



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/DoR/2025-26/338

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November 28, 2025

**Reserve Bank of India (All India Financial Institutions – Miscellaneous)
Directions, 2025**

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In exercise of the powers conferred by Section 45 L of the Reserve Bank of India Act, 1934, and all other provisions / laws enabling the Reserve Bank of India ('RBI') in this regard, RBI being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

Chapter I – Preliminary

A. Short Title and Commencement

1. These Directions shall be called the Reserve Bank of India (All India Financial Institutions – Miscellaneous) Directions, 2025.
2. These Directions shall come into force with immediate effect.

B. Applicability

3. These Directions shall be applicable to All-India Financial Institutions namely Export-Import Bank of India ('EXIM Bank'), National Bank for Agriculture and Rural Development ('NABARD'), Small Industries Development Bank of India ('SIDBI'), National Housing Bank ('NHB') and National Bank for Financing Infrastructure and Development ('NaBFID'), hereinafter collectively referred to as 'AIFIs' and individually as an 'AIFI', to the extant the directions contained herein are not inconsistent with the statutory provisions or instructions issued thereunder.

C. Definitions

4. In these directions, unless the context states otherwise, the terms herein shall bear the meanings assigned to them below:
 - (1) 'Director' means a director appointed on the Board of an AIFI.
5. All expressions shall have the same meaning as have been assigned to them under the Reserve Bank of India Act, 1934, or the Banking Regulation Act, 1949, or any statutory modification or re-enactment thereto, or Glossary of Terms published by the RBI, or as used in commercial parlance, as the case may be.



Chapter II – Role of the Board

6. An AIFI shall have a Board-approved policy relating to courses / certifications required for specialised areas of operations as laid out in paragraph 15 and paragraph 16 of these Directions.
7. The Board of an AIFI shall extend facility of deferment of option premium only after conducting due diligence of users in accordance with its Board approved policy in this regard, as set out in paragraph 11 of these Directions.



Chapter III – Audit Committee of the Board

8. An AIFI may set up an apex Audit Committee of the Board (ACB) consisting of about five Directors; one or more of such Directors may be Chartered Accountants or have experience in management, finance, accountancy and audit systems etc.

Provided that directors representing staff, if any, may not be included in the ACB.

9. The ACB may meet, at least, once a quarter but not less than six times a year.
10. The functions of ACB may include, *inter alia*, the following:
 - (1) providing direction as also overseeing the operation of the total audit functions of the AIFI. Total audit function implies the organisation, operationalisation and quality control of internal audit and inspection within the AIFI and follow-up on the statutory/ external audit of the AIFI and inspections of RBI;
 - (2) reviewing the internal inspections/ audit function in the institution - the system, its quality and its effectiveness in terms of follow-up. It may also focus on the follow-up on frauds and major areas of house-keeping;
 - (3) following up on all the issues raised in the statutory audit reports. It may interact with the external auditors before the finalisation of the annual/semi-annual financial accounts and reports; and
 - (4) following up all the issues/ concerns raised in the inspection reports of RBI.



Chapter IV – Services and Market Operations

A. Deferment of Option Premium

11. An AIFI may, at its discretion, defer the premium on plain vanilla options and forex option structures sold by it to users subject to the following conditions:

- (1) the AIFI shall carry out necessary due diligence with regard to the ability of users to adhere to the premium payment schedule, in accordance with its Board approved policy in this regard, before extending this facility to the users;
- (2) premium for option contracts / structures with tenure of more than one year may be deferred, provided the premium payment period does not extend beyond the maturity date of the contract; and
- (3) premium shall be received uniformly over the maturity of the contract and periodicity of such payment shall be at least once in a quarter.

Provided that, in case of forex option structures, the above facility shall be available only if the liability of the users never exceeds the net premium payable to the AIFI under any scenario.

Provided further that, the above facility shall not be available to an intermediary AIFI which does not have its own option book but offers the product to corporate clients on a completely covered basis since intermediary AIFI itself is not a 'user'.

Provided further that, options and option structures shall continue to be governed by instructions on suitability and appropriateness laid down in [Master Direction – Reserve Bank of India \(Market-makers in OTC Derivatives\) Directions, 2021](#).

B. Reporting of Corporate Bond Transactions

12. An AIFI shall report its secondary market transactions in corporate bonds done in OTC market on FIMMDA's reporting platform.

Explanation: The bank may refer detailed operational guidelines in this regard issued by FIMMDA.



Chapter V – Regulatory Compliance

A. Inter-Governmental Agreement (IGA) with United States of America (US) under Foreign Accounts Tax Compliance Act (FATCA) - Registration Requirements

13. An AIFI, if not already registered with US authorities as per the Government of India's Inter-Governmental Agreement (IGA) with US to implement Foreign Accounts Tax Compliance Act (FATCA), shall register itself and obtain a Global Intermediary Identification Number (GIIN).
14. Further, an AIFI having overseas branches in jurisdictions covered under different FATCA frameworks is required to take appropriate registration actions as under:
 - (1) An AIFI having overseas branches in Model 1 jurisdictions, including those jurisdictions where an agreement under Model 1 has been reached in substance, and is yet to register with US authorities, shall register itself and obtain a GIIN.
 - (2) An AIFI having overseas branches in a jurisdiction having IGA 2 agreement or in a jurisdiction that does not have an IGA but permits financial institutions to register and agree to an FFI agreement, may register with US authorities and obtain a GIIN, if not already registered, to avoid potential withholding under FATCA.
 - (3) An AIFI having overseas branches in a jurisdiction that does not have an IGA and does not permit financial institutions to register and agree to an FFI agreement may not register and their overseas branches would eventually be subject to withholding under FATCA.

Provided that, if registration of a parent AIFI / head office is a pre-requisite for a branch to register, such an AIFI may register itself.



Chapter VI – Human Resource and Capacity Building

A. Certifications

15. An AIFI shall identify specialised areas for certification of the staff manning key responsibilities. While an AIFI shall retain the flexibility to require certification for any area of work, it shall make acquiring of a certificate course mandatory for staff before their posting in the following areas, as applicable:

- (1) treasury operations – dealers, mid-office operations;
- (2) risk management – credit risk, market risk, operational risk, enterprise-wide risk, information security, liquidity risk;
- (3) accounting – preparation of financial results, audit function; and
- (4) credit management – credit appraisal, rating, monitoring, credit administration.

Provided that if an employee has already acquired relevant graduate, diploma and certificate courses offered by reputed universities, the same may also be considered as an accreditation/ certification.

16. An AIFI shall identify the courses / certifications, from those recognised by IBA as meeting certification requirements for different work areas mentioned above, those that are suitable for its operations and put in place a Board-approved policy, mandating obtainment of such certifications by its employees working in the respective areas.

A1. Staff Rotation and Audit

16A. An AIFI shall put in place ‘staff rotation’ policy.

16B. An AIFI shall require its internal auditors and concurrent auditors to examine the implementation of policy for ‘staff rotation’ and point out instances of breaches irrespective of apparent justifications for non-compliance, if any.

Provided that the decisions taken / transactions effected by officers and staff not rotated as per policy shall also be subjected to comprehensive examination by the internal auditors and concurrent auditors, and the finding thereon should be documented.



Chapter VII – Repeal and Other Provisions

A. Repeal and Saving

17. With the issue of these Directions, the existing Directions, instructions, and guidelines relating to areas covered in these Directions as applicable to All India Financial Institutions stand repealed, as communicated vide [circular DOR.RRC.REC.302/33-01-010/2025-26 dated November 28, 2025](#). The Directions, instructions, and guidelines repealed prior to the issuance of these Directions shall continue to remain repealed.
18. Notwithstanding such repeal, any action taken or purported to have been taken, or initiated under the repealed Directions, instructions, or guidelines shall continue to be governed by the provisions thereof. All approvals or acknowledgments granted under these repealed lists shall be deemed as governed by these Directions. Further, the repeal of these directions, instructions, or guidelines shall not in any way prejudicially affect:
 - (1) any right, obligation or liability acquired, accrued, or incurred thereunder;
 - (2) any penalty, forfeiture, or punishment incurred in respect of any contravention committed thereunder;
 - (3) any investigation, legal proceeding, or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceedings or remedy may be instituted, continued, or enforced and any such penalty, forfeiture or punishment may be imposed as if those directions, instructions, or guidelines had not been repealed.

B. Application of Other Laws not Barred

19. The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations, or directions, for the time being in force.

C. Interpretations

20. For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the RBI may, if it considers necessary, issue necessary



clarifications in respect of any matter covered herein and the interpretation of any provision of these Directions given by the RBI shall be final and binding.

(Dr. Sudarsana Sahoo)

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