



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

October 03, 2025

RBI invites comments on the Draft “Reserve Bank of India (Lending to Related Parties) Directions, 2025”

In pursuance of the announcement made in the [Statement on Developmental and Regulatory Policies dated December 08, 2023](#), the Reserve Bank of India (RBI) has today issued the draft regulatory framework, for public comments, on lending to related parties by various regulated entities (REs), as enumerated below:

- i. [Reserve Bank of India \(Commercial Banks – Lending to Related Parties\) Directions, 2025](#)
- ii. [Reserve Bank of India \(Small Finance Banks – Lending to Related Parties\) Directions, 2025](#)
- iii. [Reserve Bank of India \(Regional Rural Banks – Lending to Related Parties\) Directions, 2025](#)
- iv. [Reserve Bank of India \(Local Area Banks – Lending to Related Parties\) Directions, 2025](#)
- v. [Reserve Bank of India \(Urban Co-operative Banks – Lending to Related Parties\) Directions, 2025](#)
- vi. [Reserve Bank of India \(Rural Co-operative Banks – Lending to Related Parties\) Directions, 2025](#)
- vii. [Reserve Bank of India \(Non-Banking Financial Companies – Lending to Related Parties\) Directions, 2025](#)
- viii. [Reserve Bank of India \(All India Financial Institutions – Lending to Related Parties\) Directions, 2025](#)

The draft Directions provide a harmonised, principle-based framework to be adopted by REs for *inter alia* lending to related parties, suitably rationalising the existing provisions. The key provisions of the proposed framework entail the following:

- a) Introduction of scale-based materiality thresholds beyond which lending to related parties of a RE shall need approval of the Board or its Committee.
- b) Exclusion of Independent Directors of other banks from the scope of ‘related persons’ of a RE for the purpose of these Directions.
- c) Principle based exemption from Section 20 (1) (b) of the Banking Regulation Act, 1949 for certain types of loans.
- d) Suitable supervisory reporting and disclosure requirements by REs on transactions with related parties.

The Comments on the draft Direction are invited from public/stakeholders by October 31, 2025. The comments/ feedback may be submitted through the link under the '[Connect2Regulate](#)' Section available on the Reserve Bank's website. Comments may alternatively be forwarded to The Chief General Manager, Credit Risk Group, Department of Regulation, Central Office Reserve Bank of India, 12th/ 13th Floor Shahid Bhagat Singh Marg, Fort Mumbai – 400 001 or by [email](#).

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(Brij Raj)
Chief General Manager