

RBI invites public comments on the draft “Reserve Bank of India (Local Area Banks – Transaction Accounts) Directions, 2025”

Date: October 01, 2025

Public consultation no. C2R/2025-26/21

With the objective of enforcing credit discipline among borrowers as well as to facilitate better monitoring by lenders, certain restrictions were placed on the operation of Current Accounts (CA), Cash Credit Accounts (CC) and Overdraft Accounts (OD) (“Transaction Accounts”) offered by banks vide various circulars issued from time to time. Based on the experience gained and feedback received, these instructions have been reviewed and it is proposed to ease some of the stipulations and provide greater flexibility to the banks in this regard, particularly in case of borrowers being entities regulated by a financial sector regulator. Accordingly, the draft “[Reserve Bank of India \(Local Area Banks – Transaction Accounts\) Directions, 2025](#)” has been issued for public comments.

Additional comments or any attachments may also be submitted by email at cgmicdor@rbi.org.in.

Last date for submission of comments is October 24, 2025.

Draft Directions: [PDF \(226.66 KB\)](#)