



भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA

RBI/2026-27/<>

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**Draft Reserve Bank of India (Payments Banks – Governance) Amendment
Directions, 2026**

Please refer to the [Reserve Bank of India \(Payments Banks - Governance\) Directions, 2025](#) (hereinafter referred to as '**Directions**').

2. In an endeavour to enable bank Boards to utilize their time effectively and to facilitate a more focused and qualitative engagement on strategy and risk governance, it has been decided to undertake a review to rationalize the extant RBI directions/circulars on the matters required to be placed before the Boards. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank of India, being satisfied that it is necessary and expedient in public interest so to do, hereby, issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

3(1) Paragraph 23 of Chapter V shall be deleted and reinserted (with slight modification) after paragraph 16 as under:

“16A. The Board shall exercise oversight on the following:

(i) risk management system, policy and strategy followed by the bank;

(ii) exposures to related entities of the bank;

(iii) conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions etc.”

3(2) Paragraph 17 of Chapter IV and paragraphs 22, 24, 25, 26 and 27 of Chapter V shall be deleted.

3(3) After paragraph 27, the following new paragraphs shall be inserted in chapter V as under:

“27A. The Reserve Bank has mandated through various directions/circulars issued from time to time, that certain policies and other matters for approval/review/information be placed before the Board. The policies and other matters along with the relevant paragraph reference of directions/circulars have been compiled in [Appendix I](#) and [Appendix II](#) respectively, for ease of reference of banks. The Board may at its discretion, delegate certain aspects of these matters to a Board Committee/ Management Committee, as indicated in the Appendices. The review of policies required to be placed before the Board for approval may be delegated to Board Committees, with the Board approving only material amendments to such policies. The contours of ‘material amendments’, to the extent feasible, shall be defined by the Board.

27B. In addition to the matters specified in [Appendix I](#) and [Appendix II](#), the matters to be placed before the Board may be determined based on the following key principles:

- (i) The ultimate responsibility for the bank’s performance, conduct and control rests with the Board. It may, however, delegate certain matters to the Board Committees / Sub-Committees / Senior Management, along with reporting requirements as may be necessary.*
- (ii) The Board shall clearly articulate the matters reserved for its approval or to be brought to its notice for information or reporting. The role and responsibilities of the Board under various statutes or regulations, may also be taken into account in determining such matters. However, the Board shall ensure that sufficient time is dedicated to strategy and risk governance.*
- (iii) The Chairperson of the Board shall have the primary responsibility for setting the agenda of the meeting.*
- (iv) The Board shall ensure that it receives sufficient information from the management to discharge its role effectively. It shall clearly define the nature, level of detail and frequency of information required from the*

management. The Board may rely on this information but may seek external reports, if needed.

- (v) *The Board shall periodically review the matters to be placed before it as well as the matters delegated to the Board Committees / Sub-Committees / Senior Management. The review shall also include the timelines for circulation of agenda items, adequacy of information captured in the agenda, time allotted for important matters, etc.”*

4. These Amendment Directions shall come into force from **September 1, 2026**.

(Scenta Joy)
Chief General Manager

Appendix I
Policy Matters prescribed by RBI for approval of Board ¹

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes ² /No)
1.	Investment Policy	Investments and related activities	Paragraph <u>6</u> , <u>8</u> , <u>10</u> and <u>17</u> of Reserve Bank of India (Payments Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025	No
			Paragraph <u>11(4)</u> and <u>3</u> of Annex II to Master Direction – Reserve Bank of India (Margining for Non-Centrally Cleared OTC Derivatives) Directions dated May 08, 2024	No
2.	Risk Management Policy of the bank	Market Risk management	Paragraphs <u>18</u> and <u>20</u> of Guidance Note on Market Risk Management dated November 28, 2025 Paragraph <u>3.3</u> of Internal Control Guidelines by RBI dated February 03, 2011	No Yes, to any Committee to which powers have been delegated by the Board.
		Operational Risk	Paragraph <u>25</u> , <u>26</u> , <u>27</u> , <u>31</u> , <u>64</u> , <u>74</u> , <u>77</u> , <u>97</u> & Principle <u>3</u> , <u>4</u> and <u>5</u> , of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025. Paragraph <u>7(1)</u> , <u>7(3)</u> , <u>7(4)</u> and <u>7(5)</u> of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025	No Yes, in respect of only paragraph 7(3) and 7(4), to any Committee of the Board
		Liquidity Risk / ALM Management	Paragraph <u>9</u> , <u>10</u> , <u>11</u> , <u>13</u> , <u>14</u> , <u>17</u> , <u>18</u> , and <u>22</u> , of Reserve Bank of India (Payments Banks – Asset Liability Management) Directions, 2025	Yes, in respect of paragraph 10, to any committee to which powers have been delegated by the Board, in respect of paragraph 13, to Risk Management Committee of the Board and in

¹a. The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

b. Banks are free to regroup the policies as they deem fit, so long as the aspects above are captured in one or more policies.

² Yes may be read as “yes, at the discretion of the Board.”

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes ² /No)
				respect of paragraph 14, to Asset Liability Committee of the Board
		Cyber Security	Paragraph <u>3</u> of Cyber Security Framework in Banks dated June 2, 2016	No
		Fraud Risk Management - Roles and responsibilities of Board / Board Committees & Senior Management	Paragraph <u>2.1.1</u> of annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No
		Chief Risk Officer (CRO) - Roles and responsibilities	Paragraph <u>30</u> , and <u>32</u> of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	Yes, to Risk Management Committee of the Board
3.	Outsourcing Policy	-	Paragraph <u>10</u> , <u>11</u> , and <u>12(1)</u> of Reserve Bank of India (Payments Banks - Managing Risks in Outsourcing), 2025	Yes, in respect of paragraph 11 and 12(1) only, to any Committee to which powers have been delegated by the Board
4.	Policy on Digital Banking	Digital payment products and services	Paragraph <u>4</u> of Master Direction on Digital Payment Security Controls dated February 18, 2021	No
		Prepaid Payment Instruments (PPIs) and its related activities	Paragraph <u>7.2</u> , <u>7.9 (a)</u> , <u>7.11(a)</u> , and <u>15.2</u> of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	No
		PPI interoperability	Paragraph <u>11.3</u> of Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021	May be discontinued at the discretion of the Board
5.	IT Policy	IT, Information Assets, Business Continuity, Information Security, Cyber Security	Paragraph <u>5(a)</u> of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023	No
6.	Responsible Business / Lending	Business conduct	Paragraph <u>5</u> of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.	Yes, to any Committee to which powers

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes ² /No)
	conduct including customer service			have been delegated by the Board
		Issuance of debit cards	Paragraph <u>7</u> of Reserve Bank of India (Payments Banks – Debit Cards: Issuance and Conduct) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board
		Model of Insurance Distribution, Issues of customer appropriateness, suitability and grievance redressal	Paragraph <u>6</u> to <u>8</u> and <u>10(1)</u> of Reserve Bank of India (Payments Banks – Undertaking of Financial Services) Directions, 2025	Yes, to Customer Service Committee of the Board
		Facilitating outward remittance under Liberalized Remittance Scheme (LRS)	Paragraph <u>3</u> of circular on Online submission of Form A2: Removal of limits on amount of remittance - A.P. (DIR Series) Circular No. 12 dated July 03, 2024 and MD on Liberalised Remittance Scheme dated January 01, 2016	Yes, to any Committee to which powers have been delegated by the Board
7.	Authorization for Banking outlets / other banking channels	Opening, merging, shifting, conversion and closure of banking outlets / offices / mobile banking facilities	Paragraph <u>6(1), (2), (3) and (5)</u> , of Reserve Bank of India (Payments Banks- Branch Authorisation) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board
		Engaging with Business Correspondents	Paragraph <u>6(4)</u> , of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	No
8.	Policy on Deposits / other Liability products	Gold Monetization scheme	Paragraph <u>1.2(iii)</u> and <u>2.1.1(v)</u> of Gold Monetization Scheme, October 22, 2015	Yes, to any Committee to which powers have been delegated by the Board
9.	Policy on appointment & remuneration of auditors	Appointment / engagement of Auditors	Paragraph <u>10.1</u> of Guidelines for Appointment of SCAs / SAs of Commercial Banks dated April 27, 2021	Yes, to Audit Committee of the Board
			Paragraph <u>4.1</u> and <u>4.1.1</u> of Annex to Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	No

S. No.	Broader Policy Head	Coverage / Sub-heads	Paragraph reference in extant directions/circulars	Can be delegated (Yes ² /No)
10.	Policy / criteria on Fit & Proper (F&P) assessment of Major Shareholders	F&P assessment of major shareholder	Paragraph <u>6</u> of Reserve Bank of India (Payments Banks– Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated November 28, 2025	No
11.	Policy on Compensation	Compensation of Directors/ Chief Executive Officers/ Material Risk Takers	Paragraph <u>37</u> (1) and (2) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	No
		Criteria for granting fixed remuneration to its NEDs	Paragraph <u>35</u> (ii) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	No
12.	CSR Policy (donations etc)	-	Paragraph <u>7</u> (2) and <u>56</u> of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025	No
13.	Compliance Policy	-	Paragraph <u>2.1</u> of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	No
14.	Policy on Protected Disclosure Scheme	-	Paragraph <u>4</u> of <u>Annex</u> to Protected Disclosures Scheme for Private Sector and Foreign Banks dated April 18, 2007	No
15.	Code of conduct/ Ethics policy	-	Paragraph <u>16</u> of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	No
16.	Policy on Know Your Customer (KYC)	-	Paragraphs <u>6</u> (1),(2), (3), (4)(i), (4)(ii), <u>10</u> , and <u>11</u> , of Reserve Bank of India (Payments Banks – Know Your Customer) Directions, 2025	Yes, in all aspects except paragraph 4(i), to any Committee to which powers have been delegated by the Board
17.	Policy on Interest rate on Deposits	-	Paragraph <u>6</u> of Reserve Bank of India (Payments Banks – Interest Rate on Deposits) Directions, 2025	Yes, to any Committee to which powers have been delegated by the Board

Appendix II – Matters other than policy ³

IIA – To be placed before the Board for approval / review / information

S.No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		
1.	Acquisition of Shares or Voting Rights	Paragraph 23 & 24 of Reserve Bank of India (Payments Banks) – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
2.	Issuance of Regulatory Capital (PDI / RNCPS / RCPS / Basel III Tier 2 Debt Capital / Upper Tier 2 instruments and Lower Tier 2 instruments)	Paragraph 12 (2), 12 (21), 13 (2), 13 (21), 15(2), 15(19), 16(1), 16(20), and 17(1) of Reserve Bank of India (Payments Banks – Prudential Norms on Capital Adequacy) Directions, 2025
3.	Reclassifications between categories viz. Held till Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL)	Paragraph 65 of Reserve Bank of India (Payments Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
4.	New Over the Counter (OTC) derivative products	Paragraph 4.3.3 of Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021 dated September 16, 2021
5.	Declaration of Dividend	Paragraph 6 of Reserve Bank of India (Payments Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2025
6.	Approval by Board of Directors in case of Voluntary Amalgamation	Paragraph 7 and 9 of Reserve Bank of India (Payments Banks – Voluntary Amalgamation) Directions, 2025
7.	RTGS membership	Annex V of the Master Direction on Access Criteria for Payment Systems dated January 17, 2017
8.	Appointment / Reappointment of Managing Director & CEO / PTC	Paragraph 39(ii) of Reserve Bank of India (Payments Banks - Governance) Directions, 2025
9.	Remuneration of WTD	Paragraph 40 of Reserve Bank of India (Payments Banks - Governance) Directions, 2025
For Review		

³ The matters enlisted here may be read along with the respective RBI Directions. Multiple requirements to place matters before Board, relating to a similar aspect / matter have been listed only once.

S.No	Subject matter	Paragraph reference in extant directions/circulars
10.	Key Financial Inclusion Parameters	National Strategy of Financial Inclusion (NSFI) and RBI letter on Monitoring Progress of Financial Inclusion (MPFI) dated February 20, 2020, read with the letter dated December 12, 2024.
For Information / Reporting		
11.	Customer Service aspects	Paragraph 15 of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.
12.	Reporting of annual review of donations made by the bank	Paragraph 57 of Reserve Bank of India (Payments Banks – Miscellaneous) Directions, 2025
13.	Fit and proper status of major shareholders	Paragraph 18(4) , 19 , 20 and 21 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
14.	Information Security Governance of Payment Aggregators and Payment Gateways	Paragraph 1.1 of Annexure 1 to Master Direction on Regulation of Payment Aggregator (PA) dated September 15, 2025
15.	Operational resilience of business units	Paragraph 55 of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025.
16.	Acquisition of Shares or Voting Rights - Monitoring mechanism to ascertain that a major shareholder has obtained prior RBI approval for acquiring shareholding rights	Paragraph 25 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
17.	Report on encumbrance of shares – ongoing monitoring of section 12B (5) of BR Act, 1949	Paragraph 28 of Reserve Bank of India (Payments Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025
18.	Reporting of outcome of stress test	Paragraph 63(2) of Reserve Bank of India (Payments Banks - Asset Liability Management Directions, 2025)

IIB – May be delegated at the discretion of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Approval			
1.	Risk assessment methodology for RBIA	Paragraph 4.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
2.	Annual Audit Plan	Paragraph 5.1 of guidance note on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
3.	Operational manual highlighting the roles/responsibilities of the dealers/mid-office/back-office	Paragraph IV (xiv) of Constituents' Subsidiary General Ledger Account (CSGL) guidelines dated September 22, 2021	Any Committee to which powers have been delegated by the Board
4.	Appointment of the Chief Risk Officer (CRO)	Paragraph 33 of Reserve Bank of India (Payments Banks - Governance) Directions, 2025	Risk Management Committee of the Board
5.	Appointment of the Chief Compliance Officer (CCO)	Paragraph 2.5 of Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board
6.	Allotment of Special Assignments other than Statutory Audit	Paragraph 6.4 of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021	Audit Committee of the Board
7.	Annual Banking Outlet Expansion Plan (ABOEP)	Paragraph 18 of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board
8.	Establishing new correspondent banking relationships	Paragraph 73 of Reserve Bank of India (Payments Banks - Know Your Customer) Directions, 2025	Any Committee to which powers have been delegated by the Board
9.	Authorisation and oversight of service providers, owned or controlled by Directors or key managerial personnel	Paragraph 54 of Reserve Bank of India (Payments Banks - Managing Risks in Outsourcing), 2025	Any Committee of the Board
For Review			
10.	Long Form Audit Report (LFAR) to be submitted to the Reserve Bank	Paragraph 5(c) of Long Form Audit Report (LFAR) - Review dated September 5, 2020	Audit Committee of the Board.
11.	Progress in Implementation of Cassette - Swaps in ATMs	Paragraph 3 of Cassette - Swaps in ATMs, dated March 31, 2022	Any Committee to which powers have been delegated by the Board
12.	Investment Portfolio	Paragraphs 96(12)(i), 96(12)(ii), and 99(1) of Reserve Bank of India	Risk Management Committee of the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
		(Payments Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025	
13.	Business Correspondent (BC) Model	Paragraph <u>7(2)(iii), (iv)</u> and <u>50</u> of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board
14.	Review and Monitoring of Transactions in Banking Outlets	Paragraph <u>7(1)(ii), (iii) and (iv)</u> of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025	Any Committee to which powers have been delegated by the Board
15.	Inspection reports of Vostro accounts of Exchange Houses	Paragraph <u>8(b)</u> of Master Direction – Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated January 1, 2016	Any Committee to which powers have been delegated by the Board
16.	Review of scheme on doorstep banking services and its progress	Paragraph <u>7(3)(i)</u> of Reserve Bank of India (Payments Banks - Branch Authorisation) Directions, 2025 Paragraph <u>76</u> of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025.	Any Committee to which powers have been delegated by the Board Customer Service Committee of the Board
17.	Review, reporting and compliance certificate in relation to all material outsourcing	Paragraph <u>11, 12(1)(v) and (vi), 21(iv), 36</u> of Reserve Bank of India (Payments Banks – Managing Risks in Outsourcing) Directions, 2025	11, 12(1)(v) and (vi): Any Committee to which powers have been delegated by the Board
18.	Effectiveness of Risk-Based Internal Audit	Paragraph 8.2 of Guidance notes on Risk-Based Internal Audit dated December 27, 2002	Audit Committee of the Board
19.	Review of Cyber Security Risks / Reporting of significant cyber security incidents	Paragraph <u>24.d.vii</u> of the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, dated November 07, 2023 Paragraph 5 of the Sustained Assurance on Cyber Resilience Framework dated November 1, 2017	Risk Management Committee / IT sub-committee of the Board
20.	Customer Service aspects	Paragraph <u>6</u> of Reserve Bank of India (Payments Banks - Responsible Business Conduct) Directions, 2025	Any Committee to which powers have been delegated by the Board

S.No	Subject matter	Paragraph reference in extant directions/circulars	May be delegated to
For Information / Reporting			
21.	Report by CIV on Vigilance Activities	Paragraph <u>3</u> of Annex Internal Vigilance in Private Sector/foreign Banks dated May 26, 2011	Any Committee of the Board
22.	Analysis of incidents of operational risk failures & their impact	Paragraph <u>102</u> of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board
23.	Results of review of Business Continuity Planning and its Testing	Paragraph <u>77 (1)</u> and <u>82</u> of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Any Committee to which powers have been delegated by the Board
24.	Assessments of the Operational Risk Management Framework by internal or external audit / risk management function	Paragraph <u>12 (3) (ii) (c), (d)</u> and <u>52</u> of Guidance Note on Operational Risk Management and Operational Resilience dated November 28, 2025	Audit Committee of the Board
25.	Report on Compliance risks	Paragraph <u>2.9(iv), 2.9(v) and 2.9(vi)</u> of the Compliance functions in banks and Role of Chief Compliance Officer (CCO) dated September 11, 2020	Audit Committee of the Board
26.	Review of Fraud risk incidents	Paragraph <u>2.1.4</u> of the Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024	Audit Committee of the Board
27.	Collateral management for OTC derivatives	Paragraph <u>60(5)</u> of Reserve Bank of India (Payments Banks– Prudential Norms on capital adequacy) Directions, 2025	Any Committee of the Board
28.	Reporting of bank's liquidity risk profile	Para <u>26(8)</u> of Reserve Bank of India (Payments Banks – Asset Liability Management) Directions, 2025	Risk Management Committee

IIC – May be discontinued at the discretion of the Board

S. No	Subject matter	Paragraph reference in extant directions/circulars
For Approval		

S. No	Subject matter	Paragraph reference in extant directions/circulars
1.	Issue of multicurrency / payable at all branches cheques by CBS enabled banks	Paragraph <u>4</u> of the Issue of multicurrency / payable at all branches cheques by CBS enabled bank, dated August 10, 2012
For Review		
2.	Business through brokers in excess of 5% limit	Paragraph <u>98(8)</u> of Reserve Bank of India (Payments Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025
For Information / Reporting		
3.	ATM transactions including failed transactions and penalties paid	Paragraph <u>v</u> of the Reconciliation of transactions at ATMs failure – Time limit, dated July 17, 2009 & Paragraph <u>2</u> of Declines in ATM transactions – reporting of dated January 17, 2013