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# Corporate Laws

## Ministry of Corporate Affairs

### 01 The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026

[Issued by the Ministry of Corporate Affairs [e-F. No. CSR-10/13/2025-CSR-MCA] dated 27.05.2026]

In exercise of the powers conferred by Section 135 and sub-sections (1) and (2) of Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, namely:-

1. Short title and commencement. - (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026.
  - (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the said rules), in rule 2, in the sub-rule (1), -
  - (i) after clause (h), the following clause shall be inserted, namely: -
 

*'(ha) "Not for Profit Organization" has the same meaning as in clause (e) of regulation 292A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.'*
  - (ii) after clause (k), the following clause shall be inserted, namely: -
 

*'(l) "zero coupon zero principal instrument" means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.'*
3. In the said rules, after rule 4, the following rule shall be inserted, namely:-
 

"4A Corporate Social Responsibility implementation through zero coupon zero principal instrument.-

  - (1) A company may carry out Corporate Social Responsibility activities through a zero coupon zero principal instrument:

Provided that the expenditure incurred for such instrument shall not exceed ten percent of the total Corporate Social Responsibility expenditure of such company for that financial year.

- (2) The company that has subscribed in a zero coupon zero principal instrument shall be exempted from undertaking impact assessment of any project funded by such an instrument.
- (3) The Not for Profit Organisation issuing the zero coupon zero principal instrument and raising fund therefrom shall -
  - (a) undertake a project with a duration not more than three succeeding financial years from the issue of such zero coupon zero principal instrument; and
  - (b) on termination of listing of such zero coupon zero principal instrument, transfer the unspent amount to any fund included in Schedule VII to the Act and submit its compliance report to the Securities Exchange Board of India;
- (4) The provisions of rule 4, except sub-rules (5) and (6) shall be applicable to the implementation of Corporate Social Responsibility through a zero coupon zero principal instrument."

**RAHUL JAIN**  
Joint Secretary

### 02 Notification of Amendments

[Issued by the Ministry of Corporate Affairs [e-F. No. CSR-10/13/2025-CSR-MCA] dated 27.05.2026]

In exercise of the powers conferred by sub-section (1) of Section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendments in the Schedule VII to the said Act, namely: —

In the said Schedule, after item (xii) and the entries relating thereto, the following item and entry shall be inserted, namely:-

"(xiii) Subscription to zero coupon zero principal instruments on Social Stock Exchange."

2. This notification shall come into force on the date of its publication in the Official Gazette.

**RAHUL JAIN**  
Joint Secretary

### 03 What procedure is to be followed in case of transfer of interest of a member in a company not having share capital?

[Issued by the Ministry of Corporate Affairs on dated 08.05.2026]

**Ans.** Section 56 of the Companies Act, 2013 provides that a proper instrument of transfer is required to be executed in case of transfer of the interest of a member in case of a company having no share capital. Such instrument is required to be executed by or on behalf of the transferor and the transferee and must be delivered to the company in terms of the said provision.

Rule 11 of the Companies (Share Capital and Debentures) Rules, 2014 provides that form SH-4 shall be the format for transfer of securities held in the physical form. Rule 11(2) of the said rules clarifies that the same form is also required

to be used in case of transfer of interest of a member in a company not having Share capital. The said provision clarifies that the reference to securities shall be read as reference to “interest of the member of the company”.

Accordingly, stakeholders are advised to use form SH-4 for transfer of interest of member in case of a company limited with guarantee in terms of rule 11(2).

## 04 Extension of Registration Deadline - MCA21 NextGen Industry Consultation Workshop

[Issued by the Ministry of Corporate Affairs on dated 08.05.2026]

<p><b>Tentative Workshop date</b> Between 12 May to 22 May 2026</p>	<p><b>Objective of the Workshop</b> Ideation with potential industry participants of MCA21 NextGen application on:</p> <ul style="list-style-type: none"> <li>Ease of doing business, better enforcement, with increased efficiency, through use of innovative solutions.</li> <li>Application of new/ emerging technologies for better service delivery.</li> <li>Robust procurement and engagement model for the next Implementation Agency.</li> </ul> <p><b>Target participants:</b> Software development/ enablement agencies, technology OEMs, DC/cloud service providers, Consulting firms or Corporate law firms who may be potential participants in MCA21 NextGen RFP.</p>
<p><b>Location</b> To be communicated upon registration</p>	<p><b>Guidelines for participants:</b></p> <ul style="list-style-type: none"> <li>Only one registration per organisation shall be entertained.</li> <li>Participants are requested to acquaint themselves with the MCA21 system and come up with objective recommendations.</li> </ul> <p><b>Registration for the Workshop</b></p> <ul style="list-style-type: none"> <li>Interested participants should register their interest in participating in the workshop before 5 PM on 13 May 2026. The requests can be emailed to <a href="mailto:mca21-nextgen-communication@mca.gov.in">mca21-nextgen-communication@mca.gov.in</a>.</li> <li>While submitting the interest in participating in the workshop, the participants should fill the enclosed form and email to the above-mentioned email ID</li> <li>Exact schedule, agenda and location of the workshop shall be communicated to the registered organizations.</li> </ul>

Complete details are not published here for want of space. For complete notification readers may log on to [www.mca.gov.in](http://www.mca.gov.in)

## 05 Revision of Monthly Cumulative Report (MCR) Format

[Issued by the Securities and Exchange Board of India vide Circular HO/24/11/24(62)2026-IMD-RAC4/1/11872/2026 dated 19.05.2026]

- Please refer to clause 6.20 of SEBI Master Circular for Mutual Funds dated March 20, 2026 (hereinafter referred as “Master Circular”) prescribing the format for reporting of Monthly Cumulative Report (MCR).
- Pursuant to introduction of a new scheme categories vide SEBI Circular dated February 26, 2026 on Categorisation and Rationalisation of Mutual Fund Scheme now consolidated as clause 3.7 of Master Circular, it has been decided to modify MCR format from June 2026 onwards. The revised format of MCR is enclosed as Annexure A along with MCR SIF format enclosed at Annexure B.
- All other conditions specified in the above mentioned clause of the Master Circular shall remain unchanged.
- This Circular is issued in exercise of the powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with provisions of the SEBI (Mutual Funds) Regulations 2026 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
- This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link “Legal ->Circulars”.

**JUBIN MEHTA**

Deputy General Manager

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## 06 Status of SPVs post-conclusion or termination of Concession Agreement

[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-2/I/11698/2026 dated 15.05.2026]

- Regulation 2(1)(zy)(ii) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) was amended on April 17, 2026 to include the following proviso –
 

*“Provided that, in respect of an SPV holding an infrastructure project, the conclusion or termination of the concession agreement or such other agreement of a similar nature shall not affect its status as an SPV and such an SPV shall continue to be classified as an SPV subject to the fulfillment of such conditions as may be specified by the Board”*
- Accordingly, the conditions to be fulfilled by the Investment Manager in this regard are specified as follows –
  - The Investment Manager shall either exit investment in such SPV by way of sale / liquidation / winding-up / merger of such SPV, or acquire any new infrastructure project in such SPV, within one year from -

- 2.1.1. completion/termination of concession agreement or such other agreement of similar nature, or
- 2.1.2. conclusion of all pending claims/litigations/tax assessments and related appeals, or
- 2.1.3. completion of defect liability period, whichever is later.
- 2.2. The time taken to obtain relevant statutory or regulatory approvals for exiting investment in such SPV by way of sale / liquidation / winding-up / merger, shall be excluded from the above timeline of one year.
- 2.3. Further, till the time investment in such SPV is held by the InvIT, adequate disclosures shall be made in the annual report of the InvIT including the following –
  - 2.3.1. InvIT Level: The Investment Manager shall disclose a detailed breakup of the value of investments (gross and net basis) in the SPV(s) wherein the concession agreement or such other agreement of similar nature has ended/terminated.
  - 2.3.2. SPV Level: The Investment Manager shall provide additional disclosures pertaining to each SPV wherein the concession agreement or such other agreement of similar nature has ended/terminated, which shall include the following information:
    - 2.2.2. Road Project shall mean a project in the 'Roads and bridges' infrastructure sub-sector as mentioned in the notification of the Ministry of Finance dated September 19, 2025 and shall include any amendments or additions made thereto.
    - 2.3. Refinancing of debt, by the InvIT, SPV or Holdco, subject to the following conditions:
      - 2.3.1. the original debt which is being refinanced was utilized for the purposes permitted under Regulation 20(3)(b)(ii) of the InvIT Regulations;
      - 2.3.2. only the principal portion of debt is refinanced i.e. any accumulated interest or any charges or fees by whatever name called shall not be refinanced.

**RITESH NANDWANI**  
Deputy General Manager

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## 07 Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/DDHS/DDHS-PoD-2/1/11700/2026 dated 15.05.2026]**

1. Regulation 20(3)(b)(ii) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) was amended on April 17, 2026 to expand the permissible use of borrowings above forty-nine percent in the manner as specified by the Board.
2. Accordingly, the following shall be considered as permissible use of borrowing above forty-nine percent under Regulation 20(3)(b)(ii) of InvIT Regulations–
  - 2.1. Capital expenditure made to enhance asset performance or for capacity augmentation;
  - 2.2. Major maintenance expense in respect of Road Project, wherein -
    - 2.2.1. Major maintenance expense shall mean expenditure incurred on maintenance of road project which is not routine maintenance and is in accordance with the obligations and requirements specified in the concession agreement;

3. This circular shall come into force with immediate effect.
4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, Regulation 20(3)(b)(ii) and Regulation 33 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014. This circular is issued with the approval of the competent authority.
5. The recognized Stock Exchanges are advised to disseminate the contents of this Circular on their website.
6. This circular is available on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in) under the category “Legal → Circulars”.

**RITESH NANDWANI**  
Deputy General Manager

## 08 Norms for sharing and usage of price data for educational purposes

**[Issued by the Securities and Exchange Board of India vide Circular SEBI/HO/47/17/12(11)2025-MRD-POD3/1/11107/2026 dated 08.05.2026]**

1. SEBI vide Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/56 dated May 24, 2024, *inter alia*, prescribed Norms for sharing of real time price data to third parties by Stock Exchanges, Clearing Corporations, Depositories (collectively referred to as Market Infrastructure Institutions (MIIs)) and registered market intermediaries. The said norms restricted sharing of real time price data only for orderly functioning of the securities market or for fulfilling regulatory requirements, and prescribed a time lag of one day for sharing of price data for educational and awareness activities.
2. Subsequently, SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/11 dated January 29, 2025 further tightened the norms by stipulating that entities solely engaged in education may use the price data only with a lag of three months.
3. The purposes of these two circulars were different. The Circular dated May 24, 2024 allowed exchanges to share data for educational purposes with a time lag of one day,

while the Circular dated January 29, 2025 operates after that as to how much old data can be actually used for sole educational purposes and for that a time lag of three months had been prescribed.

4. Based on feedback received from various stakeholders that the lag of one day for sharing of price data is very short and there is possibility of misuse of the same, and lag of three months for usage of the price data being too long for educational purposes; and subsequent comments received through public consultation, it has been decided to prescribe a time lag of 30 days for both sharing and usage of price data for educational purposes.
5. National Institute of Securities Markets (NISM) is a capacity building initiative of SEBI and has an important role in imparting SEBI mandated training and certification programmes as well as training SEBI officers and market intermediaries. Therefore, it has been decided that NISM may have access to market price data, with a lag of one day, for the purpose of usage in its simulation lab.

**HRUDA RANJAN SAHOO**

General Manager

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## 09 Discontinuation of Investor Risk Reduction Access (IRRA) platform

**[Issued by the Securities and Exchange Board of India vide Circular HO/38/44/12(3)2025-MIRSD-TPD1/1/10705/2026 dated 07.05.2026]**

1. SEBI vide circular dated December 30, 2022 introduced IRRA platform for the Stock brokers. The platform is designed to provide Stock brokers an alternative access point for trading in case of disruption of trading services offered by them. The platform was operationalized with effect from October 01, 2023.
2. In the meantime, SEBI has introduced various technology driven measures to strengthen the business continuity requirements for the Stock broker's operations. These measures include operationalization of BCP-DR requirements, enhanced Cybersecurity and Cyber Resilience framework, implementation of Security Operations Centre for the market (M-SoC) and strengthening the technical glitch framework etc.
3. Furthermore, the trading operations of Stock brokers have seen significant technological advancements over the years. These innovations have strengthened the operational resilience of Stock brokers by facilitating seamless transitions between primary and alternate sites during periods of disruption and emergence of independent cold sites for business continuity etc.
4. In addition, Stock Exchanges provide an alternative contingency trading framework for the Stock brokers (i.e. Contingency Pool Trading facility). The Contingency Pool Trading facility is a mechanism offered by Stock Exchanges that allows Stock brokers to square off outstanding open positions for their clients during business disruptions. This facility operates via

the exchange's internal network within its physical premises, where broker allocated dedicated terminals are seamlessly connected to the Stock Exchange trading platform.

5. These initiatives were designed to ensure operational continuity and provide investors with seamless trading services from the Stock brokers. Such enhancements have significantly improved the trading infrastructure of Stock brokers, bolstering their capacity to provide continuity in their trading services to the investors. Furthermore, the Contingency Pool Trading facility has been utilized by brokers on several occasions over the past few years in case of business disruptions.
6. Consequently, Stock Exchanges have informed SEBI that the IRRA platform has become structurally redundant. Since its inception, the platform has not been accessed by the stock brokers, largely due to the implementation of robust regulatory measures, significant technological innovations within trading operations and the availability of Contingent Pool Trading facility. Hence, Stock Exchanges unanimously recommended that there is a case to discontinue the IRRA platform.
7. Accordingly, based on stakeholder feedback and the aforementioned factors, it has been decided to discontinue the IRRA platform with immediate effect. Concurrently, Stock Exchanges may review the Contingency Pool Trading facility to strengthen its framework. Stock Exchanges are hereby advised to disseminate the circular to the Stock brokers.
8. This circular shall supersede earlier SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/177 dated December 30, 2022.
9. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Regulation 50 of SEBI (Stock Brokers) Regulations, 2026, to protect the interests of investor in securities and to promote the development of, and to regulate the securities market.
10. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".
11. This circular shall come into effect from May 07, 2026.

**VISHAL M PADOLE**

General Manager, MIRSD

## 10 'Significant Indices' under SEBI (Index Providers) Regulations, 2024

**[Issued by the Securities and Exchange Board of India vide Circular HO/47/17/12(8)2025-MRD-POD2 dated 05.05.2026]**

1. SEBI has notified the regulatory framework for Index Providers in the securities market through the SEBI (Index Provider) Regulations, 2024 (hereinafter

“IP Regulations”) with the objective of fostering transparency and accountability in governance and administration of Indices in the securities market.

2. Regulation 3(1) of IP Regulations states as follows:

*“These regulations shall be applicable only to Index Providers that administer Significant Indices consisting of securities listed on a recognized stock exchange in India for use in the Indian securities market.”*

3. Further, Regulation 2(1)(u) of IP Regulations defines ‘Significant Indices’ as follows:

*“Indices administered by an Index Provider, which are tracked or benchmarked by domestic mutual fund schemes with the cumulative assets under management exceeding the limits as may be specified from time to time.*

Explanation: The list of ‘Significant Indices’ shall be specified by the Board from time to time”

4. In this context, taking into account feedback received from the various stakeholders, it is specified that a Benchmark or Index (including index of indices) based on listed securities shall be considered as ‘Significant Indices’, if the daily average cumulative Asset Under Management (AUM) tracking the Benchmark or Index across schemes of Mutual Fund(s) exceeds ₹20,000 Crore for each of the past six months, ending on 30<sup>th</sup> June and 31<sup>st</sup> December each year.
5. Further, an Index specified by the Board in the list of ‘Significant Indices’ shall continue to remain in the list of ‘Significant Indices’ unless the value of cumulative AUM tracking or benchmarking such Index does not meet the specified threshold for a continuous period of three years (i.e., six consecutive half-yearly reviews).
6. Accordingly, the list of ‘Significant Indices’ is specified in terms of Regulation 2(1)(u) of IP Regulations, based on cumulative AUM of schemes of Mutual Funds tracking the Benchmark or Index for the period from July 01, 2025 to December 31, 2025, is placed at **Annexure-A**.

**SANJAY SINGH BHATI**  
General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.sebi.gov.in](http://www.sebi.gov.in)*

## 11 Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection (like Mythos)

**[Issued by the Securities and Exchange Board of India vide Circular HO/13/19/12(1)2026-ITD-1\_CIMGI/10873/2026 dated 05.05.2026]**

- A. The rapid evolution of emerging technologies including AI-driven vulnerability identification tools (E.g. Claude Mythos) has introduced new dimensions of risks for Regulated Entities. Such tools may give rise to heightened risk exposure by enabling identification and potential exploitation of existing vulnerabilities using speed and scale. It may also introduce concerns

relating to data confidentiality, application integrity and reliability of outputs.

- B. Due to the interconnectedness and interdependency of market participants in the Securities Market Ecosystem, a periodic coordinated approach for vulnerability management, information sharing and monitoring/assessment is required to prevent a cascading impact.
- C. In view of the above, a task force, namely cyber-suraksha.ai, (email id: project-cyber-suraksha.ai@sebi.gov.in) has been constituted comprising representatives from MIIs, QRTAs, all QREs, and other related stakeholders with the following mandate to:
- Closely examine the cybersecurity risks posed by AI based models and devise a uniform mitigation strategy against the risks posed by such models.
  - Facilitate sharing of threat intelligence, best practices on vulnerability management, use cases and playbooks to respond to the threat vector etc.
  - Report on a priority basis, cyber incidents or malicious activities, significant attack vectors, information on vulnerabilities etc. that may be relevant to strengthen the cybersecurity posture of the securities markets.

**MAMATA ROY**  
Deputy General Manager

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## Reserve Bank of India

## 12 Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/DOR/2026-27/95 DOR.GOV.REC.No.83/18.10.015/2026-27 dated 25.05.2026]**

The Reserve Bank had issued Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025 on November 28, 2025. Chapter-II of these directions contain provisions regarding the Constitution of Board.

2. The Banking Regulation (Amendment) Act, 2020 had made Section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, “the Act”), which prescribed a ceiling on continuous tenure of directors, applicable to State Co-operative Banks (hereinafter collectively referred to as ‘StCBs’ and individually as ‘StCB’) and Central Co-operative Banks (hereinafter collectively referred to as ‘CCBs’ and individually as ‘CCB’). The provision had come into force for StCBs and CCBs with effect from April 1, 2021. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of StCBs and CCBs from eight years to ten years and the amended provision has come into effect on August 1, 2025.

3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act, such as resigning briefly from office and being re-elected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of an StCB / CCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.
4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.
  - (1) These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026.
  - (2) These Directions shall come into force with immediate effect.
  - (3) These Directions shall modify the Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025 in the manner as specified hereinafter.
  - (4) After paragraph 7 of the Reserve Bank of India (Rural Co-operative Banks - Governance) Directions, 2025, the following shall be inserted, namely:
 

“7A. A director on the Board of an RCB, after completing a continuous tenure of ten years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same RCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the RCB in any capacity / manner other than as a member / customer. This, however, shall not preclude him / her from being appointed as a director on the Board of another bank, if otherwise eligible.

*Explanation:*

For calculating the period of continuous tenure, the total time served on the Board of the RCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned.”

**SCENTA JOY**  
Chief General Manager

## 13 Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/DOR/2026-27/94 DOR.GOV. REC.No.82/18.10.014/2026-27 dated 25.05.2026]

The Reserve Bank had issued Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025 on November 28, 2025. Chapter-II of these directions have provisions regarding the Constitution of Board and Appointment of Directors.

2. The Banking Regulation (Amendment) Act, 2020 had made Section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, “the Act”), which prescribed a ceiling on continuous tenure of directors, applicable to primary (urban) co-operative banks (hereinafter collectively referred to as ‘UCBs’ and individually as ‘UCB’). The provision had come into force for UCBs with effect from June 29, 2020. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of UCBs from eight years to ten years and the amended provision has come into effect on August 1, 2025.
3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act, such as resigning briefly from office and being re-elected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of a UCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.
4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.
  - (1) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026.
  - (2) These Directions shall come into force with immediate effect.
  - (3) These Directions shall modify the Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025 in the manner as specified hereinafter.
  - (4) After paragraph 7 of the Reserve Bank of India (Urban Co-operative Banks - Governance) Directions, 2025, the following shall be inserted, namely:
 

“7A. A director on the Board of a UCB, after completing a continuous tenure of ten years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same UCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the UCB in any capacity / manner other than as a member / customer. This, however,

“7A. A director on the Board of a UCB, after completing a continuous tenure of ten years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same UCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the UCB in any capacity / manner other than as a member / customer. This, however,

shall not preclude him / her from being appointed as a director on the Board of another bank, if otherwise eligible.

*Explanation:*

For calculating the period of continuous tenure, the total time served on the Board of the UCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned.”

**SCENTA JOY**  
Chief General Manager

## 14 Implementation of Section 51A of UAPA, 1967: Updates to UNSC’s 1267/ 1989 ISIL (Da’esh) & Al-Qaida Sanctions List: Removal of 7 Entries

**[Issued by the Reserve Bank of India vide RBI/2026-27/93 DOR.AML.REC.81/14.06.001/2026-27 dated 22.05.2026]**

Please refer to Chapter IX on “Requirements/obligations under International Agreements - Communications from International Agencies” of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 (amended as on December 29, 2025) (“Directions”), as per which, regulated entity shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC).

2. In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16365 dated May 21, 2026 wherein the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da’esh), Al-Qaida and associated individuals, groups, undertakings and entities removed the entries below from the ISIL (Da’esh) and Al-Qaida Sanctions List. Therefore, the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2734 (2024) and adopted under Chapter VII of the Charter of the United Nations, no longer apply to the names set out below.

**VEENA SRIVASTAVA**  
Chief General Manager

*Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)*

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

**[Issued by the Reserve Bank of India vide RBI/2026-27/92 DOR.MRG.REC.No.80/21-04-018/2026-27 May 18, 2026 dated 18.05.2026]**

Please refer to Reserve Bank of India (Local Area Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025.

2. On a review, consequent to the issuance of Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These Directions shall be called the Reserve Bank of India (Local Area Banks – Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Local Area Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, are amended as provided below.

(i) In the table under paragraph 5(1), notes and instructions for compilation for ‘Revenue and Other Reserves’ under Schedule 2(IV) shall be substituted by the following, namely: -

“The expression ‘Revenue Reserve’ shall mean any reserve other than Capital Reserve. This item will include all reserves, other than those separately classified. The expression ‘reserve’ shall not include any amount retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability.”

(ii) Paragraph 10(3)(vi) shall be substituted by the following, namely: -

“Movement of provisions for non-performing investments (NPIs)”.

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards NPIs		
a) Opening balance		
b) Add: Provisions made during the year		
c) Less: Write off / write back of excess provisions during the year		
d) Closing balance		

**SUNIL T. S. NAIR**  
Chief General Manager

## 16 Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2026-27/91 DOR.MRG.REC.No.79/21-04-018/2026-27 dated 18.05.2026]**

Please refer to Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025.

2. On a review, consequent to the issuance of Reserve Bank of India (Commercial Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026.  
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, are amended as provided below.  
(i) In the table under paragraph 5(1), notes and instructions for compilation for ‘Revenue and Other Reserves’ under Schedule 2(IV) shall be substituted by the following, namely: -

“The expression ‘Revenue Reserve’ shall mean any reserve other than Capital Reserve. This item will include all reserves, other than those separately classified. The expression ‘reserve’ shall not include any amount retained by way of providing for depreciation, renewals, or diminution in value of assets or retained by way of providing for any known liability.”

- (ii) Paragraph 10(3)(vi) shall be substituted by the following, namely: -

“Movement of provisions for non-performing investments (NPIs)”

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards NPIs		
a) Opening balance		
b) Add: Provisions made during the year		
c) Less: Write off / write back of excess provisions during the year		
d) Closing balance		

**SUNIL T. S. NAIR**  
Chief General Manager

## 17 Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2026-27/90 DOR.MRG.REC. No.78/21-01-002/2026-27 dated 18.05.2026]**

Please refer to Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, dated November 28, 2025.

2. On a review, consequent to the issuance of Reserve Bank of India (Commercial Banks - Classification, Valuation, and Operation of Investment Portfolio) Second Amendment Directions, 2026, and in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Sixth Amendment Directions, 2026.  
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, are amended as provided below.  
(i) Sub-paragraph 21(i)(b) shall be deleted.

**SUNIL T. S. NAIR**  
Chief General Manager

## 18 Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2026-27/89 DOR.MRG.REC. No.77/00-00-001/2026-27 dated 18.5.2026]**

Please refer to paragraph 104 of Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Regional Rural Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Regional Rural Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.

(i) Paragraph 104 shall be substituted by the following, namely: -

“104. An RRB shall create Investment Fluctuation Reserve (IFR) out of the realised gains on sale of investments, subject to the availability of net profit, until the amount of IFR is at least 2 per cent of the HFT and AFS portfolio. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of investments in AFS and HFT categories as of the balance sheet date.”

**SUNIL T. S. NAIR**  
Chief General Manager

## 19 Reserve Bank of India (Rural Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/88 DOR.MRG.REC.No.76/00-00-011/2026-27 dated 18.05.2026]

Please refer to paragraph 115 of Reserve Bank of India (Rural Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Rural Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.

(i) Paragraph 115.(1) shall be substituted by the following, namely: -

“115.(1) An RCB shall maintain IFR of not less than 5 per cent of its investment portfolio classified under the Current Category. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of its investments in the Current Category as of the balance sheet date.”

**SUNIL T. S. NAIR**  
Chief General Manager

## 20 Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

[Issued by the Reserve Bank of India vide Notification No. RBI/2026-27/87 DOR.MRG.REC.No.75/00-00-011/2026-27 dated 18.5.2026]

Please refer to paragraph 153 of Reserve Bank of India (Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act), read with Section 56 thereof, and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. (i) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.

(ii) These Amendment Directions shall come into effect from the date of issue.

4. The Reserve Bank of India (Urban Co-operative Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.

(i) Paragraph 153.(4) shall be substituted by the following, namely: -

“153.(4) A UCB shall maintain minimum IFR of 5 per cent of the investment portfolio. This minimum requirement shall be assessed annually and shall be computed with reference to the book value of investments in HFT and AFS categories as of the balance sheet date. A UCB may, at its discretion, build up a higher percentage of IFR depending on the size and composition of its portfolio, with the approval of its Board.”

(ii) Paragraph 154.(1) shall be substituted by the following, namely: -

“154.(1) A UCB may, at its discretion, draw down the balance available in IFR in excess of 5 per cent of its investment in AFS and HFT for credit to the balance of profit / loss as disclosed in the Profit and Loss Account at the end of any accounting year.”

**SUNIL T. S. NAIR**  
Chief General Manager

## 21 Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026

**[Issued by the Reserve Bank of India vide RBI/2026-27/86 DOR.MRG.REC. No.74/00-00-001/2026-27 dated 18.05.2026]**

Please refer to paragraph 104 of Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of the developments in the prudential frameworks governing market risk and investments for Local Area Banks, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Local Area Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.  
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Local Area Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
  - (i) Paragraph 104 shall be substituted by the following, namely: -

“104. The requirement of Investment Fluctuation Reserve (IFR) has been discontinued w.e.f. May 18, 2026. The balance in the IFR as on May 17, 2026, shall be transferred ‘below the line’ to Statutory Reserve, General Reserve, or Balance of Profit & Loss Account.”

- (ii) Paragraphs 105 to 107 shall be deleted.

**SUNIL T. S. NAIR**  
Chief General Manager

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

**[Issued by the Reserve Bank of India vide RBI/2026-27/85 DOR.MRG.REC. No.73/00-00-001/2026-27 dated 18.05.2026]**

Please refer to paragraph 112 of Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation

of Investment Portfolio) Directions, 2025, dated November 28, 2025, on Investment Fluctuation Reserve (IFR). In view of certain operational constraints being faced by banks in the maintenance of IFR, there is a need to amend the extant instructions.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 (hereinafter called the Act) and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. (i) These Directions shall be called the Reserve Bank of India (Payments Banks – Classification, Valuation, and Operation of Investment Portfolio) Amendment Directions, 2026.  
(ii) These Amendment Directions shall come into effect from the date of issue.
4. The Reserve Bank of India (Payments Banks - Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, are amended as provided below.
  - (i) Paragraph 112 shall be substituted by the following, namely: -

“112. A bank shall create an Investment Fluctuation Reserve (IFR) out of the realised gains on sale of investments, subject to the availability of net profit, until the balance in IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio. This minimum requirement shall be assessed annually based on the AFS and FVTPL (including HFT) portfolio values as of the balance sheet date. Transfer to IFR shall be made from net profit after mandatory appropriations.”

**SUNIL T. S. NAIR**  
Chief General Manager

## 23 Operating framework for facilitating Outward Remittance services by non-bank entities through Authorized Dealer (Category I) banks in India

**[Issued by the Reserve Bank of India vide RBI/2026-27/82 A.P. (DIR Series) Circular No.10 dated 13.05.2026]**

Attention of Authorised Persons is invited to Master Direction - Miscellaneous (Master Direction No. 19/2015-16 dated January 1, 2016), as amended from time to time.

2. Paragraph 10 of the Master Direction provided a framework under which non-bank entities could obtain specific approval from the Reserve Bank for tie-up arrangements to facilitate outward remittance services through Authorised Dealer Category-I banks in India subject to certain conditions.
3. On a review, it has been decided to dispense with the process of granting of the approvals by RBI for such tie-ups and instead Authorised Dealers are advised to comply with instructions furnished in Annex while

facilitating cross-border outward remittance of funds for non-trade current account transactions using third party entity in online mode (website/ online platform/ software application/ mobile application/ any other interface). Therefore, the para 10 of the Master Direction - Miscellaneous dated January 1, 2016 (as amended from time to time) stands deleted with immediate effect.

- The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

**N. SENTHIL KUMAR**  
Chief General Manager

Complete details are not published here for want of space. For complete notification readers may log on to [www.rbi.org.in](http://www.rbi.org.in)

## 24 Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/81 DOR.CAPREC. No.70/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Payments Bank.

- Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
- These instructions shall be called the Reserve Bank of India (Payments Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026.
- These Directions shall come into force with immediate effect.
- These Amendment Directions modify the Master Direction as under:

Paragraph 9(x) shall be replaced by:

*“(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:*

- The financial statements shall be audited or subjected to limited review on a quarterly basis; and*

- The amount which can be reckoned shall be arrived at by using the following formula:*

$$EP_t = NP_t - 0.25 * D * t$$

Where:

$EP_t$  = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

$NP_t$  = Net profit up to quarter 't'

$D$  = average dividend paid during the last three financial years

*The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;”*

**SUNIL T. S. NAIR**  
Chief General Manager

## 25 Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/80 DOR.CAPREC. No.69/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Small Finance Bank.

- Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
- These instructions shall be called the Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026.
- These Directions shall come into force with immediate effect.
- These Amendment Directions modify the Master Direction as under:

Paragraph 11(x) shall be replaced by:

*“(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:*

- The financial statements shall be audited or subjected to limited review on a quarterly basis; and*

- (b) The amount which can be reckoned shall be arrived at by using the following formula:

$$EP_t = NP_t - 0.25 * D * t$$

Where:

$EP_t$  = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

$NP_t$  = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;"

**SUNIL T. S. NAIR**  
Chief General Manager

## 26 Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/79 DOR.CARREC. No.68/21.01.002/2026-27 dated 08.05.2026]

The Reserve Bank had issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 (hereinafter referred as the 'Master Direction'), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Commercial Bank.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Amendment Directions hereinafter specified.
3. These instructions shall be called the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026.
4. These Directions shall come into force with immediate effect.
5. These Amendment Directions modify the Master Direction as under:

Paragraph 12(x) shall be replaced by:

"(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:

- (a) The financial statements shall be audited or subjected to limited review on a quarterly basis; and

- (b) The amount which can be reckoned shall be arrived at by using the following formula:

$$EP_t = NP_t - 0.25 * D * t$$

Where:

$EP_t$  = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

$NP_t$  = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter;"

**SUNIL T. S. NAIR**  
Chief General Manager

## 27 Issuance of Foreign Exchange Management (Authorised Persons) Regulations, 2026

[Issued by the Reserve Bank of India vide RBI/2026-27/78 A.P. (DIR Series) Circular No. 09 dated 06.05.2026]

The Reserve Bank has reviewed the existing framework for authorisation of any person as an Authorised Person under the Foreign Exchange Management Act, 1999, with the objective to rationalise the framework to improve delivery of foreign exchange services as well as easing compliance requirements. Accordingly, the Foreign Exchange Management (Authorised Persons) Regulations, 2026 has been notified vide Notification No. FEMA 401/2026-RB dated April 30, 2026 (published in the Official Gazette on May 06, 2026). All authorised persons shall comply with aforementioned regulations as applicable to them.

2. Upon issuance of the aforementioned regulations, instructions, as per Annex I, contained in Master Directions – Money Changing Activities and Master Direction – Other Remittance Facilities are being amended. Further, the A.P. (DIR Series) Circulars as per the Annex II are being superseded.
3. These directions are being issued under Section 10(4) and Section 11 of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

**N. SENTHIL KUMAR**  
Chief General Manager

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# 28 Foreign Exchange Management (Authorised Persons) Regulations, 2026

[Issued by the Reserve Bank of India vide Notification No. FEMA 401/2026-RB dated 30.04.2026]

In exercise of the powers conferred under clause (h) of sub-section (2) of Section 47 read with Section 10 of the Foreign Exchange Management Act, 1999 (42 of 1999) and all other powers enabling it in this behalf, the Reserve Bank hereby, makes the following regulations, namely,

## Chapter I – Preliminary

1. Short title and commencement - (1) These regulations may be called the Foreign Exchange Management (Authorised Persons) Regulations, 2026.
  - (2) These regulations shall come into force from the date of their publication in the Official Gazette.
2. Definitions - (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly, –
  - (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
  - (b) “Annual Forex Turnover” means the aggregate of foreign exchange purchased and sold by an authorised person or a Forex Correspondent from/to the public directly, and through its agents/franchisees/Forex Correspondents, during a financial year, excluding the value of inward remittances processed;
  - (c) “Authorised Dealer (AD)” means a person authorised as an authorised dealer under sub-section (1) of Section 10 of the Act;
  - (d) “Company” means a company incorporated under the Companies Act, 2013 (18 of 2013);
  - (e) “Control” shall have the same meaning as assigned to it under sub-section (27) of Section 2 of the Companies Act, 2013 (18 of 2013);
  - (f) “Director” shall have the same meaning as assigned to it under sub-section (34) of Section 2 of the Companies Act, 2013 (18 of 2013);
  - (g) “Forex Correspondent (FxC)” means an agent of an Authorised Dealer appointed in terms of the Forex Correspondent Scheme (FCS) issued by the Reserve Bank;
  - (h) “Full Fledged Money Changer (FFMC)” means a money changer authorised under sub-section (1) of Section 10 of the Act;
  - (i) “Key Managerial Personnel (KMP)” shall have the same meaning as assigned to it under sub-section (51) of Section 2 of the Companies Act, 2013;

- (j) “Net Worth” shall have the same meaning as assigned to it under sub-section (57) of Section 2 of the Companies Act, 2013 (18 of 2013);
- (k) “Promoter” shall have the meaning as assigned to it under sub-section (69) of Section 2 of the Companies Act, 2013 (18 of 2013);
- (l) “Significant Influence” shall have the same meaning as assigned to it under the Explanation (2) Words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act.

## Chapter II – Grant of Authorisation

3. Authorisation - (1) No person shall act as an authorised person without obtaining an authorisation from the Reserve Bank.
  - (2) An authorised person as on the date of coming into force of these regulations may continue to act as such until the expiry of its existing authorisation, in accordance with the conditions of the authorisation issued, as well as these regulations and the directions issued by the Reserve Bank from time to time.
- (3) A person seeking authorisation as an authorised person may apply to the Reserve Bank through the PRAVAAH portal (<https://pravaah.rbi.org.in>) to the regional office concerned of the Reserve Bank under whose jurisdiction the registered office of the applicant is established.
- (4) The Reserve Bank shall consider application for fresh authorisation under three categories, namely, AD Category-I, AD Category-II and AD Category-III and such application shall be processed in accordance with these regulations. The eligibility conditions and activities permitted are specified in regulations 4 and 7 below, respectively.
- (5) Any additional information and/or documents as may be required by the Reserve Bank to process an application mentioned at sub-regulation (4) shall be submitted by the applicant within the time specified by the Reserve Bank.
- (6) Application for fresh authorisation as an FFMC shall not be considered by the Reserve Bank, except those under process as on the date of coming into force of these regulations. Wherever additional information and/or documents have been sought by the Reserve Bank for processing such applications, the same shall be provided within thirty days from the date of coming into force of these regulations; else the applications shall be deemed to have been rejected. Such applications shall be processed as per the eligibility conditions, documents and procedure listed at Annex.

**N. SENTHIL KUMAR**  
Chief General Manager

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