

Date: January 6, 2026

C2R/2025-26/289

RBI invites comments on the draft “Reserve Bank of India (Local Area Banks - Prudential Norms on Declaration of Dividend) Directions, 2026”

The Reserve Bank had undertaken a review of the extant guidelines on the prudential norms on declaration of dividend and remittance of profits by foreign banks operating in branch mode in India. Accordingly, a draft of the revised framework was issued for public comments on January 2, 2024. However, based on the stakeholder feedback and consultations, a new methodology for computing the maximum eligible dividend payout is being issued for public comments.

The comments on the draft Directions are invited till February 5, 2026. The comments / feedback may be submitted through the link under the ‘Connect2Regulate’ Section available on the Reserve Bank’s website. Alternatively, the comments may be forwarded to

The Chief General Manager, Balance Sheet Group
Department of Regulation, Central Office
Reserve Bank of India,
13th Floor, Central Office Building
Shahid Bhagat Singh Marg, Fort,
Mumbai – 400001
or
by e-mail (accdor@rbi.org.in)

Draft Master Direction- Reserve Bank of India (Local Area Banks - Prudential Norms on Declaration of Dividend) Directions, 2026

[PDF \(309.29 KB\)](#)