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# Regulatory Updates

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## **Jan 01, 2026 : Returns – Department of Payment and Settlement Systems** **– Submission in CIMS**

### **Tags:**

Prepaid Payment Instruments, Centralised Information Management System, Payment and Settlement Systems

### **Summary:**

The Reserve Bank of India (RBI) requires all Prepaid Payment Instrument (PPI) issuers to submit returns via the newly launched Centralised Information Management System (CIMS). Key updates include the introduction of monthly PPI Statistics returns and quarterly PPI Customer Grievances returns, starting from the reporting periods of December 2025 and the December 2025 quarter respectively. This regulation impacts PPI issuers, who must ensure their Admin Users create login credentials for return submissions by set deadlines to comply with the Payment and Settlement Systems Act, 2007.

### **Insights:**

- PPI issuers must submit the new 'PPI Statistics' return with return code R100 monthly starting with data from December 2025.
- Quarterly 'PPI Customer Grievances' return with return code R360 also begins from the December 2025 quarter, requiring timely submission for compliance.
- Admin Users within each PPI issuer entity must create login credentials for return submission on the CIMS portal, ensuring smooth operational onboarding.
- Monthly returns must be submitted by the 7th of the following month, while quarterly returns are due by the 10th of the following month to avoid penalties.
- Compliance under Section 12 read with Section 19 of the Payment and Settlement Systems Act, 2007 mandates adherence to the new CIMS reporting requirements.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13248&Mode=0>

## **Jan 01, 2026 : Returns – Department of Payment and Settlement Systems** **– Submission in CIMS**

### **Tags:**

White Label ATM Operators, Centralised Information Management System (CIMS), Payment and Settlement Systems Act

### **Summary:**

The Reserve Bank of India's regulation mandates the submission of White Label ATM Operators' statistical data through the new Centralised Information Management System (CIMS) starting from the reporting period of December 2025. Entities must adjust to the updated system and ensure timely monthly submissions by the 7th of each following month, as specified by the latest reporting guidelines. Non-compliance with these directives, issued under the Payment and Settlement Systems Act, 2007, will result in penal actions.

### **Insights:**

- White Label ATM Operators must start submitting the WLA Statistics return using the CIMS portal from the reporting period December 2025 onwards.
- Admin Users for each entity need to create login credentials in CIMS for users responsible for submitting returns.
- Submissions must comply with the deadline, with December 2025 returns due by January 07, 2026.
- Non-compliance with these instructions under the Payment and Settlement Systems Act, 2007 will result in penalties.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13247&Mode=0>

## **Jan 01, 2026 : Returns – Department of Payment and Settlement Systems** **– Submission in CIMS**

### **Tags:**

Centralised Information Management System, MTSS Business, Monthly Return Submission

### **Summary:**

The Reserve Bank of India (RBI) mandates the submission of the MTSS Business return through the newly launched Centralised Information Management System (CIMS) starting from December 2025. Reporting entities, specifically MTSS Overseas Principals, must submit these monthly returns by the 7th of the ensuing month, with non-compliance leading to potential penalties under the Payment and Settlement Systems Act, 2007. Admin Users have been created in CIMS, who are responsible for setting up login credentials for return submission, marking a significant update in how reporting is conducted to the RBI.

### **Insights:**

- Entities must submit the MTSS Business return via the CIMS portal starting December 2025, conforming to monthly reporting guidelines.
- Admin Users need to generate login credentials for individuals responsible for submitting returns within each reporting entity.
- Returns must be submitted by the 7th of each month for the preceding month, in compliance with the Payment and Settlement Systems Act, 2007.
- Failure to follow submission deadlines as per Section 12 and Section 19 of the Payment and Settlement Systems Act may result in penal action.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13246&Mode=0>

## **Jan 01, 2026 : Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Amendment Directions, 2026**

### **Tags:**

Concentration Risk Management, Non-Banking Financial Companies (NBFCs), Infrastructure Lending,

### **Summary:**

The Reserve Bank of India's regulatory amendment addresses concentration risk management in Non-Banking Financial Companies (NBFCs), specifically focusing on infrastructure lending. Key changes include classifying lending to high-quality infrastructure projects under specific conditions like completed operations for one year without covenant breaches, maintaining a 'standard' asset classification, and ensuring protective concession agreements with governments or public entities. This amendment affects NBFCs, which must comply when implementing new capital adequacy norms from April 1, 2026, or earlier, if they choose.

### **Insights:**

- NBFCs must classify infrastructure lending as 'high-quality infrastructure projects' if projects meet six specific criteria, ensuring compliance by April 1, 2026.
- New provisions require NBFCs to ensure infrastructure projects have an escrow/Trust and Retention Account mechanism, a pari-passu charge over assets, and risk mitigation strategies.
- NBFCs are mandated to verify that borrowers cannot issue additional debt or encumber project cashflows without lender consent to protect lenders' interests.
- Examine existing infrastructure lending portfolios to reclassify eligible projects under the new 'high-quality infrastructure projects' definition by the compliance deadline.
- Assess internal or external financial arrangements of borrowers to guarantee coverage for current and future capital needs in compliance with these amended directions.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13245&Mode=0>

## **Jan 01, 2026 : Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Amendment Directions, 2026**

### **Tags:**

Capital Adequacy, Prudential Norms, Infrastructure Projects, Risk Weights

### **Summary:**

The Reserve Bank of India has issued the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Amendment Directions, 2026, detailing modifications to risk weight assignments for loans given to high-quality infrastructure projects. Key updates specify percentage weights based on the borrower's repayment status, introducing broader criteria for risk weights and setting forth conditions to classify or reclassify projects based on repayment progress, impacting non-banking financial companies. These amendments apply from April 1, 2026, although lower risk weights can be maintained by NBFCs until March 31, 2027, if applicable under extant guidelines.

### **Insights:**

- NBFCs must re-evaluate their risk weight calculations for loans to high-quality infrastructure projects and adjust to new thresholds by April 1, 2026.
- For projects initially deemed high-quality but later failing to meet criteria, NBFCs must apply revised risk weights per Sr. no.3(e) or (g) as applicable.
- When determining repayment thresholds for infrastructure projects, NBFCs must club additional loans with previous sanctions for accurate assessments.
- Until March 31, 2027, NBFCs may retain existing risk weights for exposures that face increased risk weights under the new Directions.
- Reference Reserve Bank of India (Non-Banking Financial Companies - Concentration Risk Management) Amendment Directions, 2026, for definitions relevant to 'High-quality infrastructure projects'.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13244&Mode=0>

## **Jan 01, 2026 : Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Amendment Directions, 2026**

### **Tags:**

Commercial Banks, Disclosure Amendments, Concentration Risk Management, Credit Risk Mitigation

### **Summary:**

The Reserve Bank of India released an amendment to the 'Commercial Banks - Financial Statements: Presentation and Disclosures' Directions, 2025. This regulation modifies paragraph 5(1) related to the presentation of capital investments, particularly for banks incorporated outside India, by requiring disclosure of amounts earmarked for credit risk mitigation. These changes will impact commercial banks, notably those incorporated outside India, with the amendment coming into effect when a bank decides to implement the concentration risk management amendments, or by April 1, 2026, whichever is earlier.

### **Insights:**

- Commercial banks must update their Schedule 1: Capital disclosures to include amounts earmarked as Credit Risk Mitigation (CRM) in compliance with the 2026 Amendment Directions.
- From April 1, 2026, or upon earlier adoption, banks are required to implement the modified table for presenting capital information as specified under paragraph 5(1) of the 2025 Directions.
- Banks holding deposits under Section 11(2) of the Banking Regulation Act must note that amounts designated for CRM are not considered for regulatory capital compliance.
- Ensure alignment of disclosures with the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Amendment Directions, 2025, affecting presentation requirements from paragraph 3(1) to 3(4).
- All modifications in the financial statements must be correlated with the issues stated in the RBI Amendment Directions, 2025, focusing on CRM-related capital adjustments.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13243&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Rural Co-operative Banks, Financial Disclosures, Related Party Exposures, Credit Risk Management

### **Summary:**

The Reserve Bank of India (RBI) has issued amendments to the Reserve Bank of India (Rural Co-operative Banks – Financial Statements: Presentation and Disclosures) Directions, 2025, focusing on disclosures concerning exposures to related parties. The new directive mandates rural co-operative banks to disclose detailed information on loans and contracts involving related parties, including outstanding loans considered as non-performing assets or special mention accounts. The amendments, aimed at enhancing transparency and credit risk management, will be effective from April 1, 2026, unless implemented earlier by the banks.

### **Insights:**

- Regulated entities must disclose exposures to related parties in their financial statements using the new format specified in the amendment starting April 1, 2026.
- The disclosure format requires detailed reporting of loans to related parties, including special mention accounts and non-performing assets categories, which banks must prepare for as part of their compliance efforts.
- The amendment necessitates tracking and reporting of contracts and arrangements with related parties, emphasizing the importance of maintaining updated records and internal systems for accurate financial disclosures.
- Banks should consider early implementation of these disclosure requirements prior to the April 1, 2026, deadline to ensure seamless compliance and identify operational or reporting challenges ahead of time.
- Previous financial statement presentation and disclosure requirements stand amended, specifically under Chapter-III, thus requiring banks to update their compliance frameworks as per the new amendment directions.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13262&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Urban Co-operative Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Urban Co-operative Banks, Financial Statements Disclosure, Related Parties Exposure, Credit Risk Management

### **Summary:**

The Reserve Bank of India's amendment to the Urban Co-operative Banks' Financial Statements: Presentation and Disclosures Directions introduces a new requirement for disclosing exposures to related parties in financial statements. Key changes include detailed reporting on loans and contracts involving related parties, with specific metrics such as the aggregate value of loans sanctioned, outstanding, and categorized by risk. This regulation impacts urban co-operative banks, requiring them to implement these disclosure changes by April 1, 2026, potentially affecting their credit risk management and transparency practices.

### **Insights:**

- Urban Co-operative Banks must disclose detailed exposures to related parties starting April 1, 2026, per the new table format specified in the amendment.
- Under the new amendment, Urban Co-operative Banks must categorize outstanding loans to related parties as Special Mention Accounts and Non-Performing Assets by March 31st each year.
- The amendment requires Urban Co-operative Banks to hold provisions for related party loans by March 31st annually, ensuring adequate risk management.
- Banks must integrate these disclosure requirements into their financial statements' notes to accounts, as outlined in the updated Chapter-III, by the compliance deadline.
- The amendment directions reference the Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) Directions, 2025, necessitating alignment with these prior guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13261&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Regional Rural Banks, Financial Statements Disclosure, Credit Risk Management, Related Party Exposures

### **Summary:**

The Reserve Bank of India has issued the Reserve Bank of India (Regional Rural Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026, focusing on the disclosure of exposures to related parties. The key updates include the requirement for Regional Rural Banks to disclose details of loans, contracts, and arrangements with related parties in their financial statements through a specified table format, effective from April 1, 2026, although banks can opt to implement these changes earlier. This regulation primarily impacts Regional Rural Banks by mandating enhanced transparency in their dealings with related parties.

### **Insights:**

- Regulated entities must disclose exposures to related parties using the provided table format starting April 1, 2026, ensuring accurate categorization in financial statements.
- Under the new Chapter-III amendment, Regional Rural Banks need to calculate and report the proportion of outstanding loans to related parties as of March 31 annually.
- RRBs must implement systems to monitor and classify loans to related parties, identifying Special Mention Accounts and Non-Performing Assets by March 31 each year.
- Implement reporting mechanisms by April 1, 2026, to capture aggregate values of contracts and arrangements with related parties as mandated in the amendment.
- Cross-reference compliance with RBI's 2025 Credit Risk Management Directions and implement the updated Amendment Directions' provisions by the stipulated deadline.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13260&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Local Area Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Local Area Banks, Financial Statements Disclosure, Related Parties Exposures, Credit Risk Management

### **Summary:**

The Reserve Bank of India has issued an amendment to the 'Local Area Banks – Financial Statements: Presentation and Disclosures' Directions, 2025, adding new disclosure requirements concerning exposures to related parties. Major updates include the requirement for banks to disclose loans and contracts with related parties in their financial statements, highlighting aggregate values of loans sanctioned, outstanding, and provisions held, categorized by credit risk exposure. This regulation impacts local area banks by enforcing enhanced transparency and accountability in related parties' financial dealings, effective from April 1, 2026.

### **Insights:**

- From April 1, 2026, Local Area Banks must disclose exposures to related parties as per the new format in Chapter III of the Amendment Directions.
- Compliance with RBI (Local Area Banks – Credit Risk Management) Directions, 2025, is crucial for determining related party exposures that must be included in disclosures.
- Entities must prepare for the implementation of the Amendment Directions, although earlier adoption is optional.
- Details about loan provisions for related party exposures must be compiled and included in financial statements for fiscal years ending March 31.
- Regularly update operational guidelines to ensure compliance with disclosure norms about loans, contracts, and arrangements involving related parties.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13259&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Small Finance Banks, Financial Statements Disclosure, Related Party Exposures, Credit Risk Management

### **Summary:**

The Reserve Bank of India has issued the Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026, which mandates enhanced disclosure requirements in financial statements regarding exposures to related parties for Small Finance Banks. This amendment includes detailing aggregate values of loans, contracts, and related arrangements with related parties, their classifications, and provisions, effective from April 1, 2026. These changes are aimed at improving transparency and credit risk management, impacting Small Finance Banks and their financial reporting obligations.

### **Insights:**

- Small Finance Banks must disclose detailed exposures to related parties as per the new table format starting April 1, 2026, to align with updated credit risk management guidelines.
- By March 31 annually, banks are required to categorize and disclose loans to related parties into Special Mention Accounts and Non-Performing Assets with associated provision amounts.
- Banks are to update financial statement disclosures by including the aggregate value of contracts and arrangements with related parties, both newly awarded during the year and outstanding as of March 31.
- The amended disclosure requirements stem from the reference contained in the Reserve Bank of India (Small Finance Banks – Credit Risk Management) Directions, 2025, necessitating integration of these guidelines in banks' compliance frameworks.
- Although mandatory compliance is from April 1, 2026, banks are encouraged to voluntarily adopt these guidelines earlier to streamline adjustments in their operational and reporting processes.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13258&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026**

### **Tags:**

Related Parties Exposure, Financial Disclosure Amendments, Banking Regulation Compliance

### **Summary:**

The Reserve Bank of India (RBI) has issued an amendment to the Directions on 'Financial Statements: Presentation and Disclosures' for commercial banks, effective April 1, 2026. The regulation introduces a requirement for banks to disclose details of their credit exposures to related parties in their financial statements, including loans sanctioned and outstanding as well as the proportion of these loans in relation to total credit exposure. This amendment aims to enhance transparency regarding related-party transactions in banking operations, impacting all commercial banks governed by RBI's regulations.

### **Insights:**

- Banks must disclose detailed exposures to related parties in their financial statements from April 1, 2026, affecting annual reporting procedures.
- Implementation of the new disclosure requirements can begin before the April 2026 deadline, necessitating potential early adjustments to accounting systems.
- Contracts with related parties must now be comprehensively documented, emphasizing compliance with the updated sub-paragraph regarding arrangements with related entities.
- The amendment mandates the breakdown of related party loans, categorizing portions into Special Mention Accounts and Non-Performing Assets by March 31.
- Align financial statement formats to include RBI's new table structure for related party disclosures, replacing older formats from before the 2025 guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13257&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (All India Financial Institutions – Financial Statements: Presentation and Disclosures) – Amendment Directions, 2026**

### **Tags:**

Credit Concentration Risk, Financial Disclosures, Credit Risk Management

### **Summary:**

The Reserve Bank of India's 2026 amendment to the 'All India Financial Institutions – Financial Statements: Presentation and Disclosures' Directions introduces new requirements for disclosing credit concentration risks, specifically related to exposures to related parties. The amendment mandates the inclusion of detailed tables outlining loans and contracts with related parties in financial statements and affects All India Financial Institutions (AIFIs). The changes are set to take effect on April 1, 2026, but AIFIs may choose to implement them earlier.

### **Insights:**

- Regulated entities must disclose exposures to related parties as per the new sub-sub paragraph 19(9)(vi) effective from April 1, 2026.
- Implement the changes in 'Disclosure in Financial Statements – Notes to Accounts' focusing on the credit concentration risk for related parties.
- Ensure compliance with the amended Credit Risk Management guidelines, cross-referenced from RBI's 2026 Amendment Directions.
- Financial institutions may choose to adopt the entire amendment ahead of the mandatory date of April 1, 2026 for early compliance.
- Update internal reporting systems to compute and report related party exposures as a proportion of total credit exposure regularly.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13264&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, Amendment Directions, 2026**

### **Tags:**

Related Party Disclosures, Non-Banking Financial Companies (NBFCs), Credit Risk Management

### **Summary:**

The Reserve Bank of India (RBI) has issued an amendment to the 2025 Directions on Non-Banking Financial Companies (NBFCs), focusing on the disclosure of financial statements, specifically regarding exposures to related parties. The main update introduces sub-paragraph 21(9A), which mandates detailed disclosure of loans, arrangements, and contracts with related parties, including their value and categorization concerning credit risk. These changes, effective from April 1, 2026, impact NBFCs, enhancing transparency and requiring them to disclose these financial exposures in their statements, potentially engaging earlier if they choose.

### **Insights:**

- Regulated NBFCs must update their financial statement disclosures to include detailed related party exposure information as per the new table format effective April 1, 2026.
- NBFCs should align their credit risk management practices with the updated guidelines to ensure related party transactions are thoroughly documented and monitored.
- Entities must ensure thorough tracking of special mention accounts and non-performing assets within related party transactions for accurate reporting and provisioning by March 31.
- Operational systems must be adjusted to accommodate the tracking of all contracts and arrangements with related parties for comprehensive annual reporting.
- NBFCs are permitted to adopt these amendments before the April 1, 2026 deadline, providing an opportunity to streamline compliance processes ahead of time.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13263&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (All India Financial Institutions – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Lending to Related Parties, Credit Risk Management, All India Financial Institutions (AIFIs)

### **Summary:**

The Reserve Bank of India (RBI) has issued amendments to the All India Financial Institutions (AIFIs) - Credit Risk Management Directions, 2026, focusing on regulating lending practices to related parties. Key updates include the establishment of a committee to oversee lending to related parties, introduction of materiality thresholds, recusal requirements for directors and key personnel in decision-making, and enhanced monitoring and reporting obligations. The amendments, effective from April 1, 2026, impact AIFIs by imposing additional safeguards and limits to ensure prudent credit risk management with existing non-compliant transactions allowed to mature but not renewed on the same terms.

### **Insights:**

- From April 1, 2026, AIFIs must ensure lending policies include provisions on lending to related parties, whistleblowing, and legal entity identifiers.
- New Chapter IIIA prohibits AIFIs from granting loans on the security of their own shares, requiring adjustments in loan approval processes.
- AIFI directors, KMPs, and 'specified employees' must recuse themselves from deliberations on loans involving themselves or related parties, necessitating policy updates to enforce this.
- Materiality threshold limits for loans to related parties are introduced, requiring AIFIs to adjust their credit evaluation processes to comply with asset size-based ceilings.
- Existing non-compliant related party transactions must run-off to maturity without renewal or limit enhancement unless they comply with new amendments.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13256&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Credit Risk Management, Lending to Related Parties, NBFC Compliance

### **Summary:**

The Reserve Bank of India's regulation focuses on amending the Credit Risk Management policies for Non-Banking Financial Companies (NBFCs), specifically towards 'lending to related parties.' Major updates include defining terms like 'related party,' outlining procedures for risk management, and establishing materiality thresholds for loans to related parties based on NBFC categorization. These changes impact NBFCs, requiring them to adjust their credit policies and internal mechanisms for compliance by April 1, 2026, ensuring transparency, accountability, and minimizing conflicts of interest in financial dealings.

### **Insights:**

- NBFCs must include specific provisions in their credit policy for 'lending to related parties' and ensure compliance with Section A.3 of the Amendment Directions by April 1, 2026.
- Materiality thresholds for loans to related parties must be enforced, as specified in A.3.2, with limits varying by NBFC layer, effective April 1, 2026.
- Any loans sanctioned by NBFCs above the materiality threshold must be approved by the NBFC Board or an authorized Committee other than the Audit Committee, as per Section 13I.
- NBFCs are required to implement mechanisms for maintaining and updating lists of related persons and parties as outlined in A.4 Monitoring of Loans to Related Parties.
- NBFCs must progressively comply with the SEBI Listing Obligations, ensuring alignment with the Amendment Directions, as per Section A.5, ahead of the April 1, 2026 deadline.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13255&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Rural Co-operative Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Credit Risk Management, Related Party Lending, Compliance Requirements, Rural Co-operative Banks

### **Summary:**

The Reserve Bank of India issued an amendment to its Rural Co-operative Banks – Credit Risk Management Directions, 2025, focusing on lending to related parties. The regulation introduces specific definitions, board responsibilities, materiality thresholds, and monitoring mechanisms related to lending to related parties, while prohibiting certain transactions with relatives of directors and related entities to curb risks. These changes impact rural co-operative banks, requiring them to align their credit policies and internal processes with these new requirements by April 1, 2026.

### **Insights:**

- RCBs must implement a Board approved policy covering lending to related parties and maintain updated lists of related parties by April 1, 2026.
- Compliance mechanisms should be strengthened to ensure directors and KMP recuse from decision-making on loans involving themselves or related parties.
- Materiality thresholds have been introduced, with loans above ₹25 lakh to ₹75 lakh depending on the RCB's asset size requiring Board approval.
- Previous conflicting credit provisions are amended, and existing related party transactions must mature as per current terms but cannot be renewed unless compliant.
- RCBs must establish policies encouraging whistleblowing and preventing quid pro quo arrangements regarding unethical or irregular loans.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13254&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Urban Co-operative Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Urban Co-operative Banks, Credit Risk Management, Related Party Lending, Board Approved Policies

### **Summary:**

The Reserve Bank of India introduces amendments to the 'Urban Co-operative Banks – Credit Risk Management' and 'Lending to Related Parties' directions, effective April 1, 2026. The updated directives introduce definitions and clarify prohibitions on UCB lending to directors and their associates, emphasizing loans to related parties while setting materiality thresholds and incorporating stricter auditing practices. These amendments impact Urban Co-operative Banks by requiring them to adhere to new compliance measures and reporting obligations, ensuring enhanced regulatory oversight and risk management in lending activities.

### **Insights:**

- Urban Co-operative Banks (UCBs) need to develop board-approved policies specifically addressing lending to related parties, implementing these by April 1, 2026.
- UCBs classified as Tier I, II, and III must refrain from lending to directors' relatives unless secured by specified government securities.
- Materiality thresholds have been defined for loans to related parties; transactions exceeding these must gain board approval, ensuring adherence by April 1, 2026.
- UCBs must establish mechanisms for maintaining updated lists of related parties and quarterly audit checks to ensure compliance with regulatory guidelines.
- Specific provisions of paragraphs 11 through 14 in Chapter IV are deleted, while new comprehensive guidelines for related party lending are inserted, emphasizing timely updates to operations.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13253&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Regional Rural Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Credit Risk Management, Related Parties Lending, Board Approved Policies, Regulatory Restrictions

### **Summary:**

The Reserve Bank of India (RBI) introduces amendments to the 2025 Directions on Credit Risk Management for Regional Rural Banks (RRBs), focusing on lending to related parties. Key changes include the introduction of specific policies on related party lending, materiality thresholds for loans, and mandatory board oversight, alongside new definitions and exclusions. The regulation impacts RRBs, their board members, key managerial personnel, and specified employees, with compliance required by April 1, 2026, except for pre-existing transactions.

### **Insights:**

- Regional Rural Banks must establish a Committee on Lending to Related Parties as part of compliance with new credit risk management guidelines.
- All loans to directors or related parties exceeding ₹50 lakh for banks with assets over ₹50,000 crore require Board or Committee approval starting April 1, 2026.
- Existing related party transactions must mature without renewal or enhancement unless compliant with revised directives by April 1, 2026.
- Internal auditors to conduct quarterly reviews to ensure related party lending guidelines are adhered to, implementing a whistleblowing mechanism for reporting deviations.
- Provisions in paragraph 8 of previous Directions are deleted to accommodate new credit risk management amendments, mandating updated compliance frameworks.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13252&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Local Area Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Credit Risk Management, Lending to Related Parties, Board Approved Policies, Banking Regulation Act

### **Summary:**

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Local Area Banks – Credit Risk Management) – Amendment Directions, 2026, which updates the 2025 Directions. The regulation introduces a series of amendments to enhance credit risk management, notably addressing loans to related parties, establishing materiality thresholds, and requiring specific Board-approved policies. Affected entities include local area banks, their boards, directors, key managerial personnel, and specified employees, who must comply with new oversight and reporting mechanisms to ensure prudent management of associated credit risks.

### **Insights:**

- Banks must establish a 'Committee on Lending to Related Parties' or designate an existing committee by April 1, 2026, to sanction loans to related entities.
- By April 1, 2026, banks are required to revise their credit policies to include specific provisions for lending to related parties, comprehensive with risk management protocols.
- The amendments necessitate banks to stop any renewals or enhancements of non-conforming related party transactions post-April 1, 2026, unless compliant with the new guidelines.
- Regulations require periodic updates of lists of related persons and disclosure of related party loans annually to the Board, to ensure transparency and adherence.
- Effective immediately from January 5, 2026, Paragraph 8 and Sections B.1, 9, 10, 11, and 12 from previous directions are retracted, ensuring all stakeholders align with the new framework.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13251&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Small Finance Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Credit Risk Management, Related Party Lending, Regulatory Prohibitions, Board Approved Policy

### **Summary:**

The Reserve Bank of India (RBI) has issued the 'Small Finance Banks – Credit Risk Management – Amendment Directions, 2026', amending previous guidelines with a focus on lending to related parties. Key changes include the establishment of a 'Committee on lending to related parties', the introduction of new definitions and thresholds for lending limits to related parties, and stricter monitoring and recusal requirements for bank officials involved in such lending. These amendments impact small finance banks, requiring them to revise their credit risk policies and adhere to new governance and reporting standards to ensure transparency and compliance.

### **Insights:**

- Banks must implement a Board-approved policy on lending to related parties by April 1, 2026, including specific provisions for 'key managerial personnel' and 'specified employees.'
- Loans to promoters or shareholders with 10% or more equity are prohibited unless they hold non-strategic investments, per Section 42H.
- Credit facilities to related parties must be reviewed under new materiality thresholds based on bank asset size starting April 2026.
- Interested directors and key managerial personnel must recuse from decisions involving related party loans, including any material changes thereafter.
- Previous sections A, A1, B, and paragraphs 16-19, 24-42 of Chapter V are deleted, making the new section B.1 the focal point for related party lending compliance.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13250&Mode=0>

## **Jan 05, 2026 : Reserve Bank of India (Commercial Banks – Credit Risk Management) – Amendment Directions, 2026**

### **Tags:**

Lending to Related Parties, Credit Risk Management, Regulatory Prohibitions, Board Approved Policies

### **Summary:**

The Reserve Bank of India (RBI) has issued new Amendment Directions for Commercial Banks regarding Credit Risk Management, effective from April 1, 2026. Key updates include the introduction of a 'Committee on Lending to Related Parties,' defined roles and definitions concerning related parties, and set limits for loans to related parties based on a bank's asset size. Entities affected by these changes include commercial banks, their directors, related parties, and specified employees, with obligations to implement policies, maintain updated lists of related parties, and adhere to new monitoring and reporting measures.

### **Insights:**

- Banks must form a 'Committee on lending to related parties' for sanctioning loans, with existing committees, other than the Audit Committee, eligible to serve this function.
- Ensure compliance with the new definition of 'related parties', including extended categories like 'reciprocally related person' and 'specified employees', effective from April 1, 2026.
- Update the board-approved Credit Risk Management policy to incorporate specific provisions for lending to related parties and 'specified employees', with aggregate and sub-limits within prudential exposure norms.
- Lending to directors' spouses and minor/dependent children is restricted, except under specified conditions, requiring all banks to review and adjust existing policies.
- Sections and paragraphs such as 15, 16-19, and 24-42 from Chapter IV and V of the Directions are deleted; banks must ensure affected operational guidelines are revised accordingly.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13249&Mode=0>

## **Jan 09, 2026 : Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026**

### **Tags:**

Capital Adequacy, Risk Weights, Non-Resident Corporates, International Financial Services Centre

### **Summary:**

The Reserve Bank of India has issued Amendment Directions to the 2025 Prudential Norms on Capital Adequacy for Commercial Banks, focusing on risk weighting claims on non-resident corporates. Key updates include new risk weight mappings based on ratings by international agencies and CareEdge Global IFSC Limited for claims originating at International Financial Services Centres. This amendment affects banks dealing with non-resident corporates, specifying that certain unrated claims and previously rated but now unrated claims exceeding specified exposure thresholds will carry a higher risk weight.

### **Insights:**

- Commercial banks must align their risk-weighting practices with the newly specified credit rating mapping, including those provided by CareEdge Global IFSC Limited, effective immediately.
- For claims on non-resident corporates at the IFSC, banks need to apply risk weights in correspondence with the ratings assigned by CareEdge Global IFSC Limited, ensuring compliance with the revised Table 10.2 standards.
- Any previously unrated claims exceeding ₹200 crore will now attract a higher risk weight of 150%, necessitating updated risk management practices for large exposures.
- Banks must discontinue the use of any former risk-weighting conventions for claims on non-resident corporates and adopt the newly specified standards using the ratings framework of specified credit rating agencies.
- Immediate re-evaluation of existing and prospective corporate claims using the updated international rating agencies—including the newly added CareEdge Global IFSC Limited—is required to comply with capital adequacy guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13265&Mode=0>

## **Jan 09, 2026 : Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Amendment Directions, 2026**

### **Tags:**

Capital Adequacy, Risk Weight, Non-Resident Corporates, International Financial Services Centre (IFSC)

### **Summary:**

The Reserve Bank of India (RBI) has issued an amendment to the 2025 Prudential Norms on Capital Adequacy for All India Financial Institutions (AIFIs), focusing on risk weighting of claims on non-resident corporates. Key updates include specified risk weight mapping based on ratings by M/s CareEdge Global IFSC Limited for claims originating at International Financial Services Centre (IFSC), and introducing a 150% risk weight for certain unrated claims. The amendment impacts AIFIs and their approach to risk weighting of corporate exposures, particularly those at IFSC, effective immediately.

### **Insights:**

- Non-resident corporate exposures originating at International Financial Services Centre (IFSC) must use ratings from CareEdge Global IFSC Limited for risk weighting.
- For non-resident corporates with previous ratings that become unrated and have banking system exposure over ₹100 crore, a 150% risk weight applies.
- Unrated claims on non-resident corporates with banking system exposure exceeding ₹200 crore will attract a risk weight of 150%.
- Claims on unrated corporates cannot be assigned a preferential risk weight lower than the sovereign risk weight of the country of incorporation.
- The amended Directions take effect immediately, requiring entities to update their risk assessment processes promptly in accordance with the new guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13267&Mode=0>

## **Jan 09, 2026 : Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Amendment Directions, 2026**

### **Tags:**

Small Finance Banks, Capital Adequacy, Risk Weight Mapping, CareEdge Global IFSC Limited

### **Summary:**

The Reserve Bank of India has amended the regulatory norms concerning the capital adequacy for Small Finance Banks to include modifications related to risk weights for claims on non-resident corporates. Key updates involve a risk weight mapping based on ratings assigned by international agencies and CareEdge Global IFSC Limited, particularly affecting claims originating in the International Financial Services Centre. The regulation impacts Small Finance Banks by specifying new risk weighting parameters for their capital adequacy calculations, which now must align with international rating agencies' standards.

### **Insights:**

- Non-resident corporate claims originating at IFSC must be risk-weighted based on ratings by M/s CareEdge Global IFSC Limited following Table 8.2 guidelines.
- Banks should update their risk assessment models to incorporate the changed risk weightings for non-resident corporates as outlined in Para 39.
- Entities must note that claims with aggregate exposure over ₹100 crore, previously rated and now unrated, will incur a 150% risk weight.
- From now, in addition to Fitch, Moody's, and Standard & Poor's, ratings by CareEdge Global IFSC Limited can be utilized for non-resident IFSC exposures to determine capital requirements, as per updated Para 118.
- Ensure immediate compliance with the new capital adequacy guidelines as the amendment directions come into force with immediate effect.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13266&Mode=0>

## **Jan 12, 2026 : Foreign Exchange Management (Guarantees) Regulations, 2026**

### **Tags:**

Foreign Exchange Management, Guarantees Regulation, Reporting Requirements, Authorised Dealer Banks

### **Summary:**

The Reserve Bank of India's Foreign Exchange Management (Guarantees) Regulations, 2026, detail the rules regarding guarantees involving parties outside India, replacing the 2000 regulations. Key updates include specific exemptions such as those for authorised dealer banks in International Financial Services Centres and reporting requirements for transactions involving foreign parties. These regulations impact residents acting as sureties, principal debtors, or creditors in international transactions, mandating detailed reporting to authorised dealer banks and potentially imposing a Late Submission Fee for delayed reporting.

### **Insights:**

- By January 2026, entities must comply with new reporting requirements for guarantees, ensuring submission to authorized dealer banks within fifteen days post-quarter as per Regulation 7.
- Ensure adherence to Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 when acting as surety or principal debtor, unless exempted by specific provisions in Regulation 5.
- Late reporting penalties include a fee calculated using  $\text{₹}7500 + 0.025\% \times A \times n$ , emphasizing timely submission to avoid additional costs as outlined in Regulation 8.
- Entities utilizing guarantees should verify transactions are not prohibited under the FEMA Act, ensuring compliance with Regulation 6 for creditor obligations.
- Regulation No. FEMA 8/2000-RB from May 3, 2000, has been superseded, necessitating entities to align processes with the updated January 2026 framework.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13269&Mode=0>

## **Jan 12, 2026 : Foreign Exchange Management (Guarantees) Regulations, 2026**

### **Tags:**

Foreign Exchange Management, Guarantees Regulations 2026, Authorised Dealer Banks, Regulatory Compliance

### **Summary:**

The Reserve Bank of India has issued the Foreign Exchange Management (Guarantees) Regulations, 2026, guiding authorized dealer banks when guarantees involve a person resident outside India. Major updates include comprehensive reporting requirements for all guarantee-related actions and discontinued quarterly reporting for Trade Credit guarantees after March 2026. These regulations primarily impact authorized dealer banks, mandating them to comply with the revised guidelines and communicate changes to customers.

### **Insights:**

- Authorised dealer banks must ensure the comprehensive reporting of all guarantees in form GRN as mandated by the Foreign Exchange Management (Guarantees) Regulations, 2026.
- The quarterly reporting on issuance of guarantees for Trade Credit is to be discontinued from the quarter ending March 2026.
- Regulated entities should note the supersession of specific A.P. (DIR Series) Circulars listed in the Annex and adjust compliance practices accordingly.
- Ensure compliance with amended provisions in Master Directions related to External Commercial Borrowings, Trade Credits, and Remittances.
- Circulate the contents of the circular among all customers and constituents to ensure they are informed of the changes in guarantee regulations.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13268&Mode=0>

## **Jan 13, 2026 : Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial year 2025-26**

### **Tags:**

Modified Interest Subvention Scheme, Short Term Agriculture Loans, Kisan Credit Card

### **Summary:**

The Reserve Bank of India has issued guidelines on the continuation of the Modified Interest Subvention Scheme (MISS) for short-term loans for agriculture and allied activities during the financial year 2025-26, focusing on providing concessional interest rates to farmers through the Kisan Credit Card (KCC). Key updates include a mandatory Aadhaar authentication for beneficiaries, a maximum overall limit of ₹3 lakh per farmer for interest subvention, and additional subvention benefits for those repaying promptly. The regulation affects public sector banks, private sector banks, small finance banks, and primary agricultural cooperative societies, outlining specific compliance and reporting requirements to ensure the accurate distribution and claim processing of the subvention benefits.

### **Insights:**

- Regulated entities must ensure Aadhaar seeding and e-KYC completion for every farmer under the Modified Interest Subvention Scheme (MISS) to enable scheme benefits.
- Banks must adhere to an overall KCC limit of ₹3 lakh per farmer and report all granular data, including social category of beneficiaries, by the end of FY 2025-26.
- Eligible banks must submit MISS claims through KRP, certified by statutory auditors, adhering to the notified deadline to ensure timely settlement of claims.
- DISCONTINUED: Cross-reference of earlier guidelines is not required as the continuance for 2025-26 has no mentions of withdrawal or amendment of previous circulars.
- Banks must encourage digital transactions through available channels like RuPay cards to facilitate seamless transactions for farmers availing any related benefits.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13270&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Credit Information Companies, Grievance Redress Mechanism

### **Summary:**

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Credit Information Companies - Internal Ombudsman) Directions, 2026, aimed at strengthening the internal grievance redress mechanisms within Credit Information Companies (CICs) to ensure the swift and effective resolution of customer complaints through an apex level authority review. Key updates include the mandatory appointment of Internal Ombudsman (IO) and Deputy Internal Ombudsman (Dy. IO), their eligibility criteria, tenure, roles, and the reporting requirements to the RBI. These directions are applicable to all Credit Information Companies, affecting their grievance handling processes, with compliance required by June 30, 2026.

### **Insights:**

- By June 30, 2026, CICs must comply with the appointment of Internal Ombudsman and Deputy Internal Ombudsman as outlined in clauses 7 (2), 14(2), and 14(4).
- CICs are required to establish a fully automated Complaints Management System with auto-escalation to the Internal Ombudsman within 25 days, ensuring decisions are communicated within 30 days.
- The Consumer Protection Committee of the Board must review the adequacy of the human resources and infrastructure for the Internal Ombudsman annually, emphasizing diversity of experience for different complaint types.
- CICs must replace the previous Master Direction from December 29, 2023, with these new directions ensuring the appointment and functioning of IO/Dy. IO is compliant with the updated framework.
- CICs need to ensure that any complaints partially resolved or wholly rejected are addressed at a senior level before auto-escalation to the IO, excluding specified exceptions such as those pending before judicial bodies.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13276&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Non-Bank PPI Issuers, Customer Grievance Redress

### **Summary:**

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026, to enhance the internal grievance redress mechanisms within non-bank prepaid payment instruments issuers (PPI issuers). The regulation mandates the appointment of an Internal Ombudsman (IO) and a Deputy Internal Ombudsman (Dy. IO) for PPI issuers with more than one crore prepaid payment instruments outstanding, compelling them to review and resolve customer complaints more effectively before rejection. Effective immediately, these directions necessitate PPI issuers to ensure a streamlined complaints management system and emphasize the requirement for regular reporting and board oversight to maintain compliance.

### **Insights:**

- By June 30, 2026, Non-Bank Prepaid Payment Instruments Issuers must comply with clause 7(2), 14(2), and 14(4) of the Internal Ombudsman Directions, ensuring timely implementation.
- The Master Direction issued on December 29, 2023, is repealed by the new guidelines, necessitating immediate compliance updates for entities following the previous framework.
- Eligible PPIs are required to auto-escalate partially resolved or wholly rejected complaints to the Internal Ombudsman within 20 days, as per clause 14(5).
- IOs must not handle complaints directly from customers; ensure automated systems are in place to channel escalated complaints only.
- PPI issuers must ensure new IO/Dy.IO appointments or reappointments are reported to RBI within five working days, using the specified format.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13275&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Grievance Redress Mechanism, Non-Banking Financial Companies

### **Summary:**

The Reserve Bank of India's new regulation, titled 'Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026,' focuses on enhancing the internal grievance redressal mechanism within non-banking financial companies (NBFCs) by instituting an Internal Ombudsman (IO) and Deputy Internal Ombudsman (Dy. IO) framework. This directive requires applicable NBFCs to appoint IOs and Dy. IOs to ensure a fair review of complaints before rejection and provides detailed guidelines about their roles, appointment, tenure, and administrative structure. These changes impact NBFCs meeting specific criteria, improving accountability and customer grievance resolution while excluding some, such as Housing Finance Companies, Infrastructure Finance Companies, and others, from the framework.

### **Insights:**

- All applicable NBFCs must appoint at least one Internal Ombudsman (IO) by June 30, 2026, ensuring compliance with internal grievance redress requirements.
- The previous Master Direction issued in December 2023 is repealed, therefore NBFCs must transition to the new guidelines outlined in the 2025-26 document immediately.
- NBFCs are required to ensure that the IO or Dy. IO does not exceed a total tenure of five years, and should initiate recruitment processes three months prior to conclude existing tenures.
- The IO office must begin using an automated Complaints Management System with escalation capabilities to ensure timely review and resolution of complaints, adhering to the stipulated 20-day period.
- For compliance reporting, NBFCs must submit quarterly reports on IO activities to the Consumer Education and Protection Department of the RBI, by the 15th of the month after each quarter-end.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13274&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Payments Banks - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Customer Grievance Redressal, Payment Banks Compliance

### **Summary:**

The Reserve Bank of India (RBI) has issued the Internal Ombudsman Directions, 2026, aimed at enhancing the internal grievance redressal mechanism within Payments Banks with 10 or more banking outlets. This regulation mandates the appointment of an Internal Ombudsman (IO) and Deputy Internal Ombudsman (Dy.IO) to review complaints rejected or partially resolved by the banks, ensuring decisions are equitable and justified. Effective immediately, the regulation impacts Payments Banks, requiring them to implement procedural guidelines such as automated complaint management systems, regular reporting, and root cause analysis to the RBI, thereby ensuring more efficient and transparent handling of customer grievances.

### **Insights:**

- Payments Banks with 10 or more banking outlets must appoint an Internal Ombudsman by June 30, 2026, requiring strategic planning for compliance.
- The Complaints Management System must classify complaints strictly as 'Fully Resolved', 'Partially Resolved', or 'Wholly Rejected' per clause 14 by June 30, 2026.
- All complaints fully or partially rejected must be reviewed by an Internal Ombudsman, ensuring banks develop transparent escalation protocols.
- The previous Master Direction on Internal Ombudsman dated December 29, 2023 is repealed, requiring entities to update compliance strategies accordingly.
- Banks must implement an internal audit covering the implementation of these Directions annually to ensure adherence to the specified procedural guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13273&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Small Finance Banks - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Grievance Redress, Small Finance Banks

### **Summary:**

The Reserve Bank of India (RBI) introduces the Reserve Bank of India (Small Finance Banks - Internal Ombudsman) Directions, 2026, aimed at strengthening grievance redress mechanisms within Small Finance Banks (SFBs) with 10 or more outlets in India. This regulation mandates the appointment of an Internal Ombudsman (IO) and a Deputy Internal Ombudsman (Dy. IO) who will handle complaints not resolved by the bank, ensuring independent review before rejection, with specified timelines and functional structure. These directives impact SFBs, requiring them to enhance their internal complaint frameworks and report functional insights, with compliance expected by June 30, 2026.

### **Insights:**

- Small Finance Banks must appoint at least one Internal Ombudsman by June 30, 2026, ensuring compliance with RBI's strengthening of grievance redress mechanisms.
- Banks must ensure automated complaint escalation systems categorize complaints as 'Fully Resolved', 'Partially Resolved', or 'Wholly Rejected' facilitating expedited reviews.
- From January 14, 2026, banks are required to provide Quarterly Complaints Analysis helping shape policies, thus enhancing customer service practices.
- The Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 is repealed, mandating reference to the 2026 directions for bank compliance and procedural guidance.
- By June 2026, banks must ensure a fully automated complaint management system allows IO ten days for review, adhering to escalation timelines detailed by RBI, NPCI, or card networks.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13272&Mode=0>

## **Jan 14, 2026 : Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026**

### **Tags:**

Internal Ombudsman, Grievance Redressal, Banking Regulation

### **Summary:**

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Commercial Banks - Internal Ombudsman) Directions, 2026, aimed at strengthening the internal grievance redress mechanism in commercial banks. This regulation mandates banks with 10 or more banking outlets in India to appoint at least one Internal Ombudsman (IO) and outlines detailed procedural requirements for handling customer complaints, including automated complaint escalation processes and restricted areas for ombudsman intervention. The regulation impacts commercial banks, enhancing their responsibility to ensure fair and timely resolution of complaints, and will be fully effective by June 30, 2026, except specified clauses that are to be complied with immediately.

### **Insights:**

- Commercial banks with 10 or more outlets in India must comply with the Internal Ombudsman Directions, 2026 by June 30, 2026, as per clauses 7(2), 14(2), and 14(4).
- Banks must ensure auto-escalation of partially resolved or wholly rejected complaints to the Internal Ombudsman within 20 days, per the new Complaints Management System guidelines.
- The new Directions supersede the Master Direction Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023.
- Banks should initiate the appointment process for a new Internal Ombudsman at least three months prior to the incumbent's tenure ending to ensure continuity, as per clause 8(5).
- Banks must include the decisions of the Internal Ombudsman in submissions to the RBI Ombudsman when a complaint is escalated, ensuring detailed communication with the customer.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13271&Mode=0>

## **Jan 16, 2026 : Export and Import of Goods and Services**

### **Tags:**

FEMA 1999, Export and Import Regulations, Authorized Dealers, PRAVAAH Portal

### **Summary:**

The Reserve Bank of India's new regulation, effective from October 1, 2026, comprehensively reviews export and import of goods and services under FEMA, 1999 to facilitate ease of business, especially for small exporters and importers. It empowers authorized dealers by allowing quicker, more efficient service delivery and directs them to adhere to FEMA and related policies while handling export-import transactions. The regulation supersedes previous master directions and circulars, impacting authorized dealers and exporters by streamlining procedures and integrating the PRAVAAH portal for communication with the Reserve Bank.

### **Insights:**

- Authorized Dealers must process all references to the Reserve Bank through the PRAVAAH portal starting October 01, 2026, for compliance.
- All Merchanting Trade transactions must adhere to the Foreign Exchange Management Act, 1999, and the extant Foreign Trade Policy, as the new regulations come into effect.
- The new directions annul the previous Master Directions and circulars listed in the Annex for Export and Import of Goods and Services from October 01, 2026.
- Authorized Dealers are required to report any suspicious transactions to the Directorate of Enforcement immediately to ensure regulatory compliance.
- By October 01, 2026, entities must align their operational practices to accommodate the comprehensive review of export and import regulations under FEMA, 1999.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13278&Mode=0>

## **Jan 16, 2026 : Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026**

### **Tags:**

Authorised Dealers Compliance, Export Declaration Form, Merchanting Trade Transactions

### **Summary:**

The Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, issued by the Reserve Bank of India, outlines detailed procedures for export and import transactions, including submission of Export Declaration Forms and realization and repatriation timelines. Key updates include the 15-month period for the realization of export proceeds, allowances for set-off and third-party payments, and requirements for authorized dealers to maintain monitoring systems like EDPMS and IDPMS. This regulation significantly impacts exporters, importers, and authorized dealers by imposing stricter compliance measures and providing frameworks for advance payments and unreleased exports.

### **Insights:**

- Exporters must submit Export Declaration Forms (EDF) within 30 days from the end of the month in which the service invoice is raised, ensuring compliance with timely submissions.
- Authorized Dealers are required to close or update respective entries in EDPMS/IDPMS for export/import transactions above ₹10 lakh based on exporter/importer declarations quarterly.
- Exporters and Importers must ensure payment realization within 15 months from shipment date, adhering to the provided deadlines and extensions allowed by Authorized Dealers for delays.
- All previous regulations under FEMA 23(R)/2015-RB dated January 12, 2016, are superseded, ensuring adherence to the new guidelines issued in this 2026 regulation from October 01, 2026.
- Entities must develop comprehensive internal SOPs for transaction handling, with delegated approval authorities and an escalation process for grievances, ensuring operational alignment with regulatory requirements.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13277&Mode=0>

## **Jan 19, 2026 : Interest Subvention for Pre- and Post- Shipment Export Credit under Export Promotion Mission (EPM) – Niryat Prothsahan**

### **Tags:**

Interest Subvention, Pre-shipment Credit, Post-shipment Credit, Export Promotion Mission

### **Summary:**

The Reserve Bank of India (RBI) communicates guidelines regarding the Interest Subvention Scheme under the Export Promotion Mission (EPM) named 'Niryat Prothsahan', as announced by the Government of India. This pilot scheme requires scheduled commercial banks, primary cooperative banks, state cooperative banks, and all-India financial institutions to provide interest subvention on eligible pre- and post-shipment export credit, per the Directorate General of Foreign Trade's operational instructions. These institutions must adhere to RBI's regulatory directives and ensure that interest subventions are granted strictly for eligible export credit while ensuring timely and accurate claims submission.

### **Insights:**

- Eligibility checks: Lending institutions must establish verification processes to ensure that only eligible exporters receive interest subvention as per the EPM scheme.
- Compliance deadline: Institutions should align their operational manual with the new scheme guidelines by February 15, 2026, to ensure there's no disruption in processing export credit claims.
- Submission protocols: Establish a dedicated task force to adhere to submission guidelines for subvention claims under the RBI's operational instructions.
- Regulatory alignment: Review previous RBI circulars to ensure no conflict with the new guidelines for export credit interest subvention, ensuring compliance with all active directives.
- Continuous updates: Set up a mechanism for regular updates and training for staff members on evolving operational procedures as prescribed by DGFT and RBI notifications.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13279&Mode=0>

## **Jan 19, 2026 : Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026**

### **Tags:**

Priority Sector Lending, Microfinance Loans, Securitisation Transactions

### **Summary:**

The Reserve Bank of India (RBI) has issued amendments to the 'Priority Sector Lending – Targets and Classification' Directions, 2025. These amendments include updated guidelines for classifying infrastructure and housing bonds, adjustments to credit exposure calculations, and modifications to the treatment of certain loan categories for various banking entities. The regulations primarily impact Domestic Commercial Banks, Small Finance Banks, Urban Co-operative Banks, and Regional Rural Banks, by refining procedures related to priority sector targets, loan classifications, and co-lending arrangements.

### **Insights:**

- Banks should refer to the updated guidelines on Securitisation Transactions and Transfer of Loan Exposures issued in 2025 while classifying priority sector advances after securitisation.
- Newly licensed banks must adhere to priority sector lending caps on on-lending, calculated by averaging quarterly portfolios, starting from their first year of operations.
- Banks must obtain external auditor certifications from NBFCs and MFIs to prevent multiple claims of on-lending benefits under the priority sector classification.
- Priority Sector Lending Certificates (PSLCs) now expire by March 31st annually, requiring banks to align purchases and sales accordingly to meet target shortfalls.
- Reserve Bank of India directives necessitate that Small Finance Banks now align with updated ANBC calculations and priority sector lending norms from commercial banks.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13280&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Rural Co-operative Banks, Cash Reserve Ratio, Statutory Liquidity Ratio

### **Summary:**

The Reserve Bank of India (RBI) issued an amendment to the Reserve Bank of India (Rural Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, modifying certain provisions concerning the handling of cash reserves and statutory liquidity by rural co-operative banks. Key changes include the inclusion and removal of certain financial institutions from specified lists and the introduction of a new deposit category under the Reserve Bank's Standing Deposit Facility Scheme. These amendments, which take immediate effect, directly affect rural co-operative banks and their compliance with updated liquidity and reserve requirements.

### **Insights:**

- Rural co-operative banks must immediately adjust their reserves as the amended cash reserve ratio and statutory liquidity ratio directions take effect from January 22, 2026.
- Entities are required to update their financial reporting forms to include 'the National Housing Bank, the Small Industries Bank' and omit 'Industrial Development Bank of India' as per revised Annex I and II.
- With the insertion of 'IDBI Bank limited,' regulated entities should re-evaluate their asset management strategies to reflect inclusion within Annex II and III.
- Co-operative banks must revise cash management protocols to exclude 'under Cash in hand' terminology from paragraph 28 (4) (v), ensuring compliance with the amendment.
- The inclusion of 'Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme' necessitates operational adjustments in reserve management strategies as per the revised form guidelines.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13287&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Cash Reserve Ratio, Statutory Liquidity Ratio, Urban Co-operative Banks

### **Summary:**

The Reserve Bank of India has issued the 'Reserve Bank of India (Urban Co-operative Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026' to update regulations concerning Urban Co-operative Banks' financial standards, following the enactment of recent banking laws. Key amendments include additions and deletions in definitions and terminologies related to financial institutions in the context of CRR and SLR, impacting Urban Co-operative Banks. These changes are effective immediately and aim to align the regulatory framework with recent legislative changes.

### **Insights:**

- Urban Co-operative Banks must immediately adjust their balance sheets to comply with the new Cash Reserve Ratio and Statutory Liquidity Ratio guidelines as amended in 2026.
- Banks are required to update their reporting formats by substituting 'Industrial Development Bank of India' with new financial institutions listed in Annex I (Form B) of the revised guidelines.
- Entities should remove 'Cash in hand' references in paragraph 28 (4) (v) from their operational reports to align with the new regulatory changes effective immediately.
- Banks may need to review and update their deposit records to incorporate 'Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme' as now required in compliance with the revised Annex II and III.
- Previously referenced 'Industrial Development Bank of India' must be replaced with 'National Housing Bank, Small Industries Bank' in all footnote references in Annex II (Form I), ensuring documentation is up-to-date with the changes.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13286&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Local Area Banks, Cash Reserve Ratio, Statutory Liquidity Ratio

### **Summary:**

The Reserve Bank of India (RBI) amends the 'Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio' directions to align with the Banking Laws (Amendment) Act, 2025 and related regulations, which were published recently. Key updates include the inclusion of other development financial institutions in definitions and forms, the substitution of 'specified' with 'notified', and the introduction of the 'Standing Deposit Facility Scheme'. These changes impact local area banks, as they modify the guidelines concerning their reserve and liquidity requirements.

### **Insights:**

- Local Area Banks must update compliance protocols to align with the new Cash Reserve Ratio and Statutory Liquidity Ratio requirements effective immediately.
- Amendments to paragraph 16(1) necessitate including development financial institutions under section 2(cccii) of the RBI Act, 1934 in the reporting framework.
- Entities are no longer required to categorize 'Cash in hand' under the specified heading as per modifications to paragraph 23(5)(v).
- Amendments to Annex I necessitate replacing specific institutions with the broader category of development financial institutions in compliance reports.
- Introduction of 'Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme' requires operational adjustments in Annex II reporting.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13285&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Regional Rural Banks, Cash Reserve Ratio, Statutory Liquidity Ratio

### **Summary:**

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Regional Rural Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026, which amend the previous directions from 2025. Key changes include the addition of 'other development financial institutions' in certain sections, updates to forms mentioning entities like the Exim Bank instead of previous ones, and the inclusion of deposits under the Standing Deposit Facility Scheme. These amendments impact Regional Rural Banks and related stakeholders, as they modify requirements concerning reserve ratios and involve additional financial institutions in compliance frameworks.

### **Insights:**

- Regional Rural Banks must immediately adopt the modified CRR and SLR guidelines as per the amended Directions, 2026.
- Institutions should update compliance systems to reflect the inclusion of 'other development financial institutions' as defined in section 2(cccii) of the RBI Act, 1934.
- Operational processes need adjustments to exclude the mentioning of 'Cash in hand' in paragraph 27(6)(v) following the new amendment directives.
- Entities currently interacting with NABARD and EXIM Bank must revise documentation to acknowledge their new representation under 'other development financial institutions'.
- Reserved deposits under the Standing Deposit Facility Scheme must be accounted for per the new insertion in Annex II, Form VIII, ensuring compliance with immediate effect.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13284&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Payments Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Payments Banks, Cash Reserve Ratio, Statutory Liquidity Ratio

### **Summary:**

The Reserve Bank of India's Amendment Directions 2026 modifies the regulations for Payments Banks concerning Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). Key updates include insertion and substitution of institutions under relevant sections and annexes such as including 'the Exim Bank, National Housing Bank, Small Industries Bank, etc.,' and introducing the 'Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme'. These changes impact Payments Banks by revising their CRR and SLR requirements to align with the Banking Regulation Act and the Reserve Bank of India Act, thereby ensuring compliance with the updated financial framework.

### **Insights:**

- Payments banks need to adjust their operations to adhere to the newly defined roles of development financial institutions as outlined in paragraph 19(1) of the amended regulations.
- Compliance teams should update reporting and documentation for CRR and SLR by removing 'Cash in hand' references as per the amended paragraph 26(6)(v).
- Financial reporting for payments banks must incorporate changes to include deposits made under the Standing Deposit Facility Scheme, as newly specified in the regulations.
- The terminology update in Annex I and II requires regulated entities to revise their documentation from 'specified' to 'notified' and ensure alignment with the Reserve Bank of India Act, 1934.
- Immediate operational changes are required as the amendment regulations under the Reserve Bank of India Act, 1934, take effect, necessitating expedited compliance adaptations.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13283&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Small Finance Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Small Finance Banks, Cash Reserve Ratio, Statutory Liquidity Ratio

### **Summary:**

The Reserve Bank of India (RBI) amends the regulations pertaining to Small Finance Banks related to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements, effective immediately. Key changes include the inclusion of 'other development financial institutions' in specific provisions, adjustments in language regarding cash management, and updates to forms concerning various financial institutions. These amendments primarily impact Small Finance Banks and related entities by altering how they manage their reserve and liquidity requirements, aligning with the amended Banking Regulation Act and RBI Act provisions.

### **Insights:**

- Small Finance Banks must include 'other development financial institutions' under CRR and SLR calculations, per amendment in paragraph 19(1).
- From now on, remove 'under Cash in hand' references in CRR-related documents, as per modification in paragraph 28(6)(v).
- Update Annex I (Form A) references to include Exim Bank and other specified institutions instead of only NABARD or Exim Bank of India.
- Revise Annex II (Form VIII) to include deposits with RBI under the Standing Deposit Facility Scheme when calculating SLR requirements.
- Ensure compliance starting immediately as the modifications to the Small Finance Banks CRR and SLR Directions, 2025 have come into force.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13282&Mode=0>

## **Jan 22, 2026 : Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Amendment Directions, 2026**

### **Tags:**

Cash Reserve Ratio, Statutory Liquidity Ratio, Development Financial Institutions

### **Summary:**

The Reserve Bank of India's (RBI) Amendment Directions 2026 update regulations regarding Commercial Banks' Cash Reserve Ratio and Statutory Liquidity Ratio. Major changes include the insertion of references to other development financial institutions, the substitution of certain terms in Form A and Form VIII, and introducing a new item related to deposits under the Standing Deposit Facility Scheme. These amendments affect commercial banks and associated financial institutions, obligating them to comply with the revised terms immediately.

### **Insights:**

- Regulated entities must update their systems to recognize 'other development financial institutions' as defined in section 2(cccii) of the RBI Act, 1934, per paragraph 19(1) amendment.
- Banks should adjust their cash handling processes as the term 'under Cash in hand' has been removed from paragraph 28(6)(v), impacting report submissions.
- Financial reports involving Annex I (Form A) should now replace 'National Bank for Agriculture and Rural Development, Export Import Bank of India' with the updated list of financial institutions including Exim Bank, as specified.
- For Annex II (Form VIII), replace mentions of 'Export-Import Bank of India and National Bank for Agriculture and Rural Development' with the comprehensive list of specified development financial institutions.
- Implement immediate changes to report deposits under the newly included 'Amount deposited with the Reserve Bank, under Standing Deposit Facility Scheme' as per the new amendment direction.

**Further details can be found on:**

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13281&Mode=0>