

Date: October 24, 2025

C2R/2025-26/282

RBI invites public comments on the Reserve Bank of India (Small Finance Banks - Capital Market Exposure) Directions, 2025

Capital market exposures (CME) of the regulated entities (REs) which include, inter alia, lending against securities to individuals and lending to capital market intermediaries, have been subject to prudential regulations relating to sectoral exposure limits, single borrower limits, margin requirements, etc. Further, bank finance for acquisition of shares has been generally disallowed.

There has been significant growth and development in the capital market structure, along with strengthening of the banking system in recent years. With the objective of rationalising the extant guidelines and broadening the scope for capital market lending by banks, it is proposed to inter alia:

- enhance the limit for lending by banks against shares, units of REITs, units of InvITs while removing the regulatory ceiling altogether on lending against listed debt securities; and
- put in place a more principle-based framework for lending to capital market intermediaries.

The [draft Reserve Bank of India \(Small Finance Banks - Capital Market Exposure\) Directions, 2025](#) have been issued for public comments.

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

Last date for submission of comments is November 21, 2025.

Draft Circular: [PDF \(417.76 KB\)](#)