

Draft Reserve Bank of India (Rural Co-operative Banks – Undertaking of Financial Services) Amendment Directions, 2026

In exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby, amends the directions issued vide [Reserve Bank of India \(Rural Co-operative Banks – Undertaking of Financial Services\) Directions, 2025](#) (“the Master Direction”).

2. The extant regulations governing agency business and referral services have been reviewed and, accordingly, the Master Direction has been amended and the revised regulatory framework is provided below. Further, the regulatory instructions on customer service and conduct aspects shall be consolidated in the [Reserve Bank of India \(Rural Co-operative Banks - Responsible Business Conduct\) Directions, 2025](#).

3. Short Title and Commencement

(1) These Directions shall be called the Reserve Bank of India (Rural Co-operative Banks - Undertaking of Financial Services) Amendment Directions, 2026.

(2) These Directions shall come into effect on **April 1, 2026**.

4. These Amendment Directions shall modify the [Reserve Bank of India \(Rural Co-operative Banks – Undertaking of Financial Services\) Directions, 2025](#) as under:

(i) Sub-para 10 of paragraph 15 of the Master Direction stands deleted.

(ii) After para 21 of the Master Direction, the following shall be inserted, namely:-
“21A. An RCB shall ensure that it is in full compliance with the instructions on [Reserve Bank of India \(Rural Co-operative Banks - Responsible Business Conduct\) Directions, 2025](#).

21B. The business shall be undertaken on fee basis without any risk participation. This shall be explicitly disclosed upfront to the customers.

21C. *It shall be ensured that insurance companies whose products are being sold have robust customer grievance redressal arrangements in place. The bank may facilitate the redressal of grievances.*

21D. *Only such insurance products which are covered under the arrangement shall be listed or displayed on websites or any other digital banking channels offered by the RCBs.*

(iii) In paragraph 26 of the Master Direction, the following shall be substituted under sub-para (1), namely:-

“(1) An RCB shall comply with the instructions on Reserve Bank of India (Rural Co-operative Banks - Responsible Business Conduct) Directions, 2025 and relevant IRDAI regulations applicable to referral arrangements with insurance companies.”

(iv) Sub-paras (2) and (6) of paragraph 26 of the Master Direction stand deleted.

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