भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2026-27/179
DOR.HGG.GOV.152/29.67.001/2026-27 July 14, 2026

Reserve Bank of India (Payments Banks – Governance) Amendment Directions, 2026

Please refer to the Reserve Bank of India (Payments Banks - Governance) Directions, 2025 (hereinafter referred to as '**Directions**').

2. In an endeavour to enable bank Boards to utilize their time effectively and to facilitate a more focused and qualitative engagement on strategy and risk governance, it has been decided to undertake a review to rationalize the extant RBI directions/circulars on the matters required to be placed before the Board. 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 of India, being satisfied that it is necessary and expedient in public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1) Paragraph 23 of Chapter V shall be deleted and reinserted (with slight modification) after paragraph 16 as under:

"16A. The Board shall exercise oversight on the following:

(i) risk management system, policy and strategy followed by the bank;

(ii) exposures to related entities of the bank;

(iii) conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc."

3(2) Paragraph 17 of Chapter IV and paragraphs 22, 24, 25, 26 and 27 of Chapter V shall be deleted.

3(3) Title of Chapter-V 'Calendar of Reviews and Board Meeting Procedures' stands amended to 'Matters to be placed before the Board'.

3(4) After paragraph 27, the following new paragraphs shall be inserted in chapter V as under:

"27A. Notwithstanding anything contained in extant RBI circulars or directions, the requirement for matters to be placed before the Board shall be as under:

(i) Policies that are required to be placed before the Board for approval and those in respect of which such approval can be delegated, shall be as specified in ***Appendix I****. Review of polices which are specified to be approved by Board may be delegated to Board Committees, with the Board approving only material amendments thereto.*

(ii) Matters, other than policies, that are required to be placed before the Board for approval/review/information, shall be as specified in ***Appendix II A****.*

(iii) Matters, other than policies, that may be delegated at the discretion of the Board, shall be as specified in ***Appendix II B****.*

27B. In addition to above, the matters to be placed before the Board may be determined based on the following key principles:

(i) The Board has ultimate responsibility for the bank's business strategy and financial soundness, key personnel decisions, internal organisation and governance structure and practices, and risk management and compliance obligations. It may, however, delegate certain matters to the Board Committees / Management Committees, along with reporting requirements as may be necessary.

(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 prescribed under various statutes or regulations, shall be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.

(iii) The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.

(iv) *The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall clearly specify the nature and frequency of information required from the management. The Board may seek external reports, if needed.*

(v) *The Board shall periodically review the matters to be placed before it as well as the matters delegated to the Board Committees / Management Committees. The review shall also include the timeliness of circulation of agenda items, adequacy of information captured in the agenda, time allotted for important matters, etc."*

4. These Amendment Directions shall come into force from October 01, 2026. Accordingly, the Directions / Circulars as specified in the appendices shall stand modified to the extent indicated therein with effect from October 01, 2026.

(Scenta Joy)
Chief General Manager

Appendix I

Policies to be placed before the Board for approval [1]

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
1.	**Investment Policy**	Investments and related activities	Paragraph 6, 8, 10 and 17 of Reserve Bank of India (Payments Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025	No
2.	**Risk Management Policy of the bank**	Market Risk management	Paragraphs 18 and 20 of Guidance Note on Market Risk Management dated November 28, 2025 Paragraph 5(f)(iii) of Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024	No No
		Operational Risk	Paragraph 25, 26, 27, 31, 64, 74, 77, 97 & Principle 3, 4 and 5, of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025. Paragraph 7(1), 7(3), 7(4) and 7(5) of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025	No Yes, in respect of only paragraph 7(3) and 7(4), to any Committee of the Board[#]
		Liquidity Risk / ALM Management	Paragraph 9, 10, 11, 13, 14, 17, 18, and 22, of Reserve Bank of India (Payments Banks – Asset Liability Management) Directions, 2025	Yes, in respect of paragraph 10, to any committee to which powers have been delegated by the Board, in respect of paragraph 13, to Risk Management Committee of the Board and in respect of

[1]a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.

[2] Yes may be read as "yes, at the discretion of the Board."

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
				paragraph 14, to Asset Liability Committee
		Cyber Security	Paragraph 3 of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph 2.1.1 of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
		Chief Risk Officer (CRO) - Roles and responsibilities	Paragraph 30, and 32 of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	No
3.	**Outsourcing Policy**	-	Paragraph 10, 11, and 12(1) of Reserve Bank of India (Payments Banks - Managing Risks in Outsourcing), 2025	Yes, in respect of paragraph 11 and 12(1) only, to any Committee of the Board
4.	**Policy on Digital Banking**	Digital payment products and services	Paragraph 4 of Master Direction on Digital Payment Security Controls dated February 18, 2021	No
		Prepaid Payment Instruments (PPIs) and its related activities	Paragraph 7.2, 7.9 (a), 7.11(a), and 15.2 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No
5.	**IT Policy**	IT, Information Assets, Business Continuity, Information Security, Cyber Security	Paragraph 5(a) of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
6.	**Responsible Business / Lending conduct**	Business conduct	Paragraph 5 of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers have been

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
	including customer service			delegated by the Board
		Issuance of debit cards	Paragraph 7 of Reserve Bank of India (Payments Banks – Debit Cards: Issuance and Conduct) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Model of Insurance Distribution, Issues of customer appropriateness, suitability and grievance redressal	Paragraph 6 of Reserve Bank of India (Payments Banks – Undertaking of Financial Services) Directions, 2025	No
		Acceptance of Form A2 in 'online' mode for outward remittance	Paragraph 3 of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 read with MD on Liberalised Remittance Scheme dated January 01, 2016, MD on Other Remittance Facilities dated January 01, 2016 and MD on Remittance of Assets dated January 01, 2016.	Yes, to any Committee to which powers have been delegated by the Board#
7.	**Authorization for Banking outlets / other banking channels and engaging with business agents**	Opening, merging, shifting, conversion and closure of banking outlets / offices / mobile banking facilities	Paragraph 6 (1), (2), (3) and (5), of Reserve Bank of India (Payments Banks- Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Engaging with Business Correspondents	Paragraph 6(4), of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	No
		Engaging with Forex Correspondents	Regulation 12 of Chapter VI of Foreign Exchange Management (Authorised Persons) Regulations, 2026	No
8.	**Policy on Deposits / other**	Gold Monetization scheme	Paragraph 1.2(iii) and 2.1.1(v) of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
	Liability products			have been delegated by the Board[#]
9.	**Policy on appointment & remuneration of auditors**	Appointment / engagement of Auditors	Paragraph 10.1 of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021 Paragraph 4.1 and 4.1.1 of Annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Yes, to Audit Committee of the Board[#] No
10.	**Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders**	F&P assessment of major shareholder	Paragraph 6 of Reserve Bank of India (Payments Banks– Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated November 28, 2025	No
11.	**Policy on Compensation**	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph 37(1) and (2) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	No
		Criteria for granting fixed remuneration to its NEDs	Paragraph 35(ii) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	No
12.	**CSR Policy (donations etc)**	-	Paragraph 7(2) and 56 of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025	No
13.	**Compliance Policy**	-	Paragraph 2.1 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	No
14.	**Policy on Protected Disclosure Scheme**	-	Paragraph 4 of Annex to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No
15.	**Code of conduct/ Ethics policy**	-	Paragraph 16 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
16.	**Policy on Know Your**	-	Paragraphs 6(1),(2),(3),(4)(i),(4)(ii), 10, and 11, of Reserve Bank of India	Yes, in all aspects except

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
	Customer (KYC)		(Payments Banks – Know Your Customer) Directions, 2025	paragraph 4(i), to any Committee to which powers have been delegated by the Board
17.	**Policy on Interest rate on Deposits**	-	Paragraph 6 of Reserve Bank of India (Payments Banks – Interest Rate on Deposits) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board

Appendix II – Matters other than policies[3]

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	Acquisition of Shares or Voting Rights	Paragraph 23 & 24 of Reserve Bank of India (Payments Banks) – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
2.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph 12 (2), 12 (21),13 (2), 13 (21), 15(2), 15(19), 16(1), 16(20), and 17(1) of Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025
3.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph 65 of Reserve Bank of India (Payments Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
4.	Declaration of Dividend	Paragraph 6 of Reserve Bank of India (Payments Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2025
5.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph 7 and 9 of Reserve Bank of India (Payments Banks – Voluntary Amalgamation) Directions, 2025
6.	RTGS membership	Annex V of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017
7.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph 39(ii) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025
8.	Remuneration of WTD	Paragraph 40 of Reserve Bank of India (Payments Banks - Governance) Directions, 2025
9.	Appointment of the Chief Risk Officer (CRO)	Paragraph 33 of Reserve Bank of India (Payments Banks - Governance) Directions, 2025
10.	Appointment of the Chief Compliance Officer (CCO)	Paragraph 2.5 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020
11.	Undertaking business as Indian Agent under	Paragraph 3.2(k) and Paragraph 6(iv)(f), of Master Direction – Money Transfer Service Scheme (MTSS)

[3] The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S.No	Subject matter	Paragraph reference in extant directions/circulars
	Money Transfer Service Scheme	
	For Review	
12.	Business through brokers in excess of 5% limit	Paragraph 98(8) of Reserve Bank of India (Payments Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
	For Information / Reporting	
13.	Customer Service aspects	Paragraph 15 of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.
14.	Reporting of annual review of donations made by the bank	Paragraph 57 of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025
15.	Fit and proper status of major shareholders	Paragraph 18(4), 19, 20 and 21 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
16.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph 1.1 of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
17.	Operational resilience of business units	Paragraph 55 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.
18.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph 25 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
19.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph 28 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
20.	Reporting of outcome of stress test	Paragraph 63(2) of Reserve Bank of India (Payments Banks - Asset Liability Management Directions, 2025)

IIB – May be delegated at the discretion of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Approval			
1.	Risk assessment methodology for RBIA	Paragraph 4.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
2.	Annual Audit Plan	Paragraph 5.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
3.	Operational manual highlighting the roles/responsibilities of the dealers/mid-office/back-office	Paragraph IV (xiv) of Constituents' Subsidiary General Ledger Account (CSGL) guidelines dated September 22, 2021	Any Committee to which powers have been delegated by the Board#
4.	Allotment of Special Assignments other than Statutory Audit	Paragraph 6.4 of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021	Audit Committee of the Board
5.	Annual Banking Outlet Expansion Plan (ABOEP)	Paragraph 18 of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
6.	Establishing new correspondent banking relationships	Paragraph 73 of Reserve Bank of India (Payments Banks – Know Your Customer) Directions, 2025	Any Committee to which powers have been delegated by the Board#
7.	Authorisation and oversight of service providers, owned or controlled by Directors or key managerial personnel	Paragraph 54 of Reserve Bank of India (Payments Banks - Managing Risks in Outsourcing), 2025	Any Committee of the Board
For Review			
8.	Long Form Audit Report (LFAR) to be submitted to the Reserve Bank	Paragraph 5(c) of Long Form Audit Report (LFAR) – Review dated September 5, 2020	Audit Committee of the Board#.
9.	Progress in Implementation of Cassette - Swaps in ATMs	Paragraph 3 of Cassette - Swaps in ATMs, dated March 31, 2022	Any Committee to which powers have been delegated by the Board#
10.	Investment Portfolio	Paragraphs 96(12)(i), 96(12)(ii), and 99(1) of Reserve Bank of India (Payments Banks – Classification,	Risk Management Committee of the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
		Valuation and Operation of Investment Portfolio) Directions, 2025	
11.	Business Correspondent (BC) Model	Paragraph 7(2)(iii), (iv) and 50 of Reserve Bank of India (Payments Banks – Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
12.	Review and Monitoring of Transactions in Banking Outlets	Paragraph 7(1)(ii), (iii) and (iv) of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
13.	Review of scheme on doorstep banking services and its progress	Paragraph 7(3)(i) of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025 Paragraph 76 of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.	Any Committee to which powers have been delegated by the Board# Customer Service Committee of the Board#
14.	Review, reporting and compliance certificate in relation to all material outsourcing	Paragraph 11, 12(1)(v) and (vi), 21(iv), 36 of Reserve Bank of India (Payments Banks – Managing Risks in Outsourcing) Directions, 2025	11, 12(1)(v) and (vi): Any Committee to which powers have been delegated by the Board#
15.	Effectiveness of Risk-Based Internal Audit	Paragraph 8.2 of Guidance notes on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
16.	Review of Cyber Security Risks / Reporting of significant cyber security incidents	Paragraph 24.d.vii of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, dated November 07, 2023 Paragraph 5 of the Sustained Assurance on Cyber Resilience Framework dated November 1, 2017	Risk Management Committee / IT sub-committee of the Board
17.	Customer Service aspects	Paragraph 6 of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025	Any Committee to which powers have been delegated by the Board
		For Information / Reporting	
18.	Report by CIV on Vigilance Activities	Paragraph 3 of Annex Internal Vigilance in Private Sector/foreign Banks dated May 26, 2011	Any Committee of the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
19.	Analysis of incidents of operational risk failures & their impact	Paragraph 102 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee of the Board#
20.	Results of review of Business Continuity Planning and its Testing	Paragraph 77 (1) and 82 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee to which powers have been delegated by the Board#
21.	Assessments of the Operational Risk Management Framework by internal or external audit / risk management function	Paragraph 12 (3) (ii) (c), (d) and 52 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board#
22.	Report on Compliance risks	Paragraph 2.9(iv), 2.9(v) and 2.9(vi) of the Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board#
23.	Review of Fraud risk incidents	Paragraph 2.1.4 of the Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Audit Committee of the Board
24.	Collateral management for OTC derivatives	Paragraph 60(5) of Reserve Bank of India (Payments Banks – Prudential Norms on capital adequacy) Directions, 2025	Any Committee of the Board
25.	Reporting of bank's liquidity risk profile	Para 26(8) of Reserve Bank of India (Payments Banks – Asset Liability Management) Directions, 2025	Risk Management Committee

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RESERVE BANK OF INDIA

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Reserve Bank of India (Commercial Banks – Governance)
Amendment Directions, 2026

Please refer to the Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 (hereinafter referred to as '**Directions**').

2. In an endeavour to enable bank Boards to utilize their time effectively and to facilitate a more focused and qualitative engagement on strategy and risk governance, it has been decided to undertake a review to rationalize the extant RBI directions/circulars on the matters required to be placed before the Board. 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 of India, being satisfied that it is necessary and expedient in public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1) Paragraph 15 of Chapter II shall be deleted and reinserted after paragraph 11 as under:

"11A. The Board shall exercise oversight on the following:

(i) *risk management system, policy and strategy followed by the PSB;*

(ii) *exposures to related entities of the PSB, viz. details of lending to / investment in subsidiaries, the asset classification of such lending / investment, etc.; and*

(iii) *conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc.*"

3(2) Paragraph 14, 16, 17, 18 and 19 of Chapter II shall be deleted.

3(3) After paragraph 19 of Chapter II, the following new sub-section and paragraphs shall be inserted as under:

"B1. Matters to be placed before the Board

19A. Notwithstanding anything contained in extant RBI circulars or directions, the requirement for matters to be placed before the Board shall be as under:

*2. Policies that are required to be placed before the Board for approval and those in respect of which such approval can be delegated, shall be as specified in **Appendix I**. Review of polices which are specified to be approved by Board may be delegated to Board Committees, with the Board approving only material amendments thereto.*

*(i) Matters, other than policies, that are required to be placed before the Board for approval/review/information, shall be as specified in **Appendix II A**.*

*(ii) Matters, other than policies, that may be delegated at the discretion of the Board, shall be as specified in **Appendix II B**.*

19B. In addition to above, the matters to be placed before the Board may be determined based on the following key principles:

(i) The Board has ultimate responsibility for the bank's business strategy and financial soundness, key personnel decisions, internal organisation and governance structure and practices, and risk management and compliance obligations. It may, however, delegate certain matters to the Board Committees / Management Committees, along with reporting requirements as may be necessary.

(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 prescribed under various statutes or regulations, shall be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.

(iii) The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.

(iv) *The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall specify the nature and frequency of information required from the management. The Board may seek external reports, if needed.*

(v) *The Board shall periodically review the matters to be placed before it as well as the matters delegated to the Board Committees / Management Committees. The review shall also include the timeliness of circulation of agenda items, adequacy of information captured in the agenda, time allotted for important matters, etc.*"

3(4) Paragraph 52 of Chapter III shall stand modified as under:

"52. *The responsibilities of the Board of Directors of a Public Sector Bank (PSB) set out in paragraphs <u>8 to 11A</u> of these Directions shall, mutatis mutandis, apply to the Board of a PVB."*

3(5) Paragraph 57 of Chapter III shall stand modified as under:

"*57. The provisions pertaining to Board Structure and Practices for a PSB as specified in paragraphs <u>12 to 19B</u> of these Directions shall, mutatis mutandis, apply to a PVB."*

4. These Amendment Directions shall come into force from October 01, 2026. Accordingly, the Directions / Circulars as specified in the appendices shall stand modified to the extent indicated therein with effect from October 01, 2026.

(Scenta Joy)
Chief General Manager

Appendix I

Policies to be placed before the Board for approval[1]

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
1.	**Credit Policy**	Credit Facilities	Paragraph 5 to the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 Paragraph 13A (1), (2) and (3) Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Second Amendment Directions, 2026 Paragraph 4.5 (ii) a of Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector	No Yes, in respect of 13A (3) only No
		Transfer and acquisition of loan exposures	Paragraph 14, 35, 57 and 145 of Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025	No
		Resolution of stressed assets	Paragraph 9, 12, 13, 125, and 150 of the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 Paragraph 4.5 (ii) a of Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector	No
		Aspects related to wilful defaulters and large defaulters	Paragraph 4 of Reserve Bank of India (Commercial Banks– Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025	No
		Income recognition, asset classification and provisioning norms[3]	Paragraph 10 and 103 of the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025	No

[1]a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.
[2] Yes may be read as "Yes, at the discretion of the Board."
[3] Related aspects may be covered in Investment policy as well
#The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
2.	**Investment Policy**	Investments and related activities	Paragraph 6, 8, 10 and 17 of Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 Paragraph 11(4) and 3 of Annex II to Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions dated May 08, 2024 Paragraph 3.2 of Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021	No
3.	**Risk Management Policy of the bank**	Credit Risk Management	Paragraph 5 of Reserve Bank of India (Commercial Banks– Credit Risk Management) Directions, 2025 Paragraph 10 of Reserve Bank (Commercial Banks -Undertaking of Financial Services) Directions, 2025	No
		Concentration Risk Management[4]	Paragraph 6 of Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions 2025	No
		Market Risk management	Paragraphs 18 and 20 of Guidance Note on Market Risk Management dated November 28, 2025	No
			Paragraph 237(5)(v)(e)(ii) of Reserve Bank of India (Commercial Banks-Prudential Norms on Capital Adequacy) Directions, 2025	No
			Paragraphs 38 of Reserve Bank of India (Commercial Banks– Miscellaneous) Directions, 2025	No
			Paragraph 7(3) and 7(4) of Reserve Bank (Commercial Banks -Undertaking of Financial Services) Directions, 2025 (amended on December 05, 2025)	Yes, to the Risk Management Committee of the Board[#]
			Part C Paragraph 1, 2, 4(i), 4(ii) and 5(iii) of Annex I of Master Direction - Risk	No

[4] Related aspects may be captured in market risk policy

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
			Management and Inter-Bank Dealings dated July 05, 2016	
			Paragraph 3.3 of Internal Control Guidelines by RBI dated February 03, 2011	Yes, to any Committee to which powers have been delegated by the Board.
			Paragraph 8(a) of secondary Market Transactions in Government Securities - Short Selling dated July 25, 2018	No
			Paragraph 5(f)(iii) of Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024	No
		Operational Risk	Paragraph 25, 26, 27, 31, 64, 74, 77, 97 & Principle 3, 4 and 5, of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.	No
			Paragraph 7(2) and 7(3) of Reserve Bank of India (Commercial Banks– Miscellaneous) Directions, 2025	Yes, to any Committee of the Board[#]
			Para 5 of A.P. (DIR Series) Circular No.04 dated May 25, 2022 on Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)	No
			Paragraph 12 of Foreign Exchange Management (Overseas Investment) Directions, 2022	No
		Liquidity Risk / ALM Management	Paragraph 9, 10, 11, 13, 14, 17, 18, and 22 of Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025	Yes, in respect of paragraph 10 to any committee to which powers have been delegated

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
				by the Board; in respect of paragraph 13, to Risk Management Committee of the Board; in respect of paragraph 14 to Asset Liability Committee
		Stress Testing	Paragraph 15 and 16 of Annex IV to Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025	Yes, in respect of paragraph 16 only, to any committee of the Board
		Cyber Security	Paragraph 3 of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph 2.1.1 of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
		Overseas borrowings	Part C, paragraph 5(f)(i) of Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016	No
		Chief Risk Officer (CRO) - Roles and responsibilities	Paragraph 29 and 31 of the Reserve Bank of India (Commercial Banks - Governance) Directions, 2025	No
4.	**Outsourcing Policy**	-	Paragraph 10, 11, and 12(1) of Reserve Bank of India (Commercial Banks - Managing Risks in Outsourcing), 2025	Yes, in respect of paragraph 11, 12(1) only, to any Committee of the Board

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
5.	**Policy on Digital Banking**	Digital payment products and services	Paragraph 4 of Master Direction on Digital Payment Security Controls dated February 18, 2021	No
		Prepaid Payment Instruments (PPIs) and its related activities	Paragraph 7.2, 7.9 (a), 7.11(a), and 15.2 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No
6.	**IT Policy**	IT, Information Assets, Information Security, Business Continuity, Cyber Security	Paragraph 5(a) of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
7.	**Responsible Business / Lending conduct including customer service**	Business conduct	Paragraph 5 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers have been delegated by the Board
		Conduct and issuance of credit / debit cards	Paragraph 8, 9 and 45 of Reserve Bank of India (Commercial Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions dated November 28, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Credit Information Reporting	Paragraph 38 of the Reserve Bank of India (Commercial Banks - Credit Information Reporting) Directions, 2025	No
		Model of Insurance Distribution, Issues of customer appropriateness, suitability and grievance redressal	Paragraph 6 of Reserve Bank (Commercial Banks -Undertaking of Financial Services) Directions, 2025	No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
		Acceptance of Form A2 in 'online' mode for outward remittance	Paragraph 3 of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 read with MD on Liberalised Remittance Scheme dated January 01, 2016, MD on Other Remittance Facilities dated January 01, 2016 and MD on Remittance of Assets dated January 01, 2016.	Yes, to any Committee to which powers have been delegated by the Board#
8.	**Authorization for Banking outlets / other banking channels and engaging with business agents**	Opening, merging, shifting, conversion and closure of banking outlets / offices / mobile banking facilities	Paragraph 6 (i), (ii), (iii), (iv), and (vi) of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Engaging with Business Correspondents	Paragraph 6(v) of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	No
		Engaging with Forex Correspondents	Regulation 12 of Chapter VI of Foreign Exchange Management (Authorised Persons) Regulations, 2026	No
9.	**Policy on Deposits / other Liability products**	Green Deposits and Financing Framework	Paragraph 6 of Reserve Bank of India (Commercial Banks - Climate Finance and Management of Climate Change Risks) Directions, 2025	No
		Gold Monetization scheme	Paragraph 1.2(iii) and 2.1.1(v) of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers have been delegated by the Board#
10.	**Policy on appointment & remuneration of auditors**	Appointment / engagement of Auditors	Paragraph 10.1 of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021 Paragraph 4.1 and 4.1.1 of Annex to Master Directions on Fraud Risk	Yes, to Audit Committee of the Board# No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
			Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	
		Appointment of Statutory Branch Auditors (SBAs)	Paragraph 5 of Revised guidelines for appointment/Re-appointment of SBAs of Public Sector Banks and Norms on Business Coverage under Statutory Branch Audit of Public Sector Banks dated March 06, 2023	Yes, to Audit Committee of the Board#
		Remuneration payable for Statutory Auditors	Paragraph 2(i) & 2.2(iii) of Remuneration payable to the Statutory Central Auditors and Statutory Branch Auditors of Nationalised Banks and SBI from FY 2022-23 dated October 13, 2023	Yes, to Audit Committee of the Board#
11.	**Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders**	F&P assessment of major shareholder	Paragraph 6 of Reserve Bank of India (Commercial Banks– Acquisition and Holding of Shares or Voting Rights) Directions, 2025	No
12.	**Policy on Compensation**	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph 63(1) and 63(2) of Reserve Bank of India (Commercial Banks - Governance) Directions, 2025	No
		Criteria for granting fixed remuneration to its NEDs	Paragraph 61(ii) of Reserve Bank of India (Commercial Banks - Governance) Directions, 2025	No
13.	**CSR Policy (donations etc)**	-	Paragraph 7(1) and 49(2)(i) of Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025	No
14.	**Compliance Policy**	-	Paragraph 2.1 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	No
15.	**Policy on Protected Disclosure Scheme**	-	Paragraph 4 of Annex to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
16.	**Disclosure Policy**	-	Paragraph 6(iii) of Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025.	No
17.	**Code of conduct/ Ethics policy**	-	Paragraph 16 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
18.	**Policy on Know Your Customer (KYC)**	-	Paragraphs 6 (1),(2),(3),(4)(i),(4)(ii) 10, and 11, of Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025	Yes, in all aspects except paragraph 4(i), to any Committee to which powers have been delegated by the Board
19.	**Policy on Interest rate on Deposits/ Advances**	-	Paragraph 7(1) i, ii, iii, iv of Reserve Bank of India (Commercial Banks- Interest Rate on Deposits) Direction, 2025 Paragraph 6 and 28 of Reserve Bank of India (Commercial Banks- Interest rates on Advances) Direction 2025	Yes in respect of paragraph 7(1)(i), ii, iii, iv, to any Committee of the Board Yes, in respect of paragraph 6 only, to any Committee of the Board

Appendix II – Matters other than Policies[5]

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	ICAAP – Structural Design and Contents	Paragraph 6 (i), 7, 228 (4) (i), 228 (8) (i) and 238 (1) (ii) of Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025
2.	Capital Plan	Paragraph 6 (ii) of Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025
3.	Infusion of capital in overseas banking centres	Paragraph 29 (1) of Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025
4.	Acquisition of Shares or Voting Rights	Paragraph 23 & 24 of Reserve Bank of India (Commercial Banks) – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
5.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph 19(2), 19(20), 20 (2), 20 (22), 24 (2), 24 (18), 25 (2) and 25 (16) of Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025
6.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph 66 of Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
7.	New Over the Counter (OTC) derivative products	Paragraph 4.3.3 of Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 dated September 16, 2021
8.	Declaration of Dividend	Paragraph 6 of Reserve Bank of India (Commercial Banks– Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2025
9.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph 7 and 9 of Reserve Bank of India (Commercial Banks - Voluntary Amalgamation) Directions, 2025
10.	Approval for increasing branches beyond 300 (in respect of vostro accounts of Non-resident Exchange Houses)	Paragraph 3(i) of the Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016
11.	RTGS membership	Annex V of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017

[5] The matters enlisted here may be read along the with respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S.No	Subject matter	Paragraph reference in extant directions/circulars
12.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph 65 (ii) of Reserve Bank of India (Commercial Banks - Governance) Directions, 2025
13.	Remuneration of WTD	Paragraph 66 of Reserve Bank of India (Commercial Banks – Governance) Directions, 2025
14.	Undertaking any form of business through more than one entity in the group	Paragraph 18(3) of Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025
15.	Number of additional WTDs (other than MD&CEO)	Paragraph 47 of Reserve Bank of India (Commercial Banks - Governance) Directions, 2025
16.	Appointment of the Chief Risk Officer (CRO)	Paragraph 59 of Reserve Bank of India (Commercial Banks - Governance) Directions, November 28, 2025
17.	Appointment of the Chief Compliance Officer (CCO)	Paragraph 2.5 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020
18.	Undertaking business as Indian Agent under Money Transfer Service Scheme	Paragraph 3.2(k) and Paragraph 6(iv)(f) of Master Direction – Money Transfer Service Scheme (MTSS) dated February 22, 2017
	For Review	
19.	Working of subsidiaries of banks	Paragraph 9 and 40(1) of (Commercial Banks -Undertaking of Financial Services) Directions dated November 28, 2025 (amended on December 05, 2025)
20.	Review of Material ITEs.	Para 6(2)(i) of Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025
21.	Review of Compensation system of the bank	Paragraph 237(14)(v) of Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025
22.	Review of assessment of ICAAP	Paragraph 7 and 228(8)(i) of Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025
23.	Annual review of the implementation of exposure management measures	Paragraph 6(2) (ii), (iii) of Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025
24.	Business through brokers in excess of 5% limit	Paragraph 92(8) of Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Information / Reporting		
25.	Compromise Settlements and Technical Write-offs	Paragraph 94 of the Reserve Bank of India (Commercial Banks– Resolution of Stressed Assets) Directions, 2025
26.	Customer Service aspects	Paragraph 15 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025. Paragraph 18 of Reserve Bank of India (Commercial Banks - Credit Information Reporting) Directions, 2025
27.	Reporting of annual review of donations made by the bank	Paragraph 50 of Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025
28.	Fit and proper status of major shareholders	Paragraph 18(4), 19, 20 and 21 of Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
29.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph 1.1 of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
30.	Operational resilience of business units	Paragraph 55 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.
31.	Loans to Related Parties	Para 42N of Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025
32.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph 25 of Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
33.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph 28 of Reserve Bank of India (Commercial Banks– Acquisition and Holding of Shares or Voting Rights) Directions, 2025
34.	Reporting of outcome of stress test	Paragraph 68(2) of Reserve Bank of India (Commercial Banks - Asset Liability Management Directions, 2025)

IIB – May be delegated at the discretion of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Approval			
1.	Risk assessment methodology for RBIA	Paragraph 4.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
2.	Annual Audit Plan	Paragraph 5.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
3.	Sanction of loans to Directors / Directors of other banks and their relatives	Paragraph 42K of Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025	Committee on Lending to Related Parties
4.	Operational manual highlighting the roles/responsibilities of the dealers/mid-office/back-office	Paragraph IV(xiv) of Constituents' Subsidiary General Ledger Account (CSGL) guidelines dated September 22, 2021	Any Committee to which powers have been delegated by the Board#
5.	Appointment of statutory auditors for Overseas Branches	Appointment of statutory auditors for Overseas Branches dated June 15, 1993	Audit Committee of the Board#
6.	Allotment of Special Assignments other than Statutory Audit	Paragraph 6.4 of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021	Audit Committee of the Board
7.	Annual Banking Outlet Expansion Plan (ABOEP)	Paragraph 19 of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
8.	Establishing new correspondent banking relationships	Paragraph 73 of Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025	Any Committee to which powers have been delegated by the Board#
9.	Authorisation and oversight of service providers, owned or controlled by Directors or key managerial personnel	Paragraph 54 of Reserve Bank of India (Commercial Banks - Managing Risks in Outsourcing), 2025	Any Committee of the Board
10.	Rupee Drawing Arrangements beyond 20 in number	Paragraph 2 of the Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro	Any Committee of the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
		Accounts of Non-resident Exchange Houses dated January 1, 2016	
11.	Compromise settlements in respect of debtors classified as fraud or wilful defaulter (excluding cases originally sanctioned by the Management Committee of the Board)	Paragraph 12(5)(ii) of the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025	Management Committee of the Board#
12.	Approval for obtaining NOC to act as TM/TCM/PCM	Paragraph 12 of Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025	Any Committee to which powers have been delegated by the Board#
For Review			
13.	Long Form Audit Report (LFAR) to be submitted to the Reserve Bank	Paragraph 5(c) of Long Form Audit Report (LFAR) – Review dated September 5, 2020	Audit Committee of the Board#
14.	Progress in Implementation of Cassette - Swaps in ATMs	Paragraph 3 of Cassette - Swaps in ATMs, dated March 31, 2022	Any Committee to which powers have been delegated by the Board#
15.	Monitoring of country risk exposures	Para 54 of Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025	Risk Management Committee of the Board#
16.	Investment Portfolio	Paragraphs 12, 14, and 93(1) Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025	Risk Management Committee of the Board#
17.	Business Correspondent (BC) Model	Paragraph 7(3)(iii),(iv) and 84 of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
18.	Review and Monitoring of Transactions in Banking Outlets	Paragraph 7(1)(ii),(iii) and (iv) of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
19.	Inspection reports of Vostro accounts of Exchange Houses	Paragraph 8(b) of Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016	Any Committee to which powers have been delegated by the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
20.	Review of scheme on doorstep banking services and its progress	Paragraph 7(4)(i) of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025 Paragraph 120 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.	Any Committee to which powers have been delegated by the Board# Customer Service Committee of the Board#
21.	Review, reporting and compliance certificate in relation to all material outsourcing	Paragraph 11, 12(1)(v) and (vi), 21(iv), 36 of Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025	11, 12(1)(v)and (vi): Any Committee to which powers have been delegated by the Board#
22.	Effectiveness of Risk-Based Internal Audit	Paragraph 8.2 of Guidance notes on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
23.	Review of Cyber Security Risks / Reporting of significant cyber security incidents	Paragraph 24.d.vii of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, dated November 07, 2023 Paragraph 5 of the Sustained Assurance on Cyber Resilience Framework dated November 1, 2017	Risk Management Committee / IT sub-committee of the Board
24.	Base rate	Paragraph 14 of Reserve Bank of India (Commercial Banks - Interest Rates on Advances) Directions, 2025	Asset Liability Committee
25.	Marginal cost of funds	Paragraph 24 of Reserve Bank of India (Commercial Banks - Interest Rates on Advances) Directions, 2025	Any Committee to which powers have been delegated by the Board
26.	Review of NPAs above a threshold amount	Paragraph 58 (2) of the Reserve Bank of India (Commercial Banks- Transfer and Distribution of Credit Risk) Directions, 2025	Any Committee to which powers have been delegated by the Board
27.	Progress and key performance indicators of digital banking services (including DBU)	Paragraph 7(2)(ii) of Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
			delegated by the Board
28.	Customer Service aspects	Paragraph 6 of Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025	Any Committee to which powers have been delegated by the Board
29.	Amount raised under Green Deposits and its allocation	Paragraph 7 of Reserve Bank of India (Commercial Banks & - Climate Finance and Management of Climate Change Risks) Directions, 2025	Any Committee of the Board#
For Information / Reporting			
30.	Report by CIV on Vigilance Activities	Paragraph 3 of Annex Internal Vigilance in Private Sector/foreign Banks dated May 26, 2011	Any Committee of the Board#
31.	Analysis of incidents of operational risk failures & their impact	Paragraph 102 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee of the Board#
32.	Results of review of Business Continuity Planning and its Testing	Paragraph 77 (1) and 82 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee to which powers have been delegated by the Board#
33.	Assessments of the Operational Risk Management Framework by internal or external audit / risk management function	Paragraph 12 (3) (ii) (c), (d) and 52 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board#
34.	Report on Compliance risks	Paragraph 2.9(iv), 2.9(v) and 2.9(vi) of the Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board#
35.	Review of Fraud risk incidents	Paragraph 2.1.4 of the Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Audit Committee of the Board
36.	Collateral management for OTC derivatives	Paragraph 158 (5) of Reserve Bank of India (Commercial Banks – Prudential Norms on capital adequacy) Directions, 2025	Any Committee of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
37.	Reporting of bank's liquidity risk profile	Para 26(8) of Reserve Bank of India (Commercial Banks– Asset Liability Management) Directions, 2025	Risk Management Committee
38.	Reporting of any gaps in Credit extended to SCs/STs	Paragraph 6.2 of Master Circular Credit facilities to SC/STs dated June 16, 2025	Any Committee to which powers have been delegated by the Board#

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2026-27/178
DOR.HGG.GOV.151/29.67.001/2026-27 July 14, 2026

Reserve Bank of India (Small Finance Banks – Governance) Amendment Directions, 2026

Please refer to the Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025 (hereinafter referred to as '**Directions**').

2. In an endeavour to enable bank Boards to utilize their time effectively and to facilitate a more focused and qualitative engagement on strategy and risk governance, it has been decided to undertake a review to rationalize the extant RBI directions/circulars on the matters required to be placed before the Board. 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 of India, being satisfied that it is necessary and expedient in public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1) Paragraph 29 of Chapter V shall be deleted and reinserted after paragraph 20 of Chapter IV as under:

"20A. The Board shall exercise oversight on the following:

(i) *risk management system, policy and strategy followed by the bank;*

(ii) *exposures to related entities of the bank, viz. details of lending to / investment in subsidiaries, the asset classification of such lending / investment, etc.; and*

(iii) *conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc."*

3(2) Paragraph 21 of Chapter IV and paragraphs 28, 30, 31, 32 and 33 of Chapter V shall be deleted.

3(3) After paragraph 33 of Chapter V, the following new paragraphs shall be inserted as under:

"33A. Notwithstanding anything contained in extant RBI circulars or directions, the requirement for matters to be placed before the Board shall be as under:

- *(i) Policies that are required to be placed before the Board for approval and those in respect of which such approval can be delegated, shall be as specified in* ***Appendix I****. Review of polices which are specified to be approved by Board may be delegated to Board Committees, with the Board approving only material amendments thereto.*
- *(ii) Matters, other than policies, that are required to be placed before the Board for approval/review/information, shall be as specified in* ***Appendix II A****.*
- *(iii) Matters, other than policies, that may be delegated at the discretion of the Board, shall be as specified in* ***Appendix II B****.*

33B. *In addition to above, the matters to be placed before the Board may be determined based on the following key principles:*

- *(i) The Board has ultimate responsibility for the bank's business strategy and financial soundness, key personnel decisions, internal organisation and governance structure and practices, and risk management and compliance obligations. It may, however, delegate certain matters to the Board Committees / Management Committees, along with reporting requirements as may be necessary.*
- *(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 prescribed under various statutes or regulations, shall be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.*

(iii) The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.

(iv) The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall specify the nature, and frequency of information required from the management. The Board may seek external reports, if needed.

(v) *The Board shall periodically review the matters to be placed before it as well as the matters delegated to the Board Committees / Management Committees. The review shall also include the timeliness of circulation of agenda items, adequacy of information captured in the agenda, time allotted for important matters, etc."*

4. These Amendment Directions shall come into force from October 01, 2026. Accordingly, the Directions / Circulars as specified in the appendices shall stand modified to the extent indicated therein with effect from October 01, 2026.

(Scenta Joy)
Chief General Manager

Appendix I

Policies to be placed before the Board for approval[1]

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes[2]/No)
1.	**Credit Policy**	Credit Facilities	Paragraph 5 of Reserve Bank of India (Small Finance Banks – Credit Facilities) Directions, 2025 Paragraph 13A (1), (2) and (3) Reserve Bank of India (Small Finance Banks – Resolution of Stressed Assets) Second Amendment Directions, 2026 Paragraph 4.5 (ii) a of Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector	No Yes, in respect of 13A (3) only No
		Transfer and acquisition of loan exposures	Paragraph 13, 33, 55 and 102 of Reserve Bank of India (Small Finance Banks – Transfer and Distribution of Credit Risk) Directions, 2025	No
		Resolution of stressed assets	Paragraph 9, 12, 13, 125 and 149 of Reserve Bank of India (Small Finance Banks – Resolution of Stressed Assets) Directions, 2025 Paragraph 4.5 (ii) a of Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector	No
		Aspects related to wilful defaulters and large defaulters	Paragraph 4 of Reserve Bank of India (Small Finance Banks– Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025	No
		Income recognition, asset classification and provisioning norms[3]	Paragraph 6 and 99 of the Reserve Bank of India (Small Finance Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025	No

[1]a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.
[2] Yes may be read as "Yes, at the discretion of the Board."
[3] Related aspects may be covered in Investment policy as well
[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
2.	**Investment Policy**	Investments and related activities	Paragraph 6, 8, 10 and 17 of Reserve Bank of India (Small Finance Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025 Paragraph 11(4) and 3 of Annex II to Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions dated May 08, 2024 Paragraph 3.2 of Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021	No
3.	**Risk Management Policy of the bank**	Credit Risk Management	Paragraph 5 of Reserve Bank of India (Small Finance Banks – Credit Risk Management) Directions,2025 Paragraph 9 of Reserve Bank of India (Small Finance Banks – Undertaking of Financial Services) Directions, 2025	No
		Concentration Risk Management[4]	Paragraph 6 of Reserve Bank of India (Small Finance Banks – Concentration Risk Management) Directions 2025	No
		Market Risk management	Paragraphs 18 and 20 of Guidance Note on Market Risk Management dated November 28, 2025	No
			Paragraph 186(5)(iv)(e)(ii) of Reserve Bank of India (Small Finance Banks- Prudential Norms on Capital Adequacy) Directions, 2025 (Updated as on January 09, 2026)	No
			Paragraphs 38 of Reserve Bank of India (Small Finance Banks – Miscellaneous) Directions, 2025	No
			Paragraph 7(3), 7(4) and 10 of Reserve Bank (Small Finance Banks - Undertaking of Financial Services) Directions, 2025 (amended on December 05, 2025)	No
			Part C Paragraph 1, 2, 4(i), 4(ii) and 5(iii) of Annex I of Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016	No

[4] Related aspects may be captured in market risk policy

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
			Paragraph 3.3 of Internal Control Guidelines by RBI dated February 03, 2011	Yes, to any Committee of the Board to which powers have been delegated by the Board
			Paragraph 8(a) of Secondary Market Transactions in Government Securities - Short Selling dated July 25, 2018	No
			Paragraph 5(f)(iii) of Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024	No
		Operational Risk	Paragraph 25, 26, 27, 31, 64, 74, 77, 97 & Principle 3, 4 and 5, of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.	No
			Paragraph 7(2) and 7(3) of Reserve Bank of India (Small Finance Banks – Miscellaneous) Directions, 2025	Yes, to any Committee of the Board[#]
			Para 5 of A.P. (DIR Series) Circular No.04 dated May 25, 2022 on Guidelines on import of gold by Qualified Jewellers as notified by – The International Financial Services Centers Authority (IFSCA)	No
			Paragraph 12 of Foreign Exchange Management (Overseas Investment) Directions, 2022	No
		Liquidity Risk / ALM Management	Paragraph 9, 10, 11, 13, 14, 17, 18 and 22 of Reserve Bank of India (Small Finance Banks – Asset Liability Management) Directions, 2025	Yes in respect of paragraph 10, to any committee to which powers have been delegated by the Board; in respect of paragraph 13, to the Risk Management

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
				Committee of the Board; in respect of paragraph 14, to the Asset Liability Committee
		Stress Testing	Paragraph 15 and 16 of Annex IV to Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025	Yes, in respect of paragraph 16 only, to any committee of the Board
		Cyber Security	Paragraph 3 of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph 2.1.1 of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
		Overseas borrowings	Part C, paragraph 5(f)(i) of Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016	No
		Chief Risk Officer (CRO) - Roles and responsibilities	Paragraph 47 and 49 of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025	No
4.	**Outsourcing Policy**	-	Paragraph 10, 11, and 12(1) of Reserve Bank of India (Small Finance Banks-Managing Risks in Outsourcing), 2025	Yes in respect of paragraph 11, 12(1) only, to any Committee of the Board
5.	**Policy on Digital Banking**	Digital payment products and services	Paragraph 4 of Master Direction on Digital Payment Security Controls dated February 18, 2021	No
		Prepaid Payment Instruments (PPIs) and its related activities	Paragraph 7.2, 7.9 (a), 7.11(a), and 15.2 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
6.	**IT Policy**	IT, Information Assets, Business Continuity, Information Security, Cyber Security	Paragraph 5(a) of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
7.	**Responsible Business / Lending conduct including customer service and engaging with business agents**	Business conduct	Paragraph 5 of Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers have been delegated by the Board
		Conduct and issuance of credit cards	Paragraph 8 , 9 and 45 Reserve Bank of India (Small Finance Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Credit Information Reporting	Paragraph 38 of the Reserve Bank of India (Small Finance Banks - Credit Information Reporting) Directions, 2025	No
		Model of Insurance Distribution, Issues of customer appropriateness, suitability and grievance redressal	Paragraph 6, of Reserve Bank of India (Small Finance Banks – Undertaking of Financial Services) Directions, 2025	No
		Acceptance of Form A2 in 'online' mode for outward remittance	Paragraph 3 of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 read with MD on Liberalised Remittance Scheme dated January 01, 2016, MD on Other Remittance Facilities dated January 01, 2016 and MD on Remittance of Assets dated January 01, 2016.	Yes, to any Committee to which powers have been delegated by the Board#
8.	**Authorization for Banking outlets / other banking channels**	Opening, merging, shifting, conversion and closure of banking outlets / offices /	Paragraph 6 (1), (2), (3), (4), and (6) of Reserve Bank of India (Small Finance Banks- Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
	and engaging with business agents	mobile banking facilities		
		Engaging with Business Correspondents	Paragraph 6(5) of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	No
		Engaging with Forex Correspondents	Regulation 12 of Chapter VI of Foreign Exchange Management (Authorised Persons) Regulations, 2026	No
9.	**Policy on Deposits / other Liability products**	Green Deposits and Financing Framework	Paragraph 6, of Reserve Bank of India (Small Finance Banks - Climate Finance and Management of Climate Change Risks) Directions, 2025	No
		Gold Monetization scheme	Paragraph 1.2(iii) and 2.1.1(v) of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers have been delegated by the Board#
10.	**Policy on appointment & remuneration of auditors**	Appointment / engagement of Auditors	Paragraph 10.1 of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021 Paragraph 4.1 and 4.1.1 of Annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Yes, to Audit Committee of the Board# No
11.	**Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders**	F&P assessment of major shareholder	Paragraph 6 of Reserve Bank of India (Small Finance Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025	No
12.	**Policy on Compensation**	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph 55(1) and 55(2) of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025	No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes [2]/No)
		Criteria for granting fixed remuneration to its NEDs	Paragraph 53(ii) of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025	No
13.	**CSR Policy (donations etc)**	-	Paragraph 7(1) and 48 of Reserve Bank of India (Small Finance Banks – Miscellaneous) Directions, 2025	No
14.	**Compliance Policy**	-	Paragraph 2.1 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	No
15.	**Policy on Protected Disclosure Scheme**	-	Paragraph 4 of Annex to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No
16.	**Disclosure Policy**	-	Paragraph 6(iii) of Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025.	No
17.	**Code of conduct/ Ethics policy**	-	Paragraph 16 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
18.	**Policy on Know Your Customer (KYC)**	-	Paragraph 7(1), 7(2), 7(3) (i),(ii),(iii),(iv),(v)(a),v(b), 11,and 12 of Reserve Bank of India (Small Finance Banks – Know Your Customer) Directions, 2025 (Updated as on December 29, 2025)	Yes, in all aspects except paragraph 7(3) (v)(a), to any Committee to which powers have been delegated by the Board.
19.	**Policy on Interest rate on Deposits / Advances**	-	Paragraph 6(1)(i), (ii), (iii), (iv) of Reserve Bank of India (Small Finance Banks – Interest Rate on Deposits) Directions, 2025 Paragraph 5(1) and 27 of Reserve Bank of India (Small Finance Banks - Interest Rates on Advances) Directions, 2025	Yes, to any Committee of the Board Yes in respect of paragraph 5(1) only, to any Committee of the Board

Appendix II – Matters other than Policies[5]

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	ICAAP – Structural Design and Contents	Paragraph 6 (i), 7, 177(3) (i), 177(7)(i), 187(1)(ii) of Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025
2.	Capital Plan	Paragraph 6 (ii) Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025
3.	Acquisition of Shares or Voting Rights	Paragraph 23 & 24 of Reserve Bank of India (Small Finance Banks) – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
4.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph 14(2), 14(21), 15(2), 15(21), 17(2), 17(19), 18(1), 18(19) and 19(1) of Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025
5.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph 64 of Reserve Bank of India (Small Finance Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
6.	New Over the Counter (OTC) derivative products	Paragraph 4.3.3 of Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021
7.	Declaration of Dividend	Paragraph 6 of Reserve Bank of India (Small Finance Banks – Prudential Norms on Declaration of Dividends) Directions, 2026
8.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph 7 and 9 of Reserve Bank of India (Small Finance Banks – Voluntary Amalgamation) Directions, 2025
9.	Approval for increasing branches beyond 300 (in respect of vostro accounts of Non-resident Exchange Houses)	Paragraph 3(i) of the Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016

[5] The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S.No	Subject matter	Paragraph reference in extant directions/circulars
10.	RTGS membership	Annex V of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017
11.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph 57 (ii) of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025
12.	Remuneration of WTD	Paragraph 58 of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025
13.	Number of additional WTDs (other than MD&CEO)	Paragraph 12 of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025
14.	Appointment of the Chief Risk Officer (CRO)	Paragraph 50 of Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025
15.	Appointment of the Chief Compliance Officer (CCO)	Paragraph 2.5 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020
16.	Undertaking business as Indian Agent under Money Transfer Service Scheme	Paragraph 3.2(k) and Paragraph 6(iv)(f) of Master Direction – Money Transfer Service Scheme (MTSS) dated February 22, 2017
For Review		
17.	Review of Material ITEs.	Para 6(2)(i) of Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Directions, 2025
18.	Review of Compensation system of the bank	Paragraph 185(14)(v) of Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Directions, 2025
19.	Review of assessment of ICAAP	Paragraph 7 and 177(7)(i) of Reserve Bank of India (Small Finance Banks- Prudential Norms on Capital Adequacy) Directions, 2025
20.	Annual review of the implementation of exposure management measures	Paragraph 6(2) (ii), (iii) of Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Directions, 2025
21.	Business through brokers in excess of 5% limit	Paragraph 90(8) of Reserve Bank of India (Small Finance Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
For Information / Reporting		
22.	Compromise Settlements and Technical Write-offs	Paragraph 94 of the Reserve Bank of India (Small Finance Banks – Resolution of Stressed Assets) Directions, 2025

S.No	Subject matter	Paragraph reference in extant directions/circulars
23.	Customer Service aspects	Paragraph 15 of Reserve Bank of India (Small Finance Bank - Responsible Business Conduct) Directions, 2025. Paragraph 18 of Reserve Bank of India (Small Finance Banks - Credit Information Reporting) Directions, 2025
24.	Reporting of annual review of donations made by the bank	Paragraph 49 of Reserve Bank of India (Small Finance Banks – Miscellaneous) Directions, 2025
25.	Fit and proper status of major shareholders	Paragraph 18(4), 19, 20 and 21 of Reserve Bank of India (Small Finance Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
26.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph 1.1 of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
27.	Operational resilience of business units	Paragraph 55 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025
28.	Loans to Related Parties	Paragraph 42N of Reserve Bank of India (Small Finance Banks – Credit Risk Management) Directions, 2025
29.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph 25 of Reserve Bank of India (Small Finance Bank – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
30.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph 28 of Reserve Bank of India (Small Finance Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
31.	Reporting of outcome of stress test	Paragraph 68(2) of Reserve Bank of India (Small Finance Banks -Asset Liability Management Directions, 2025)

IIB – May be delegated at the discretion of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Approval			
1.	Risk assessment methodology for RBIA	Paragraph 4.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board[#]
2.	Annual Audit Plan	Paragraph 5.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board[#]
3.	Sanction of loans to Directors / Directors of other banks and their relatives	Paragraph 42K of Reserve Bank of India (Small Finance Banks – Credit Risk Management) Directions, 2025	Committee on Lending to Related Parties
4.	Operational manual highlighting the roles/responsibilities of the dealers/mid-office/back-office	Paragraph IV (xiv) of Constituents' Subsidiary General Ledger Account (CSGL) guidelines dated September 22, 2021	Any Committee to which powers have been delegated by the Board[#]
5.	Allotment of Special Assignments other than Statutory Audit	Paragraph 6.4 of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021	Audit Committee of the Board
6.	Annual Banking Outlet Expansion Plan (ABOEP)	Paragraph 18 of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board[#]
7.	Establishing new correspondent banking relationships	Paragraph 74 of Reserve Bank of India (Small Finance Banks – Know Your Customer) Directions, 2025	Any Committee to which powers have been delegated by the Board[#]
8.	Authorisation and oversight of service providers, owned or controlled by Directors or key managerial personnel	Paragraph 54 of Reserve Bank of India (Small Finance Banks - Managing Risks in Outsourcing), 2025	Any Committee of the Board
9.	Rupee Drawing Arrangements beyond 20 in number	Paragraph 2 of the Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016	Any Committee of the Board[#]

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
10.	Compromise settlements in respect of debtors classified as fraud or wilful defaulter (excluding cases originally sanctioned by the Management Committee of the Board)	Paragraph 12(5)(ii) of the Reserve Bank of India (Small Banks – Resolution of Stressed Assets) Directions, 2025	Management Committee of the Board#
For Review			
11.	Long Form Audit Report (LFAR) to be submitted to the Reserve Bank	Paragraph 5(c) of Long Form Audit Report (LFAR) – Review dated September 5, 2020	Audit Committee of the Board#
12.	Progress in Implementation of Cassette - Swaps in ATMs	Paragraph 3 of Cassette - Swaps in ATMs, dated March 31, 2022	Any Committee to which powers have been delegated by the Board#
13.	Monitoring of country risk exposures	Para 54 of Reserve Bank of India (Small Banks – Credit Risk Management) Directions, 2025	Risk Management Committee of the Board#
14.	Investment Portfolio	Paragraphs 88(12)(i), 88(12)(ii), and 91(1) of Reserve Bank of India (Small Finance Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025	Risk Management Committee of the Board#
15.	Business Correspondent (BC) Model	Paragraph 7(3)(iii),(iv) and 73 of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
16.	Review and Monitoring of Transactions in Banking Outlets	Paragraph 7(1)(ii),(iii) and (iv) of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
17.	Inspection reports of Vostro accounts of Exchange Houses	Paragraph 8(b) of Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016	Any Committee to which powers have been delegated by the Board#
18.	Review of scheme on doorstep banking services and its progress	Paragraph 7(4)(i) of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
		Paragraph 120 of Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Directions, 2025.	Customer Service Committee of the Board#
19.	Review, reporting and compliance certificate in relation to all material outsourcing	Paragraph 11, 12(1)(v) and (vi), 21(iv), 36 of Reserve Bank of India (Small Finance Banks – Managing Risks in Outsourcing) Directions, 2025	11, 12(1)(v) and (vi): Any Committee to which powers have been delegated by the Board#
20.	Effectiveness of Risk-Based Internal Audit	Paragraph 8.2 of Guidance notes on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
21.	Review of Cyber Security Risks / Reporting of significant cyber security incidents	Paragraph 24.d.vii of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, dated November 07, 2023 Paragraph 5 of the Sustained Assurance on Cyber Resilience Framework dated November 1, 2017	Risk Management Committee / IT sub-committee of the Board
22.	Base rate	Paragraph 13 of Reserve Bank of India (Small Finance Banks - Interest Rates on Advances) Directions, 2025	Asset Liability Committee
23.	Marginal cost of funds	Paragraph 23 of Reserve Bank of India (Small Finance Banks - Interest Rates on Advances) Directions, 2025	Any Committee to which powers have been delegated by the Board
24.	Review of NPAs above a threshold amount	Paragraph 56 (2) of the Reserve Bank of India (Small Finance Banks- Transfer and Distribution of Credit Risk) Directions, 2025	Any Committee to which powers have been delegated by the Board
25.	Progress and key performance indicators of digital banking services (including DBU)	Paragraph 7(2)(ii) of Reserve Bank of India (Small Finance Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board
26.	Customer Service aspects	Paragraph 6 of Reserve Bank of India (Small Finance Banks - Responsible Business Conduct) Directions, 2025	Any Committee to which powers have been delegated by the Board
27.	Amount raised under Green Deposits and its allocation	Paragraph 7 of Reserve Bank of India (Small Finance Bank- Climate Finance and Management of Climate Change Risks) Directions, 2025	Any Committee of the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Information / Reporting			
28.	Report by CIV on Vigilance Activities	Paragraph 3 of Annex Internal Vigilance in Private Sector/foreign Banks dated May 26, 2011	Any Committee of the Board#
29.	Analysis of incidents of operational risk failures & their impact	Paragraph 102 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee of the Board#
30.	Results of review of Business Continuity Planning and its Testing	Paragraph 77 (1) and 82 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee to which powers have been delegated by the Board#
31.	Assessments of the Operational Risk Management Framework by internal or external audit / risk management function	Paragraph 12 (3) (ii) (c), (d) and 52 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board#
32.	Report on Compliance risks	Paragraph 2.9(iv), 2.9(v) and 2.9(vi) of the Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board#
33.	Review of Fraud risk incidents	Paragraph 2.1.4 of the Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Audit Committee of the Board
34.	Collateral management for OTC derivatives	Paragraph 144 (v) of Reserve Bank of India (Small Finance Banks – Prudential Norms on capital adequacy) Directions, 2025	Any Committee of the Board
35.	Reporting of bank's liquidity risk profile	Para 26(8) of Reserve Bank of India (Small Finance Banks – Asset Liability Management) Directions, 2025	Risk Management Committee
36.	Reporting of any gaps in Credit extended to SCs/STs	Paragraph 6.2 of Master Circular Credit facilities to SC/STs dated June 16, 2025	Any Committee to which powers have been delegated by the Board#

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2026-27/180
DOR.HGG.GOV.153/29.67.001/2026-27 July 14, 2026

Reserve Bank of India (Local Area Banks – Governance)
Amendment Directions, 2026

Please refer to the Reserve Bank of India (Local Area Banks - Governance) Directions, 2025 (hereinafter referred to as '**Directions**').

2. In an endeavour to enable bank Boards to utilize their time effectively and to facilitate a more focused and qualitative engagement on strategy and risk governance, it has been decided to undertake a review to rationalize the extant RBI directions/circulars on the matters required to be placed before the Board. 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 of India, being satisfied that it is necessary and expedient in public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1) Paragraph 15 of Chapter IV and paragraphs 20 and 21 of Chapter V shall be deleted.

3(2) Title of Chapter-V 'Calendar of Reviews and Board Meeting Procedures' stands amended to 'Matters to be placed before the Board'.

3(3) After paragraph 21, the following new paragraphs shall be inserted as under:

"*21A. Notwithstanding anything contained in extant RBI circulars or directions, the requirement for matters to be placed before the Board shall be as under:*

(i) Policies that are required to be placed before the Board for approval and those in respect of which such approval can be delegated, shall

*be as specified in **Appendix I**. Review of polices which are specified to be approved by Board may be delegated to Board Committees, with the Board approving only material amendments thereto.*

*(ii) Matters, other than policies, that are required to be placed before the Board for approval/review/information, shall be as specified in **Appendix II A**.*

*(iii) Matters, other than policies, that may be delegated at the discretion of the Board, shall be as specified in **Appendix II B**.*

21B. In addition to above, the matters to be placed before the Board may be determined based on the following key principles:

(i) The Board has ultimate responsibility for the bank's business strategy and financial soundness, key personnel decisions, internal organisation and governance structure and practices, and risk management and compliance obligations. It may, however, delegate certain matters to the Board Committees / Management Committees, along with reporting requirements as may be necessary.

(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 prescribed under various statutes or regulations, shall be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.

(iii) The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.

(iv) The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall specify the nature and frequency of information required from the management. The Board may seek external reports, if needed.

(v) The Board shall periodically review the matters to be placed before it as well as the matters delegated to the Board Committees / Management Committees. The review shall also include the timeliness of circulation of agenda items, adequacy of information captured in the agenda, time allotted for important matters, etc."

4. These Amendment Directions shall come into force from October 01, 2026. Accordingly, the Directions / Circulars as specified in the appendices shall stand modified to the extent indicated therein with effect from October 01, 2026.

(Scenta Joy)
Chief General Manager

Appendix I

Polices to be placed before the Board for approval[1]

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
1.	**Credit Policy**	Credit Facilities	Paragraph 5 of Reserve Bank of India (Local Area Banks – Credit Facilities) Directions, 2025 Paragraph 7A (1), (2) and (3) Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Second Amendment Directions, 2026	No Yes, in respect of 7A (3) only
		Transfer and acquisition of loan exposures	Paragraph 13 and 29 of Reserve Bank of India (Local Area Banks - Transfer and Distribution of Credit Risk) Directions, 2025	No
		Resolution of stressed assets	Paragraph 6, 7 and 32 of Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Directions, 2025	No
		Aspects related to wilful defaulters and large defaulters	Paragraph 4 of Reserve Bank of India (Local Area Banks – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025	No
		Income recognition, asset classification and provisioning norms[3]	Paragraph 8 and 87 of the Reserve Bank of India (Local Area Banks – Income Recognition, Asset Classification and Provisioning pertaining to Advances) Directions, 2025	No
2.	**Investment Policy**	Investments and related activities	Paragraph 6, 8, 10 and 17 of Reserve Bank of India (Local Area Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025	No
3.	**Risk Manageme**	Credit Risk Management	Paragraph 5 of Reserve Bank of India (Local Area Banks – Credit Risk Management) Directions, 2025	No

[1]a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.

[2] Yes may be read as “yes, at the discretion of the Board.”

[3] Related aspects may be covered in Investment policy as well

[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
	nt Policy of the bank	Concentration Risk Management[4]	Paragraph 6 of Reserve Bank of India (Local Area Banks – Concentration Risk Management) Directions 2025	No
		Market Risk management	Paragraphs 18 and 20 of Guidance Note on Market Risk Management dated November 28, 2025	No
		Operational Risk	Paragraph 25, 26, 27, 31, 64, 74, 77, 97 & Principle 3, 4 and 5, of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025. Paragraph 7(3) and 7(4) of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025	No Yes, to any Committee of the Board#
		Liquidity Risk / ALM Management	Paragraph 6, 7, 9, 10, 11, 12, 13 and 14 of Reserve Bank of India (Local Area Banks – Asset Liability Management) Directions, 2025	Yes, in respect of paragraph 10,13, to Asset Liability Management Committee; in respect of paragraph 11,12, to Management Committee.
		Cyber Security	Paragraph 3 of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph 2.1.1 of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
4.	**Outsourcing Policy**	-	Paragraph 9, 10 of Reserve Bank of India (Local Area Banks – Managing Risks in Outsourcing) Directions, 2025	Yes, in respect of paragraph 10(iv) only, to any Committee of the Board

[4] Related aspects may be captured in market risk policy

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
5.	**IT Policy**	IT, Information Assets, Information Security, Business Continuity, Cyber Security	Paragraph 5(a) of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
6.	**Policy on Digital Banking**	Prepaid Payment Instruments (PPIs) and its related activities	Paragraph 7.2, 7.9 (a), 7.11(a) and 15.2 of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No
7.	**Responsible Business / Lending conduct including customer service**	Business conduct	Paragraph 5 of Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers have been delegated by the Board
		Issuance of debit cards	Paragraph 7 of Reserve Bank of India (Local Area Banks – Debit Cards: Issuance and Conduct) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#
		Credit Information Reporting	Paragraph 37 of Reserve Bank of India (Local Area Banks – Credit Information Reporting) Directions, 2025	No
		Acceptance of Form A2 in 'online' mode for outward remittance	Paragraph 3 of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 read with MD on Liberalised Remittance Scheme dated January 01, 2016, MD on Other Remittance Facilities dated January 01, 2016 and MD on Remittance of Assets dated January 01, 2016.	Yes, to any Committee to which powers have been delegated by the Board#
8.	**Authorization for Banking outlets / other banking channels and engaging**	Opening, merging, shifting, conversion and closure of banking outlets / offices / mobile banking facilities	Paragraph 6 (i), (ii), (iii), and (v) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board#

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
	with business agents	Engaging with Business Correspondents	Paragraph 6(iv) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	No
		Engaging with Forex Correspondents	Regulation 12 of Chapter VI of Foreign Exchange Management (Authorised Persons) Regulations, 2026	No
9.	**Policy on Deposits / other Liability products**	Gold Monetization scheme	Paragraph 1.2(iii) and 2.1.1(v) of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers have been delegated by the Board#
10.	**Policy on appointment & remuneration of auditors**	Appointment / engagement of Auditors	Paragraph 10.1 of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021 Paragraph 4.1 and 4.1.1 of Annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Yes, to Audit Committee of the Board# No
11.	**Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders**	F&P assessment of major shareholder	Paragraph 6 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025	No
12.	**Policy on Compensation**	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph 26(1) and (2) of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025	No
		Criteria for granting fixed remuneration to its NEDs	Paragraph 24(ii) of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025	No
13.	**CSR Policy (donations etc)**	-	Paragraph 7(2) and 48 of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025	No
14.	**Compliance Policy**	-	Paragraph 2.1 of Compliance functions in banks and Role of Chief	No

S. No.	Broader Policy Head	Aspects to be covered	Reference instruction(s) for Commercial Banks	Can be delegated (Yes[2]/No)
			Compliance Officer (CCO) dated September 11, 2020	
15.	**Policy on Protected Disclosure Scheme**	-	Paragraph 4 of Annex to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No
16.	**Code of conduct/ Ethics policy**	-	Paragraph 16 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
17.	**Policy on Know Your Customer (KYC)**	-	Paragraph 5(1), 5(2), 5(3)(i),(ii),(iii),(iv),(v)(a),(v)(b), 9 and 10, of Reserve Bank of India (Local Area Banks – Know Your Customer) Directions, 2025	Yes, in all aspects except paragraph 5(3)(v)(a), to any Committee to which powers have been delegated by the Board
18.	**Policy on Interest rate on Deposits/ Advances**	-	Paragraph 6(1)(i), (ii), (iii), (iv) of Reserve Bank of India (Local Area Banks – Interest Rate on Deposits) Directions, 2025 Paragraph 5(1) and 27 of Reserve Bank of India (Local Area Banks - Interest Rates on Advances) Directions, 2025	Yes, to any Committee of the Board Yes in respect of paragraph 5(1) only, to any Committee of the Board

Appendix II - Matters other than policies[5]

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	Acquisition of Shares or Voting Rights	Paragraph 23 & 24 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
2.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph 9(2), 10(1), 13(2), 14(3), and 15(1) Reserve Bank of India (Local Area Banks - Prudential Norms on Capital Adequacy) Directions, 2025
3.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph 65 of Reserve Bank of India (Local Area Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
4.	Declaration of Dividend	Paragraph 6 of Reserve Bank of India (Local Area Banks – Prudential Norms on Declaration of Dividends) Directions, 2025
5.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph 7 and 9 of Reserve Bank of India (Local Area Banks – Voluntary Amalgamation) Directions, 2025
6.	RTGS membership	Annex V of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017
7.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph 28 (ii) of Reserve Bank of India (Local Area Banks - Governance) Directions, 2025
8.	Remuneration of WTD	Paragraph 29 of Reserve Bank of India (Local Area Banks – Governance) Directions, 2025
9.	Appointment of the Chief Compliance Officer (CCO)	Paragraph 2.5 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020
For Review		
10.	Business through brokers in excess of 5% limit	Paragraph 91(8) of Reserve Bank of India (Local Area Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025

[5] The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.
[#] The directions/circulars shall stand modified w.e.f. October 1, 2026 in accordance with the stance indicated herein

S.No	Subject matter	Paragraph reference in extant directions/circulars
	For Information / Reporting	
11.	Compromise Settlements and Technical Write-offs	Paragraph 23 of the Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Directions, 2025
12.	Customer Service aspects	Paragraph 18 of Reserve Bank of India (Local Area Banks-Credit Information Reporting) Directions, 2025
13.	Reporting of annual review of donations made by the bank	Paragraph 49 of Reserve Bank of India (Local Area Banks – Miscellaneous) Directions, 2025
14.	Fit and proper status of major shareholders	Paragraph 18(4), 19, 20 and 21 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
15.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph 1.1 of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
16.	Operational resilience of business units	Paragraph 55 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.
17.	Loans to Related Parties	Paragraph 16N of the Reserve Bank of India (Local Area Banks – Credit Risk Management) Directions, 2025
18.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph 25 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
19.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph 28 of Reserve Bank of India (Local Area Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025

IIB – May be delegated at the discretion of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Approval			
1.	Risk assessment methodology for RBIA	Paragraph 4.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
2.	Annual Audit Plan	Paragraph 5.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board#
3.	Sanction of loans to Directors / Directors of other banks and their relatives	Paragraph 16K of Reserve Bank of India (Local Area Banks – Credit Risk Management) Directions, 2025	Committee on Lending to Related Parties
4.	Operational manual highlighting the roles/responsibilities of the dealers/mid-office/back-office	Paragraph IV (xiv) of Constituents' Subsidiary General Ledger Account (CSGL) guidelines dated September 22, 2021	Any Committee to which powers have been delegated by the Board#
5.	Allotment of Special Assignments other than Statutory Audit	Paragraph 6.4 of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021	Audit Committee of the Board
6.	Annual Banking Outlet Expansion Plan (ABOEP)	Paragraph 18 of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
7.	Establishing new correspondent banking relationships	Paragraph 72 of Reserve Bank of India (Local Area Banks – Know Your Customer) Directions, 2025	Any Committee to which powers have been delegated by the Board#
8.	Authorisation and oversight of service providers, owned or controlled by Directors or key managerial personnel	Paragraph 12 (vi) of Reserve Bank of India (Local Area Banks - Managing Risks in Outsourcing) Directions, 2025	Any Committee of the Board
9.	Compromise settlements in respect of debtors classified as fraud or wilful defaulter (excluding cases originally sanctioned by the Management Committee of the Board)	Paragraph 7(5)(ii) of the Reserve Bank of India (Local Area Banks – Resolution of Stressed Assets) Directions, 2025	Management Committee of the Board#

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Review			
10.	Long Form Audit Report (LFAR) to be submitted to the Reserve Bank	Paragraph 5(c) of Long Form Audit Report (LFAR) – Review dated September 5, 2020	Audit Committee of the Board#
11.	Progress in Implementation of Cassette - Swaps in ATMs	Paragraph 3 of Cassette - Swaps in ATMs, dated March 31, 2022	Any Committee to which powers have been delegated by the Board#
12.	Investment Portfolio	Paragraphs 89(12)(i), 89(12)(ii) and 92 (1) of Reserve Bank of India (Local Area Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025	Risk Management Committee of the Board#
13.	Business Correspondent (BC) Model	Paragraph 7(2)(iii), (iv) and 51 of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
14.	Review and Monitoring of Transactions in Banking Outlets	Paragraph 7(1)(ii),(iii) and (iv) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board#
15.	Review of scheme on doorstep banking services and its progress	Paragraph 7(3)(i) of Reserve Bank of India (Local Area Banks - Branch Authorisation) Directions, 2025 Paragraph 26 of Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Directions, 2025.	Any Committee to which powers have been delegated by the Board# Customer Service Committee of the Board#
16.	Review, reporting and compliance certificate in relation to all material outsourcing	Paragraph 11, 16(iii) of Reserve Bank of India (Local Area Banks - Managing Risks in Outsourcing) Directions, 2025	Any Committee to which powers have been delegated by the Board#
17.	Effectiveness of Risk-Based Internal Audit	Paragraph 8.2 of Guidance notes on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
18.	Review of Cyber Security Risks / Reporting of significant cyber security incidents	Paragraph 24.d.vii of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, dated November 07, 2023 Paragraph 5 of the Sustained Assurance on Cyber Resilience Framework dated November 1, 2017	Risk Management Committee / IT sub-committee of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
19.	Base rate	Paragraph 13 of Reserve Bank of India (Local Area Banks - Interest Rates on Advances) Directions, 2025	Asset Liability Committees
20.	Marginal cost of funds	Paragraph 23 of Reserve Bank of India (Local Area Banks - Interest Rates on Advances) Directions, 2025	Any Committee to which powers have been delegated by the Board
21.	Review of NPAs above a threshold amount	Paragraph 30 (2) of the Reserve Bank of India (Local Area Banks - Transfer and Distribution of Credit Risk) Directions, 2025	Any Committee to which powers have been delegated by the Board
22.	Customer Service aspects	Paragraph 6 of Reserve Bank of India (Local Area Banks - Responsible Business Conduct) Directions, 2025	Any Committee to which powers have been delegated by the Board
For Information / Reporting			
23.	Report by CIV on Vigilance Activities	Paragraph 3 of Annex Internal Vigilance in Private Sector/foreign Banks dated May 26, 2011	Any Committee of the Board#
24.	Analysis of incidents of operational risk failures & their impact	Paragraph 102 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee of the Board#
25.	Results of review of Business Continuity Planning and its Testing	Paragraph 77 (1) and 82 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee to which powers have been delegated by the Board#
26.	Assessments of the Operational Risk Management Framework by internal or external audit / risk management function	Paragraph 12 (3) (ii) (c), (d) and 52 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board#
27.	Report on Compliance risks	Paragraph 2.9(iv), 2.9(v) and 2.9(vi) of the Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board#
28.	Review of Fraud risk incidents	Paragraph 2.1.4 of the Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Audit Committee of the Board