



भारतीय ररज़र्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2024-25/23

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April 23, 2024

## Dealing in Rupee Interest Rate Derivative products - Small Finance Banks

Please refer to paragraph 4 of [Statement on Developmental and Regulatory Policies](#) issued as a part of the [Bi-monthly Monetary Policy Statement for 2024-25 dated April 05, 2024](#) read with Paragraph 1.10 of the '[Operating Guidelines for Small Finance Banks](#)' dated October 6, 2016.

2. Extant guidelines permit Small Finance Banks (SFBs) to use only Interest Rate Futures (IRFs) for the purpose of proprietary hedging. In order to expand the avenues available to the SFBs for hedging interest rate risk in their balance sheet and commercial operations more effectively as well as with a view to provide them with greater flexibility, it has now been decided to allow them to deal in permissible rupee interest rate derivative products for hedging interest rate risk in terms of the [Rupee Interest Rate Derivatives \(Reserve Bank\) Directions, 2019 dated June 26, 2019](#), as amended from time to time.

### Applicability

3. This circular is applicable to all Small Finance Banks.
4. These instructions shall come into force with immediate effect.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager