प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to regulations:

1. Draft guidelines for licensing of Urban Co-operative Banks (UCBs)

A discussion paper on Licensing of UCBs was published for stakeholder feedback on January 13, 2026 following a two decade pause on issuance of fresh licenses. On an analysis of the feedback, it has been decided to resume licensing of UCBs on ‘on tap’ basis. The draft guidelines will be issued shortly for stakeholder consultation.

2. Review of Guidelines on Concentration Risk Management - Rural Co-operative Banks

Prudential norms on Concentration Risk Management of Rural Co-operative Banks (RCBs) are governed by the Credit Monitoring Arrangement (CMA) instructions issued in 2008. As the banking sector in general, and co-operative banking sector in particular, have undergone significant expansion and changes since then, it has been decided to review these instructions, keeping in view the objectives of developing a vibrant co-operative sector while addressing the prudential concerns arising from concentrated lending. Draft Amendment Directions in this regard are being issued for wider stakeholder consultations.

3. Review of Guidelines on Interest Rates on Advances

The Reserve Bank proposes to rationalise the regulatory framework on interest rates for all Regulated Entities (REs) on a principle-based basis. The proposed rationalisation aims to: (i) harmonise the guidelines across REs while maintaining proportionality; (ii) address certain operational aspects of the current framework on MCLR and EBLR; and (iii) standardise certain divergent market practices concerning interest charging, including day count convention and benchmark reset dates. These measures seek to ensure uniformity, enhance transparency in loan pricing, strengthen monetary transmission and bolster consumer protection. Draft directions incorporating these proposals will be issued shortly for public comments.

(Brij Raj)
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