) Amendment Directions, 2025, given their influence on the current capital adequacy norms.

• SFBs must verify the impacts of the deletion of Paragraph 68 in alignment with their capital adequacy strategies to meet January 2026 regulatory expectations.

• Entities governed by the Banking Regulation Act, 1949 should examine sections 21 and 35A to understand the broader legislative context for the adjustments resulting from the amendment.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13201&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2025

Tags:

Capital Adequacy, Concentration Risk Management, Risk Weighted Assets

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2025, modifying the existing norms by deleting Paragraph 78 under 'Chapter IV – Risk weighted assets (RWAs)'. This amendment, which comes into effect on January 1, 2026, impacts commercial banks by potentially altering the framework they use to assess risk-weighted assets, thereby affecting their capital adequacy calculations.

Insights:

• Commercial banks must ensure deletion of Paragraph 78 in Chapter IV of the Prudential Norms on Capital Adequacy by January 1, 2026, impacting how they calculate Risk Weighted Assets (RWAs).

• In light of the new Amendment Directions, banks should review changes from the RBI (Commercial Banks – Concentration Risk Management) Amendment Directions, 2025, and update their risk management frameworks accordingly.

• Any previous compliance measures that referred to Paragraph 78 in Chapter IV are now obsolete and should be revised to align with the deletion directive.

• Banks should confirm compliance with powers granted by sections 21 and 35A of the Banking Regulation Act, 1949, ensuring they comply with all adjustments in capital adequacy norms.

• Management teams must conduct training sessions with relevant staff to ensure clarity on the amendments coming into force and operational adjustments required before January 1, 2026.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13200&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2025

Tags:

Small Finance Banks, Income Recognition, Asset Classification

Summary:

The Reserve Bank of India's regulation titled 'Reserve Bank of India (Small Finance Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2025' addresses changes to the provisioning norms for Small Finance Banks (SFBs). A significant update is the deletion of Paragraph 113 under 'Chapter IV – Provisioning Norms,' providing SFBs the option to reverse released provisions or transfer them to General Reserve. This amendment, impacting all Small Finance Banks, will take effect on January 1, 2026.

Insights:

• Small Finance Banks must adhere to the revised provisioning norms as the Paragraph 113 from Chapter IV is deleted and adjust their financial reserves before January 1, 2026.

• Effective January 1, 2026, banks can choose to reverse the released provisions or transfer them to General Reserve, indicating need for updated accounting procedures.

• The completion of these changes requires banks to re-evaluate their risk management strategies in accordance with the Reserve Bank of India (Small Finance Banks – Concentration Risk Management) Amendment Directions, 2025.

• Banks should ensure alignment with the amended guidelines by understanding the impact of sections 21 and 35A of the Banking Regulation Act, 1949 on their operations.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13199&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2025

Tags:

Income Recognition, Asset Classification, Provisioning Norms, Commercial Banks

Summary:

The Reserve Bank of India has issued an amendment to the 'Income Recognition, Asset Classification and Provisioning' regulations for commercial banks, effective January 1, 2026. This amendment withdraws Paragraph 117 under Chapter IV, which pertains to provisioning norms, allowing banks to either reverse the released provisions or transfer them to the General Reserve. The regulation specifically impacts commercial banks by providing them additional flexibility in managing their provisions.

Insights:

• Commercial banks must implement operational changes by January 1, 2026, allowing them to reverse released provisions or transfer them to General Reserve pursuant to the deletion of Paragraph 117.

• Ensure compliance with the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2025, which modifies existing provisioning norms.

• Banks should review their provisioning strategies in light of the Amendment Directions that follow the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Amendment Directions, 2025.

• Immediate preparations are required to adjust policies and systems for the absence of previous provisioning guidelines as specified under Chapter IV of the Directions.

• Regulated entities must note the legal backing of the amendments derived from sections 21 and 35A of the Banking Regulation Act, 1949, guiding future compliance measures.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13198&Mode=0

Dec 04, 2025 : Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Amendment Directions, 2025

Tags:

Concentration Risk Management, Ultra-large Borrowers, Single Counterparty Exposure

Summary:

The Reserve Bank of India has issued amendments to the 'Concentration Risk Management' directions for Small Finance Banks, focusing on the need for banks to have comprehensive policies managing risks associated with large, leveraged borrowers having significant borrowings from the system. This regulation mandates these banks to integrate criteria for assessing such ultra-large borrowers into their credit assessment processes while repealing earlier directions aimed at enhancing credit supply for large borrowers through market mechanisms. These changes, effective January 1, 2026, target board-level policy formulation and risk monitoring at Small Finance Banks.

Insights:

• Small Finance Banks must adopt policies for Concentration Risk Management including monitoring ultra-large borrowers starting January 1, 2026, or earlier if feasible.

• The guideline in Chapter II requires banks to include total borrowings from the banking system as part of the credit assessment for ultra-large borrowers.

• Banks should discontinue practices under Chapter III of the 2025 Direction, which focused on enhancing credit supply for large borrowers through market mechanisms.

• Compliance with the new Concentration Risk Management guidelines necessitates reviewing and possibly revising existing credit assessment frameworks.

• Regulated entities must align their policies with the updated Amendment Directions in connection with other issued amendments like Income Recognition and Prudential Norms on Capital Adequacy.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13197&Mode=0

Dec 04, 2025 : Reserve Bank of India (Commercial Banks - Concentration Risk Management) Amendment Directions, 2025

Tags:

Concentration Risk Management, Large Exposures Framework, Intra-Group Transactions

Summary:

The Reserve Bank of India has issued amendments to the Concentration Risk Management Directions for commercial banks, focusing on intra-group transactions, exposure limits, and capital base considerations, effective from April 1, 2026. Key changes include modifications to the definitions of eligible capital base and intra-group exposure, deletion of certain paragraphs, and new requirements for ultra-large borrowers. These revisions impact Indian banks and foreign banks operating in India, as well as their respective intragroup exposure management practices.

Insights:

• Effective April 1, 2026, banks must update their capital computation methods by excluding paragraph 4(4) as it is now deleted from the Directions.

• By April 1, 2026, banks need to establish policies to monitor risks from ultra-large borrowers who have substantial borrowings to manage concentration risks effectively.

• From January 1, 2026, all provisions in Chapter IV regarding enhancing credit supply for large borrowers will be repealed, requiring reevaluation of existing credit strategies.

• Banks must adjust intra-group exposure calculations to exclude equity instruments and align with the modified limits by October 2026 as per amended Directions.

• Foreign bank branches operating in India must aggregate HO exposure for counterparty limits and adjust operational protocols for proprietary derivative transactions before April 1, 2026.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13196&Mode=0

Dec 04, 2025 : Reserve Bank of India (Rural Co-operative Banks - Branch Authorisation) Repeal Directions, 2025

Tags:

Rural Co-operative Banks, Branch Authorization, Compliance Continuity

Summary:

The RBI document announces the repeal and replacement of the Reserve Bank of India (Rural Co-operative Banks - Branch Authorisation) Directions, 2025. The new directions, effective from December 04, 2025, supersede those issued on November 28, 2025. While the updated directives will now govern all related actions, rights, and liabilities, they ensure continuity by maintaining the legitimacy of any past actions or compliance under the previous regulation. This impacts rural co-operative banks, whose branch authorization processes will adhere to the revised guidelines.

Insights:

• Co-operative Banks must comply with the new branch authorization guidelines effective from December 04, 2025, as per the updated RBI Directions.

• All existing approvals under the repealed November 28, 2025 Directions remain valid and are now governed by the new December 04, 2025 Directions.

• Rural Co-operative Banks should review any ongoing legal proceedings or actions taken under the old Directions to ensure compliance with the new guidelines.

• This regulation change highlights the need for banks to audit branches authorized under previous criteria for adherence to the new stipulations.

• Entities should document any rights or liabilities incurred under the repealed instructions, as these remain enforceable under the latest Directions.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13193&Mode=0

Dec 04, 2025 : Reserve Bank of India (Urban Co-operative Banks - Branch Authorisation) Repeal Directions, 2025

Tags:

Urban Co-operative Banks, Branch Authorization,

Summary:

The Reserve Bank of India (RBI) has repealed the previous Urban Co-operative Banks - Branch Authorisation Directions from November 28, 2025, replacing them with new directions issued on December 04, 2025. While the repeal introduces changes, actions or approvals taken under the old directions remain valid and governed by the new rules. This regulation specifically impacts urban co-operative banks, focusing on branch authorisation, without affecting any existing rights, obligations, penalties, investigations, or legal proceedings established under the old framework.

Insights:

• Urban Co-operative Banks must align their branch authorisation processes with the new RBI Directions, 2025 issued on December 04, replacing previous guidelines from November 28, 2025.

• All actions and approvals under the repealed November 28, 2025 Directions will continue to be valid under the new regulations, ensuring seamless operational continuity.

• UCBs are required to review compliance measures to ensure new obligations under the December 04, 2025 Directions are met while respecting existing obligations and liabilities.

• Compliance teams must focus on unaltered legal processes where penalties or investigations from the repealed guidelines remain enforceable under the new Directions.

• Legal and compliance departments should prepare for review and updates in submitted documentation to align with the updated RBI Directions from December 04, 2025.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13192&Mode=0

Dec 04, 2025 : Reserve Bank of India (Rural Co-operative Banks – Miscellaneous) (Amendment) Directions, 2025

Tags:

Name Display Compliance, StCB Inclusion Schedule, CRAR Requirement, NABARD Inspection

Summary:

The Reserve Bank of India (RBI) issued amendments to the Reserve Bank of India (Rural Co-operative Banks – Miscellaneous) Directions, 2025, focusing on name display and schedule inclusion norms. Key changes include mandating full bank names on promotional materials alongside any abbreviations, with specific requirements for font sizes, and setting criteria for State Cooperative Banks (StCBs) to be included in the Second Schedule of the RBI Act, 1934, such as higher CRAR and absence of major regulatory concerns. The regulation impacts rural cooperative banks, particularly StCBs seeking enhanced recognition under RBI guidelines.

Insights:

• Rural co-operative banks must immediately update all stationery, publicity materials, and digital platforms to display the full name as per their banking licence, alongside any abbreviated or logo forms.

• By the immediate effect, use of the bank's name in materials must include 'co-operative bank/sahakari bank' in equal font size to ensure compliance, avoiding penalties.

• State Cooperative Banks (StCBs) seeking inclusion in the Second Schedule of the RBI Act must demonstrate a CRAR of 3% above the minimum and have no major regulatory issues, based on recent NABARD inspections.

• Applications from eligible StCBs to the RBI should include a resolution passed by the Board and financial data, aligning with Section 42 of the RBI Act, 1934.

• These Direction amendments modify the November 28, 2025, Master Direction, mandating StCBs to adhere to established financial stability norms for RBI recognition.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13190&Mode=0

Dec 04, 2025 : Reserve Bank of India (Credit Information Companies) Amendment Directions, 2025

Tags:

Credit Information Reporting, Data Quality Index, CIC Data Submission

Summary:

The Reserve Bank of India's (RBI) Amendment Directions, 2025 for Credit Information Companies (CICs) focus on enhancing the efficiency of the credit reporting system by revising submission deadlines and data validation rules. Key updates include mandatory submission of credit information by specified dates, enhanced reporting accuracy measures, and uniform data acceptance validation across CICs. These regulatory changes impact Credit Information Companies and Credit Institutions by enforcing stricter timelines and data quality standards for credit information management and monitoring.

Insights:

• CICs must update credit information regularly at intervals of 9th, 16th, 23rd, and the last day of the month, ensuring full file submissions by the 5th of the following month to maintain compliance.

• CICs are required to report CIs failing data submission timelines to the RBI's Department of Supervision biannually, emphasizing the need for stringent adherence to reporting schedules.

• Institutions must align their systems with uniform data acceptance validation rules as standardized by CICs to minimize data rejections and ensure efficient data handling.

• CICs must provide CI-level Data Quality Index (DQI) for all segments monthly by the 10th of the next month, necessitating timely and accurate data submissions by CIs.

• CICs are tasked with maintaining a uniform table for inquiry purposes in their modules, requiring an update in internal systems of reporting and tracking queries.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13189&Mode=0

Dec 05, 2025 : Reserve Bank of India (Non-Operative Financial Holding Company) (Amendment) Directions, 2025

Tags:

Non-Operative Financial Holding Company (NOFHC), Financial Services Reorganization, Specialized Activities

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Non-Operative Financial Holding Company) (Amendment) Directions, 2025, to revise the framework under which bank activities are reorganized per Section 6 (1) (a) to (o) of the Banking Regulation Act, 1949. Key updates include mandating specialized financial services like mutual funds, insurance, portfolio management, etc., to be conducted via subsidiaries or joint ventures, with the exception that NOFHC does not need prior RBI approval but must notify the RBI within 15 days if undertaking such businesses. This amendment impacts Non-Operative Financial Holding Companies and other related banking entities, streamlining how subsidiaries and joint ventures operate under RBI oversight.

Insights:

• Regulated entities must reorganize banking activities strictly under Section 6(1) (a) to (o) of the Banking Regulation Act, 1949, as per paragraph 44.

• Specialized financial services like mutual funds and insurance must be operated by Subsidiary/Joint venture/Associate structures, effective from December 05, 2025.

• Entities under an NOFHC do not need prior RBI approval for specialized activities but must notify within 15 days of board resolution.

• Prior RBI approval is mandatory for NOFHC entities to engage in any new business venture outside the permitted scope outlined, as mentioned in paragraph 47.

• Entities under NOFHC umbrella are restricted from engaging in activities the bank is prohibited from, ensuring alignment with the bank's operational scope.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13213&Mode=0

Dec 05, 2025 : Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) (Amendment) Directions, 2025

Tags:

Non-Banking Financial Companies, Financial Services, Scheduled Commercial Banks

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) (Amendment) Directions, 2025, which revise previous guidelines for NBFCs and align them with the updated Master Directions of 2025. A key update requires NBFCs that are group entities of Scheduled Commercial Banks to comply with both NBFC and commercial bank regulations when engaging in similar financial activities. This regulation impacts NBFCs affiliated with Scheduled Commercial Banks, necessitating adherence to both sets of guidelines to ensure regulatory compliance.

Insights:

• NBFCs that are group entities of Scheduled Commercial Banks must align their business activities with both NBFC and parent bank guidelines as per the new direction 60A by December 5, 2025.

• Entities previously adhering to the 2016 Financial Services directions should now follow the comprehensive guidelines outlined in the updated Master Directions issued on November 28, 2025.

• NBFCs must review the Reserve Bank of India Act, 1934 Sections 45(L) and 45(JA) to ensure compliance with the new Amendment Directions effective from December 5, 2025.

• Stakeholders should note that the earlier 2016 directions for Financial Services are now replaced, hence a thorough review of the November 2025 Master Directions is critical.

• Scheduled Commercial Banks with NBFC group entities must cross-reference with both the Commercial Banks and NBFC Amendment Directions, 2025 for aligned compliance measures.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13212&Mode=0

Dec 05, 2025 : Reserve Bank of India (Payments Banks – Undertaking of Financial Services) (Amendment) Directions, 2025

Tags:

Payments Banks, Agency Business, Referral Services, Third-party Product or Service Provider

Summary:

The Reserve Bank of India (RBI) has issued amendments to the 2025 Master Directions for Payments Banks, focusing on the regulation of financial services. Key updates include clarifying 'Agency Business' arrangements, under which banks may act as agents for third-party service providers without risk participation, and defining 'Referral Services', prohibiting banks from integrating or branding third-party financial products or services. These changes impact payments banks engaged in third-party financial service arrangements, ensuring clearer demarcation of responsibilities and stricter boundaries in service facilitation.

Insights:

• Payments Banks must establish agency business arrangements with TPPSPs for regulated financial products as per revised guidelines effective December 5, 2025.

• Banks involved in agency business arrangements must comply with the agreement terms, focusing on marketing, sales, and grievance redressal, omitting risk participation.

• Under referral services, banks must not integrate TPPS processes on their platform or premises, requiring referral links to TPPSP's site.

• Operational changes necessitate banks to exclude their branding from TPPS product/service documents, maintaining compliance with non-involvement clauses.

• The amendment modifies the Master Direction of 2025, replacing provisions set out during the directions issued in 2016 and updated as of November 28, 2025.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13211&Mode=0

Dec 05, 2025 : Reserve Bank of India (Small Finance Banks – Undertaking of Financial Services) (Amendment) Directions, 2025

Tags:

Small Finance Banks, Referral Services, Equity Investment Limits, Alternative Investment Funds

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Small Finance Banks – Undertaking of Financial Services) (Amendment) Directions, 2025 to update its regulations for Small Finance Banks (SFBs) undertaking financial services effective from December 5, 2025. Major updates include new definitions for agency and referral services, restrictions on forming subsidiaries for non-banking financial services, and revised limits on banks' equity investments in entities based on paid-up capital and reserves. The regulation impacts SFBs, NOFHC, and other investment entities under the Banking Regulation Act, 1949, requiring compliance with prescribed investment and operational norms by March 31, 2028.

Insights:

• Regulated entities must obtain prior approval from the Reserve Bank to undertake any new form of business, not specifically permitted under the amended directions.

• Banks should implement policy frameworks to manage risks associated with departmental activities, ensuring compliance with capital allocation norms as outlined in the amended directions.

• By March 31, 2026, banks with investments non-compliant with the new equity investment limits must submit an action plan to achieve compliance by March 31, 2028.

• Entities held under NOFHC are exempt from requiring prior approval for undertaking businesses listed under the new Direction paragraphs 13A and 13B but must notify the Reserve Bank within 15 days of board resolution.

• Banks are restricted from making investments in Category III AIF schemes and must ensure that any AIF exposures do not circumvent applicable banking regulations.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13210&Mode=0

Dec 05, 2025 : Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) (Amendment) Directions, 2025

Tags:

Financial Services, Group Entity Investments, Capital Requirements

Summary:

The Reserve Bank of India's regulation, effective December 5, 2025, amends the Master Directions related to commercial banks engaging in financial services. Major updates include clarifications on agency business, referral services, investment limits, and conditions for subsidiaries and group entities, emphasizing enhanced oversight especially in bank-related NBFCs and housing finance companies. The regulation primarily impacts commercial banks and their group entities, imposing requirements on investment prudence, business structuring, and cross-border operations.

Insights:

• Banks must align their equity investments, ensuring individual investments do not exceed 10% of their paid-up share capital by April 1, 2026.

• Group entities of banks conducting lending business must comply with NBFC regulations and integrate stipulated Reserve Bank guidelines on credit risk by March 31, 2026.

• Prior approval from the Reserve Bank is required for banks to conduct any new business not explicitly allowed by the amended Master Directions as of December 5, 2025.

• Banks must develop and enforce a policy for each business form that covers risk management and capital allocation, reflecting any changes by March 31, 2026.

• Existing broking services for commodity derivatives must be transferred to a separate subsidiary, following regulations detailed in the revised Master Directions by March 31, 2026.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13209&Mode=0

Dec 05, 2025 : Penal Interest on shortfall in CRR and SLR requirements - Change in Bank Rate

Tags:

Penal Interest Rates, CRR and SLR requirements, Monetary Policy Statement 2025-26

Summary:

The Reserve Bank of India's circular informs banks of a revised Bank Rate from 5.75% to 5.50%, effective immediately, as announced in the Monetary Policy Statement 2025-26. This change impacts penal interest rates on shortfalls in Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements, adjusting them to 8.50% or 10.50% depending on the shortfall's duration. Affected entities are all banks that must adhere to these updates in their reserve requirements management.

Insights:

• Banks must immediately update their systems to reflect the revised Bank Rate of 5.50%, down from 5.75%, to accurately calculate penal interest on CRR and SLR shortfalls.

• Ensure review and adjustment of penal interest calculations to align with the revised rates, i.e., Bank Rate plus 3.0 percentage points (8.50%) or 5.0 percentage points (10.50%).

• Review past transactions since December 5, 2025, to adjust any CRR and SLR shortfall penalties that may have been calculated at previous rates post-haste.

• Reference circular DoR.RET.REC.22/12.01.001/2025-26, dated June 6, 2025, is amended with this notice – ensure that all compliance documentation reflects these amendments.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13208&Mode=0

Dec 05, 2025 : Standing Liquidity Facility for Primary Dealers

Tags:

Policy Repo Rate, Liquidity Adjustment Facility, Standing Liquidity Facility

Summary:

The Reserve Bank of India (RBI) has announced a reduction in the policy repo rate under the Liquidity Adjustment Facility by 25 basis points from 5.50% to 5.25%, effective immediately, as decided by the Monetary Policy Committee. This change directly affects the Standing Liquidity Facility provided to Primary Dealers, which will now be available at the revised repo rate of 5.25%. Primary Dealers are the entities impacted by this regulatory update.

Insights:

• Primary Dealers must adjust their liquidity management strategies to align with the new repo rate of 5.25% effective immediately, as per the RBI's current monetary policy adjustments.

• Primary Dealers are required to update their financial models and risk assessments to reflect the reduction in the Standing Liquidity Facility rate from 5.50% to 5.25%, ensuring accurate alignment with RBI's amended guidelines.

• Operational systems of the Primary Dealers must be recalibrated to automatically implement the revised repo rate for all collateralised liquidity support transactions with immediate effect.

• Primary Dealers should communicate the change in repo rate to their respective treasury and finance teams to ensure compliance with the new monetary policy effective from December 5, 2025.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13207&Mode=0

Dec 05, 2025 : Liquidity Adjustment Facility - Change in rates

Tags:

Liquidity Adjustment Facility, Standing Deposit Facility, Marginal Standing Facility

Summary:

The Reserve Bank of India's recent regulation outlines a reduction in the policy repo rate under the Liquidity Adjustment Facility, decreasing by 25 basis points from 5.50% to 5.25%, effective immediately. As a result, the standing deposit facility rate and marginal standing facility rate are adjusted to 5.00% and 5.50% respectively. This change impacts all Liquidity Adjustment Facility participants, while maintaining all other aspects of the existing LAF Scheme unchanged.

Insights:

• LAF participants must adjust their systems immediately to reflect the new repo rate of 5.25% as per the RBI directive effective December 05, 2025.

• Ensure that the standing deposit facility (SDF) and marginal standing facility (MSF) rates are updated to 5.00% and 5.50% respectively, effective immediately.

• Review and update interest calculation mechanisms to comply with the revised policy rates to avoid inaccuracies in financial reporting.

• Continue adherence to all other unchanged terms and conditions under the existing LAF Scheme as the current regulation does not amend them.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13206&Mode=0

Dec 08, 2025 : Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2025

Tags:

Foreign Exchange Management, Denomination Limitations, Nepal and Bhutan Currency Regulations

Summary:

The Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2025 by the Reserve Bank of India aim to modify the rules regarding the export and import of currency between India, Nepal, and Bhutan. Key changes include the allowance for individuals, excluding citizens of Pakistan and Bangladesh, to carry Indian currency notes above the ₹100 denomination up to a limit of ₹25,000 when traveling to or from Nepal and Bhutan. This amendment primarily impacts travelers between these countries and adjusts previous currency note limitations.

Insights:

• Regulated entities should update compliance protocols to permit non-citizens of Pakistan and Bangladesh to carry Indian currency notes under specific limits to Nepal or Bhutan.

• Operations teams must ensure systems are adjusted to facilitate the new currency carriage limit of ₹25,000 in denominations above ₹100 for travelers to and from Nepal or Bhutan.

• Legal departments need to revise internal documentation, reflecting the withdrawal of previous restrictions on currency denominations above ₹100 for travelers between India and Nepal/Bhutan.

• Compliance officers must monitor amendments to the Principal Regulations originally published in 2015 with subsequent updates, including those from 2019 and 2020, for consistent adherence to Export and Import of Currency regulations.

• Entities should communicate updated currency note guidelines to stakeholders in Nepal and Bhutan, ensuring stakeholders are informed about the new permissible currency limits effective from December 2, 2025.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13216&Mode=0

Dec 08, 2025 : Export and Import of Indian Currency to or from Nepal and Bhutan

Tags:

Indian Currency Export, Nepal Bhutan Currency Regulations, Denomination Limits

Summary:

The Reserve Bank of India (RBI) has revised the regulations regarding the export and import of Indian currency between India, Nepal, and Bhutan, effective December 8, 2025. The primary change permits anyone, except citizens of Pakistan or Bangladesh, to carry out currency notes of the Government of India and the Reserve Bank of India up to any amount in denominations of ₹100 or less, and up to ₹25,000 in denominations above ₹100. This regulation impacts individuals traveling to or from Nepal and Bhutan, and Authorised Persons are instructed to inform their constituents and customers of these changes. The amendments have been incorporated into the Foreign Exchange Management (Export and Import of Currency) Regulations, 2025.

Insights:

• Update operational protocols to allow export/import of Indian currency notes of up to ₹100 denominations without any limit between India, Nepal, and Bhutan, effective immediately.

• Ensure compliance by not permitting any individual, except those from Pakistan or Bangladesh, to carry Indian currency notes exceeding ₹25,000 in denominations over ₹100 to or from Nepal and Bhutan.

• Disseminate information to constituents regarding the supersession of A.P. (DIR Series) Circular No. 24 dated March 20, 2019.

• Integrate amendments as per the Foreign Exchange Management (Export and import of Currency) (Amendment) Regulations, 2025, into operational guidelines and inform stakeholders accordingly.

• Align digital and manual checks with the updated circular to prevent violations of currency transfer limits to and from Nepal and Bhutan.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13215&Mode=0

Dec 08, 2025 : Master Direction – Reserve Bank of India (Rupee Interest Rate Derivatives) Directions, 2025

Tags:

Rupee Interest Rate Derivatives, Exchange-Traded IRD, Market-Maker Transactions, Non-Resident Hedging

Summary:

The Reserve Bank of India's regulation on Rupee Interest Rate Derivatives (IRD), effective from March 1, 2026, aims to streamline the rules governing the participation and operations in the IRD market. Key updates include the classification of users into retail and non-retail for derivative transactions, the permission for recognized stock exchanges to introduce new products with RBI approval, and the reporting requirements for market-makers to ensure transparency. This regulation primarily impacts participants in the rupee interest rate derivatives market, including scheduled banks, primary dealers, and entities involved in foreign currency settled IRD transactions.

Insights:

• Entities classified as non-retail users must ensure proper authorization when their central treasuries transact IRDs for compliance with section 5.2 of the Directions.

• Market-makers offering IRD products on recognized stock exchanges need to obtain RBI approval before introducing new products, as per section 4.1.

• Market-makers must report IRD transactions to the Trade Repository of CCIL within 30 minutes, with specific timelines detailed in section 5.7(a)(i).

• FPIs are subject to a cap of ₹5,000 crore on aggregate long positions in IRF instruments, applicable under section 4.4(i).

• Market participants must withdraw adherence to previous circulars, including FMRD.DIRD.05/14.03.046/2022-23, as listed in Annex-I.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13214&Mode=0

Dec 11, 2025 : Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Local Area Banks

Summary:

The Reserve Bank of India (RBI) has amended the Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, modifying the definition of 'Fortnight' and updating the reporting structure for Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The key changes include a shift in the fortnight period to align with the calendar month, mandating electronic submission of Form A and Form VIII through the Centralised Information Management System (CIMS) portal, and specifying transitional CRR and SLR maintenance requirements and deadlines. These updates affect Local Area Banks who are required to adapt their reporting and compliance procedures accordingly.

Insights:

• Effective December 15, 2025, regulated banks must amend their CRR and SLR compliance to align with fortnightly reporting based on the revised definition of 'Fortnight'.

• Banks are required to submit electronic Form A and Form VIII returns on the CIMS portal starting December 15, 2025, replacing hard copy submissions.

• The older practice of filing 'Provisional' or 'Final' Form A returns is abolished; banks must now submit a single consolidated Form A return.

• During the transition phase from December 13-15, 2025, banks must maintain CRR based on November 28, 2025 NDTL, ensuring not less than 100% compliance.

• For Form VIII returns, banks should begin using both old and new return codes by December 2025, ensuring submission on the CIMS portal.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13229&Mode=0

Dec 11, 2025 : Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Regional Rural Banks (RRBs)

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, modifying the definition of 'fortnight' and aligning the CRR and SLR maintenance and reporting cycles accordingly. Major updates include the revised definition of 'fortnight' from specific days of the week to the calendar days, introduction of a single Form A return submission, and discontinuation of provisional and final forms of returns. This regulation impacts Regional Rural Banks (RRBs), altering their reporting and compliance obligations starting December 15, 2025, with specific reporting and maintenance procedures during the transition period.

Insights:

• Regulated banks must adjust their CRR and SLR maintenance schedules to align with the new definition of 'Fortnight', effective from December 15, 2025, rather than the previous weekly cycle.

• From December 15, 2025, banks must submit single Form A and Form VIII returns electronically via the CIMS portal using digital signatures, replacing previous paper submissions.

• During the transition period from December 13-15, 2025, banks are mandated to maintain minimum CRR based on the NDTL as of November 28, 2025, ensuring no shortfalls.

• Banks must prepare for operational changes, as the CRR and SLR maintenance for the fortnight December 16-31, 2025, must be based on Net Demand and Time Liabilities as of December 15, 2025.

• Regulated banks need to submit their regular fortnightly and monthly returns starting December 2025, using new return codes provided on the CIMS portal.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13227&Mode=0

Dec 11, 2025 : Reserve Bank of India (Payments Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Cash Reserve Ratio, Statutory Liquidity Ratio, Net Demand and Time Liabilities

Summary:

The RBI amendment dated December 11, 2025, outlines changes to the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) reporting for Payment Banks, following updates in the Banking Laws (Amendment) Act, 2025. Key updates include redefining the 'Fortnight' as periods within each calendar month, transitioning to a digital submission system for Form A and Form VIII on the CIMS portal, and eliminating provisional and final returns. The regulation affects all Payment Banks in terms of CRR and SLR maintenance calculations and reporting procedures.

Insights:

• Beginning December 15, 2025, banks must update their CRR and SLR reporting to align with the new definition of 'Fortnight', transitioning from a weekly to a bi-monthly schedule.

• From December 15, 2025, banks are required to submit electronic Form A returns fortnightly, and Form VIII monthly, exclusively via the CIMS portal using digital signatures of two authorized officials.

• Banks must ensure compliance with the transition period CRR and SLR maintenance requirements between December 13-15, 2025, based on the NDTL as of November 28, 2025.

• With the introduction of paragraphs 36A and 36B, banks must prepare for staggered CRR and SLR maintenance protocols, continuing until the new methodology takes full effect on January 16, 2026.

• Previous reporting formats like Provisional and Final Form A returns are discontinued as of December 12, 2025, demanding immediate operational adjustments from banks to meet new centralized reporting standards.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13226&Mode=0

Dec 11, 2025 : Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Small Finance Banks, Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR)

Summary:

The Reserve Bank of India (RBI) has issued Amendment Directions for Small Finance Banks concerning the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) in response to the Banking Laws (Amendment) Act, 2025. Key changes include redefining the 'Fortnight' period and updating CRR and SLR maintenance and reporting requirements, transitioning to a new reporting structure where returns are submitted electronically via the Centralised Information Management System (CIMS) portal. These amendments impact Small Finance Banks, requiring adherence to the newly defined reporting timelines and formats effective from December 15, 2025, with a specific transition phase between December 13-15, 2025.

Insights:

• Regulated entities must adjust their systems to align with the new 'Fortnight' definition effective from December 15, 2025, for CRR and SLR reporting.

• Banks are required to transition to submitting electronic Form A and Form VIII returns via the CIMS portal starting December 15, 2025, using digital signatures of two authorized officials.

• During the transition period (December 13-15, 2025), banks must maintain CRR based on NDTL as of November 28, 2025, and are required to submit Form A return for December 12, 2025, as per existing structures.

• From January 16, 2026, onwards, CRR and SLR maintenance will be based on NDTL as of the last day of the second preceding fortnight.

• The previous guidelines about 'alternate Fridays' reporting in Form A and Form VIII are amended to 'last day of each fortnight,' affecting operational processes in banks.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13225&Mode=0

Dec 11, 2025 : Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Net Demand and Time Liabilities (NDTL)

Summary:

The Reserve Bank of India (RBI) has issued Amendment Directions under the Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, effective December 15, 2025. This amendment redefines 'Fortnight' for CRR and SLR calculation, replacing the previous weekly schedule with a bi-monthly structure. The regulation mandates commercial banks to update their reporting in electronic form via the CIMS portal, impacting their compliance structures and operational frameworks immediately.

Insights:

• Effective December 15, 2025, banks must realign their reporting schedules for CRR and SLR based on the revised definition of 'Fortnight' from first to fifteenth and sixteenth to end of each month.

• Banks are required to transition to the new reporting structure by submitting single Form A and Form VIII electronically on the CIMS portal from December 2025, eliminating paper returns.

• During the transition period of December 13-15, 2025, banks must maintain a minimum CRR of 100% and submit both the old and new Form VIII returns for December 2025.

• The banking amendments necessitate that CRR/SLR maintenance for December 16-31, 2025, and January 1-15, 2026, is based on NDTL as of November 28 and December 15, respectively.

• Paragraph 35 is deleted, indicating compliance to updated processes; banks should update their operational frameworks to exclude provisions mentioned.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13224&Mode=0

Dec 11, 2025 : Reserve Bank of India (Local Area Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Credit Risk Management, Cash Credit Accounts, Current and Overdraft Accounts, Banking System Exposure

Summary:

The Reserve Bank of India (RBI) has issued amendments to the Local Area Banks - Credit Risk Management Directions, introducing regulations on the maintenance of Cash Credit, Current Accounts, and Overdraft Accounts to enhance credit monitoring and discipline. Key updates include specific conditions based on the borrower's aggregate exposure for maintaining and operating these accounts, along with exemptions and compliance monitoring requirements. This regulation primarily impacts banks within the banking system, including Commercial Banks, Urban and Rural Co-operative Banks, and other relevant financial entities.

Insights:

• By April 1, 2026, banks must implement Chapter VIIA provisions for monitoring Cash Credit, Current Accounts, and Overdraft accounts, with an option to adopt these changes earlier.

• Banks with less than a 10% share in a customer's banking system exposure may only maintain collection accounts, requiring significant operational adjustments in account management.

• Lenders must include additional covenants in loan agreements, as outlined in section 38E, to ensure credit discipline and better funds utilization monitoring.

• Entities explicitly authorized by financial regulators are permitted to use accounts for third-party transactions, but these accounts must be accordingly flagged in the bank's CBS for effective monitoring.

• Accounts under the Foreign Exchange Management Act, 1999, and other statutory accounts are exempt from specific restrictions, necessitating banks to manage these exceptions distinctly.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13223&Mode=0

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Dec 11, 2025 : Reserve Bank of India (Payments Banks – Miscellaneous) – Amendment Directions, 2025

Tags:

Current Accounts, Collection Accounts, Banking System Exposure

Summary:

The Reserve Bank of India has amended the 2025 Directions for Payments Banks, focusing on the management of current accounts to enhance credit discipline and transaction monitoring. Major updates include the classification of accounts based on banking system exposure, with specific guidance on maintaining current and collection accounts for customers, and defined exemptions for accounts under certain regulatory frameworks. This regulation significantly impacts banks managing these accounts, requiring them to ensure compliance, monitor transactions, and prohibit unauthorized business activities from April 1, 2026.

Insights:

• Banks must adapt systems to maintain accounts compliant with the new Current Account framework by April 1, 2026, monitoring aggregate exposures to ensure adherence to the ₹10 crore threshold.

• Regular half-yearly monitoring is mandatory to enforce compliance with designated account guidelines for collection accounts post-April 2026.

• Banks must flag exempted accounts and any accounts allowing third-party transactions in their CBS for transparency and monitoring, referencing conditions in para 55I.

• Entities not licensed to accept deposits or provide payment services are prohibited from using accounts for such activities; banks need systems to detect and prevent these transactions.

• Banks should review and notify customers whose exposure increases beyond ₹10 crore, ensuring conversion to collection accounts within three months as per para 55G.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13222&Mode=0

Dec 11, 2025 : Reserve Bank of India (Rural Co-operative Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Cash Credit Accounts, Current Account Compliance, Credit Risk Management

Summary:

The Reserve Bank of India (RBI) amends the 2025 Directions on Credit Risk Management for Rural Co-operative Banks, introducing measures to strengthen credit discipline and monitoring of transaction accounts. Key updates include setting conditions on maintaining Cash Credit, Current Accounts, and Overdraft Accounts based on the borrower's exposure to the banking system, and implementing collection accounts for enhanced fund utilization oversight. The regulation impacts Rural Co-operative Banks, commercial banks, and other related lending institutions, with changes to be enforced by April 1, 2026, although earlier compliance is optional.

Insights:

• Banks must ensure the conversion or closure of ineligible current or OD accounts within three months of observing increased exposure or changes in share, as specified in paragraph 25I.

• Effective April 1, 2026, banks must operationalize new regulations on maintaining collection accounts, ensuring funds are remitted within two working days as per paragraph 25F.

• Entities regulated by financial sector regulators under EXEMPTION 25G must ensure transactions are for permitted activities and surplus funds are moved to designated accounts.

• Banks must update their core banking solution systems to flag accounts affected by the new directions for effective monitoring, as detailed in paragraph 25J.

• Current and overdraft accounts are set to be a subject of restricted operations based on the borrower's exposure limit of ₹10 crore, as outlined in paragraph 25C.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13221&Mode=0

Dec 11, 2025 : Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Urban Co-operative Banks, Current Accounts Regulation, Transaction Restrictions

Summary:

The Reserve Bank of India has issued Amendment Directions for Urban Co-operative Banks regarding Credit Risk Management, effective from April 1, 2026, aimed at strengthening credit discipline and transaction monitoring. Key changes include the introduction of frameworks for maintaining Cash Credit, Current, and Overdraft Accounts, with specific exposure thresholds and conditions for account maintenance, impacting banks and their borrowers. These amendments require banks to ensure compliance, monitor accounts regularly, and establish robust monitoring systems to detect prohibited usage, affecting Urban Co-operative Banks and their clientele with credit facilities.

Insights:

• Urban Cooperative Banks must delete references to Chapter V, Section B, paragraphs 19, 20, and 21 from their policies as per the amendments.

• For borrowers with exposures of ₹10 crore or more, banks must verify their eligibility against the new criteria to maintain current or overdraft accounts by April 1, 2026.

• Banks should implement systems to flag accounts, particularly those with high third-party or unusual transactions, for enhanced monitoring to prevent misuse.

• All banks must flag accounts under the new guidelines in their core banking solution to facilitate monitoring at both account and borrower levels.

• Collection accounts must have funds transferred within two days to a designated account, with statutory dues debited prior to transfer, ensuring compliance from April 1, 2026.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13220&Mode=0

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Dec 11, 2025 : Reserve Bank of India (Regional Rural Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Credit Risk Management, Current Accounts Regulation, Collection Accounts

Summary:

The Reserve Bank of India's regulatory document amends the 2025 Directions for Credit Risk Management by Regional Rural Banks, primarily addressing the maintenance of Current, Cash Credit, and Overdraft Accounts. A critical update mandates banks to maintain current accounts for customers with ₹10 crore or more exposure only if specific share criteria in the banking system's exposure are met, and introduces a framework for monitoring transaction accounts to enhance credit discipline. This regulation significantly impacts banks (including Commercial Banks, Urban, and Rural Cooperative Banks) by imposing conditions on account maintenance and monitoring, thereby affecting how lenders manage credit exposure and transactions.

Insights:

• From April 1, 2026, banks must ensure that current accounts and OD accounts adhere to the new exposure criteria detailed in paragraph 39D, with eligible banks maintaining these accounts.

• All banks must monitor compliance with these guidelines at least twice a year to ensure adherence to the new cash credit and collection account rules, as specified in paragraph 39H.

• Entities licensed by financial regulators to facilitate third-party transactions must flag such accounts in CBS according to paragraph 39K, to comply with enhanced monitoring requirements.

• The guidelines withdraw and replace Chapter VI with Chapter VIA, affecting the opening and operating rules for current, CC, and OD accounts effective from April 1, 2026.

• Banks are required to initiate conversion or closure of non-compliant accounts within three months if observed ineligible under paragraph 39I, ensuring strict compliance to the exposure threshold.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13219&Mode=0

Dec 11, 2025 : Reserve Bank of India (Small Finance Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Cash Credit Accounts, Current Accounts Regulation, Financial Sector Regulator

Summary:

The Reserve Bank of India has issued amendments to the Credit Risk Management Directions for Small Finance Banks, effective from April 1, 2026, focusing on the vigilant maintenance of Cash Credit, Current, and Overdraft Accounts by banks. The amended regulation necessitates stricter credit discipline and enhanced monitoring of transactions, such as maintaining specific accounts based on the borrower's exposure, ensuring prompt remittance from collection accounts, and flagging accounts to prevent unauthorized third-party transactions. Commercial Banks, Small Finance Banks, Local Area Banks, Regional Rural Banks, Urban and Rural Co-operative Banks are impacted, with requirements for compliance monitoring and limitations on account operations based on exposure levels.

Insights:

• Banks must delete Chapter XI on 'Opening of Current Accounts and CC/OD Accounts by Banks' and replace it with Chapter XIA regarding maintenance protocols by April 1, 2026.

• For customers with less than ₹10 crore exposure, banks can maintain current or OD accounts without restrictions, based on section 91C of the Directions.

• Lending banks must incorporate and monitor additional covenants for credit discipline in line with section 91E of the Directions.

• All collection accounts must remit funds to designated accounts within two working days, subject to the conditions in paragraph 91F.

• Monitoring systems should be implemented by banks to detect prohibited usage and suspicious transaction patterns under section 91M.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13218&Mode=0

Dec 11, 2025 : Reserve Bank of India (Commercial Banks – Credit Risk Management) – Amendment Directions, 2025

Tags:

Credit Risk Management, Current Accounts Restrictions, Collection Accounts

Summary:

The Reserve Bank of India (RBI) has issued Amendment Directions, 2025, for Commercial Banks focusing on maintaining Current, Cash Credit (CC), and Overdraft (OD) accounts. Key changes include a framework promoting credit discipline by imposing restrictions based on the borrower's aggregate exposure in the banking system and the individual bank's exposure to the borrower, with specific provisions for current accounts when the exposure is ₹10 crore or more. These regulations impact Commercial Banks, including Co-operative Banks but excluding Payments Banks, by mandating stricter monitoring and management of transaction and collection accounts.

Insights:

• Banks must delete Chapter XI and substitute it with Chapter XIA, focusing on credit monitoring through designated accounts, effective from April 1, 2026.

• Banks must ensure current and OD accounts for borrowers with system exposure below ₹10 crore remain unrestricted, while those above must follow stipulated criteria.

• Ineligibility for maintaining current accounts due to exposure changes must be addressed within three months of notification, converting or closing accounts as necessary.

• Chapter XIA mandates that banks only route funds through designated accounts within two days, except for statutory dues, ensuring rigorous cash flow monitoring.

• Collection accounts are specifically defined, requiring prompt remittance to designated accounts and adherence to amendments for effective cash flow tracking.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13217&Mode=0

Dec 11, 2025 : Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Urban Co-operative Banks, Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR)

Summary:

The Reserve Bank of India's regulation titled 'Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio Amendment Directions, 2025,' revises definitions and requirements concerning the reporting and maintenance of CRR and SLR. Key changes include modifying the definition of a 'Fortnight' to align with calendar months, and updating reporting forms and codes for compliance. These updates impact urban co-operative banks, necessitating adjustments to their reporting structures and compliance procedures effective December 15, 2025, except for specific provisions that take effect from December 12, 2025.

Insights:

• Urban Co-operative Banks must align their CRR and SLR maintenance to the revised 'fortnight' period starting December 15, 2025, as per the updated Banking Laws (Amendment) Act, 2025.

• From December 15, 2025, UCBs need to submit a single Form B return fortnightly and Form I return monthly via the CIMS portal, replacing the provisional and special returns.

• During the transition period of December 13-15, 2025, UCBs are required to maintain CRR based on November 28, 2025, NDTL and submit Form B as per the previous reporting structure.

• References to 'Friday' in existing regulations for CRR and SLR computation stand amended and must be updated to the 'last day of each fortnight' effective December 15, 2025.

• Annex II and III formats have been modified to reflect the revised fortnightly and monthly deadlines; UCBs must update their reporting systems accordingly.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13230&Mode=0

Dec 11, 2025 : Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025

Tags:

Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Rural Co-operative Banks

Summary:

The RBI has issued the 'Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2025,' amending CRR and SLR reporting and maintenance guidelines for rural cooperative banks. The regulation modifies the definition of 'fortnight' and adjusts the reporting formats and schedules, impacting these entities' existing compliance processes. It introduces new procedural changes effective from December 15, 2025, with certain provisions in effect from December 12, 2025, aimed at aligning reporting structures with the revised definitions and enhancing the clarity of the regulatory framework.

Insights:

• Starting December 15, 2025, rural co-operative banks must report Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) fortnightly using newly defined 'Fortnight' periods.

• Update operational systems to accommodate new CRR and SLR reporting structures as per paragraphs 37A and 37B, effective from December 15, 2025.

• During the transition period, December 13-15, 2025, banks must maintain 100% required CRR based on NDTL as of November 28, 2025.

• Submission format for Form B and Form I returns will change; banks must submit these on the CIMS portal with new return codes starting December 2025.

• Review and implement changes in annexures and paragraphs affected by the removal of references to 'each alternate Friday', effective from the dates specified in the amendments.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13228&Mode=0

Dec 18, 2025 : Formation of new district in the State of Gujarat – Assignment of Lead Bank Responsibility

Tags:

Gujarat District Formation, Lead Bank Assignment, Bank of Baroda

Summary:

The Reserve Bank of India's regulation concerns the assignment of Lead Bank responsibility following the formation of a new district, Vav-Tharad, in Gujarat, as notified by the state government. Bank of Baroda is designated as the Lead Bank for this new district, with the district working code 02U. This change primarily impacts the banking sector, specifically the operational jurisdiction of Bank of Baroda in the state, while the Lead Banks of other districts in Gujarat remain unchanged.

Insights:

• Regulated entities must update their operational systems to reflect Bank of Baroda's lead bank role for the newly formed district of Vav-Tharad in Gujarat by January 31, 2026.

• Lending institutions must align loan disbursal and financial inclusion strategies specifically for Vav-Tharad district under Bank of Baroda's lead.

• Compliance teams should note that there is no change in lead bank responsibilities for other districts in Gujarat, indicating continuation of existing practices.

• All financial reports for Vav-Tharad must use the district working code '02U'; update reports accordingly by March 31, 2026.

• Institutions operating in Gujarat should review cross-referenced internal documents and systems to ensure they reflect the updated lead bank assignments for compliance accuracy.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13231&Mode=0

Dec 24, 2025 : Continuous Clearing and Settlement on Realisation in Cheque Truncation System: Phase 2

Tags:

Cheque Truncation System, Continuous Clearing and Settlement, Payment and Settlement Systems Act

Summary:

The Reserve Bank of India's circular regarding Continuous Clearing and Settlement on Realisation in the Cheque Truncation System announces a delay in the implementation of Phase 2 to allow banks additional time for operational adjustments. Changes include new timings for the presentation session from 09:00 AM to 03:00 PM and the confirmation session from 09:00 AM to 07:00 PM. This regulation impacts banks participating in the Cheque Truncation System and aims to facilitate a smoother transition in processing and settling cheques.

Insights:

• Banks must delay operational adaptations for the Cheque Truncation System Phase 2, as its implementation is postponed indefinitely to optimize current processes.

• The presentation session timing is revised to 09:00 AM to 03:00 PM, requiring banks to adjust their operational schedules accordingly.

• Banks should now accommodate extended confirmation session hours from 09:00 AM to 07:00 PM, adjusting staff shifts and processes accordingly.

• Review the circular CO.DPSS.RLPD.No.S536/04-07-001/2025-2026 dated August 13, 2025, as it has undergone amendments, particularly regarding operational timelines.

• Ensure compliance with this new directive issued under Section 10 (2) and Section 18 of the Payment and Settlement Systems Act, 2007.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13232&Mode=0

Dec 29, 2025 : Reserve Bank of India (Commercial Banks – Know Your Customer) Amendment Directions, 2025

Tags:

CKYCR, PML Act Compliance, Customer Identity Verification, Commercial Banks

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the 'Know Your Customer' (KYC) Directions for Commercial Banks to clarify the responsibilities related to uploading and downloading customer KYC records from the Central KYC Records Registry (CKYCR). The key change mandates that the entity which last updates the customer's KYC in the CKYCR is responsible for verifying the customer's identity and address. This amendment impacts banks downloading records from CKYCR, as they are no longer required to re-verify identity or address if the records are current and compliant, although they remain responsible for other Customer Due Diligence (CDD) aspects.

Insights:

• Regulated entities (REs) uploading or updating KYC records to CKYCR are responsible for verifying the customer's identity and/or address, requiring them to maintain accuracy and update records efficiently.

• Entities that download and rely on KYC records from CKYCR are relieved from re-verifying identity or address, provided the records are up-to-date and compliant with the PML Act, 2002 and PML Rules, 2005.

• Despite using CKYCR for verification, entities must fulfill all other aspects of the Customer Due Diligence (CDD) procedures as per the 2025 Directions, necessitating a comprehensive CDD strategy.

• The 2025 Directions clarify operational responsibilities by mandating that only the last entity to update CKYCR holds verification responsibility, fostering accountability within the KYC process.

• With immediate effect, banks must adjust their operational procedures to align with the Reserve Bank of India (Commercial Banks – Know Your Customer) Amendment Directions, 2025, ensuring compliance without delay.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13242&Mode=0

Dec 29, 2025 : Reserve Bank of India (Urban Co-operative Banks – Know Your Customer) Amendment Directions, 2025

Tags:

Urban Co-operative Banks, CKYCR Compliance, Customer Due Diligence (CDD), PML Act 2002

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the 'Urban Co-operative Bank – Know Your Customer' Directions, 2025, focusing on clarifying the responsibility of verifying customer identity and address from records in the Central KYC Records Registry (CKYCR). Entities that upload or update KYC records will now be responsible for such verification, while entities downloading these records will rely on them without re-verification, provided they meet current compliance standards. This regulation primarily impacts urban co-operative banks and shifts the verification burden to entities responsible for uploading the latest KYC data.

Insights:

• Urban Co-operative Banks must immediately adapt their systems to ensure that the last recorded KYC updates are uploaded to the CKYCR, as they bear the responsibility for identity verification.

• Banks relying on CKYCR for KYC data are exempt from re-verifying customer identity or address, provided the data is up-to-date and compliant with the PML Act, 2002 and PML Rules, 2005.

• Compliance departments should review the effectiveness of data exchange between CKYCR and internal systems to mitigate risks associated with customer due diligence procedures.

• Reviewing and integrating operational processes with the new amendment is crucial to avoid breaches in compliance, especially in verifying customer identity and address.

• Operations and compliance teams need to update operational manuals and training sessions to reflect the new responsibilities regarding KYC data as per RBI's December 2025 amendment directions.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13241&Mode=0

Dec 29, 2025 : Reserve Bank of India (Small Finance Banks – Know Your Customer) Amendment Directions, 2025

Tags:

Small Finance Banks, CKYCR Responsibility, Compliance Directions, Customer Due Diligence (CDD)

Summary:

The Reserve Bank of India (RBI) has amended the Small Finance Banks – Know Your Customer Directions, 2025, to clarify the responsibility of entities regarding customer record management in the CKYCR system, based on a government memorandum issued in September 2025. The amendment specifies that the entity that last uploads or updates the customer's KYC records in the CKYCR is responsible for verifying the identity or address of the customer, relieving other banks downloading these records from re-verification, provided the records are up-to-date and compliant with the PML Act, 2002 and PML Rules, 2005. This regulation affects small finance banks and emphasizes their roles in customer identity verification while interacting with the CKYCR.

Insights:

• Small Finance Banks must ensure that customer KYC records uploaded to CKYCR are current and compliant with the PML Act, 2002 and PML Rules, 2005, effective immediately.

• Banks downloading customer KYC records from CKYCR are exempt from re-verifying the identity and/or address, provided the records meet current compliance standards as per the amended guidelines.

• The responsibility of verifying KYC details in CKYCR lies with the last updating regulated entity, which must ensure the accuracy and currency of the records.

• Operational changes for compliance should be enacted immediately to align with the amendment direction which modifies the Reserve Bank of India (Small Finance Banks – Know Your Customer) Directions, 2025.

• Ensure all necessary adjustments in compliance frameworks as the amendment direction aligns with previous documents, particularly following the Department of Revenue advisory from September 18, 2025.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13240&Mode=0

Dec 29, 2025 : Reserve Bank of India (Rural Co-operative Banks – Know Your Customer) Amendment Directions, 2025

Tags:

Rural Co-operative Banks, CKYCR, PML Act Compliance, Customer Due Diligence

Summary:

The Reserve Bank of India has amended the 2025 Directions regarding Know Your Customer (KYC) procedures for Rural Co-operative Banks, emphasizing the entity responsible for uploading a customer's KYC records to the Central KYC Records Registry (CKYCR) is accountable for verifying the customer's identity or address. Banks relying on downloaded records from CKYCR are not required to re-verify these details, ensuring streamlined procedures while maintaining compliance with the PML Act, 2002, and Rules, 2005, with the exception of identity and address verification. This amendment impacts Rural Co-operative Banks involved in the upload and download of KYC records from the CKYCR.

Insights:

• Starting immediately, Rural Co-operative Banks must upload and update customer KYC records in CKYCR, with the last uploading entity verifying identity and address.

• Any bank downloading KYC records from the CKYCR is exempted from re-verifying customer identity and address, provided those records are compliant with PML Act, 2002.

• Banks must ensure that their processes remain compliant with all provisions of Customer Due Diligence (CDD), excluding identity and address verification.

• Review and adapt operational procedures to align with the new responsibility delineation regarding KYC record handling.

• Refer to the office memorandum issued by the Department of Revenue, Govt of India dated September 18, 2025, for guidance on CKYCR responsibilities.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13239&Mode=0

Dec 29, 2025 : Reserve Bank of India (Regional Rural Banks – Know Your Customer) Amendment Directions, 2025

Tags:

Regional Rural Banks, CKYCR Compliance, PML Act 2002, Customer Due Diligence

Summary:

The Reserve Bank of India (RBI) has issued amendments to the Reserve Bank of India (Regional Rural Banks – Know Your Customer) Directions, 2025, which address the responsibility of entities concerning customer records in the Central KYC Registry (CKYCR). The update clarifies that the entity last uploading or updating a customer's KYC records to the CKYCR is responsible for verifying their identity and address, while banks downloading such records do not need to re-verify them, provided they are current and compliant with the PML Act, 2002 and Rules, 2005. This amendment directly impacts Regional Rural Banks and their customer due diligence procedures.

Insights:

• Starting immediately, RRBs must ensure the latest customer KYC records are uploaded to CKYCR for verification purposes, as per the Amendment Directions of 2025.

• RRBs relying on CKYCR for customer identity verification are exempted from re-verifying customer addresses if the records are current and comply with PML Act, 2002 / PML Rules, 2005.

• RRBs remain responsible for all aspects of customer due diligence except for identity and address verification when utilizing the CKYCR, under the new Directions.

• As per paragraph 64, sub-paragraph (10) Explanation, the responsibility of identity verification lies with the entity that most recently updated KYC records in the CKYCR.

• RRBs must review existing procedures to align with the new Amendment Directions immediately since no transition period has been found in this regulation.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13238&Mode=0

Dec 29, 2025 : Reserve Bank of India (Payments Banks – Know Your Customer) Amendment Directions, 2025

Tags:

CKYCR Responsibility, KYC Compliance, Customer Due Diligence (CDD), Payments Banks Regulation

Summary:

The regulation titled 'Reserve Bank of India (Payments Banks – Know Your Customer) Amendment Directions, 2025' clarifies the responsibility of entities involved in uploading customer records to and downloading them from the Central KYC Records Registry (CKYCR). Specifically, it mandates that the entity which last updated a customer's KYC records is responsible for verifying the customer's identity and/or address. Banks using downloaded records from CKYCR can rely on them without re-verification, provided they are current and compliant with relevant laws; however, they remain responsible for other aspects of customer due diligence.

Insights:

• Regulated Entities (REs) must ensure that the last entity to upload or update KYC records to CKYCR is responsible for verifying identity/address, streamlining responsibility and compliance.

• Banks relying on CKYCR records for customer identities are exempt from re-verifying KYC information, provided the records are current and compliant with PML Act, 2002/Rules, 2005.

• REs must adhere to the amended paragraph 65, ensuring compliance with the responsibility delineation for KYC records in CKYCR, effective immediately as per new directions.

• Operational focus required for maintaining updated and verified KYC records in CKYCR to avoid compliance lapses attributed to outdated information.

• Amendment Directions immediately modify the prior Reserve Bank of India (Payments Banks – KYC) Directions, 2025, with specific emphasis on customer verification responsibility.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13237&Mode=0

Dec 29, 2025 : Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Amendment Directions, 2025

Tags:

Non-Banking Financial Companies, Compliance with PML Act, CKYCR Responsibilities

Summary:

This regulation, titled Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Amendment Directions, 2025, is designed to clarify the responsibilities for entities uploading and downloading customer records in the Central KYC Record Registry (CKYCR). The major update establishes that the entity last updating the customer's KYC records is responsible for verifying their identity and/or address, easing the burden on other NBFCs that rely on these records, provided they are current and compliant with relevant laws. The amendment primarily impacts Non-Banking Financial Companies (NBFCs), shifting part of the compliance responsibility regarding identity and address verification while maintaining broader Customer Due Diligence obligations.

Insights:

• Regulated entities uploading to CKYCR must ensure last updated records verify the customer's identity and address, eliminating re-verification by NBFCs borrowing these records.

• NBFCs downloading KYC records from CKYCR must ensure these records are current and comply with PML Act 2002 and PML Rules 2005, maintaining responsibility for other CDD procedures.

• Entities must transition operations immediately to comply with the amendment directions effective from December 29, 2025.

• The responsibility clarification requires NBFCs to revisit existing protocols for CDD to align with the latest KYC uploading guidelines.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13236&Mode=0

Dec 29, 2025 : Reserve Bank of India (Local Area Banks – Know Your Customer) Amendment Directions, 2025

Tags:

CKYCR, Local Area Banks, Customer Verification

Summary:

The Reserve Bank of India's amendment to the 'Know Your Customer' Directions for Local Area Banks, dated December 29, 2025, clarifies the responsibilities of entities regarding the uploading and downloading of customer records to and from the CKYCR. A major update is that the bank which last updated the customer's KYC records on CKYCR is accountable for verifying the customer's identity and address, whereas banks downloading and using these records need not re-verify this information, provided the records are current and compliant with applicable laws. This regulation impacts local area banks involved in customer due diligence processes.

Insights:

• Regulated entities must immediately begin verifying customer identity and address if they are the last to upload or update KYC records in CKYCR, as stipulated in paragraph 64, Explanation.

• Banks relying on downloaded KYC records from CKCYR are free from re-verifying customer identity and address, ensuring the records are current and compliant with PML Act, 2002/ PML Rules, 2005.

• Financial institutions must implement changes to their customer due diligence (CDD) processes to accurately reflect that verification of identity and address is not required if relying on CKCYR records.

• All relevant staff should be informed of the amended directions to ensure adherence to the new compliance requirements set forth in the Reserve Bank of India (Local Area Banks – Know Your Customer) Amendment Directions, 2025.

• Entities should regularly check for updates or changes in the CKCYR database and confirm their compliance with the latest PML Act and Rules to maintain seamless operations.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13235&Mode=0

Dec 29, 2025 : Reserve Bank of India (Asset Reconstruction Companies – Know Your Customer) Amendment Directions, 2025

Tags:

Asset Reconstruction Companies, CKYCR Compliance, PML Act 2002

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Asset Reconstruction Companies – Know Your Customer) Amendment Directions, 2025, which clarifies responsibilities regarding customer record management within the CKYCR system. The regulation emphasizes that the last reporting entity (RE) uploading or updating a customer's KYC records is responsible for authenticating the customer's identity and address, while asset reconstruction companies (ARCs) downloading these records are relieved from re-verifying these details, provided the records are current and comply with the relevant legal standards. This directive impacts REs and ARCs, reinforcing accountability in customer due diligence while utilizing shared KYC data.

Insights:

• Entities must ensure that the last entity to update a customer's KYC in CKYCR verifies the customer's identity and address before uploading, as highlighted in paragraph 59 explanation.

• ARCs downloading KYC records from CKYCR need not re-verify identity/address if records are compliant with PML Act 2002/PML Rules 2005, shifting the operational focus to maintaining compliance as per the regulations.

• Operational checks should be updated immediately to align with the Amendment Directions 2025, as these amendments are active with immediate effect as stated in section 3(2).

• The importance of CKYCR compliance is reinforced, necessitating that ARCs download only current KYC records and regularly check compliance with PML legislative requirements to avoid discrepancies.

• ARCs must distinguish between verification responsibilities and non-verification tasks in CDD procedures as explained in the newly added section of the October 2025 amendment for precise compliance adherence.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13234&Mode=0

Dec 29, 2025 : Reserve Bank of India (All India Financial Institutions – Know Your Customer) Amendment Directions, 2025

Tags:

CKYCR Responsibility, KYC Records Verification, Financial Institutions, PML Act 2002

Summary:

The Reserve Bank of India (RBI) has introduced an amendment to its 'All India Financial Institutions – Know Your Customer' Directions, 2025, to clarify the roles and responsibilities of entities uploading and downloading customer records to and from the Central KYC Records Registry (CKYCR). The key update states that the entity last updating the KYC records in the CKYCR is responsible for verifying the customer's identity and/or address, eliminating the need for All India Financial Institutions (AIFIs) downloading these records to re-verify them, provided they are compliant with the PML Act, 2002 and Rules, 2005. This regulation affects all financial institutions utilizing the CKYCR framework to ensure compliance and streamline customer due diligence processes.

Insights:

• Regulated entities uploading or updating customer KYC records on CKYCR must verify customer identity or address, ensuring compliance with the latest guidelines.

• Entities downloading KYC records from CKYCR are exempted from reverifying customer identity, provided records are current and comply with PML Act, 2002 and PML Rules, 2005.

• The responsibility for conducting Customer Due Diligence (CDD) procedures remains with the downloading entity, requiring operational checks excluding identity verification.

• Entities need to update their operational processes immediately to align with the new amendment and avoid redundant identity verification efforts.

• Regulated entities must stay informed about updates to the existing Reserve Bank of India (All India Financial Institutions – Know Your Customer) Directions, 2025, amended by these new guidelines.

Further details can be found on:

https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13233&Mode=0