A Monthly Newsletter of Indian Institute of Banking & Finance

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# IIBF VISION

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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy /counselling and continuing professional development programs.


## INSIDE

# TOP STORIES

## RBI to Banks: Disclose deposits' interest rates daily on website

From October 1, 2026, the Reserve Bank of India (RBI) has mandated banks to disclose, in advance on each business day, the interest rates payable on deposits, including bulk deposits, on their website. Banks must also ensure uniformity in the interest rates offered across all branches and to all customers for deposits of similar amount, accepted on the same date. Banks will be able to offer differential interest rate on bulk deposits, by considering the differential run-off rate applicable to deposits or unsecured wholesale funding, under the Liquidity Coverage Ratio (LCR) framework.

## RBI released Financial Inclusion Index for March 2026

The RBI had constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country. The value of FI-Index for March 2026 stood at 70.0 vis-à-vis 67.0 in March 2025. This improvement is mainly accorded to uptick in Usage, thus showing deepening of financial inclusion.

## IFSCA amended Master Circular for CRAs in IFSCs

The International Financial Services Centres Authority (IFSCA) has issued amendments to expand rating scopes and tighten record-keeping rules. The definition of credit ratings has been modified to cover credit quality ratings and other similar services. Credit Rating Agencies (CRAs) will have to keep accurate and detailed records to reconstruct the credit rating process. All the rating actions on initial rating assignments and subsequent rating actions shall be disseminated by the CRA on its website along with the rating rationale.

## NPS offered two new digital tools for subscribers

The Pension Fund Regulatory and Development Authority (PFRDA) has introduced two new digital tools for National Pension System (NPS) subscribers to help them make better investment decisions and get efficient resolution for service-related complaints. One, PRIDE-DISHA, which is a performance comparison tool to help NPS subscribers evaluate the performance of different Pension Fund Managers (PFMs) based on actual contribution patterns rather than standard point-to-point returns. Second, Pension Sahayak, which is an AI-enabled grievance management platform for subscribers of the NPS, Unified Pension Scheme and Atal Pension Yojana.

## PFRDA made pension funds accountable for third-party entities

PFRDA has allowed a pension fund to engage third-party entities to operationalise a specific purpose scheme. However, PFRDA has specified that the pension fund cannot offload the responsibility of any lapses onto the outsourced entity. The fund shall itself be responsible to the subscriber of such a scheme and be liable for any act of omission or commission of the entity engaged by it. Amongst other things, they must have the technological capability to integrate with the pension fund or any other registered intermediary, for sharing information, facilitating payment of benefits or providing other subscriber services.

### PFRDA introduced Regulatory Sandbox framework for responsible innovation in pension sector

PFRDA has introduced the Regulatory Sandbox framework to facilitate responsible innovation in the pension sector while protecting subscribers' interests and ensuring the orderly development of pension schemes. Through this, the eligible entities can test innovative products, services, business models or technology solutions in a controlled environment.

### Additional NPS Investment choices now extended to CAB employees too

Employees of Central Autonomous Bodies (CABs) covered under the NPS will now get two additional investment choices, namely, the Aggressive Life Cycle Fund (LC-75) and the Balanced Life Cycle Fund. The Aggressive Life Cycle Fund (LC-75), now named as LC-75-High, is an investment option with equity exposure of up to 75%, designed for subscribers seeking higher growth potential over the long term. The Balanced Life Cycle Fund, now named as Aggressive Life Cycle Fund, is an investment option with equity exposure capped at 50%, with a gradual reduction in equity allocation beginning from the age of 45 years. It offers a balanced approach between growth and stability.

## Banking Policies

### RBI introduced principle-based framework to optimize bank Board focus

With reference to matters to be placed before bank Boards, the RBI has replaced seven theme structure with a principle-based framework, with effect from October 1, 2026. The Board will oversight on the risk management system; exposures to related entities; and conformity with corporate governance standards. The Board will have ultimate responsibility for business strategy and financial soundness; key personnel decisions; internal organisation and governance structure and practices; and risk management and compliance obligations. The Board shall ensure that it receives sufficient information from the management to discharge its role effectively.

### Share-linked instruments will be part of variable pay

The RBI has amended the governance framework for Private Sector Banks (PVBs) to align remuneration-related disclosure requirements with the revised Basel Pillar 3 disclosure norms. The amendments require share-linked instruments granted as variable pay to be fair valued using the Black-Scholes model and this value shall be recognised as an expense, beginning with the accounting period for which approval has been granted. A PVB shall disclose the remuneration of senior management and material risk takers on an annual basis at the minimum, in their Annual Financial Statements. These modifications will come into effect from April 1, 2027.

### RBI issued revised Basel Pillar 3 disclosure framework

The RBI issued amendment Directions revising its Basel Pillar 3 disclosure framework for commercial banks, small finance banks and payments banks. A bank shall have a formal disclosure policy for Pillar 3 data approved by the Board of Directors. The Disclosures shall be clear, comprehensive, consistent, comparable across banks and meaningful to users. The Board of Directors and senior management will be responsible for establishing and maintaining an effective internal control structure over the disclosure of financial information, including Pillar 3 disclosures. These amendments will be effective from April 1, 2027.

# Banking Developments

### Banks can finance independent units as separate projects: RBI

As per the Reserve Bank of India (Commercial Banks – Credit Facilities) Fifth Amendment Directions, 2026, a bank may use its discretion to see if a project can be operationalised as multiple independent viable units and may finance such independent units as separate projects with their own financial closure. This possibility is subject to whether each unit is appraised ex-ante for standalone viability. For projects in electricity generation, where the project scope involves both generation and transmission (evacuation infrastructure), the right of way requirement for transmission may be determined as per the stipulated norms.

### AD banks can open SRVAs for cross-border transactions

Authorised Dealer (AD) banks in India have been given a go-ahead to open Special Rupee Vostro Accounts (SRVAs) of their branch outside India or a bank resident outside India. The settlement of cross-border trade transactions through SRVA can be used for invoicing, payment and settlement of exports/imports in INR. In fact, such AD banks can also open additional current account for exporter/importer, exclusively for settling export/ import transactions. SRVA may also be used to settle all permissible capital and current account transactions under FEMA.

### RBI amended norms on SNFA and unrealised charges

In case of acquisition of Specified Non-Financial Assets (SNFA), any accrued but unrealised interest and/or charges from the extinguished exposure pertaining to periods prior to acquisition of an SNFA, shall not be recognised as income after the SNFA is acquired, with effect from October 1, 2026. In cases where such income has been recognised as outstanding in the books of a bank as on September 30, 2026, it shall be reversed through Profit and Loss account, latest by September 30, 2027, to the extent remaining unrealised as on that date. Any income received from an SNFA shall be recognised in the income statement as non-interest/other income, in the FY in which it is realised. Similarly, any expense incurred towards upkeep of an SNFA shall be accounted for in the income statement in the FY it is incurred.

# Capital Market

### SEBI made security transmission faster and investor-friendly

Securities and Exchange Board of India (SEBI) has taken a step towards making security transmission process efficient and investor-friendly, by introducing a new fast-track mechanism for low-value claims and standardising documentation requirements. The updated framework introduces Quick Transmission Processing (QTP) for low value claims and revision of monetary threshold for simplified documentation. The monetary threshold for transmission through simplified documentation has been revised to Rs. 10 lakhs for physical securities and Rs. 30 lakhs for demat holdings. Further, SEBI has standardised the documentation and procedures for transmission by removing the mandatory requirement of probate of a Will, in line with recent amendments to succession laws. Listed companies, Registrars and Transfer Agents (RTAs), depositories, depository participants and asset management companies have been mandated to use standardised forms for transmission requests. They may also provide an online facility for submission and tracking of claims.

### SIF distributors don't need separate MF distributor qualification: SEBI

SEBI has eased the certification requirements for distributors of Specialized Investment Funds (SIFs). Any persons employed or engaged or to be employed or engaged in the sale and/or distribution of SIF products shall be required to have a valid certification for SIF. Entities holding this certification shall be eligible to distribute both Mutual Fund (MF) and SIF products, without separately holding Mutual Fund Distributors Certification.

### Investors with demat-held MF units can use SWP, STP facilities: SEBI

The two systematic transaction facilities i.e. Systematic Withdrawal Plan (SWP) and Systematic Transfer Plan (STP) will now be available to investors with demat-held MF units. Until now, these were available only for units held in the Statement of Account (SoA) form. This facility will be implemented in two phases. The first phase will be rolled out by January 31, 2027, and will allow investors to register unit-based SWP and STP mandates, where a fixed number of units are redeemed or transferred at a specified frequency. The second phase, to be implemented by April 30, 2027, will extend the facility to amount-based SWPs and STPs.

### MFs can use intraday borrowing to manage liquidity mismatches: SEBI

SEBI has expanded the scope of intraday borrowing by Mutual funds, allowing them to use such facilities for a wider range of cash management needs arising from settlement timing mismatches. Under the revised framework, which will come into force from September 1, 2026, mutual funds can avail intraday borrowings for pay-in with respect to investments made by the scheme; mark-to-market obligations and foreign exchange settlements; and repayment of existing borrowings, in addition to all unitholder pay-outs.

### Depositories benefit from SEBI's relaxation about Investor Protection Fund income

SEBI has relaxed norms about how to use the income earned from their Investor Protection Fund, with effect from September 1, 2026. SEBI has stipulated that at least 95% of the interest/income earned annually from the Investor Protection Fund must be added back to the fund. The remaining amount, capped at 5%, can be used to meet administrative and statutory expenses linked to the fund's operations.

### SEBI launched GARUDA to expedite AIF scheme launches

SEBI has introduced a green channel mechanism, named GARUDA, to speed up the launch of Alternative Investment Fund (AIF) schemes. GARUDA i.e. Green-Channel: AIF Rollout Upon Document Acknowledgement, the framework will allow funds to roll out new plans 10 days after filing their placement memorandum with SEBI.

### SEBI empowered brokers regarding unpaid client securities

To align market practices with the direct payout system and reduce operational difficulties for brokers, SEBI has altered the rules on how stock brokers handle client securities that have not been fully paid for. Among other things, brokers will inform clients through SMS/email about pending payment obligations and inform them about the broker's right to sell the securities if payment is not made within maximum of five working days.

## Insurance

### IRDAI mandated every insurance policy tagged to seller from January 2027

IRDAI has introduced a series of changes to the regulatory framework governing insurance intermediaries and making corresponding amendments to investment-related regulations. IRDAI has mandated that every policy should be linked to the individual responsible for the sale to curb mis-selling and ensure customers can identify the person or entity that sold them the policy. Under the amended regulations, every proposal form, policy document and certificate of insurance must carry the details of the intermediary or any other authorised salesperson who solicited the policy, along with the mobile number and email address of the branch or office through which the policy was sold. The new tagging requirement, applicable to corporate agents, insurance brokers, insurance marketing firms, web aggregators and Common Public Service Centre Special-Purpose Vehicles (CPSC-SPVs), will come into effect from January 1, 2027.

The regulator has also overhauled the registration framework for intermediaries. Under the revised norms, a certificate of registration, once granted, will remain valid indefinitely, subject to payment of a non-refundable annual fee. The registration will continue unless it is suspended or cancelled by IRDAI or voluntarily surrendered by the intermediary.

### IRDAI amended regulations for insurers' actuarial, finance and investment functions

IRDAI amended regulations governing insurers' actuarial, finance and investment functions, allowing insurers to invest up to 20% of the debt issued by Special Purpose Vehicles (SPVs) incorporated as company limited by shares and engaged in infrastructure sector. The revised investment framework also permits life insurers to invest up to 3% of investment assets and general insurers up to 5%, in a combination of unlisted private limited companies, Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs). Overall exposure to promoter groups has been capped at 5% of investment assets.

### IRDAI operationalised the PEPF

IRDAI operationalised the Policyholders' Education and Protection Fund (PEPF) established, as introduced through the Sabka Bima Sabki Raksha (SBSR) Act. The PEPF establishes a dedicated institutional mechanism to promote insurance awareness and literacy, strengthen grievance redressal mechanisms, leverage technology to improve policyholder services, facilitate the tracing and recovery of unclaimed insurance amounts, and support other initiatives aimed at empowering and safeguarding policyholders.

## Regulator Speaks

### Internal Ombudsmen are backbone of good governance: Deputy Governor, RBI

Addressing the annual conference of internal ombudsmen, Mr. Swaminathan J, Deputy Governor, RBI urged the boards, senior management and principal nodal officers of Regulated Entities to empower their internal ombudsmen, respect their independence and use feedbacks constructively to strengthen institutional processes. He stated that the efficacy of the internal ombudsman framework depends as much on the capability of the ombudsman, as on an institution's commitment to implement the framework "in both letter and spirit." He exhorted institutions to look at customer service as an integral part of good governance, instead of simply putting it in the bracket of 'compliance requirement'. Rising complaints relating to a particular product, geography, delivery channel or process are often early warning signals of underlying weaknesses requiring management attention. Hence, such data should not be viewed merely as statistics, but rather, as valuable business intelligence.

**India must look beyond bank balance sheets to achieve Viksit Bharat: Deputy Governor, RBI**

If India is to become a developed economy by 2047, it cannot just rely on bank balance sheets to finance the scale and diversity of the investment required, said Mr. Rohit Jain, Deputy Governor, RBI at the Financial Institutions Leadership Conference. Rather, we will require substantial long-term capital for infrastructure, manufacturing, urban development, technology and the expansion of domestic companies. For this, we will need to broaden the channels through which savings are converted into investment, he stated, underscoring the need for deeper corporate bond, foreign exchange and derivatives markets.

## Economic Wrap Up

**The Department of Economic Affairs released Monthly Economic Review, July 2026. Its key highlights are as follows:**

- Consumer Price Index, rising to 4.38% in June from 3.93% in May 2026, whereas Wholesale Price Index increased from 9.68% in May to 9.87% in June.
- The Index of Industrial Production (IIP) recorded a 5.1% YoY growth in May 2026, marginally higher than the revised YoY growth of 4.9% in April 2026.
- Total exports increased by 9.5% (YoY) to USD 73.4 billion from USD 67.1 billion in June 2025. On the import side, total imports grew by 26.8% (YoY), driven primarily by a 31% (YoY) increase in merchandise imports.
- The current account recorded a surplus of USD 2.8 billion in April-May 2026, against a deficit of USD 4.1 billion in the corresponding period of 2025.
- Net Foreign Direct Investment increased to USD 6.5 billion during April-May 2026, compared with USD 2.5 billion in the corresponding period of 2025.
- NBFC credit growth moderated to 16.6% YoY in March 2026, with the deceleration concentrated in lending to industry and services, while credit growth to agriculture and retail accelerated.
- Ministry of Statistics and Programme Implementation (MoSPI) has launched the trial Index of Services Production (ISP) with base year 2024–25 to provide a monthly volume-based measure of services sector activity, addressing a long-standing gap in high-frequency economic indicators. The first trial released for April 2026 indicates broad-based growth, with 14 of the 19 sub-sectors recording double-digit growth, led by accommodation & food services, retail trade and administrative & support services.

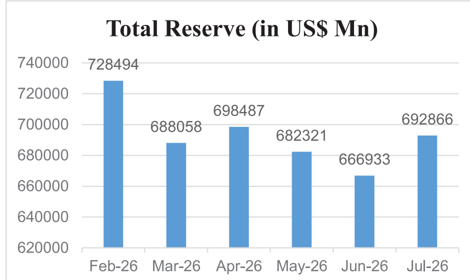
## New Appointments

| Name | Designation |
|---|---|
| Smt. Monisha Chakraborty | Executive Director, Reserve Bank of India |
| Smt. Biji S.S. | Additional Director (Executive Director), Karnataka Bank |

# Forex

| Foreign Exchange Reserves | | |
|---|---|---|
| Item | As on July 31, 2026 | |
| | ₹ Cr. | US$ Mn. |
| | 1 | 2 |
| **1 Total Reserves** | 6612148 | 692866 |
| **1.1 Foreign Currency Assets** | 5388865 | 564680 |
| **1.2 Gold** | 999586 | 104743 |
| **1.3 SDRs** | 178132 | 18666 |
| **1.4 Reserve Position in the IMF** | 45566 | 4778 |

**Trends in Foreign Exchange Reserve (US$ Mn) last 6 months**




*Note: Data as reported on last Friday of respective month*

***Source:*** *Reserve Bank of India*

**Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on July 31, 2026, applicable for the month of August 2026**

| ARR Name | Base Rates of ARR (%) |
|---|---|
| SOFR (USD) | 3.65 |
| SONIA (GBP) | 3.7313 |
| €STR (EUR) | 2.185 |
| TONA (JPY) | 0.977 |
| CORRA (CAD) | 2.3100 |

| ARR Name | Base Rates of ARR (%) |
|---|---|
| AONIA (AUD) | 4.35 |
| SARON (CHF) | -0.037256 |
| OCR (NZD) | 2.5 |
| SWESTR (SEK) | 1.645 |
| SORA (SGD) | 0.9472 |

| ARR Name | Base Rates of ARR (%) |
|---|---|
| HONIA (HKD) | 2.27297 |
| MYOR (MYR) | 2.75 |
| DESTR (DKK) | 1.7800 |

***Source:*** *www.fbil.org.in*

# Glossary

## Specified Non-financial Asset

Specified Non-financial Asset (SNFA) means an immovable asset acquired by a Regulated Entity in satisfaction or part satisfaction of its claims on the borrower, including non-banking assets acquired in terms of the relevant provisions of the Banking Regulation Act, 1949.

# Financial Basics

## Mezzanine financing

Mezzanine financing is a hybrid form of financing that fills the gap between senior debt and equity in a company's capital structure. It allows lenders to convert debt into equity in case of default or under specified conditions. It is commonly used to fund acquisitions, buyouts and expansion without significantly diluting ownership.

# Institute's Training Activities

## Training Programmes for the month of August 2026

| Programmes | Dates | Location |
|---|---|---|
| Programme on Operational Risk Management | 17th-18th August, 2026 | Professional Development Centre, Bengaluru |
| Programme on FinAI 360: AI & ML Applications in Banking | 17th-18th August, 2026 | Virtual |
| Programme on Sign Language for Banks, NBFCs & FIs | 19th-21st August, 2026 | Professional Development Centre, West zone |
| Programme on Resolution of Stressed Assets through Insolvency and Bankruptcy Code, 2016 | 19th-21st August, 2026 | Virtual |
| Programme on Advanced Credit & Operational Risk Management for Banking Professionals | 19th-21st August, 2026 | Professional Development Centre, Lucknow |
| Programme on Grow Bank: Retail Business & Digital Acceleration for Banks/NBFCs/FIs/SFBs | 20th-21st August, 2026 | Virtual |
| Workshop on Smart Banking with AI - A Deep Dive for Bankers | 22nd August, 2026 | Virtual |
| Programme for Internal Auditors of Banks & FIs | 23rd-25th August, 2026 | Virtual |
| Program for Inspectors and Auditors | 23rd-25th August, 2026 | Virtual |
| Programme on Credit Monitoring & Recovery | 27th-28th August, 2026 | Virtual |
| Workshop on Assessment of Working Capital for Credit Officers in ROs & ZO | 27th-28th August, 2026 | Professional Development Centre, Lucknow |
| Programme on Management of Operational risk | 27th-29th August, 2026 | Virtual |

# News from the Institute

## IIBF is pleased to launch new Self-paced e-learning courses

IIBF has launched four new Self-paced e-learning courses:

- Green and Resilient Building Financing
- Soft Skills & Workplace Etiquette in Banking
- Artificial Intelligence & Machine Learning for Bankers
- Project Finance (Advanced) for Bankers

For more details, please visit www.iibf.org.in

## Registration open for NCVET approved course

The registration is open for NCVET-approved course on “Fundamentals of Retail Banking” for the July 2026 - December 2026 cycle. Last date is extended till August 31, 2026. For details and to apply, kindly visit: https://www.iibf.org.in/NCVET.

## Bank Quest Theme for upcoming issue

The theme for the July-September 2026 Issue of Bank Quest is “Enhancing Customer Service through Capacity Building in the Banking Sector”. Sub-themes: Employees as drivers of Customer Service Excellence; Customer service; Customer engagement; Customer acquisition and retention in digital era; Customer protection; Complaint management; Grievance redressal; Employee engagement; Training, skill development and technology adoption in employees; Ethics and compliance.

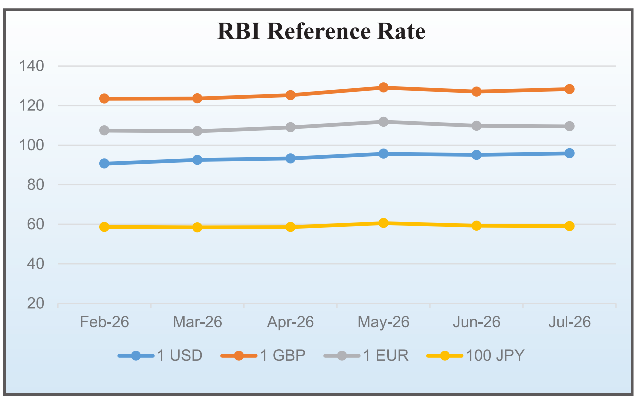
## Cut-off date of guidelines/important developments for examinations

The Institute has a practice of asking questions in each exam about the recent developments/guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that: (i) In respect of the exams to be conducted by the Institute for the period from March to August of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

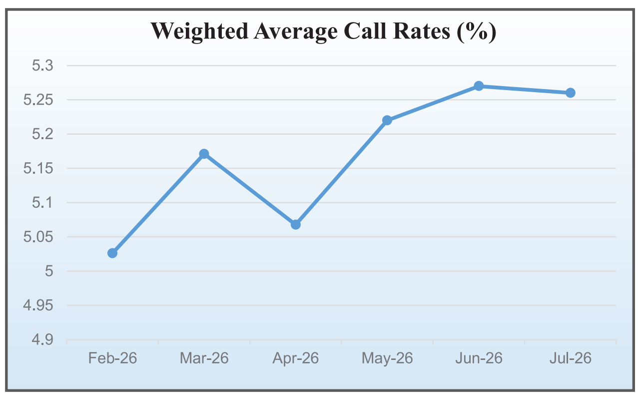
## Green Initiative

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

# Market Roundup




Source: FBIL




Source: Weekly Newsletter of CCIL

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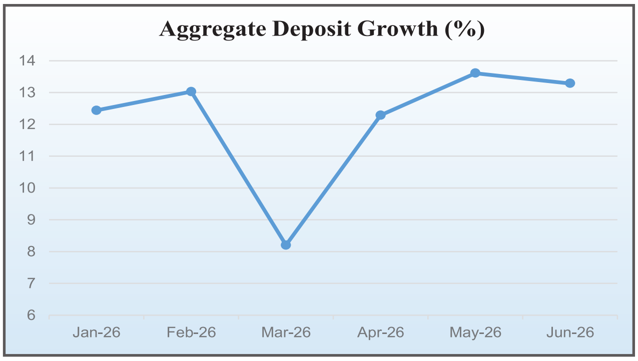
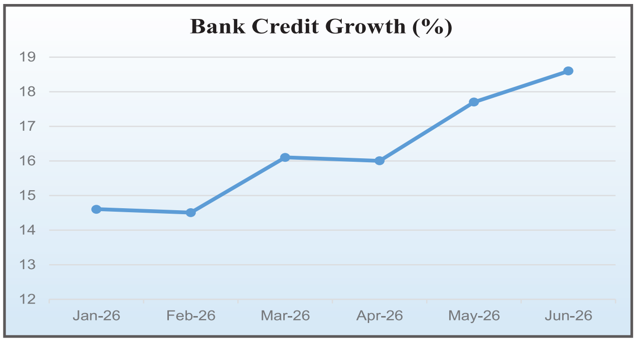
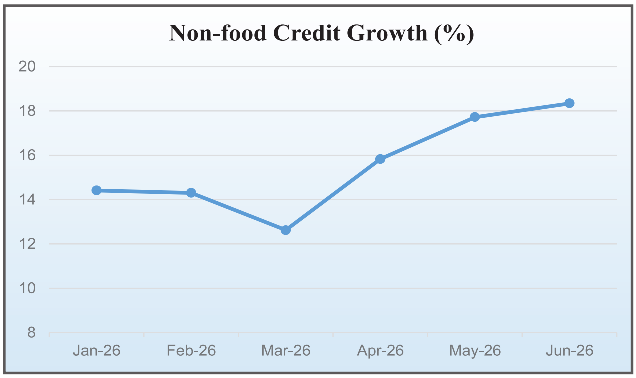



**Source: Monthly Review of the Economy, CCIL, June 2026**




**Source: Reserve Bank of India**

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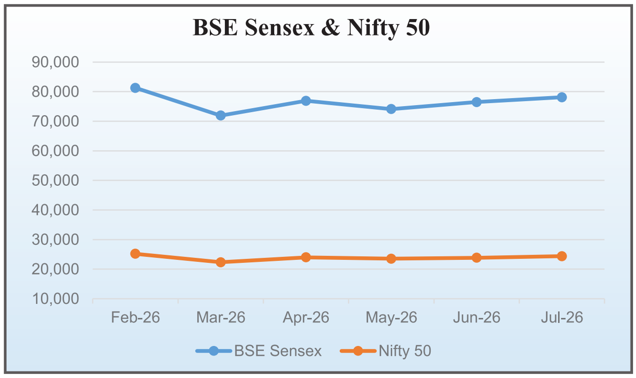
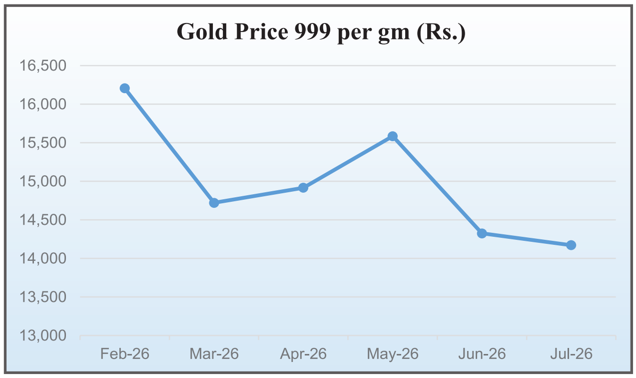
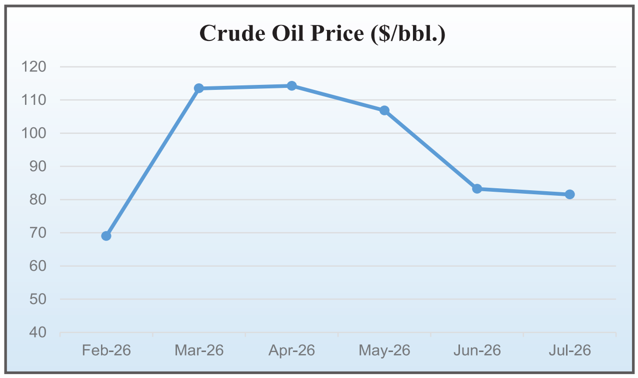



**Source: BSE & NSE**




**Source: Gold Price India**




**Source: PPAC, Ministry of Petroleum and Natural Gas**

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