

Regulatory Updates

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Sep 02, 2026 : Deposits and Accounts – Accounts of Non-resident banks

Tags:

Non-resident Banks, Rupee Accounts, Reporting Requirements, Foreign Exchange Management Act, AD Banks Compliance

Summary:

The Reserve Bank of India (RBI) has issued a circular removing the previous requirement for Authorised Dealer Category-I banks to submit an up-to-date list of offices/branches maintaining Rupee accounts of non-resident banks by January 15 and to report any temporary overdrawals by overseas branches/correspondents exceeding permissible limits if not settled within five days. This regulatory change, effective immediately, impacts all Authorised Dealer Category-I banks by easing their reporting obligations under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, without affecting any permissions required under other laws.

Insights:

- Effective immediately, authorized dealer (AD) banks are no longer required to submit an up-to-date list of offices/branches maintaining Rupee accounts for non-resident banks by January 15 each year.
- AD banks are now relieved from the obligation to report temporary overdrawals by overseas branches/correspondents not adjusted within five days to the Reserve Bank of India.
- The repeal of reporting requirements pertains specifically to obligations under Para B.2(ii) and B.8(i) of Part B of the A.P. (DIR Series) Circular No.92, dated April 4, 2003.
- The changes outlined in this circular are regulated under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, and do not negate permissions required by other laws.
- AD banks should review their compliance procedures to reflect the discontinued reporting obligations, thereby potentially reducing administrative workload.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13693&Mode=0>

Sep 02, 2026 : Relief Measures in Areas Affected by Natural Calamities - Reporting through Centralised Information Management System (CIMS) Portal - Introduction of Half-Yearly Return

Tags:

Relief Measures, Natural Calamities, Centralised Information Management System (CIMS), Regulatory Reporting, Stressed Assets Resolution

Summary:

This RBI regulation introduces a revised framework for reporting relief measures by Regulated Entities (REs) in areas affected by natural calamities through the Centralised Information Management System (CIMS) portal on a half-yearly basis. The new requirement mandates submission within 30 days from the half-year end, with specific deadlines for October 30 and April 30, replacing the monthly return obligation for Scheduled Commercial Banks (excluding Regional Rural Banks) from July 1, 2026. The affected entities include all Scheduled Commercial Banks, Local Area Banks, Urban and Rural Cooperative Banks, and Non-Banking Financial Companies, which must ensure accurate data submission and establish necessary internal systems.

Insights:

- Regulated Entities (REs) must submit half-yearly data on relief measures for natural calamities through the CIMS portal effective July 1, 2026.
- The submission deadlines for the CIMS portal are October 30 for the period ending September 30 and April 30 for the period ending March 31.
- REs should ensure data accuracy, completeness, and validation for information uploaded in the CIMS portal, necessitating robust internal processes for collection and verification.
- The previously applicable monthly reporting requirement for Scheduled Commercial Banks on natural calamity relief measures is discontinued from July 1, 2026.
- Referring amendment directions on the Resolution of Stressed Assets issued April 29, 2026, is crucial as they form the framework for the revised relief reporting guidelines.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13692&Mode=0>

Sep 02, 2026 : Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026

Tags:

Urban Co-operative Banks, Investment Portfolio Amendment, Non-SLR Securities, Indian Digital Payment Intelligence Corporation, Banking Regulation Act

Summary:

The Reserve Bank of India (RBI) has amended the 2025 guidelines for Urban Co-operative Banks (UCBs) in regard to the classification, valuation, and operation of their investment portfolios by permitting investments in the equity shares of the Indian Digital Payment Intelligence Corporation (IDPIC) and other specified organizations to acquire necessary memberships. These changes, effective immediately, impact UCBs by expanding the types of securities in which they can invest, specifically to include memberships in newly established digital payment and market infrastructure entities, thereby potentially affecting their investment and membership strategies.

Insights:

- Urban Co-operative Banks (UCBs) must acquire equity shares of the Indian Digital Payment Intelligence Corporation (IDPIC) to gain membership, following amended Paragraph 101.(5).
- Compliance is required with amended Paragraph 107.(1) which mandates UCBs to hold equity shares in Market Infrastructure Companies and other specified entities to secure memberships.
- Ensure that investment portfolio classifications are updated according to the Reserve Bank of India Second Amendment Directions, 2026, effective immediately.
- Monitor changes to Chapter VIII of the 2025 Directions, specifically regarding investments in non-SLR securities, as per the latest amendment.
- Incorporate the membership requirement of IDPIC into operational strategies as the amendment is necessitated by the establishment of IDPIC as a central digital payment fraud intelligence platform.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13691&Mode=0>

Sep 07, 2026 : Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendment of 2 Entries

Tags:

UNSC Compliance, UAPA Act 1967, ISIL and Al-Qaida Sanctions, Banking Regulation, Financial Institutions Obligations

Summary:

The Reserve Bank of India has issued a regulation mandating that all regulated entities, including various banks and financial institutions, strictly ensure compliance with Section 51A of the Unlawful Activities (Prevention) Act, 1967, by not maintaining accounts for individuals or entities on the UNSC's amended ISIL (Da'esh) & Al-Qaida Sanctions List. The regulation follows updates from the United Nations concerning the designation of individuals involved with terrorist organizations and requires the impacted entities to implement measures as specified in Chapter IX of the RBI's directions. Additionally, procedures for delisting requests are outlined, reinforcing the need for meticulous observance of the new amendments.

Insights:

- Regulated entities must ensure compliance with the updated UNSC's ISIL (Da'esh) & Al-Qaida Sanctions List by cross-referencing with the updated lists available on the UN website.
- Chapter IX compliance requires that any bank de-listing request needs to be electronically forwarded to the Joint Secretary (CTCR), MHA, as per the guidelines.
- Entities should immediately halt any services to individuals/entities mentioned in the UNSC press release SC/16446 dated September 4, 2026, and freeze related assets as per resolution 2734 (2024).
- Verify your internal systems against the UAPA Order dated February 2, 2021, (amended April 22, 2024) to ensure procedures align with prescribed sanction measures.
- Regulated entities are advised to regularly update their databases to reflect any changes stemming from communications by the UNSC, especially those regarding ISIL and Al-Qaida lists.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13695&Mode=0>

Sep 07, 2026 : Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1988 (2011) Taliban Sanctions List: Amendment of 01 Entry

Tags:

UNSC Sanctions List, UAPA Compliance, Financial Institutions, Terrorism Financing Prevention, Regulatory Obligations

Summary:

The Reserve Bank of India has issued a regulation concerning the implementation of Section 51A of the UAPA Act, 1967, emphasizing updates to the UNSC's 1988 (2011) Taliban Sanctions List with amendments to entries, particularly highlighting an individual named Abdul Salam Hanafi. The circular mandates commercial banks, small finance banks, payment banks, cooperative banks, NBFCs, and all other regulated financial institutions to ensure no accounts exist for individuals/entities on this list, and to adhere to all procedures outlined in the UAPA Order dated February 02, 2021. Any delisting requests received by banks must be electronically forwarded to the Joint Secretary (CTCR), MHA for consideration.

Insights:

- Regulated entities must ensure no account is held under individuals/entities linked to terrorism as per the updated UNSC Taliban Sanctions List by referencing Chapter IX of the Directions.
- Ministry of Home Affairs (MHA) instructions necessitate forwarding delisting requests by any bank electronically to Joint Secretary (CTCR), MHA for due consideration.
- Review and adhere to the amended UAPA Order dated February 02, 2021, which was updated on April 22, 2024, to ensure compliance with current regulations.
- Regulated entities must consistently reference updated lists of individuals and entities related to ISIL, Al-Qaida, and Taliban available on the United Nations Security Council website.
- UNSC's updated press release from August 27, 2026, mandates concrete steps from regulated entities; it can be found at the specified UN press link for compliance actions.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13694&Mode=0>

Sep 08, 2026 : Review of Circulars issued under Foreign Exchange Management Act, 1999 (FEMA)

Tags:

FEMA circulars withdrawal, Regulatory rationalisation, Authorised Persons compliance, Section 10(4) and 11(1) FEMA, External Commercial Borrowings (ECB)

Summary:

The Reserve Bank of India (RBI) is conducting a thorough review of circulars related to the Foreign Exchange Management Act, 1999 (FEMA) and is withdrawing seven specific circulars that have become obsolete due to new regulatory changes or overlaps. These changes primarily impact Authorized Persons, who are advised to inform their relevant constituents. This action is intended to streamline the regulatory framework and ensure compliance with updated directives, as governed under Sections 10(4) and 11(1) of FEMA.

Insights:

- Regulated entities must realign their compliance frameworks in accordance with the withdrawal of seven A.P. (DIR Series) circulars listed in the Annex, ensuring no procedural gaps.
- Financial institutions should note the withdrawal of ECB-related circulars, including those from 2013 and 2015, and update their ECB policies to align with current regulations.
- Authorized persons must communicate the withdrawal of outdated circulars to constituents by September 30, 2026, to ensure stakeholders are informed and compliant.
- Entities involved with External Commercial Borrowings must scrutinize the withdrawal of ECB circulars related to infrastructure and Rupee denominated bonds for operational adjustments.
- All authorized agents under the Money Transfer Service Scheme should review changes and ensure sub-agent lists comply with revised regulatory frameworks post-withdrawal.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13696&Mode=0>

Sep 11, 2026 : Reserve Bank of India (Priority Sector Lending – Targets and Classification) Third Amendment Directions, 2026

Tags:

Priority Sector Lending, Adjusted Net Bank Credit, FCNR (B) Deposits, NRE Term Deposits, Regulatory Compliance

Summary:

The Reserve Bank of India has issued an amendment to the Priority Sector Lending (PSL) Targets and Classification Directions, 2026, specifically revising the date for certain exemptions related to advances against FCNR (B) and NRE term deposits. The regulation now stipulates that such advances mobilized between June 2026 and August 31, 2026, will be excluded from the calculation of Adjusted Net Bank Credit for PSL purposes. This amendment affects banks that extend advances against these deposits, impacting their compliance with Cash Reserve Ratio and Statutory Liquidity Ratio requirements.

Insights:

- Banks should urgently adjust their Priority Sector Lending calculations to reflect the new deadline of August 31, 2026, for exemptions related to FCNR (B) and NRE term deposits.
- Ensure that advances against FCNR (B) and NRE deposits extended within revised dates are exempt from ANBC, impacting CRR/SLR maintenance as per RBI amendments stated on June 08, 2026, and June 19, 2026.
- Operational systems must be updated immediately to comply with the change in exempt date in the Reserve Bank of India (Priority Sector Lending) Directions, 2025, from September 30, 2026, to August 31, 2026.
- Cross-check deposit mobilization processes to confirm alignment with the modified maturity and exemption criteria for ANBC calculation as updated on August 07, 2026.
- Review and amend priority sector targets computations to ensure they do not exceed the eligible FCNR (B) / NRE deposits outlined under the revised RBI Amendment Directions.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13698&Mode=0>

Sep 11, 2026 : Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026

Tags:

Local Area Banks, Cash Reserve Ratio, Statutory Liquidity Ratio, Scheduled Banks Compliance, Penal Interest Rates

Summary:

The Reserve Bank of India (RBI) issued the Reserve Bank of India (Local Area Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Second Amendment Directions, 2026, which amend previous directions to incorporate applicable provisions for scheduled banks. Key changes include requirements for scheduled banks to maintain specified average daily balances with the RBI and additional CRR requirements under certain conditions. These directions impact scheduled banks, potentially leading to penal consequences if the prescribed CRR levels are not met.

Insights:

- Scheduled banks must maintain an average daily CRR balance not less than specified percentages effective each reporting fortnight from September 6, 2025, to November 29, 2025.
- Every scheduled bank is now required to ensure that their daily maintained CRR is not less than 90% of the prescribed CRR during the reporting fortnight.
- For demand and time liabilities calculation, savings bank deposits interest should continue being applied on a daily product basis as of 30th September and 31st March each year.
- Scheduled LABs will incur a penal interest if the daily CRR balance during any fortnight falls below the prescribed minimum, with specific penalties noted for continuous defaults.
- Scheduled banks' liabilities under certain categories, such as to the banking system and ACU accounts, are exempt from CRR, as defined in Section 42 of the RBI Act, 1934.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13697&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Rural Co-operative Banks – Know Your Customer) Amendment Directions, 2026

Tags:

Rural Co-operative Banks, Know Your Customer (KYC), Non-Resident Indians (NRIs), Foreign Portfolio Investors (FPIs), Compliance Amendment 2026

Summary:

The Reserve Bank of India (RBI) has issued the Amendment Directions, 2026, for Rural Co-operative Banks' Know Your Customer (KYC) protocols, modifying the 2025 directions. The key update allows banks to obtain certified copies of required documents from specified authorities for Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs), and now extended to Foreign Portfolio Investors (FPIs), easing verification processes when offline Aadhaar verification is unavailable. The new requirements impact rural co-operative banks and their dealings with these overseas customers, effective immediately.

Insights:

- Rural Co-operative Banks must now accept original certified copies for NRIs, PIOs, and FPIs as verified by specified authorities under FEMA 5(R) regulations.
- Compliance change mandates Rural Co-operative Banks to record proof of possession of Aadhaar number when offline verification is not possible, with immediate effect.
- Foreign Portfolio Investors can provide certified copies from Indian bank branches abroad or local notary, easing documentation process for onboarding.
- Rural Co-operative Banks need to update their KYC procedures to integrate officer comparison records as per the new amendment in Paragraph 4(1)(v).
- Past guidelines on certified copies for NRIs and PIOs are extended to include FPIs, necessitating operational adjustments in KYC processes for seamless compliance.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13704&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Urban Co-operative Banks – Know Your Customer) Amendment Directions, 2026

Tags:

KYC Amendment, Urban Co-operative Banks, NRIs and PIOs, Foreign Portfolio Investors, Certified Document Verification

Summary:

The Reserve Bank of India (RBI) has amended the Know Your Customer (KYC) Directions for Urban Co-operative Banks, initially issued in 2025, by expanding the facility for obtaining certified copies of identification documents. The updated regulation now allows banks to accept original certified copies from Foreign Portfolio Investors (FPIs), in addition to Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), certified by specific overseas authorities such as notaries and Indian embassies. This change impacts Urban Co-operative Banks by broadening their scope of acceptable documentation for foreign clients and enhancing compliance with anti-money laundering provisions.

Insights:

- Urban Co-operative Banks must update KYC protocols to recognize certified copies for NRIs, PIOs, and now FPIs, effective immediately, referencing Para 4(1)(v) update.
- Authorized officers must compare and record document authenticity for offline Aadhaar or valid document proof, requiring operational checks outlined in the amendment.
- Banks should leverage overseas branches and specified authorities for document certification of NRIs, PIOs, and FPIs as detailed in the new amendment list.
- Compliance teams need to review and adjust processes to accommodate the inclusion of FPIs under the certified copy provision, effective from the commencement date.
- Entities must ensure their systems recognize and adhere to the amended definitions and processes for certified document handling as specified in the modification of the 2025 directive.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13703&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Regional Rural Banks – Know Your Customer) Amendment Directions, 2026

Tags:

Know Your Customer (KYC), Regional Rural Banks, Foreign Portfolio Investors (FPIs), Certified Copy Verification, Non-Resident Indians (NRIs)

Summary:

The Reserve Bank of India has amended the 'Know Your Customer' Directions, 2025 for Regional Rural Banks to now include Foreign Portfolio Investors (FPIs) alongside Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs) in obtaining original certified copies of identification documents. The amendment specifies that banks can accept these documents when certified by specified overseas authorities such as overseas bank branches with ties to Indian banks, notaries, court magistrates, judges, or Indian embassies/consulates. This impacts FPIs, NRIs, and PIOs by providing an alternative verification method to facilitate banking services.

Insights:

- Regional Rural Banks must now extend the provision of obtaining certified copies from FPIs, similar to NRIs and PIOs, ensuring these certified copies are from specified officials such as overseas bank branches or Indian Embassy officials.
- Operations teams in banks should update their KYC protocols to comply with the amended Directions effective immediately, changing how certified copies are obtained and verified.
- Banks must review their relationships with overseas banks to streamline the process of obtaining certified copies certified by authorised officials when dealing with NRIs, PIOs, and FPIs.
- Compliance officers need to ensure verification processes are documented in line with the updated guidelines for certified copy acceptance as detailed in Section 4(1)(v) of the Directions.
- Banks should cross-reference the original RBI (Regional Rural Banks – KYC) Directions, 2025 to ensure all amendments are correctly integrated into current operations without any oversight.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13702&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Local Area Banks – Know Your Customer) Amendment Directions, 2026

Tags:

Local Area Banks, Know Your Customer, Non-Resident Indians, Foreign Portfolio Investors, Certified Copy

Summary:

The Reserve Bank of India's regulation, titled 'Reserve Bank of India (Local Area Banks – Know Your Customer) Amendment Directions, 2026', extends the provision of obtaining certified copies for verification, previously applicable to Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), to include Foreign Portfolio Investors (FPIs). The regulation mandates banks to compare original and copy documents for Aadhaar verification or, alternatively, accept certified copies from authorized officials such as overseas branches of Indian banks, notaries abroad, and Indian embassies. This amendment impacts banks dealing with NRIs, PIOs, and FPIs by modifying verification processes to accommodate these stakeholders.

Insights:

- Local Area Banks must start obtaining certified copies for NRIs, PIOs, and FPIs' proof of possession of Aadhaar or valid documents through specified authorized officials, effective immediately.
- Operational processes must be updated to facilitate certification by officials such as overseas branches of Indian banks, overseas banks with existing relationships, Notary Publics abroad, and other specified authorities.
- Compliance teams should cross-reference the updated instructions with the Foreign Exchange Management (Deposit) Regulations, 2016, especially FEMA 5(R) to ensure alignment.
- Existing processes concerning the collection of certified copies from NRIs and PIOs must be updated to include FPIs as directed by the new guidelines.
- Ensure immediate readiness to accept certified copies from Indian Embassies/Consulates under the new provisions for enhanced KYC procedures.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13701&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Small Finance Banks – Know Your Customer) Amendment Directions, 2026

Tags:

Small Finance Banks, Know Your Customer, Non-Resident Indians, Foreign Portfolio Investors, Compliance Amendment

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Small Finance Banks - Know Your Customer Directions, 2025, to extend the facility of obtaining certified copies from designated authorities to Foreign Portfolio Investors (FPIs), in addition to Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs). This regulatory update specifies that banks may obtain original certified copies, certified by authorized officials from specified entities such as overseas bank branches, Notary Public abroad, and Indian Embassy, among others. This change impacts small finance banks and expands the options for KYC verification, enhancing the compliance process for foreign investors and non-resident account holders.

Insights:

- Small Finance Banks must now obtain original certified copies for FPIs from specific authorities as per the amended Paragraph 5(1)(v).
- Regulated banks need to update their KYC procedures to include certification by overseas branches of Scheduled Commercial Banks and others for FPIs.
- Operational changes should include training authorized officers to conduct document verification as outlined in the amended regulations.
- Banks must ensure compliance with the modified KYC Directions, 2025, replacing the previous requirement with immediate effect.
- Cross-referencing FEMA 5(R) is crucial for accurate application of definitions for NRIs, PIOs, and now FPIs in KYC processes.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13700&Mode=0>

Sep 18, 2026 : Reserve Bank of India (Commercial Banks – Know Your Customer) Amendment Directions, 2026

Tags:

KYC Amendment, Foreign Portfolio Investors, Certified Copy, Non-Resident Indians, Banking Compliance

Summary:

The Reserve Bank of India's regulation updates the Know Your Customer (KYC) requirements for commercial banks, allowing banks to obtain certified copies of identity documents for Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs), and Foreign Portfolio Investors (FPIs) from specified overseas authorities. This amendment, effective immediately, replaces the previous guideline that required in-person verification and expands the list of authorized certifiers to include overseas bank officials, notaries, and certain judicial and diplomatic officers, impacting banks dealing with these categories of foreign clients.

Insights:

- Banks must update their KYC processes to include obtaining original certified copies from authorized overseas officials for NRIs, PIOs, and FPIs.
- Compliance departments should note the revised definition of 'Certified Copy' in paragraph 5(1)(v) and implement the necessary changes immediately.
- Ensure coordination with overseas branches and Indian embassies for easy access to certification services for non-resident customers.
- Review and adjust existing KYC protocols to align with the amendments to Paragraph 5(1)(v) of the 2025 KYC Directions.
- Consult the amended Foreign Exchange Management (Deposit) Regulations, 2016, to understand the scope of NRIs, PIOs, and FPIs definitions as referenced in this directive.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13699&Mode=0>

Sep 21, 2026 : Reserve Bank of India (Commercial Banks - Minimum Capital Requirements for Market Risk) Directions, 2026

Tags:

Market Risk, Capital Requirements, Internal Risk Transfer, Trading Book, Foreign Exchange Exposure

Summary:

The Reserve Bank of India has introduced the 'Reserve Bank of India (Commercial Banks - Minimum Capital Requirements for Market Risk) Directions, 2026,' effective from April 1, 2027, focusing on revising the framework for computing capital requirements for market risk. Major updates include detailed procedures for calculating risk-weighted assets for interest rate, equity, and foreign exchange risks, using the simplified standardised approach, and providing clearer guidelines for internal risk transfers between banking and trading books. This regulation applies to all commercial banks operating within India, excluding Small Finance Banks, Payments Banks, and Local Area Banks, and aims to enhance risk management in the banking sector by enforcing stringent capital adequacy norms.

Insights:

- Trading books of banks need to comply with new market risk capital requirements effective April 1, 2027, necessitating internal policy reviews and adjustments.
- Banks must ensure the reclassification of instruments between trading and banking books is not based on regulatory arbitrage; the penalty may include a Pillar 1 capital surcharge.
- Structural foreign exchange positions for capital and accumulated surplus of overseas operations can be excluded from Net Open Position if they neutralize capital ratio sensitivity.
- Debt mutual funds aligning with specified criteria must be evaluated for market risk capital charge; funds not meeting these criteria will attract equity risk capital charge.
- Section D of Chapter IV of the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025 is repealed, affecting previous compliance frameworks.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13705&Mode=0>

Sep 22, 2026 : Reserve Bank of India (All India Financial Institutions - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

Tags:

Infrastructure Investment Trusts (InvITs), Real Estate Investment Trusts (REITs), Valuation Methodology, Unquoted Instruments, SEBI Regulations Compliance

Summary:

The Reserve Bank of India (RBI) has issued an amendment to the Reserve Bank of India (All India Financial Institutions – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, focusing on the valuation of units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). This regulation introduces specific valuation methodology for quoted and unquoted securities issued by InvITs and REITs, requiring unquoted units to be valued at net asset value (NAV) or treated as ₹1 if the NAV is not properly disclosed or if units are infrequently traded, according to SEBI regulations. These changes impact financial institutions managing investment portfolios containing InvITs and REITs, ensuring standardized valuation practices.

Insights:

- All India Financial Institutions must now value quoted InvIT and REIT units in line with existing guidelines for quoted securities, ensuring consistent valuation practices across all investments.
- Unquoted units of InvITs and REITs that fail to disclose NAV as required under SEBI regulations will be treated at a nominal value of ₹1, compelling entities to ensure compliance with disclosure norms to maintain portfolio valuation accuracy.
- Entities must adjust their investment valuation methodologies for unquoted instruments of InvITs and REITs in adherence to the new provisions, necessitating updated operational processes for accurate financial reporting.
- The inclusion of Paragraphs 58A and 58B mandates institutions to immediately integrate these provisions into current compliance checks to avoid discrepancies in regulatory reporting.
- The updated guideline references SEBI's 2014 regulations for both InvITs and REITs, prompting a necessary review of these documents to ensure alignment and compliance with cross-referenced requirements.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13711&Mode=0>

Sep 22, 2026 : Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026

Tags:

Payments Banks, Infrastructure Investment Trust (InvIT), Real Estate Investment Trust (REIT), Valuation Methodology, SEBI Compliance

Summary:

The Reserve Bank of India has issued amendments to the valuation guidelines for Payments Banks, specifically concerning units of Infrastructure Investment Trusts (InvIT) and Real Estate Investment Trusts (REIT). The major update involves newly inserted paragraphs 83A and 83B detailing valuation methodologies for quoted and unquoted InvIT and REIT units, emphasizing NAV-based valuations with specific provisions when NAV disclosures are inadequate. This regulation affects Payments Banks, providing them with clear directives to enforce uniformity in investment valuation practices.

Insights:

- Payments Banks must immediately implement fair valuation practices for InvITs and REITs as per the new RBI guidelines effective from September 22, 2026.
- For unquoted InvITs and REITs units not disclosing NAV as per SEBI's frequency, Payments Banks are to treat their value as ₹1 for compliance with these guidelines.
- In alignment with the 2025 Directions, all quoted InvITs and REITs securities should be valued following the existing instructions for quoted securities by Payments Banks.
- Payments Banks must update their investment portfolios to reflect these changed valuation methods for unquoted InvIT and REIT instruments to remain compliant.
- Referenced SEBI Regulations (2014) need to be cross-checked by Payments Banks to ensure correct classification and frequency of NAV disclosure for InvITs and REITs.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13710&Mode=0>

Sep 22, 2026 : Reserve Bank of India (Small Finance Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026

Tags:

Small Finance Banks, Valuation of Investments, Infrastructure Investment Trusts (InvITs), Real Estate Investment Trusts (REITs), SEBI Regulations

Summary:

The Reserve Bank of India issued an amendment to the 2025 directions concerning small finance banks' investment portfolios, focusing on the valuation of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). The amendment introduces the requirement that quoted securities issued by InvITs and REITs be valued according to existing directions for quoted securities, while unquoted units are to be valued at their Net Asset Value (NAV) unless non-compliance with SEBI regulations is detected, in which case they are valued at ₹1. This regulation impacts small finance banks as it provides clarity and standardizes the valuation process for InvIT and REIT units.

Insights:

- Small Finance Banks must ensure that both quoted and unquoted securities of InvITs and REITs are valued in accordance with the new guidelines to comply with amended RBI Directions.
- Effective September 22, 2026, Small Finance Banks should adjust their valuation processes for unquoted InvIT and REIT units, treating them as ₹1 if NAV disclosures fail as per SEBI regulations 2014.
- Investment portfolios of Small Finance Banks need immediate reassessment to classify and value InvIT and REIT units under the criteria of being infrequently traded, ensuring compliance with recent amendments.
- Operational and compliance teams in Small Finance Banks should update their systems and protocols to incorporate the valuation methodologies specified for unquoted instruments under SEBI regulations 2014.
- The revision in the RBI Directions necessitates the withdrawal and update of previous valuation protocols for InvIT and REITs under Chapter IX guidelines issued on November 28, 2025.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13709&Mode=0>

Sep 22, 2026 : Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026

Tags:

Investment Portfolio, Infrastructure Investment Trusts (InvITs), Real Estate Investment Trusts (REITs), Valuation, SEBI Compliance

Summary:

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Local Area Banks – Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026. This regulation introduces specific valuation guidelines for units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs), requiring quoted securities to be valued as per existing instructions and unquoted instruments to be valued based on disclosed NAVs, with a default value applied for non-compliance by the trusts. The directive impacts local area banks involved in investments related to InvITs and REITs.

Insights:

- Regulated entities must ensure that quoted units of InvITs and REITs are valued in accordance with the RBI Directions for quoted securities starting immediately.
- For unquoted units of InvITs and REITs, entities must use NAV disclosed by the trusts or default to ₹1 if the NAV is not disclosed as per SEBI guidelines.
- Entities must align their valuation practices with SEBI (Infrastructure Investment Trusts) Regulations, 2014, and SEBI (Real Estate Investment Trusts) Regulations, 2014, to avoid compliance issues.
- Amendments replace previous valuation methods from Reserve Bank of India Directions, 2025, with updated methodologies under the 2026 amendment.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13708&Mode=0>

Sep 22, 2026 : Reserve Bank of India (Commercial Banks - Classification, Valuation, and Operation of Investment Portfolio) Third Amendment Directions, 2026

Tags:

Investment Portfolio, Infrastructure Investment Trusts (InvIT), Real Estate Investment Trusts (REIT), Valuation Methodology, SEBI Compliance

Summary:

The RBI's latest regulation on the classification, valuation, and operation of investment portfolios for commercial banks introduces amendments for the fair valuation of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). Key updates include new valuation instructions for quoted and unquoted securities and units of InvITs and REITs, mandating the use of NAV disclosures by these entities as per SEBI regulations, with a default value of ₹1 for non-compliant or infrequently traded securities. This regulation impacts commercial banks holding InvIT and REIT investments, ensuring uniform valuation practices aligned with SEBI guidelines.

Insights:

- InvITs and REITs must be consistently valued at NAV as disclosed; non-compliance results in valuation at ₹1, urging accurate and timely NAV disclosures by trusts.
- Commercial banks need to ensure immediate compliance with amended valuation methods for InvITs and REITs, active from the issuance date of amendments.
- Cross-reference SEBI (Infrastructure Investment Trusts) Regulations, 2014 for compliance on NAV computation and disclosure frequency to avoid downgrading valuation.
- Infrequently traded units of InvITs and REITs need careful classification as they are valued at ₹1 unless proven otherwise under SEBI guidelines.
- Banks previously compliant with RBI Directions, 2025 for investment portfolios should update practices in line with amended Paragraphs 84A and 84B.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13707&Mode=0>

Sep 22, 2026 : Novation of OTC Derivative Contracts

Tags:

OTC Derivative Contracts, Novation Process, Financial Market Regulation, RBI Directions 2026, Compliance Requirements

Summary:

The Reserve Bank of India's new regulation on the novation of OTC derivative contracts provides finalized instructions based on feedback following a draft released in July 2025. It consolidates existing circulars and instructions into updated directions for managing OTC foreign exchange, interest rate, government securities, and credit derivative contracts, with applicability for any novation undertaken from the date of this circular. This regulation impacts all eligible market participants engaging in these derivative transactions, ensuring compliance with the directives established under the Reserve Bank of India Act.

Insights:

- Market participants must align novation processes with finalized OTC derivative contract guidelines issued on September 22, 2026.
- Ensure compliance with Master Direction amendments governing OTC foreign exchange and interest rate derivatives from July 05, 2016 and December 08, 2025.
- Implementation of new novation instructions must consider updates to Master Direction on Credit Derivatives dated June 25, 2026.
- Stakeholders need to review internal systems for integration of novation processes adhering to the amended directions for forward contracts in government securities from February 21, 2025.
- RBI's section 45W mandates entities to adjust operational frameworks to align with the new derivative novation instructions post-September 22, 2026.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13706&Mode=0>

Sep 23, 2026 : Exim Bank's GOI-supported Line of Credit (LOC) for ₹ 4,850 crores the Government of Maldives, for financing various developmental projects in Maldives

Tags:

Exim Bank LOC, Government of Maldives, Developmental Projects Financing, Export Declaration, Foreign Trade Policy Compliance

Summary:

The Reserve Bank of India announces a ₹4,850 crore Line of Credit (LoC) agreement with the Government of Maldives to finance development projects as per the terms dated August 27, 2026. Under this agreement, at least 75% of goods and services must be sourced from India, with the disbursement period extending to 48 months post-contract completion. This regulation affects Authorised Dealer Category-I banks and exporters, with specific compliance requirements for export reporting and currency remittance conditions.

Insights:

- Regulated entities must ensure that at least 75% of the contract price is procured from Indian sources for the LOC to Maldives, as stipulated by the agreement.
- AD Category-I banks need to facilitate and monitor disbursements, which must be completed within 48 months after the contract's scheduled completion date.
- Export shipments under the LOC have to be declared using the Export Declaration Form/Shipping Bill, following current Reserve Bank instructions.
- Exporters engaged under this LOC cannot charge agency commissions, unless using their resources or utilizing the EEFC account for foreign currency payments.
- AD Category-I banks should communicate the LOC details to exporters and advise obtaining further information from Exim Bank, ensuring compliance with all stipulated guidelines.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13712&Mode=0>

Sep 24, 2026 : Designation of terrorist organisation under clause (a) of sub-section (1) of section 35 of the Unlawful Activities (Prevention) Act, 1967 and listed in the First Schedule of the Act

Tags:

Unlawful Activities Prevention Act, Terrorist Organisation Designation, Shahzad Bhatti Network, Banking Compliance, MHA Notification

Summary:

The Reserve Bank of India mandates that all regulated entities, including banks and financial institutions, strictly follow procedures outlined in the Unlawful Activities (Prevention) Act, 1967 regarding terrorist organizations. Following recent amendments, a new entity, 'Shahzad Bhatti Network,' has been classified as a 'Terrorist Organization' under UAPA, necessitating compliance from commercial banks, small finance banks, and other specified entities. The regulation emphasizes the need for meticulous compliance with government orders and reporting to the Financial Intelligence Unit-India and Ministry of Home Affairs when accounts resemble individuals or entities listed as per UAPA notifications.

Insights:

- Regulated entities must strictly adhere to the UAPA Order of February 2, 2021 and report accounts resembling listed entities to FIU-IND and MHA promptly.
- Entities should incorporate the recent amendment by MHA dated September 16, 2026, identifying the 'Shahzad Bhatti Network' as a terrorist organization, into their compliance checks.
- Establish a mechanism to continuously monitor updates to Schedule I of UAPA, 1967 for compliance with the latest terrorist organization designations.
- Cross-reference compliance protocols with RBI's Know Your Customer Directions from November 28, 2025, as amended, ensuring alignment with changes to UAPA-related obligations.
- Immediate operational adjustment and staff training is required to incorporate the Shahzad Bhatti Network into current risk management and KYC frameworks.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13713&Mode=0>

Sep 25, 2026 : Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026

Tags:

Export and Import Regulations, Authorized Dealers, Foreign Exchange Management, Compliance Amendment, Exporter Caution List

Summary:

The Reserve Bank of India has issued amendments to the Foreign Exchange Management Regulations on Export and Import of Goods and Services, effective October 1, 2026, reducing the timeline for export proceeds realization from fifteen to nine months and from eighteen to twelve months for specific cases. These amendments impact exporters, particularly those listed on the Caution List as of September 30, 2026, who remain subject to RBI orders until their removal from the list. Authorized Dealers are granted the power to manage pre-October 2026 transactions that previously required Reserve Bank approval.

Insights:

- Exporters must adjust timelines to ensure export realizations are completed within nine months from the date of export, reduced from the earlier fifteen months.
- Entities should update their compliance frameworks as shipments on the caution list remain subject to closer scrutiny under the protocols established prior to September 30, 2026.
- Authorized Dealers can now independently manage pre-October 2026 export and import transactions without RBI approvals, streamlining their processes.
- Compliance systems need revision to reflect that the previous eighteen-month realization period is now adjusted to twelve months for specified cases.
- Refer to revised regulations under the Master Directions on the export and import of goods and services for updated compliance procedures, replacing prior stipulations from the 2015 directions.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13714&Mode=0>

Sep 29, 2026 : Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendment of 1 Entry

Tags:

UAPA Compliance, 1267 Al-Qaida Sanctions, Banking Regulations, Terrorist Links, Account Monitoring

Summary:

The Reserve Bank of India (RBI) has issued a circular regarding the implementation of Section 51A of the UAPA, 1967, which mandates that banks and financial entities must ensure they do not maintain accounts for individuals or entities listed by the United Nations Security Council (UNSC) as having terrorist links. The circular highlights recent amendments to the UNSC's ISIL (Da'esh) & Al-Qaida Sanctions List, specifically an entry related to the terrorist organization Khatiba al-Tawhid wal-Jihad (KTJ). This regulation impacts banks, cooperative banks, non-banking financial companies, and other financial institutions, requiring them to comply with updates to international sanctions lists and procedures as outlined in the RBI's Know Your Customer Directions.

Insights:

- Regulated entities must verify their customer databases to ensure no accounts exist under names listed in UNSC's amended 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List as per Section 51A of UAPA, 1967.
- Entities are required to update their KYC systems in compliance with Chapter IX of the RBI's Directions dated November 28, 2025, amended as of September 18, 2026.
- All delisting requests must be electronically forwarded to Joint Secretary (CTCR), MHA, as instructed by the Ministry of Home Affairs, ensuring no delays in processing.
- Refer to the UAPA Order updated on April 22, 2024, for detailed compliance procedures, ensuring adherence to asset freeze, travel ban, and arms embargo stipulations.
- Entities need to directly access updated sanctions lists through specified UN URLs, avoiding reliance on outdated lists, thus ensuring compliance with the latest UNSC regulations.

Further details can be found on:

<https://rbi.org.in/Scripts/NotificationUser.aspx/NotificationUser.aspx?Id=13715&Mode=0>