

### Categorization (Major Headings)

1. Monetary Policy, Rates, and Macroeconomic Management
2. Regulatory & Governance Frameworks (General Banking & NBFCs)
3. Foreign Exchange, Capital Markets, and External Sector Management
4. Digital Payments, Financial Inclusion, and Consumer Protection
5. Currency Management, Banknotes, and Appointments

## 1. Monetary Policy, Rates, and Macroeconomic Management

### 1.1. Outcomes and Projections of the 57th Monetary Policy Committee Meeting (October 2025)

- The Reserve Bank of India (RBI) announced its Monetary Policy on 1 October 2025, after the 57th meeting of the Monetary Policy Committee (MPC), chaired by Reserve Bank of India (RBI) Governor Sanjay Malhotra, held from 29 September to 1 October 2025.
- This was the fourth bi-monthly policy of Financial Year 2025-26 (FY 2025-26).
- The meeting was attended by Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta (Deputy Governor in charge of monetary policy), and Shri Indranil Bhattacharyya (Executive Director nominated by the Central Board).
- The global economy remained resilient in 2025, led by strong growth in the US and China, but faced external risks like US tariff shocks, trade uncertainty, and financial market volatility.
- Headline Consumer Price Index (CPI) inflation fell to 1.6% (July 2025)—an eight-year low—rising slightly to 2.1% (August 2025).
- The decision marked the second consecutive pause in the repo rate, after a cumulative 100 basis point (bps) reduction earlier in 2025.
- The Monetary Policy Committee (MPC) unanimously decided to keep the policy repo rate unchanged at 5.50 per cent under the Liquidity Adjustment Facility (LAF).
- The Monetary policy stance was maintained as Neutral.
- Consequent policy rates are: Standing Deposit Facility (SDF): 5.25%; Marginal Standing Facility (MSF): 5.75%; and Bank Rate: 5.75%.
- The Cash Reserve Ratio (CRR) was retained at 3%.
- All Monetary Policy Committee (MPC) members voted unanimously for status quo on the repo rate. Two members (Dr. Nagesh Kumar and Prof. Ram Singh) suggested changing the stance to accommodative, while four members voted to retain neutrality.
- The Reserve Bank of India (RBI) revised the Gross Domestic Product (GDP) growth forecast for Financial Year 2025-26 (FY26) to 6.8%, up from 6.5% earlier.
- The Consumer Price Index (CPI) Inflation Projection for FY2025-26 was revised further downward to 2.6% (from 3.1% in August and 3.7% in June).
- Quarterly Inflation Projections (FY26): Q2: 1.8%; Q3: 1.8%; Q4: 4.0%. Q1 FY2026-27 Projection: 4.5%.
- Core inflation was stable at 4.2%, excluding precious metals at 3.0%.
- Current Account Deficit (CAD) for Q1 FY26 was estimated at 0.2% of GDP.
- Remittances for Q1 FY26 stood at US\$ 35.3 billion.
- Foreign Direct Investment (FDI) (Apr-Jul 2025): US\$ 37.7 billion (gross) | US\$ 10.8 billion (net).
- The Monetary Policy Committee (MPC) Minutes are scheduled to be published on 15 October 2025.
- The Next Monetary Policy Committee (MPC) Meeting is scheduled for 3-5 December 2025.
- The pause allowed the Monetary Policy Committee (MPC) to monitor the impact of previous 100 basis points (bps) repo rate cuts and fiscal measures before taking further action.

## RBI In news (as on 15 Nov 2025)

- The downward revision of the inflation forecast signaled that **headline inflation** is expected to remain **below target** through most of **FY26**.
- The revised **GDP growth forecast of 6.8%** reflects resilient domestic demand, higher investment, strong consumption, government spending, and **Goods and Services Tax (GST) 2.0** reforms.
- Governor **Sanjay Malhotra** preferred the **neutral stance** to retain agility amid global uncertainty.

### 1.2. Lending and Deposit Rates of Scheduled Commercial Banks

- **August 2025 Data (Reference July 2025):**
  - **Weighted Average Lending Rate (WALR)** on fresh rupee loans **increased to 8.78%** (July 2025) from **8.62%** (June 2025).
  - **Weighted Average Domestic Term Deposit Rate (WADTDR)** on outstanding deposits declined to **6.92%** (July 2025) vs **7.00%** (June 2025).

### 1.3. Review of the Monetary Policy Framework (Discussion Paper)

- The **Reserve Bank of India (RBI)** released a **Discussion Paper** on the **Review of the Monetary Policy Framework (MPF)** ahead of the next scheduled review in **March 2026**.
- The foundation of this framework lies in the amendment to the **Reserve Bank of India (RBI) Act, 1934** in **May 2016**, which provided statutory backing to the adoption of the **Flexible Inflation Targeting (FIT)** regime in India.
- **Section 45ZA** mandates inflation target notification by the **Central Govt.** in consultation with **Reserve Bank of India (RBI)**, once every **5 years**.
- The **First Notification** was on **August 5, 2016**, setting the inflation target at **4% Consumer Price Index (CPI)** with **±2% tolerance band**, valid for **2016–2021**.
- The **First Review** was conducted in **March 2021**, which retained the same target for **2021–2026**.
- The **second review** of India's inflation target is now due, with the current period set to expire in **March 2026**.
- The **Discussion Paper** evaluates the performance of the **Flexible Inflation Targeting (FIT)** framework, its challenges, and possible refinements for the future.

### 1.3. Finalized Revised Liquidity Management Framework

- The **Reserve Bank of India (RBI)** released the report of the **Internal Working Group (IWG)** to review the **Liquidity Management Framework** on **August 6, 2025**, and sought comments from stakeholders by **August 29, 2025**.
- The **Reserve Bank of India (RBI)** finalized the revised framework after reviewing feedback.
- The **Overnight Weighted Average Call Rate (WACR)** remains the **operating target** of monetary policy.
- The **symmetric corridor system** is retained, with the **Policy repo rate** as the middle of the corridor.
- **Standing Deposit Facility (SDF)** is defined as **25 basis points below repo (floor)**.
- **Marginal Standing Facility (MSF)** is defined as **25 basis points above repo (ceiling)**.
- The **14-day Variable Rate Repo (VRR)/Variable Rate Reverse Repo (VRRR)** is **discontinued** as the main short-term liquidity tool.
- Liquidity will now be managed primarily through **7-day Variable Rate Repo (VRR)/Variable Rate Reverse Repo (VRRR)** and other operations from overnight up to **14 days**.
- Banks must continue to maintain a minimum of **90%** of prescribed **Cash Reserve Ratio (CRR)** on a daily basis.
- **Standalone Primary Dealers (SPDs)** will have access to **Standing Deposit Facility (SDF)**, **overnight reverse repo**, and all **repo operations** regardless of tenor.

## **2. Regulatory & Governance Frameworks (General Banking & NBFCs)**

### **2.1. Expected Credit Loss (ECL) Framework Mandated for Banks and Financial Institutions from April 2027**

- The **Expected Credit Loss (ECL) framework** will be applicable to all financial institutions from **April 1, 2027**.
- The framework applies to all **Scheduled Commercial Banks (SCBs)** and **All India Financial Institutions (AIFIs)**, excluding **Small Finance Banks (SFBs)**, **Payments Banks (PBs)**, and **Regional Rural Banks (RRBs)**.
- Under the **Expected Credit Loss (ECL)** model, banks must estimate potential credit losses in advance based on historical data, borrower credit risk, and macroeconomic factors.
- The **Reserve Bank of India (RBI)** provided a **glide path till March 31, 2031**, allowing banks and financial institutions to smoothen the one-time impact of higher provisioning on their existing loan books.
- The move aims at aligning India's banking system with **global accounting standards (IFRS 9)** and improving financial stability, transparency, and risk management practices across the sector.

### **2.2. Risk-Based Premium Model for Deposit Insurance by Deposit Insurance and Credit Guarantee Corporation (DICGC)**

- The **Reserve Bank of India (RBI)** introduced a **risk-based model** for **deposit insurance premiums**.
- This model replaces the current **flat-rate system** where all banks paid a uniform premium of **12 paise per ₹100** of deposits, irrespective of their risk level.
- The **Deposit Insurance and Credit Guarantee Corporation (DICGC)** is a wholly owned **Reserve Bank of India (RBI) subsidiary**, operating under the **Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961**.
- The **risk-based deposit insurance premium model** is to be implemented from **Financial Year 2027 (FY27)** (April 2026 onwards).
- Under the new framework, **financially stable banks** with robust risk management, governance, capital adequacy, and asset quality will pay **lower premiums**.
- **Cooperative and weaker banks** will continue paying at or below the **12 paise** rate.
- The **Reserve Bank of India (RBI)** noted that the current limit of **12 paise per ₹100** will be retained under the new risk-based premium model.

### **2.3. Revision of Gold and Silver Collateral Lending Norms (Effective October 1, 2025)**

- The **Reserve Bank of India (RBI)** issued the "**Reserve Bank of India (Lending Against Gold and Silver Collateral) (1st Amendment) Directions, 2025**," effective from **October 1, 2025**.
- Previously, the facility to take working capital loans against gold/silver as raw material was available only to **jewellers**.
- The carve-out is **extended** to allow **working capital loans** for **any borrower** using **gold or silver** as **raw material or input** in their industrial or manufacturing processes.
- **Scheduled Commercial Banks (SCBs)** and **Tier 3 and Tier 4 Urban Co-operative Banks (UCBs)** are permitted to extend such loans.
- The **Reserve Bank of India (RBI)** strictly reiterated that banks cannot lend for the purchase of **gold or silver**, or against **primary gold/silver holdings**, and must ensure that borrowers do not acquire or hold bullion for investment or speculative purposes.

## RBI In news (as on 15 Nov 2025)

- The Reserve Bank of India (RBI) also plans to extend the tenor of Gold Metal Loans (GML) from 180 days to 270 days.
- This policy expansion supports a wider range of manufacturers and enhances financial inclusion by including Tier 3 and Tier 4 Urban Co-operative Banks (UCBs).

### 2.4. Permanent Regulatory Review Mechanism and Regulatory Review Cell (RRC)

2. Detailed Notes: (i) Background / Introduction
  - The Reserve Bank of India (RBI) announced the creation of a Regulatory Review Cell (RRC) as a permanent institutional mechanism.
  - The aim is to systematically review Reserve Bank of India (RBI) regulations every 5–7 years.
  - The establishment follows the Reserve Bank of India (RBI)'s May 2025 Framework for Formulation of Regulations.
  - The Reserve Bank of India (RBI) previously formed a 30-member Regulatory Review Cell (RRC) in August 2025 to identify and remove obsolete, redundant, and irrelevant financial regulations.
  - The Regulatory Review Cell (RRC) will function within the Department of Regulation effective from October 1, 2025.
  - The objective of the earlier Regulatory Review Cell (RRC) set up in August 2025 was to reduce the total regulations from 8,000 to 3,000.
  - An Advisory Group on Regulation (AGR), comprising six industry experts, was also formed to channel stakeholder feedback.
  - The Advisory Group on Regulation (AGR) is chaired by Rana Ashutosh Kumar Singh, Managing Director of State Bank of India (SBI).
  - The Advisory Group on Regulation (AGR)'s initial tenure is 3 years, extendable by 2 years after review.

### 2.5. Withdrawal of Lending Restriction on Large Corporate Borrowers

- The Reserve Bank of India (RBI) had a 2016 circular that restricted banks' exposure to large corporate borrowers (above ₹10,000 crore).
- Indian banks were earlier not allowed to fund corporate acquisitions directly.
- The Reserve Bank of India (RBI) withdrew its 2016 circular that restricted banks' exposure to large corporate borrowers, effective from April 1, 2026.
- The ceiling of ₹10,000 crore on bank loans to a single corporate entity has been removed entirely.
- The Reserve Bank of India (RBI) also announced that Indian banks can now finance mergers and acquisitions (M&A).
- Credit concentration risk will now be managed under the Large Exposure Framework (LEF) and macroprudential tools.
- The Large Exposure Framework (LEF) regulates exposure limits at the individual bank level, capping exposure to a single borrower at 20% and to a group of connected borrowers at 25% of a bank's Tier 1 capital.

### 2.6. Revised Guidelines for Alternative Investment Funds (AIFs) and Investment Exemptions

2. Detailed Notes: (i) Background / Introduction
  - The Reserve Bank of India (RBI) released revised investment guidelines for Regulated Entities (REs) in Alternative Investment Funds (AIFs).

## RBI In news (as on 15 Nov 2025)

- The goal of the rules is to curb misuse of the **Alternative Investment Fund (AIF)** route, especially for evergreening loans and funding stressed assets indirectly.
- The revised investment guidelines for **Regulated Entities (REs)** in **Alternative Investment Funds (AIFs)** are effective from **January 1, 2026**.
- **Collective Investment Limit:** Collectively, all **Regulated Entities (REs)** cannot contribute more than **20%** to a single **Alternative Investment Fund (AIF)** scheme.
- **Single Entity Limit:** No single regulated entity is allowed to invest more than **10%** of the total corpus of an **Alternative Investment Fund (AIF)** scheme.
- **Provisioning Mandate:** If a regulated entity holds more than **5%** in an **Alternative Investment Fund (AIF)** that invests in its debtor companies (except equity), it must provision **100%** of such indirect exposure.
- The guidelines apply to **Commercial Banks** (including **Small Finance Banks (SFBs)**, **Local Area Banks (LABs)**, and **Regional Rural Banks (RRBs)**), **Co-operative Banks**, **All India Financial Institutions (AIFIs)**, and **Non-Banking Financial Companies (NBFCs)** (including **Housing Finance Companies (HFCs)**).
- **Exemption:** The **Reserve Bank of India (RBI)** exempted the **SWAMIH (Special Window for Affordable and Mid-Income Housing) Investment Fund-I** from these **Alternative Investment Fund (AIF)** investment limits and provisioning norms.

### 2.7. Enhanced Prudential Norms for Urban and State Cooperative Banks

#### 2. Detailed Notes: (i) Background / Introduction

- The **Reserve Bank of India (RBI)** has sought to modernize and harmonize the regulatory framework for **Urban Co-operative Banks (UCBs)**.
- Licensing for new **Urban Co-operative Banks (UCBs)** has been paused since **2004** due to supervisory and governance concerns.
- The **Reserve Bank of India (RBI)** issued the **Draft Master Direction – Business Authorization for Co-operative Banks (Directions), 2025** in July 2025.
- The **Reserve Bank of India (RBI)** introduced a **Four-Tier Categorisation of Urban Co-operative Banks (UCBs)** based on deposits: **Tier 1** (deposits  $\leq$  ₹100 crore), **Tier 2** (deposits between ₹100 crore – ₹1,000 crore), **Tier 3** (deposits between ₹1,000 crore – ₹10,000 crore), and **Tier 4** (deposits above ₹10,000 crore).
- The earlier **Financially Sound and Well Managed (FSWM)** norms are replaced by **Eligibility Criteria for Business Authorization (ECBA)**.
- The **Reserve Bank of India (RBI)** announced it will reexamine the **licensing framework for Urban Co-operative Banks (UCBs)**.
- **Inclusion in Second Schedule (RBI Act, 1934):** **Urban Co-operative Banks (UCBs)** and **State Co-operative Banks (StCBs)** may apply if they maintain **Tier 3** deposit level for **2 consecutive years** and have **Capital to Risk-Weighted Assets Ratio (CRAR)  $\geq$  3% above minimum required**.
- **Reporting:** All co-operative banks must report branch/office details within **7 days** on the **Centralised Information System for Banking Infrastructure (CISBI) Portal**. Applications must be submitted via **Platform for Regulatory Application, Validation and Authorisation Hosting (PRAVAAH) Portal**.
- **Investment in Shared Service Entity:** The **Reserve Bank of India (RBI)** issued **Directions, 2025**, allowing **State Co-operative Banks (StCBs)** and **Central Co-operative Banks (CCBs)** to invest in the **Shared Service Entity (SSE)** established by **National Bank for Agriculture and Rural Development (NABARD)**, effective **September 30, 2025**.
- The investment limit in the **Shared Service Entity (SSE)** share capital is restricted to **5%** of their **owned funds**.

## RBI In news (as on 15 Nov 2025)

### 2.8. Draft Guidelines on Capital Market Exposure and Acquisition Finance

- The Reserve Bank of India (RBI) released draft guidelines titled “**Draft Reserve Bank of India (Capital Market Exposure) Directions, 2025**”.
- The move aims to consolidate and modernize existing regulations by covering both direct and indirect exposures such as loans against shares and acquisition financing.
- The draft norms were open for public comments until **November 21, 2025**.
- The **aggregate capital market exposure** of a bank should not exceed **40%** of its **Tier 1 capital**.
- The proposed norms on **capital market exposure** are set to be implemented from **April 1, 2026**.
- **Initial Public Offering (IPO) Financing Limit:** Loans for subscribing to shares under **Initial Public Offerings (IPOs)**, **Follow-on Public Offerings (FPOs)**, or **Employee Stock Option Plans (ESOPs)** are limited to **₹25 lakh per individual**. The loan amount must not exceed **75%** of the subscription value.
- **Loans Against Shares (LAS) Limit:** The limit will increase sharply from **₹20 lakh to ₹1 crore**.
- **Acquisition Finance:** Banks can finance up to **70%** of the acquisition value for corporate takeovers, provided the acquiring company funds at least **30%**.
- **Acquisition Finance Exposure Limit:** A bank’s total exposure towards acquisition finance must not exceed **10%** of its **Tier 1 capital**.
- The draft guidelines apply to **commercial banks**, excluding **small finance, regional rural, local area, and payment banks**.

### 2.9. Reserve Bank of India (RBI) Approves/Denies Universal Bank Conversion

- The Reserve Bank of India (RBI) introduced the ‘**On Tap**’ licensing framework for universal banks in the private sector in **August 2016**.
- Eligibility criteria for **Small Finance Banks (SFBs)** wishing to convert were detailed in a circular dated **April 26, 2024**, titled “**Voluntary Transition of Small Finance Banks (SFBs) to Universal Banks**”.
- The Reserve Bank of India (RBI) granted ‘**in-principle**’ approval to **AU Small Finance Bank Limited** for **Universal Bank Transition**.
- The Reserve Bank of India (RBI) returned the application of **Jana Small Finance Bank** for conversion into a **Universal Bank**, citing **non-fulfilment of eligibility criteria** under Reserve Bank of India (RBI) guidelines.
- **Eligibility Criteria for Small Finance Banks (SFBs)** include minimum **5 years of operations**, listing on a **recognised stock exchange**, **net worth of at least ₹1,000 crore**, **net profit in the last 2 financial years**, and **Gross Non-Performing Asset (GNPA) ≤3%** & **Net Non-Performing Asset (NNPA) ≤1%**.
- The Reserve Bank of India (RBI) stated that eligible **Small Finance Banks (SFBs)** with diversified loan portfolios will be preferred for **Universal Bank** licensing.

### 2.10. Consolidation of Regulatory Circulars into Master Directions

- The Reserve Bank of India (RBI) is undertaking a regulatory rationalization agenda aimed at simplifying frameworks.
- The Reserve Bank of India (RBI) set a goal to reduce total regulations from **8,000 to 3,000** via the **Regulatory Review Cell (RRC)**.

#### (ii) Key Developments / Announcements / Decisions

- The Reserve Bank of India (RBI) will consolidate around **9,000 regulatory circulars** issued by the **Department of Regulation** into **238 Master Directions**.
- These **Master Directions** will cover **11 types of regulated entities** and **30 functional areas**.
- This initiative aims to be completed by **October 2025**.

## RBI In news (as on 15 Nov 2025)

### 2.11. Changes to Interest Rate on Advances and Floating Rate Loan Repayments (Effective October 1, 2025)

- The Reserve Bank of India (RBI) issued the “Reserve Bank of India (Interest Rate on Advances) (Amendment Directions), 2025,” effective October 1, 2025.
- Existing norms required banks to benchmark floating-rate loans to an **external benchmark rate**.
- **Spread Adjustment:** Banks may reduce spread components (other than credit risk premium) earlier than **3 years** to benefit borrowers.
- **Switching Option:** The option for borrowers to switch from **floating to fixed rates** at the time of interest rate reset is now left to the **discretion of banks**. However, for **equated monthly instalment (EMI)-based personal loans**, this option will be **mandatory at each reset**.
- **Penal Interest:** Banks can no longer charge **penalty interest** for missed **Equated Monthly Instalments (EMIs)**; only a **fixed late payment fee** can be applied.
- **Restructuring:** Banks are required to support borrowers facing financial hardships (like job loss, business failure, or medical emergencies) through restructuring or temporary payment relief, including **Restructuring of Loan Tenure, Equated Monthly Instalment (EMI) Moratorium, or One-Time Settlement (OTS)**.

### 2.12. Supervisory Data Quality Index (sDQI) for Scheduled Commercial Banks (SCBs)

- The Reserve Bank of India (RBI) introduced the Supervisory Data Quality Index (sDQI) to measure the quality of supervisory data submitted by Scheduled Commercial Banks (SCBs).
- The goal is to ensure that banks provide reliable, complete, and timely data for effective supervision.
- The Supervisory Data Quality Index (sDQI) evaluates **four key dimensions: Accuracy, Completeness, Timeliness, and Consistency**.
- The composite Supervisory Data Quality Index (sDQI) score for Scheduled Commercial Banks (SCBs) improved to **89.9** in June 2025, compared to **89.3** in **March 2025**.
- Small Finance Banks (SFBs) achieved the **highest scores** among bank groups, improving slightly from **90.6** to **90.7**.

### 2.13. Reserve Bank of India (RBI) Penalties Imposed on Regulated Entities

- **ICICI Bank Limited:** Penalty of ₹75 lakh imposed on **August 07, 2025**, for violations related to ‘**Valuation of Properties – Empanelment of Valuers**’ and ‘**Opening of Current Accounts by Banks – Need for Discipline**’. Legal Basis: **Section 47A(1)(c)** read with **Section 46(4)(i)** of the **Banking Regulation Act, 1949**.
- **HDFC Bank Ltd.:** Penalty of ₹4.88 lakh levied under **Section 11(3)** of the **Foreign Exchange Management Act (FEMA), 1999**, for violating **Paragraph 9.3.6** of the **Master Direction – Foreign Investment in India (January 04, 2018)** while granting a **term loan**.
- **Indian Overseas Bank (IOB):** Penalty of ₹31.8 lakh imposed in **October 2025** and by order dated **29th September 2025**, for non-compliance with ‘**Priority Sector Lending (PSL) – Targets and Classification**’. The violation pertained to collecting **loan-related charges** in certain **Priority Sector Lending (PSL) accounts**, each with a sanctioned loan amount up to ₹25,000.
- **Muthoot FinCorp Limited:** Monetary penalty of ₹2.70 lakh imposed on **September 24, 2025**, for non-compliance with directions on the appointment and functioning of an **Internal Ombudsman (IO)**.
- **American Express Banking Corp.:** Monetary penalty of ₹31.80 lakh imposed for non-compliance with the **Credit Card and Debit Card - Issuance and Conduct Directions, 2022**. Lapses included failure to reverse credit balances for certain cardholders arising from refunds, failed, or reversed transactions.

## RBI In news (as on 15 Nov 2025)

- **HDB Financial Services Ltd:** Monetary penalty of ₹4.20 lakh imposed for non-compliance with certain provisions of the **Know Your Customer (KYC) Directions, 2016**, specifically deficiencies in obtaining **Permanent Account Number (PAN)/Form 60** in certain loan accounts for **Financial Year 2023–24**.

### 2.14. Supervision and Cancellation of Cooperative Banks

- The **Reserve Bank of India (RBI)** exercises powers under the **Banking Regulation Act, 1949**, to maintain financial stability and protect depositors' interests.
- **Irinjalakuda Town Cooperative Bank:** The **Reserve Bank of India (RBI)** superseded its **Board of Directors** for **12 months** due to poor financial condition and governance issues, under **Section 36AAA** read with **Section 56 of the Banking Regulation Act, 1949**. **Raju S. Nair**, former **Vice President of Federal Bank**, was appointed as **Administrator**.
- **Jijamata Sahakari Bank, Satara:** The **Reserve Bank of India (RBI)** cancelled the banking licence of this **Urban Cooperative Bank (UCB)** based in **Satara, Maharashtra**, effective from the close of business on **October 7, 2025**, due to poor financial condition and failure to comply with regulatory norms.
- **The Baghat Urban Co-operative Bank Ltd., Solan:** The **Reserve Bank of India (RBI)** imposed restrictions under **Section 35A** read with **Section 56 of the Banking Regulation Act, 1949**, effective from **October 8, 2025**, due to poor liquidity. Depositors were allowed to withdraw up to ₹10,000 from the total balance held in all their accounts.

### 2.15. Grant of Self-Regulatory Organisation (SRO) Status

- The **Reserve Bank of India (RBI)** adopted an **Omnibus Framework for Self-Regulatory Organisations (SROs)** to promote better governance and transparency.
- The minimum net worth requirement for an **Self-Regulatory Organisation – Fintech (SRO-FT)** is ₹2 crore.
- **Non-Banking Financial Companies (NBFCs):** The **Reserve Bank of India (RBI)** granted **Self-Regulatory Organisation (SRO)** status to the **Finance Industry Development Council (FIDC)** to oversee **Non-Banking Financial Companies (NBFCs)**.
- **Fintech Sector:** The **Reserve Bank of India (RBI)** officially recognised the **Fintech Association for Consumer Empowerment (FACE)** as the **First Self-Regulatory Organisation (SRO)** for the **Fintech Sector** on **August 28, 2024**.
- **Fintech Association for Consumer Empowerment (FACE)** must maintain a minimum net worth of ₹2 crore.

## 3. Foreign Exchange, Capital Markets, and External Sector Management

### 3.1. Foreign Liabilities and Assets (FLA) Census 2024–25 Results

- The **Reserve Bank of India (RBI)** released the **provisional results** of the **2024–25 census on Foreign Liabilities and Assets (FLA)**.
- The census captures the cross-border liabilities and assets of **Indian companies**.
- The total **Foreign Direct Investment (FDI)** in India in **2023–24** was ₹61,88,243 crore.
- Total **Foreign Direct Investment (FDI)** in India during **2024–25** stood at ₹68,75,931 crore, an increase of 11.1%.
- 41,517 entities reported **Foreign Direct Investment (FDI)** and/or **Overseas Direct Investment (ODI)** as of March 2025, including 7,880 new respondents.

## RBI In news (as on 15 Nov 2025)

- **Source Countries:** The United States (US) (20%) and Singapore (14.3%) together accounted for over one-third of India's total Foreign Direct Investment (FDI). They were followed by Mauritius (13.3%), UK (11.2%), and Netherlands (9%).
- **Sectoral Share:** The manufacturing sector held the highest share of Foreign Direct Investment (FDI) equity (48.4%) at market value, while the services sector ranked second.

### 3.2. Liberalization and Simplification of Special Rupee Vostro Accounts (SRVAs)

- A **Special Rupee Vostro Account (SRVA)** is an account held by a foreign bank with an Indian bank in Indian Rupees (INR) for cross-border trade settlement.
- The framework was introduced via **A.P. (DIR Series) Circular No. 10 dated July 11, 2022**.
- Earlier, **Authorised Dealer (AD)** banks had to obtain Reserve Bank of India's (RBI's) prior approval before opening **Special Rupee Vostro Accounts (SRVAs)**.
- The Reserve Bank of India (RBI) allowed **Authorised Dealer (AD)** Category-I banks to open **Special Rupee Vostro Accounts (SRVAs)** of overseas correspondent banks **without seeking prior approval from Reserve Bank of India (RBI)**.
- **Legal Basis:** Issued under **Sections 10(4)&11(1)** of the **Foreign Exchange Management Act (FEMA), 1999**.
- **Investment Use:** Surplus **Special Rupee Vostro Account (SRVA)** balances are now eligible for investment in **corporate bonds** and **commercial papers (CPs)**, in addition to **government securities**.

### 3.3. New Directions for Trade Relief Measures and Foreign Currency Accounts

- **Export Proceeds Repatriation:** As per the **Reserve Bank of India (Trade Relief Measures) Directions, 2025**, the maximum period allowed for realisation and repatriation of export proceeds is extended to **15 months** from the date of export, up from **nine months**.
- **Export Credit Period:** The maximum credit period for pre-shipment and post-shipment export credit has been extended from **270 days to 450 days** for eligible export credit up to **31 March 2026**.
- **Export Proceeds in IFSC:** The **Reserve Bank of India (RBI)** allowed exporters to retain their **foreign exchange proceeds** in a **Foreign Currency Account (FCA)** at an **International Financial Services Centre (IFSC)** for up to **3 months**, compared to the one-month limit in any other jurisdiction.
- **Merchanting Trade:** The time period for forex outlay for **Merchanting Trade Transactions (MTT)** was extended from **4 months to 6 months**.
- **Compliance Ease:** The **Reserve Bank of India (RBI)** introduced a simplified closure process for **Shipping Bills & Bills of Entry** for small-value export and import transactions.

### 3.4. Rupee Lending to Neighboring Countries and Gold Reserves Management

- **Rupee Lending:** Authorised Dealer (AD) banks and their overseas branches may now lend in Indian Rupees (INR) to residents of Bhutan, Nepal, and Sri Lanka for trade transactions. This was achieved by amending the **Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025**.
- **NRI Debt Investment:** The Reserve Bank of India (RBI) amended the **Foreign Exchange Management (Deposit) Regulations, 2016**, to allow Non-Resident Indians (NRIs) to invest in the **Indian debt market (non-convertible debentures (NCDs), bonds, and commercial papers)** through their rupee accounts.
- **Gold Holdings:** Reserve Bank of India (RBI)'s gold reserves crossed the **\$100 billion** mark for the first time. As of **September 2025**, Reserve Bank of India (RBI)'s gold reserves expanded to over **880.18 metric tonnes (MT)**. The value was approximately **\$95 billion** as of **September 26, 2025**.
- **Gold Repatriation:** The Reserve Bank of India (RBI) repatriated nearly **64 tonnes of gold** in the half-year to **September 2025**. **575.8 tonnes** were held in India as of **September-end 2025**.

## RBI In news (as on 15 Nov 2025)

- The Rupee lending initiative strengthens regional economic cooperation and enhances the use of the **Indian Rupee (INR)** in international trade.
- The rise in **gold holdings** signals a broader diversification away from dollar assets and reinforces India's long-term strategy for financial stability and resilience against global market shocks.
- **The gold reserves constitute 13.6% of India's total foreign exchange reserves.**

### 3.5. Mandatory Unique Transaction Identifier (UTI) for OTC Derivative Transactions

- The **Reserve Bank of India (RBI)** released a draft framework to align India's derivatives reporting framework with global regulatory standards set by the **Committee on Payments and Market Infrastructures–International Organization of Securities Commissions (CPMI–IOSCO)**.
- The **Reserve Bank of India (RBI)** proposed the mandatory use of a **Unique Transaction Identifier (UTI)** for all **Over-the-Counter (OTC) derivative transactions**.
- The new instructions will come into effect from **April 1, 2026**.
- The **Unique Transaction Identifier (UTI)** is a globally recognizable, alphanumeric code of up to **52 characters**.
- It covers transactions in **Rupee Interest Rate Derivatives, Forward Contracts in Government Securities, Foreign Currency Derivatives, Foreign Currency Interest Rate Derivatives, and Credit Derivatives**.

## 4. Digital Payments, Financial Inclusion, and Consumer Protection

### 4.1. New Digital Payment Initiatives Launched at Global Fintech Fest 2025

- The **Reserve Bank of India (RBI)** unveiled **four cutting-edge digital payment initiatives** at the **Global Fintech Festival 2025**.
- The **four initiatives** launched were:
  1. **IoT-based Unified Payments Interface (UPI) Payments** (enables **UPI** transactions through connected smart devices like smart cars, TVs, or wearables).
  2. An interoperable net banking solution (**Banking Connect**).
  3. **Unified Payments Interface (UPI) Reserve Pay** (allows users to reserve part of credit card or pre-approved credit line for **UPI** payments).
  4. **Artificial Intelligence (AI)-based Unified Payments Interface (UPI) Help** powered by **National Payments Corporation of India (NPCI)**'s **Small Language Model (SLM)**.
- The **Reserve Bank of India (RBI)** Deputy Governor Shri T. Rabi Sankar launched a pilot linking the **FX-Retail platform of Clearcorp Dealing Systems (India) Ltd.** with the **Bharat Bill Payment System (Bharat Connect)**.
- The **Reserve Bank of India (RBI)** launched a **retail sandbox** for its **Central Bank Digital Currency (CBDC) (e-Rupee pilot)** to allow fintech companies to develop and test use cases.

### 4.2. Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI)

- The **Reserve Bank of India (RBI)** set up a committee under **Pushpak Bhattacharya** to prepare a framework for **Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI)**.
- The framework was released at a time when **Artificial Intelligence (AI)** is shifting from experimentation to mainstream adoption in the financial sector.

## RBI In news (as on 15 Nov 2025)

- The **Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI)** is designed to help banks, **Non-Banking Financial Companies (NBFCs)**, insurers, and other **regulated entities** harness the benefits of **Artificial Intelligence (AI)** responsibly.
- The committee formulated **7 Sutras: Trust is the Foundation; People First; Innovation over Restraint; Fairness and Equity; Accountability; Understandable by Design; and Safety, Resilience and Sustainability.**
- The framework sets out **6 Strategic Pillars: Infrastructure, Policy, and Capacity** (for innovation enablement); and **Governance, Protection, and Assurance** (for risk mitigation).
- The Committee issued **26 detailed recommendations**.
- The **Reserve Bank of India (RBI)** mandates that **Artificial Intelligence (AI)** must be governed at the **board level** with strict accountability.

### 4.3. Expansion of Integrated Ombudsman Scheme (RB-IOS)

- The **Reserve Bank of India Integrated Ombudsman Scheme (RB-IOS), 2021**, provides a cost-free complaint redressal mechanism against **Reserve Bank of India (RBI)-regulated entities**.
- The scheme previously covered commercial banks, **Non-Banking Financial Companies (NBFCs)**, and select financial entities.
- The **Reserve Bank of India (RBI)** issued a notification to include **State and Central Co-operative Banks** under the ambit of the **Reserve Bank of India Integrated Ombudsman Scheme (RB-IOS), 2021**.
- The inclusion will be effective from **November 1, 2025**.
- The scheme will also be extended to include **rural cooperative banks (District Central Cooperative Banks (DCCBs) and State Cooperative Banks (StCBs))** for the first time.

### 4.4. Deceased Depositor Claim Settlement and Nomination Facility Directions

- The **Reserve Bank of India (RBI)** released a draft circular proposing easier claim settlement after the death of an account holder.
- The new guidelines align existing rules with the **Banking Laws (Amendment) Act, 2025**.
- **Nomination Facility Directions, 2025**: The **Reserve Bank of India (RBI)** issued the **Reserve Bank of India (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with Banks) Directions, 2025**, effective from **November 1, 2025**.
- **Claim Settlement Timeline**: Banks must settle deposit account claims of deceased customers within **15 calendar days** from receipt of all required documents.
- **Threshold Limit (No Nominee)**: For accounts without a nominee or survivorship clause, the threshold limit set by banks must be at least **₹15 lakh**.
- **Delay Penalty (Deposit)**: **prevailing bank rate + 4% p.a. on settlement amount** for the delay period.
- **Delay Penalty (Lockers/Articles)**: **₹5,000 per day** beyond the prescribed **15 days** after receiving all required documents.

### 4.5. Digital Banking Channels, Authentication, and Know Your Customer (KYC) Norms

- **Digital Banking Channels**: Launching transactional services needs prior **Reserve Bank of India (RBI)** approval (Phase 2), requiring **Board approval, Core Banking Solution (CBS) compliance, and cyber audit clearance**.
- **Authentication Mechanisms**: The **Reserve Bank of India (RBI) (Authentication Mechanisms for Digital Payment Transactions) Directions, 2025** will come into force from **April 1, 2026**. It mandates **two-factor authentication (2FA)** for all digital payments.

## RBI In news (as on 15 Nov 2025)

- **Cross-Border Transactions:** For non-recurring, cross-border **card-not-present (CNP)** transactions, issuers must validate the **Additional Factor of Authentication (AFA)** when requested by overseas merchants, to be implemented by **October 1, 2026**.
- **Customer Communication:** Reserve Bank of India's (RBI's) Master Circular on Customer Service in Banks requires all customer-facing materials to be available in **Hindi, English, and the concerned regional language**.

### 4.6. Promotion of Financial Literacy and Digital Outreach

- The **Centre for Financial Literacy (CFL) Project** was initiated by the **Reserve Bank of India (RBI)** in **2017**.
- The **Reserve Bank of India (RBI)** runs the '**RBI Kehta Hai**' campaign to educate citizens on financial safety.
- As of **March 31, 2025**, there are **2,421 Centres for Financial Literacy (CFLs)** across the country, covering **three blocks** on average.
- The **Reserve Bank of India (RBI)** expanded the '**RBI Kehta Hai**' campaign through **verified WhatsApp channels**.
- Verified WhatsApp numbers for official updates: **99309 91935 (newly added)** and **99990 41935 (already active)**.
- **Financial Inclusion Index (FI-Index)** increased to **67.0** in **March 2025**, compared to **64.2** in **March 2024**.
- **Financial Inclusion Campaign:** The **Financial Inclusion (FI) saturation campaign** runs from **July 1, 2025**, to **September 30, 2025**.

## 5. Currency Management, Banknotes, and Appointments

### 5.1. Status Update on Withdrawal of ₹2000 Denomination Banknotes

- The **Reserve Bank of India (RBI)** announced the withdrawal of **₹2000 denomination banknotes** from circulation via press release **2023-2024/257 dated May 19, 2023**.
- At the time of the announcement, the total value in circulation stood at **₹3.56 lakh crore**.
- The facility for deposit and/or exchange at all bank branches was available until **October 07, 2023**.
- As of **May 31, 2025**, the value in circulation had declined to **₹6,181 crore**, with **98.26%** of notes returned.
- As of **July 31, 2025**, the value in circulation dropped to **₹6,017 crore**, with **98.31%** returned.
- As of **August 31, 2025**, the value in circulation declined to **₹5,956 crore**, with **98.33%** returned.
- As of **September 30, 2025**, the value in circulation declined to **₹5,884 crore**, with **98.35%** returned.
- As of **October 31, 2025**, the value in circulation totalled **₹5,817 crore**.
- The facility for exchange continues at the **19 Reserve Bank of India (RBI) Issue Offices**.
- The **₹2000 banknotes continue to remain legal tender**, despite the withdrawal from circulation.

### 5.2. Appointments of Deputy Governor and Executive Directors

- The **Reserve Bank of India (RBI) Central Board** is the apex policy-making body.
- **Deputy Governor:** Shri Shirish Chandra Murmu took charge as **Deputy Governor** of the **Reserve Bank of India (RBI)** on **October 9, 2025**, for a **three-year term**. He succeeded **Dr. M. D. Patra**.
- **Central Board Director:** The **Central Government** nominated **Ms. Anuradha Thakur, Secretary, Department of Economic Affairs, Ministry of Finance**, as a **Director** on the **Central Board of the Reserve Bank of India (RBI)**, effective **July 24, 2025**, replacing **Shri Ajay Seth**.

## RBI In news (as on 15 Nov 2025)

- **Executive Director (ED) - Sanjay Kumar Hansda:** Appointed **Executive Director (ED)** with effect from **March 3, 2025**, resuming duties on **October 6, 2025**. He oversees the **Department of Economic and Policy Research (DEPR)**.
- **Executive Director (ED) - Kesavan Ramachandran:** Appointed **Executive Director (ED)** with effect from **July 1, 2025**.
- **Executive Director (ED) - Sonali Sen Gupta:** Appointed **Executive Director (ED)**, effective **October 9, 2025**.

### 5.3. Retail Investment in Government Securities via Retail Direct Scheme (RDS)

- The **Reserve Bank of India (RBI) Retail Direct Scheme (RDS)** was launched on **12 November 2021**, allowing individual investors to directly invest in **Government Securities (G-Secs)**.
- Investors can open a **Retail Direct Gilt (RDG) Account** free of cost.
- **Account Growth:** Total accounts rose **82.5%** year-on-year to **3,12,618** as of **September 29, 2025**, compared to **1,71,269** a year earlier.
- **Trading Volume:** Secondary market traded volume shot up **6.43 times to ₹5,293 crore**.
- **New Features:** The **Reserve Bank of India (RBI)** introduced **Systematic Investment Plan (SIP)** for **Treasury Bills (T-Bills)** and **Auto-Bidding facility** on its **Retail Direct** platform.
- **Investment Options:** **Treasury Bills (T-Bills)**, **Government of India Dated Securities (G-Secs)**, **State Development Loans (SDLs)**, and **Sovereign Gold Bonds (SGBs)**.

### 5.4. Sovereign Gold Bond (SGB) Management and Redemption

- The **Sovereign Gold Bond (SGB) Scheme** was introduced in **November 2015** and is managed by the **Reserve Bank of India (RBI)** on behalf of the **Government of India**.
- The bonds have a maturity of **8 years**.
- **Premature Redemption Announced (28 SGBs):** The **Reserve Bank of India (RBI)** announced premature redemption for **28 Sovereign Gold Bonds (SGBs)** issued between **May 2018 and March 2021**.
- **Fixed Repurchase Price:** The repurchase price for these **Sovereign Gold Bonds (SGBs)** is fixed at **₹10,070 per unit**.
- **Redemption Price Calculation:** The price is based on the average closing price of **999 purity gold** published by the **India Bullion and Jewellers Association (IBJA)** for the **preceding three working days**.
- **Final Redemption (SGB 2017–18 Series-IV):** The final redemption price for the **Sovereign Gold Bond (SGB) 2017–18 Series-IV**, maturing on **October 23, 2025**, was announced at **₹12,704 per gram**.
- **GOI FRB 2028 Interest Rate:** Set at **6.22% per annum** for the half-year period from **October 4, 2025, to April 3, 2026** (Previous rate: **7.11% per annum**). The fixed spread is **0.64%**.
- **GOI FRB 2033 Interest Rate:** Set at **6.82% per annum** for the period **September 22, 2025, to March 21, 2026**. The fixed spread is **1.22%**.

### 5.5. New Microsite for Banknotes

- The **Reserve Bank of India (RBI)** launched a new dedicated microsite for banknotes: <https://indiancurrency.rbi.org.in>.
- The portal provides **360-degree views** of banknotes, along with detailed information on their design, features, and security elements.
- It includes interactive games and a dedicated section for **exchange of banknotes**.
- The new microsite replaces the older site: <https://paisabolthai.rbi.org.in>.