प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI issues Direction on Business Authorization for Co-operative Banks

The Reserve Bank of India has, from time to time, issued several instructions/ guidelines to co-operative banks, i.e., Primary (Urban) Co-operative Banks (UCBs), State Co-operative banks (StCBs) and District Central Co-operative banks (DCCBs), related to permission for place of business, change of name and scheduling. With a view to harmonising the above instructions/ guidelines and consolidating them in one place, Draft Master Direction (MD) on Business Authorization for Co-operative Banks (Directions), 2025 was issued on July 28, 2025 seeking feedback from banks and other stakeholders.

2. Feedback received on the draft MD has been examined and consequent modifications have been suitably incorporated in the final Directions. A statement on the feedback received for the draft Master Direction is provided in the **Annex**.

3. Accordingly, the Reserve Bank of India has today issued final Directions/Guidelines as under replacing /amending the extant Directions / Guidelines:

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

(2) Reserve Bank of India (Urban Co-operative Banks – Branch Authorisation) Directions, 2025

(3) Reserve Bank of India (Rural Co-operative Banks – Branch Authorisation) Directions, 2025

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

4. These revisions strike a balanced approach, empowering co-operative banks with enhanced operational autonomy while embedding robust safeguards. The calibrated relaxation of authorization norms paves the way for cooperative banks to actively contribute to India’s economic growth by expanding credit outreach, leveraging technology-driven solutions, and supporting localized development priorities.

(Brij Raj)
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