



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 25, 2026

RBI releases draft Master Direction - Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2026

In pursuance of the announcement made in the [Statement on Developmental and Regulatory Policies dated April 08, 2026](#), the Reserve Bank of India has released today the [draft Master Direction - Reserve Bank of India \(Call, Notice and Term Money Markets\) Directions, 2026](#). Comments on the draft Directions are invited from banks, market participants and other interested stakeholders by July 17, 2026.

Feedback on the draft Directions may be forwarded to:

The Chief General Manager
Reserve Bank of India
Financial Markets Regulation Department
9th Floor, Central Office Building
Shahid Bhagat Singh Marg, Fort
Mumbai – 400001

Or by [email](#) with subject line “Feedback on draft Master Direction – Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2026”.

Background

An active-term money market, apart from providing an alternative funding avenue to the market participants, also helps in enhancing monetary policy transmission by creating a link between the overnight money market and longer-term interest rates. The draft Directions aim to further enhance the depth of participation and liquidity in the term money market segment by enhancing the borrowing limits for standalone primary dealers and expanding the participant base.

Press Release: 2026-2027/545

(Brij Raj)
Chief General Manager



**RESERVE BANK OF INDIA
FINANCIAL MARKETS REGULATION DEPARTMENT
9th FLOOR, CENTRAL OFFICE BUILDING, FORT
MUMBAI 400 001**

**Master Direction- Reserve Bank of India (Call, Notice and Term Money Markets)
Directions, 2026 - Draft**

In exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 (hereinafter called the Act) read with section 45U of the Act and of all the powers enabling it in this behalf and in supersession of the Directions indicated in [Annex-I](#), the Reserve Bank of India (hereinafter called the Reserve Bank), hereby issues the following Directions to all persons and agencies eligible to deal in Call, Notice and Term Money Markets.

1. Short title and commencement

- (a) These Directions shall be called the Master Direction- Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2026.
- (b) These Directions shall be applicable with immediate effect.

2. Definitions

- (a) For the purpose of these Directions, unless the context otherwise requires:
 - (i) **“All India Financial Institution (AIFI)”** shall include: (a) Export Import Bank of India, (b) National Bank for Agriculture and Rural Development, (c) National Housing Bank, (d) Small Industries Development Bank of India and (e) National Bank for Financing Infrastructure and Development;
 - (ii) **“Bank”** means a banking company (including a Payments Bank and a Small Finance Bank) as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 or a “regional rural bank”, a “corresponding new bank” or “State Bank of India” as defined in clauses (ja), (da) and (nc), of section 5 respectively thereof, or a “cooperative bank” as defined in clause (cci) of section 5 read with section 56 of the said Act;
 - (iii) **“Call Money”** means borrowing or lending in unsecured funds on overnight basis;
 - (iv) **“Capital Funds”** shall have the meaning assigned in the applicable capital regulations issued by the Department of Regulation of the Reserve Bank as

amended from time to time and shall be calculated as per the latest audited balance sheet;

(v) “**Company**” means a company as defined in Section 2 (20) of the Companies Act, 2013 (18 of 2013);

(vi) “**Electronic Trading Platform**” or “**ETP**” shall have the meaning assigned in paragraph 2(a)(ii) [Master Direction – Reserve Bank of India \(Electronic Trading Platforms\) Directions, 2025](#), as modified from time to time;

(vii) “**Exchange**” shall mean ‘recognised stock exchange’ and shall have the same meaning as assigned to in Section 2(f) of the Securities Contract Regulation Act, 1956;

(viii) “**Fortnight**” shall have the meaning assigned to it under section 42 of the Reserve Bank of India Act, 1934;

(ix) “**Negotiated Dealing System-CALL**” or “**NDS-CALL**” is the electronic trading platform for execution and reporting of transactions in Call, Notice and Term Money Markets;

(x) “**Net Owned Fund**” shall have the meaning assigned to it under the Explanation to section 45-IA of the Reserve Bank of India Act, 1934;

(xi) **Non-Banking Financial Company (NBFC)** means a company as defined in Section 45I(f) of the Reserve Bank of India Act, 1934;

(xii) “**Notice Money**” means borrowing or lending in unsecured funds for tenors up to and inclusive of 14 days excluding overnight borrowing or lending;

(xiii) “**Over-the-Counter markets**” or “**OTC markets**” refers to markets where transactions are undertaken in any manner other than on exchanges and shall include those executed on electronic trading platforms;

(xiv) “**Payments Bank**” means a bank licensed under section 22 of the Banking Regulation Act, 1949 and governed by the terms of the “Reserve Bank Guidelines for Licensing of Payments Banks” dated November 27, 2014, as amended from time to time;

(xv) “**Standalone Primary Dealer**” means a Non-Banking Financial Company that holds a letter of authorisation issued by the Reserve Bank to act as a Primary Dealer, in terms of the "Guidelines for Primary Dealer in Government Securities Market" dated March 29, 1995, as amended from time to time;

(xvi) “**Small Finance Bank**” means a bank licensed under section 22 of the Banking Regulation Act, 1949 and governed by the terms of the “Reserve Bank

Guidelines for Licensing of Small Finance Banks” dated November 27, 2014, as amended from time to time;

(xvii) **“Term Money”** means borrowing or lending in unsecured funds for periods exceeding 14 days and up to one year.

(b) Words and expressions used but not defined in these Directions shall have the meaning assigned to them in the Reserve Bank of India Act, 1934.

3. Participants

(a) The following entities shall be eligible to participate in the Call, Notice and Term Money Markets, both as borrowers and lenders:

(i) Scheduled Commercial Banks (excluding Local Area Banks);

(ii) Small Finance Banks;

(iii) Regional Rural Banks;

(iv) State Co-operative Banks, District Central Co-operative Banks and Urban Co-operative Banks (hereinafter Co-operative Banks); and

(v) Standalone Primary Dealers.

(b) Payments Banks shall be eligible to participate in the call and notice money markets, both as borrowers and lenders, and in the term money market only as borrowers.

(c) AIFIs and NBFCs, including Housing Finance Companies (HFCs), but excluding NBFCs - Base layer (NBFCs-BL), shall be eligible to participate in the term money market both as borrowers and lenders.

(d) Companies shall be eligible to participate in the term money market as lenders.

4. Prudential limits

(a) Prudential limits in respect of outstanding lending transactions in the Call, Notice and Term Money Markets shall be decided by the participants with the approval of their Board. In case of regulated entities, the prudential limits shall be within the regulatory framework of the exposure norms prescribed by the Department of Regulation of the Reserve Bank for the entity concerned.

(b) Prudential limits for outstanding borrowing transactions in the Call, Notice and Term Money Markets are set out in Table 1.

Table 1: Prudential limits for outstanding borrowing transactions in Call, Notice and Term Money Markets		
Sr. No.	Participant Category	Prudential Limit
1	Scheduled Commercial Banks	<p>Call and Notice and Term Money</p> <p>Internal board approved limits within the prudential limits for inter-bank liabilities prescribed by Department of Regulation, Reserve Bank of India.</p>
2	Small Finance Banks	<p>Call and Notice and Term Money</p> <p>Internal board approved limits within the prudential limits for inter-bank liabilities prescribed by Department of Regulation, Reserve Bank of India.</p>
3	Payments Banks, and Regional Rural Banks	<p>Call and Notice and Term Money</p> <p>(i) 100% of capital funds, on a daily average basis in a reporting fortnight, and (ii) 125% of capital funds on any given day.</p>
4	Co-operative Banks	<p>Call and Notice and Term Money</p> <p>2.0% of aggregate deposits as at the end of the previous financial year.</p>
5	Standalone Primary Dealers	<p>Call and Notice Money</p> <p>225% of Net Owned Fund (NOF) as at the end of the previous financial year on a daily average basis in a reporting fortnight.</p> <p>Term Money</p> <p>400% of Net Owned Fund (NOF) as at the end of previous financial year for borrowing through the term money and inter-corporate deposits (ICDs) together.</p> <p>Provided that the total amount borrowed through ICDs shall not exceed the amount prescribed in the Reserve Bank of India (Standalone Primary Dealers) Directions, 2025 dated November 28, 2025, as amended from time to time.</p>

6	AIFIs	Term Money Internal board approved limits within the prudential limits prescribed by Department of Regulation, Reserve Bank of India.
7	NBFCs (including HFCs) except NBFCs- BL	Term Money 200% of NOF as at the end of previous financial year.

(c) Eligible participants may, with the approval of their respective Board of Directors (or equivalent bodies), fix separate internal limits within the prudential limits for borrowing and lending in the Call, Notice and Term Money Markets. The internal limits so arrived at by the eligible participants shall be conveyed to the Clearcorp Dealing System Ltd., the NDS-CALL system operator authorised by the Reserve Bank for setting of limits in the NDS-CALL platform immediately after approval by the respective Boards.

(d) Any lending in the term money market by participants specified at paragraph 3(a) and 3(c) above to non-bank participants shall be subject to the regulatory guidelines applicable to loans and advances issued by the Department of Regulation, Reserve Bank of India, except the guidelines on interest rates on advances.

(e) Any borrowing by NBFCs in the term money market shall be subject to the provisions of Section 186 of the Companies Act, 2013, relating to inter-corporate borrowings and the associated Rules made thereunder.

5. General guidelines

(a) **Interest rates:** Eligible participants are free to decide on interest rates in the Call, Notice and Term Money Markets.

(b) **Trading venues:** Call, Notice and Term Money transactions shall be executed in Over-the-Counter markets, including on the NDS-CALL platform or any other Electronic Trading Platform authorised for the purpose by the Reserve Bank.

(c) **Market timings:** The market timings for Call, Notice and Term Money transactions shall be from 9:00 AM to 7:00 PM on each business day or as specified by the Reserve Bank from time to time.

(d) **Market practices and documentation:** Eligible participants shall follow the standard market practices, methodologies and documentation prescribed by Fixed

Income Money Market and Derivatives Association of India (FIMMDA), in consultation with the Reserve Bank, from time to time.

6. Cancellation and termination

- (a)** A Call, Notice or Term Money transaction shall, normally, not be cancelled.
- (b)** A Notice or Term Money transaction can be terminated before maturity at a mutually agreed price. A term money transaction can be terminated only after 14 days from the date of the transaction.

7. Reporting requirements

- (a)** All Call, Notice or Term Money transactions, other than those executed on NDS-CALL platform, shall be reported to the NDS-CALL platform within 15 minutes of execution (the time when interest rate is agreed), by both counterparties to the transaction or by the Electronic Trading Platform concerned, as the case may be. For this purpose, all eligible participants in the Call, Notice and Term Money Markets shall obtain membership of NDS-CALL platform. Eligible participants who are not members of NDS-CALL platform shall obtain such membership within a period of six months from the date of these Directions.
- (b)** A Call, Notice or Term Money transaction executed on the NDS-CALL platform need not be reported separately.
- (c)** Any cancellation or termination of a Call, Notice and Term Money transaction shall be reported on the NDS-CALL platform within 15 minutes of cancellation by each counterparty to the transaction or by the Electronic Trading Platform concerned, as the case may be.
- (d)** Any misreporting or multiple reporting of the same OTC markets deal by a counterparty shall be immediately brought to the notice of the operator of NDS-CALL system and also to the Financial Markets Regulation Department, Reserve Bank of India, Central Office, Fort, Mumbai, through email.

8. Obligation to provide information sought by the Reserve Bank: The Reserve Bank may call for any information or statement or seek any clarification, which in the opinion of the Reserve Bank is relevant, from persons or agencies dealing in the Call, Notice and Term Money Markets, including eligible participants, and such persons, agencies and participants shall furnish such information, statement or clarification.

9. Dissemination of data: The Reserve Bank or any other person authorised by the Reserve Bank, may publish any anonymised data related to transactions in Call, Notice and Term Money Markets.

10. Violation of Directions: In the event of any person or agency violating any provision of these Directions or the provisions of any other applicable law, the Reserve Bank may, in addition to taking any penal or regulatory action in accordance with law, disallow that person or agency from dealing in the Call, Notice and Term Money Markets for a period not exceeding one month at a time, after providing reasonable opportunity to the person or agency to defend its actions, and such action may be made public by the Reserve Bank.

List of circulars superseded

1. List of directions / circulars superseded *vide* Master Direction- Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2026

- (a) [FMRD.DIRD.02/14.01.001/2023-24 dated June 08, 2023](#)
- (b) [FMRD.DIRD.06/14.01.001/2021-22 dated June 25, 2021](#)
- (c) [FMRD.DIRD.01/14.01.001/2021-22 dated April 01, 2021](#)

2. List of directions / circulars superseded *vide* Master Direction- Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021

- (a) [FMRD.DIRD.01/14.01.001/2020-21 dated December 04, 2020](#)
- (b) [FMRD.DIRD.09/14.01.001/2018-19 dated October 29, 2018](#)
- (c) [FMRD.Master Direction No.2/2016-17 dated July 07, 2016](#)