प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 14, 2026

RBI Issues Amendment Directions on 'Matters to be placed before the Boards of the Banks'

As announced in the Statement on Developmental and Regulatory Policies dated April 8, 2026, the Reserve Bank had issued the draft Reserve Bank of India (Governance) Amendment Directions, 2026 on April 8, 2026 for seeking feedback from stakeholders. The draft Amendment Directions *inter alia* proposed to replace the seven broad themes with principle-based guidance, to enable the Boards to utilize their time effectively, and to facilitate a more focused and qualitative engagement on strategy and risk governance.

2. Feedback received on the above draft Directions has been examined and the consequent modifications have been suitably incorporated in the final Amendment Directions. A statement on the feedback received is provided in **Annex I**.

3. Accordingly, the Reserve Bank has today issued the following Amendment Directions, which shall come into effect from **October 1, 2026**:

i. Reserve Bank of India (Commercial Banks – Governance) Amendment Directions, 2026
ii. Reserve Bank of India (Small Finance Banks – Governance) Amendment Directions, 2026
iii. Reserve Bank of India (Payments Banks – Governance) Amendment Directions, 2026
iv. Reserve Bank of India (Local Area Banks – Governance) Amendment Directions, 2026

4. The matters required to be placed before Boards as prescribed by the Reserve Bank in extant Directions / Circulars, including those that can be delegated are specified in the appendices to the Amendment Directions. The matters identified for discontinuation (**Annex II**) have been omitted from the appendices, as the regulatory requirement to place such matters before Boards shall cease to exist upon the applicability of these Amendment Directions. The extant Directions / Circulars referred to in the appendices shall stand modified as per the stance indicated therein, with effect from the date of applicability of these Directions i.e., October 1, 2026.

(Brij Raj)
Chief General Manager

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Annex I

Statement on the feedback received on draft Directions

Subject: Draft RBI (Governance) Amendment Directions, 2026

Reserve Bank had, on April 08, 2026, issued draft Amendment Directions proposing revised instructions on matters to be placed before the Boards of Commercial Banks, Small Finance Banks, Local Area Banks and Payments Banks. Major feedback and the regulatory perspective thereon, are summarized below.

1. Deletion of paragraph 14 of the RBI (Governance) Directions, 2025 on seven broad themes

   Feedback: While the themes may be removed, it is crucial that Board oversight on critical areas like risk, compliance, financial performance, and customer protection (covered as part of earlier themes) continues.

   RBI Comments: Not Accepted. Discontinuing the themes is not meant to dilute regulation or weaken Board oversight. Instead, the now introduced principle-based approach intends to provide Boards the freedom to formulate their agendas based on specific bank's priorities.

2. Deletion of paragraph 16 of the RBI (Governance) Directions, 2025

   Feedback: The requirement may be continued as Action Taken Report (ATR) of Board meetings provides visibility on whether its decisions taken in the previous meeting have been implemented, pending tasks, and ensures accountability.

   RBI Comments: Not Accepted. The Board may decide on the mechanism for implementation of decisions taken in its meetings.

3. Deletion of paragraph 17 of the RBI (Governance) Directions, 2025

   Feedback: The existing provision serves as an important enforcing mechanism to ensure that critical information reaches the Board in a timely and structured manner, enabling informed decision-making and effective oversight. Deleting this paragraph may dilute this safeguard and create a risk of information gaps, where the Board may not receive complete or timely updates on regulatory developments.

   RBI Comments: Not Accepted. Updating the Board on regulatory changes are responsibilities of the Compliance / Secretarial functions and may not require a specific regulatory instruction. The Board is free to decide whether these matters be placed before it.

4. Insertion of Paragraph 19A: The Reserve Bank has mandated through various directions/circulars issued from time to time, that certain policies and other matters for approval/review/information be placed before the Board. The policies and other matters along with the relevant paragraph reference of directions/circulars have been compiled in Appendix I and Appendix II respectively, for ease of reference of banks. The Board may at its discretion, delegate certain aspects of these matters to a Board Committee/ Management Committee, as indicated in the Appendices. The review of policies required to be placed before the Board for approval may be delegated to Board Committees, with the Board approving only material amendments to such policies. The contours of 'material amendments', to the extent feasible, shall be defined by the Board.

   Feedback:

   (i) It would be operationally challenging for the Board to define what constitutes a "material amendment" for each policy on an individual basis. It is suggested that a common standard to define materiality to avoid multiple interpretations and ensure consistency and clarity, may be prescribed

   RBI Comments: Accepted. The requirement to define materiality has been removed.

   (ii) The frequency of review of policies may be delegated to the Board / Board Committee to define and the same may be suitably clarified in the guideline.

   RBI Comments: Not accepted. Board is expected to clearly specify the terms of reference, including the frequency of review, while delegating.

5. Insertion of Paragraph 19B(i): The ultimate responsibility for the bank's performance, conduct and control rests with the Board. It may, however, delegate certain matters to the Board Committees / Sub-Committees / Senior Management, along with reporting requirements as may be necessary.

   Feedback:

   (i) Delegation must be strictly restricted to duly constituted Board Committees and specific sub-committees, explicitly excluding any transfer of core oversight functions to Senior Management.

   RBI Comments: Accepted. The paragraph has been modified suitably.

(ii) Attributing ultimate responsibility for the bank's performance to the Board may not be appropriate.

RBI Comments: Accepted. The paragraph has been modified suitably.

6. Insertion of Paragraph 19B (ii): The Board shall clearly articulate the matters reserved for its approval or to be brought to its notice for information or reporting. The role and responsibilities of the Board under various statutes or regulations, may also be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.
   Feedback: The term 'may' may be replaced with 'shall'.
   RBI Comments: Accepted. The paragraph has been modified suitably.

7. Insertion of Paragraph 19B(iii): The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.
   Feedback: Responsibility of setting the agenda should rest with the entire Board and may not be just the primary responsibility of the Chair.
   RBI Comments: Not Accepted. It is expected that the entire Board would be consulted for setting the agenda of the meeting; however, the primary responsibility for the same should rest with the Chair. This is also in line with corporate governance principles and regulatory prescriptions by other major jurisdictions.

8. Insertion of Paragraph 19B(iv): The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall clearly define the nature, level of detail and frequency of information required from the management. The Board may rely on this information but may seek external reports, if needed.
   Feedback: It would be difficult for the board to define 'in advance' the nature, level of detail and frequency of information required from the management, given the dynamic and evolving nature of banking operations.

   RBI Comments: Accepted. The paragraph has been modified suitably.

9. Paragraph 4: These Amendment Directions shall come into force from September 01, 2026.

Feedback: Considering the Board-charter review cycle, a minimum transition window of 6 months could be provided from the date of issue of the Directions for alignment with the revised guidance.

RBI Comments: Partially accepted. The paragraph has been modified suitably.

10. **Miscellaneous:**

    Feedback: Clarification sought on whether matters emanating from supervisory instructions can be delegated by the Board.

    RBI Comments: Clarified. The banks are advised to be guided by supervisory instructions in respect of such matters.

11. **Miscellaneous:**

    Feedback: Certain changes have been suggested on the specific matters contained in Appendix II of the draft Amendment Directions.

    RBI Comments: Partially accepted. The suggestions wherever found feasible have been accepted and suitable changes have been carried out.

Annex II

Matters that will stand discontinued from the date of applicability of Governance Amendment Directions viz., October 01, 2026

1. **Commercial Banks**

S. No	Subject matter	Paragraph reference in extant directions/circulars
1.	Risk management procedures in respect of issue of multicity / payable at all branches cheques by CBS enabled banks	Paragraph 4 of the Issue of multicity / payable at all branches cheques by CBS enabled bank, dated August 10, 2012
2.	Review note on sanction of credit limits to exporters	Paragraph 428 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.
3.	Review of implementation of instructions regarding operations in rural branches	Paragraph 39 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.
4.	Review of ATM transactions including failed transactions and penalties paid	Paragraph v of the Reconciliation of transactions at ATMs failure – Time limit, dated July 17, 2009 & Paragraph 2 of Declines in ATM transactions – reporting of dated January 17, 2013
5.	PPI interoperability (under Policy on Digital Banking)	Paragraph 11.3 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021

2. **Small Finance Banks**

S. No	Subject matter	Paragraph reference in extant directions/circulars
1.	Risk management procedures in respect of issue of multicity / payable at all branches cheques by CBS enabled banks	Paragraph 4 of the Issue of multicity / payable at all branches cheques by CBS enabled bank, dated August 10, 2012
2.	Review note on sanction of credit limits to exporters	Paragraph 428 of Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Directions, 2025
3.	Review of implementation of instructions regarding operations in rural branches	Paragraph 39 of Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Directions, 2025
4.	Review of ATM transactions including failed transactions and penalties paid	Paragraph v of the Reconciliation of transactions at ATMs failure – Time limit, dated July 17, 2009 &

S. No	Subject matter	Paragraph reference in extant directions/circulars
		Paragraph 2 of Declines in ATM transactions – reporting of dated January 17, 2013
5.	PPI interoperability (under Policy on Digital Banking)	Paragraph 11.3 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021

3. Payment Banks

S. No	Subject matter	Paragraph reference in extant directions/circulars
1.	Risk management procedures in respect of issue of multicity / payable at all branches cheques by CBS enabled banks	Paragraph 4 of the Issue of multicity / payable at all branches cheques by CBS enabled bank, dated August 10, 2012
2.	Review of ATM transactions including failed transactions and penalties paid	Paragraph v of the Reconciliation of transactions at ATMs failure – Time limit, dated July 17, 2009 & Paragraph 2 of Declines in ATM transactions – reporting of dated January 17, 2013
3.	PPI interoperability (under Policy on Digital Banking)	Paragraph 11.3 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021

4. Local Area Banks

S. No	Subject matter	Paragraph reference in extant directions/circulars
1.	Risk management procedures in respect of issue of multicity / payable at all branches cheques by CBS enabled banks	Paragraph 4 of the Issue of multicity / payable at all branches cheques by CBS enabled bank, dated August 10, 2012
2.	Review of ATM transactions including failed transactions and penalties paid	Paragraph v of the Reconciliation of transactions at ATMs failure – Time limit, dated July 17, 2009 & Paragraph 2 of Declines in ATM transactions – reporting of dated January 17, 2013
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