



“Resilience is built through everyday decisions: what is financed, how risk is priced, how exceptions are approved, how early warnings are acted upon, how technology risks are governed and how accountability is enforced.”

-Shri Swaminathan J, Deputy Governor, Reserve Bank of India

[Submission of statement/return on Centralized Information Management System \(CIMS\)](#)

RBI has streamlined the reporting framework for Authorised Dealer Category-I banks by mandating the submission of certain FEMA-related statements through the Centralized Information Management System (CIMS) portal. Effective June 30, 2026, the monthly statement relating to opening and closure of Branch Offices, Liaison Offices and Project Offices is required to be submitted through CIMS under return code 'R343', including NIL reports where applicable. Further, the monthly statement on remittances from Non-Resident Ordinary (NRO) accounts, already migrated to CIMS under return code 'R006', shall continue to be reported through the portal. The Master Direction on Reporting under FEMA, 1999 will be updated accordingly to reflect these changes and enhance reporting efficiency and centralization.

[Swap Facility for FCNR \(B\) Deposits](#)

RBI has introduced a US Dollar–Rupee Forex Swap Facility for fresh FCNR(B) deposits mobilised by AD Category-I banks with a minimum tenor of three years and maximum tenor of five years. The facility is available for deposits raised between the date of the circular and September 30, 2026, and will remain operational until October 16, 2026. Under the swap arrangement, a bank can sell US Dollars in multiples of USD one million

to RBI and simultaneously agree to buy the same amount of US Dollars at the end of the swap period with the swap tenor aligned to the underlying deposit tenor. Banks must maintain separate records, ensure proper audit trails, and submit declarations confirming compliance with scheme requirements. The facility aims to support mobilisation of foreign currency deposits while providing banks with a stable mechanism for managing foreign exchange liquidity. Premature withdrawal of deposits may be permitted after a one-year lock-in period as per banks' policies, although swaps with RBI cannot be cancelled.

[Swap Facility for External Commercial Borrowings and Overseas Foreign Currency Borrowings](#)

RBI has introduced a US Dollar–Rupee Forex Swap Facility for eligible External Commercial Borrowings (ECBs) raised by specified Public Sector Undertakings (PSUs) and Overseas Foreign Currency Borrowings (OFCBs) raised by AD Category-I banks. The facility is available for ECB drawdowns and OFCB inflows received up to December 31, 2026, and will remain operational until January 15, 2027. Under the scheme, banks can swap eligible foreign currency borrowings with RBI in US Dollars at a fixed swap rate of 1.5% per annum, subject to a maximum tenor of five years and alignment with the underlying borrowing maturity. The facility aims

to facilitate hedging of foreign currency borrowings, support external financing, and enhance foreign exchange liquidity management. In the first leg of the transaction, the bank will sell US Dollars to RBI at the FBIL Reference Rate. The settlement of the first leg of the swap will take place on spot basis. In the reverse leg of the swap transaction, Rupee funds will have to be returned to RBI along with the swap premium to obtain the US Dollars back. Participating banks must maintain appropriate documentation, furnish compliance declarations, and route their requests for the swap facility through the Financial Markets Operations Department of RBI. No ISDA agreement is required for availing the facility.

[Reporting of FCNR \(B\) Deposits, ECB and OFCB mobilized under Reserve Bank's Swap Facility](#)

RBI has directed Authorised Dealer Category-I (AD Cat-I) banks to submit daily reports on FCNR(B) deposits, External Commercial Borrowings (ECBs), and Overseas Foreign Currency Borrowings (OFCBs) mobilised under the RBI's swap facility introduced on June 8, 2026. The reports must be submitted by 6:00 p.m. each day in the prescribed formats to the designated RBI email addresses. In the absence of any transactions, banks are required to submit a NIL statement (except on Saturdays and holidays). Additionally, banks must report data for the period from June 8, 2026, until the issuance of these directions along with the first reporting due on June 22, 2026. The circular has been issued under the provisions of the Foreign Exchange Management Act (FEMA), 1999.

[Withdrawal of ₹2000 Denomination Banknotes from circulation](#) | [Withdrawal of old series of banknotes issued prior to 2005: Consolidation of instructions](#)

RBI has consolidated the instructions relating to the withdrawal of ₹2000 denomination banknotes from circulation, which were introduced in November 2016 and withdrawn under the Clean Note Policy in May 2023. While the facility for exchange and deposit of ₹2000 banknotes through bank branches was available until October 7, 2023, individuals and entities can continue to exchange or deposit these banknotes at the 19 RBI Issue Offices until further notice. The circular consolidates all existing instructions on the subject and reiterates that ₹2000 denomination banknotes continue to remain legal tender.

RBI has also consolidated the instructions relating to the withdrawal of old series banknotes issued prior to 2005 as part of its policy to phase out older banknote series and introduce enhanced security features. While these banknotes continue to remain legal tender, the facility for their exchange has been available only at the 19 RBI Issue Offices since July 1, 2016. Banks are required to ensure that pre-2005 banknotes are not re-issued through ATMs or over-the-counter transactions and must instead sort and deposit such notes in currency chests or forward them to the nearest RBI Issue Office for disposal. The circular consolidates all existing instructions governing the withdrawal and handling of pre-2005 series banknotes

[Liberalisation of Foreign Portfolio Investment under Schedule III of the Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019](#)

RBI has liberalised the foreign portfolio investment framework under Schedule III of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 by permitting all individual persons resident outside India, and not just NRIs/OCIs, to invest in equity instruments of listed Indian companies on recognised stock exchanges, subject to the prescribed investment limits. Authorised Dealer Category-I (AD Cat-I) banks may open repatriable INR accounts to facilitate such investments and must report and monitor these investments in the same manner as applicable to NRIs/OCIs. Any reclassification of investments from Foreign Portfolio Investment (FPI) to Foreign Direct Investment (FDI), where required, shall be carried out in accordance with the RBI-prescribed framework. AD Cat-I banks are also required to ensure compliance with the applicable FEMA Rules, Regulations, and SEBI regulations by implementing appropriate systems, procedures, and obtaining necessary documents from investors.

[Master Directions on Authorisation to operate a Payment System](#)

The Master Directions on Authorisation to Operate a Payment System consolidate the regulatory framework governing the authorisation of payment system operators (PSOs) under the Payment and Settlement Systems Act, 2007. The Directions prescribe the eligibility criteria, application process, capital and net worth requirements, fit and proper criteria for promoters, restrictions on investments from FATF non-compliant jurisdictions, and provide perpetual validity of authorisation subject to regulatory compliance. They also lay down the procedure for voluntary surrender of authorisation, introduce a cooling-off period in specified cases, and prescribe

Penalty corner

Imposed a monetary penalty of ₹41.80 lakh on **Canara Bank** for non-compliance with certain provisions of directions issued by RBI on 'Know Your Customer (KYC)' and 'Unclaimed Deposits / Inoperative Accounts in banks'. the bank:

- Did not upload KYC records of certain customers onto Central KYC Records Registry (CKYCR) within the prescribed timeline.
- Classified certain accounts as inoperative, despite the last customer induced transaction being less than one year old in such accounts.

Imposed a monetary penalty of ₹3.10 lakh on **Puran Associates Private Limited** for non-compliance with certain provisions of the RBI directions on 'Asset Classification'. The company failed to reclassify certain accounts as 'non-performing assets' upon restructuring.

Imposed a monetary penalty of ₹3.90 lakh on **IIFL Samasta Finance Limited** for non-compliance with certain provisions of 'Reserve Bank of India (Know Your Customer (KYC)) Directions' and 'Reserve Bank of India (Fraud Risk Management in NBFCs) Directions'. The company:

- Failed to put in place a robust software for effective identification and reporting of suspicious transactions; and,
- Failed to disclose correct details of frauds reported for the financial year 2024-25 in the Financial Statement - Notes to Accounts.

Imposed a monetary penalty of ₹3.10 lakh on **True Credits Private Limited** for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions' issued by RBI. The company failed to undertake Enhanced Due Diligence (EDD) measures for certain customers onboarded through non-face-to-face modes.

Imposed a monetary penalty of ₹70,000/- on **Repco Home Finance Limited** for non-compliance with certain directions issued by RBI on 'Fair Practice Code'. The company failed to disclose the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers in the application forms and in the sanction letters.

Imposed a monetary penalty of ₹3.10 lakh on **Pahal Financial Services Private Limited** for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions' issued by RBI. The company failed to put in place a robust software for effective identification and reporting of suspicious transactions.

Imposed a monetary penalty of ₹2.70 lakh on **Can Fin Homes Limited** for non-compliance with certain provisions of the directions issued by RBI on 'Fair Practices Code'. The company failed to clearly indicate the bifurcation between interest and principal in the loan instalments collected from borrowers.

Imposed a monetary penalty of ₹6.20 lakh on **Five Star Business Finance Limited** for non-compliance with certain provisions of 'Reserve Bank of India (Know Your Customer (KYC)) Directions' and the directions issued by RBI on 'Fair Practice Code'. The company:

- Failed to put in place a robust software for effective identification and reporting of suspicious transactions; and
- Failed to disclose the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers in the application forms and the sanction letters.

miscellaneous operational requirements. The Directions apply to entities seeking authorisation as well as existing RBI-authorised payment system operators and are effective from the date of their publication on the RBI website.

[Reserve Bank of India \[Commercial Banks - Kisan Credit Card \(KCC\) Scheme\] Directions, 2026](#)

The Reserve Bank of India (Commercial Banks – Kisan Credit Card (KCC) Scheme) Directions, 2026 provide a comprehensive framework for extending timely and adequate credit to farmers through the Kisan Credit Card Scheme. Applicable to all commercial banks (excluding Small Finance Banks, Payment Banks, and Local Area Banks), the Directions prescribe a six-year composite credit facility covering crop cultivation, allied activities, post-harvest expenses, household consumption, insurance, produce marketing, and investment needs. They streamline eligibility criteria, credit limit determination, collateral and margin requirements, repayment norms, and operational procedures, while enabling digital access through UPI, debit cards, internet and mobile banking. Banks are also required to monitor end use of funds, undertake periodic review and renewal of limits, submit quarterly KCC data to RBI, and comply with applicable prudential, interest rate, and reporting norms. The Directions will apply to KCC loans sanctioned from January 1, 2027.

[Reserve Bank of India \(Trade Receivables Discounting System\) Directions, 2026](#)

The RBI has issued the Reserve Bank of India (Trade Receivables Discounting System) Directions, 2026, replacing the earlier TReDS guidelines to rationalise and harmonise the regulatory framework. The Directions streamline capital requirements for TReDS operators by aligning them with other non-bank payment system operators, simplify onboarding of MSME sellers, and permit financiers to obtain credit guarantee cover for TReDS exposures. The Directions apply to RBI authorised TReDS platforms and prescribe a minimum net worth of ₹25 crore. TReDS platforms are required to facilitate transparent discounting of MSME trade receivables through multiple financiers, ensure authenticity of invoices, undertake customer due diligence of buyers, validate MSME status of sellers, and file assignments of receivables with CERSAI. The framework also allows re-discounting of receivables, permits insurance and government backed credit guarantee coverage for financiers, and mandates that transactions remain without recourse to sellers. Further, TReDS platforms must provide efficient settlement mechanisms for financing, repayment, insurance, and other related transactions through authorised payment systems.

[Modification of Returns / Reporting requirements under FEMA, 1999](#)

RBI has rationalised the reporting requirements under FEMA, 1999 by revising prescribed returns and simplifying compliance for Authorised Persons. The FLM-8 return now includes reporting of write-off of foreign currency notes, while the requirement for prior RBI approval for write-offs exceeding USD 2,000 has been removed. Authorised Persons with franchisee arrangements and Indian Agents under the Money Transfer Service Scheme (MTSS) are required to submit quarterly lists of franchisees and sub-agents, respectively, within 15 days of the end of each calendar quarter. The circular also discontinues several reporting requirements, including FLM-1 to FLM-7 registers, certain MTSS returns, the quarterly statement on foreign currency accounts opened from export proceeds, and the statement of Collateral under MTSS, while requiring entities to

continue maintaining transaction records for supervisory purposes. The updated reporting formats are provided in the Annex to the circular.

[NOP-INR position of Authorised Dealer Category-I banks | Open positions of Authorised Dealer Category-I banks](#)

RBI has clarified that Authorised Dealer Category-I banks may exclude swap positions arising from FCNR(B) deposits, External Commercial Borrowings (ECBs), and Overseas Foreign Currency Borrowings (OFCBs) mobilised under the recently introduced RBI swap facilities while calculating their Net Overnight Open Position (NOP)-INR limits. This relaxation is intended to facilitate participation in the special swap schemes without impacting banks' regulatory position limits, while ensuring continued compliance with the applicable FEMA provisions and extant regulatory requirements governing NOP-INR positions.

[Master Direction – Reserve Bank of India \(Credit Derivatives\) Directions, 2026](#)

The Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2026 provides a comprehensive regulatory framework for credit derivatives in India and supersedes the 2022 directions. The Directions permit Credit Default Swaps (CDS), Total Return Swaps (TRS), and exchange-traded futures on credit indices, while expanding market participation to eligible banks, NBFCs, financial institutions, FPIs, mutual funds, insurance companies, pension funds, and other specified entities. It prescribes eligibility criteria, participant classification, permitted products, operational, reporting, settlement, valuation, accounting, and prudential requirements for both OTC and exchange-traded credit derivatives. The Directions also require FIMMDA to establish a Credit Derivatives Determinations Committee with representation from market makers and users, for determining credit events and settlement procedures, prescribe reporting to CCIL, and lay down safeguards for risk management, transparency, and regulatory compliance. The Directions came into effect on June 25, 2026.

[Extension of timelines for compliance with certain provisions of Circular dated January 02, 2026](#)

SEBI has extended the compliance timelines for certain requirements under the amended Merchant Bankers Regulations, 2025, in response to industry requests citing operational challenges. The deadline for transferring activities to Separate Business Units (SBUs) and related compliance has been extended from July 3, 2026 to December 31, 2026. The Phase I and Phase II compliance deadlines for net worth, liquid net worth, and Merchant Banker categorisation have been shifted from January 2 to March 31 of the respective years (2027 and 2028).

[SEBI | Master Circular for Alternative Investment Funds \(AIFs\)](#)

The SEBI Master Circular for Alternative Investment Funds (AIFs), issued on June 3, 2026, consolidates all applicable circulars and operational guidelines issued up to that date into a single, comprehensive reference document.

[Launch of Securities Market TechSprint at Global Fintech Fest 2026\(GFF '26\)](#)

SEBI has launched the Securities Market TechSprint as part of Global Fintech Fest 2026 (GFF '26) to encourage technology-driven solutions for challenges in India's securities market. The initiative invites innovators to develop digital solutions that enhance retail investor protection, transparency, compliance, efficiency, and market accessibility. Key focus areas include AI-based fraud detection, regulatory compliance automation, multi-asset investing platforms, and simplified IPO processes for SMEs. Winners will receive cash prizes, and shortlisted participants may receive mentorship through the SEBI Innovation Sandbox.

Norms for Base Price, Price Bands, Call Auction in pre-open session and Close-out procedure for Exchange Traded Funds (ETFs)

SEBI has revised the framework for Exchange Traded Funds (ETFs) to improve price discovery and align price bands with movements in underlying assets. Effective September 1, 2026, the base price for ETFs will generally be the previous day's closing price instead of the T-2 day NAV. Dynamic price bands will be introduced for Equity, Debt and Commodity (Gold/Silver) ETFs, with provisions for gradual expansion after cooling-off periods during significant price movements. Overnight and Liquid ETFs will continue to have fixed $\pm 5\%$ price bands. The circular also introduces a pre-open call auction mechanism for Commodity ETFs to facilitate efficient price discovery and revises the close-out procedure for Overnight and Liquid ETFs.

Guidelines for winding up of AIFs with respect to retention of proceeds and 'Inoperative Fund' status

SEBI has issued guidelines providing flexibility to Alternative Investment Funds (AIFs) during winding up. AIFs may retain liquidation proceeds beyond the permissible fund life to meet litigation-related liabilities, anticipated claims (with approval of at least 75% of investors by value), or residual operational expenses. SEBI has also introduced an 'Inoperative Fund' status, enabling AIFs with retained monies or pending litigation to surrender registration while continuing to manage outstanding liabilities. Such funds cannot launch new schemes or charge management fees and must invest retained monies in accordance with regulatory requirements. They are also required to submit annual status reports on retained amounts and liabilities to SEBI and investors. The framework is also extended to erstwhile Venture Capital Funds (VCFs).

Clarification with respect to applicability of the benefit of early pay-in in Commodity Derivatives Segment

SEBI has revised the norms for the Early Pay-in Facility in the commodity derivatives segment. Clearing Corporations can allow market participants to deposit certified goods in accredited warehouses before settlement. For positions where early pay-in is made, Clearing Corporations may, based on risk assessment, exempt all types of margins except mark-to-market (MTM) margins, which will continue to be collected. The revised provisions will be effective from September 21, 2026.

Ease of Doing Business – Relaxation in certification requirement for Persons Associated with Investment Advice (PAIA) – Sales and other non-core services

SEBI has relaxed the certification requirements for certain Persons Associated with Investment Advice (PAIA) as part of its ease of doing business initiatives. Staff such as sales personnel, relationship managers, and others engaged only in sales and non-core services, who interact with clients but are not involved in providing investment advice, can now obtain the lighter NISM Series XXV-B: Persons Associated with Investment Advice (Sales and Other Non-Core Services) Certification instead of the more comprehensive Investment Adviser certifications. PAIA involved directly in investment advisory activities must continue to hold the NISM Series

X-A and X-B certifications are not required to immediately obtain the new Series XXV-B certification and may do so upon expiry of their current certifications.

Key decisions taken in the SEBI Board Meeting dated 19th June, 2026

The SEBI Board Meeting held on June 19, 2026 approved several measures to strengthen and simplify India's securities market.

- Buy-backs: [Eff. 1 Aug 2026] Open market buy-backs via stock exchanges reinstated; completion within 66 working days, 40% front-loading required.
- Transmission: Quick Transmission Processing (QTP) for small claims — up to ₹10,000 (physical) / ₹30,000 (demat); simplified documentation thresholds raised.
- AIFs — GARUDA: Regular AIF schemes can launch within 10 working days of filing.
- Mutual Funds: Intraday borrowing permitted for liquidity mismatches (settlement/FX/derivatives); must be repaid same day, no leverage use.
- Securitisation: SEBI's securitisation rules realigned with RBI's framework.
- Municipal Bonds: Refinancing of project debt permitted; pooled-financing disclosures strengthened; e-advertisements allowed; retail participation encouraged.
- SEBI Governance: New "2026 Code" of Conduct for SEBI members — conflict-of-interest and disclosure norms for its own officials.
- SME Framework: "SME Capital Raising" selected as FY27 review theme (evidence-based, no immediate rule change).

Ease of doing business-Comprehensive review of Master Circular for Stock Exchanges & Clearing Corporations and the Master Circular for Commodity Derivatives

SEBI has launched the Securities Market TechSprint as part of Global Fintech Fest 2026 (GFF '26) to encourage technology-driven solutions for challenges in India's securities market. The initiative invites innovators to develop digital solutions that enhance retail investor protection, transparency, compliance, efficiency, and market accessibility. Key focus areas include AI-based fraud detection, regulatory compliance automation, multi-asset investing platforms, and simplified IPO processes for SMEs. Winners will receive cash prizes, and shortlisted participants may receive mentorship through the SEBI Innovation Sandbox.

Consultation Paper on Review of Margin Trading Facility (MTF) Framework

SEBI has proposed significant changes to the MTF framework, including expansion of eligible collateral and funding sources, enhanced eligibility norms for brokers, introduction of security rebalancing, fungibility between MTF and non-MTF accounts, revised exposure and disclosure requirements, and standardised documentation. The proposals are intended to strengthen risk management while improving operational efficiency and ease of doing business.

Consultation Paper on Draft Circular for Trading Software & Technology at Stock Exchanges and Draft Circular on Common IT related provisions for MIIs

SEBI has proposed a consolidated technology governance framework for stock exchanges, clearing corporations and depositories. The draft circulars seek to modernise IT governance, strengthen cyber resilience, harmonise existing regulatory requirements, remove outdated provisions, and establish a consistent technology framework across Market Infrastructure Institutions (MIIs).

[Consultation Paper on Review of Framework for Calculation of Net Distributable Cash Flows for InvITs](#)

SEBI has proposed revisions to the NDCF framework for Infrastructure Investment Trusts (InvITs), particularly for road sector assets. The proposal permits major maintenance expenses funded through external borrowings to be added back while computing NDCF, subject to safeguards and enhanced disclosures. The changes aim to improve financial flexibility, facilitate stable cash distributions, and support ease of doing business while maintaining investor transparency.

[Consultation paper on review of provisions on disclosure of Executive Remuneration by Asset Management Companies \(AMCs\)](#)

SEBI has proposed rationalising executive remuneration disclosures by replacing individual remuneration disclosures with consolidated disclosures for key employees. AMCs may disclose remuneration policies on their websites, while scheme-specific fund manager remuneration details would be shared only with relevant investors upon request. The proposals seek to balance transparency, privacy, corporate governance, and compliance efficiency.

[Consultation Paper on Harmonization of Base price for Call Auction in Pre-open Session and for Price Band - For scrips listed on multiple stock exchanges](#)

SEBI has proposed a uniform methodology for determining the base price used in pre-open call auctions and price bands for securities listed on multiple stock exchanges. The proposal aims to ensure consistent price discovery, eliminate discrepancies across exchanges, reduce arbitrage opportunities, and enhance market integrity.

[Consultation Paper on Common Advertisement Code for Specified SEBI Regulated Entities](#)

SEBI has proposed a Common Advertisement Code (CAC) to replace entity-specific advertisement guidelines with a unified framework applicable to various intermediaries, including brokers, investment advisers, research analysts, portfolio managers, depository participants, online bond platform providers, and mutual funds. The objective is to improve consistency, investor protection, compliance efficiency, and technology-enabled monitoring.

[Consultation paper on rationalizing the requirement of obtaining investor consent and ambit of conflicted transactions requiring investor consent under SEBI \(Alternative Investment Funds\) Regulations, 2012](#)

SEBI has proposed amendments to the Alternative Investment Fund (AIF) Regulations to standardise investor consent processes, introduce a uniform approval threshold for key decisions, and narrow the scope of conflicted transactions requiring investor approval. The proposals seek to enhance transparency, operational efficiency, and investor protection while reducing unnecessary consent requirements.

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