



भारतीय रज़र्व बैंक  
RESERVE BANK OF INDIA

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सचिव िभा, कीय कार्यालय शहीद भगत सिंह मार्गफोद मबु ई- 400 001

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

January 08, 2026

**RBI invites public comments on the Draft Reserve Bank of India (Urban Cooperative Banks - Governance) Amendment Directions, 2026 and Draft Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026**

Reserve Bank of India today placed on its website the following draft Directions for public comments:

- (1) [Draft Reserve Bank of India \(Urban Co-operative Banks - Governance\) Amendment Directions, 2026](#)
- (2) [Draft Reserve Bank of India \(Rural Co-operative Banks - Governance\) Amendment Directions, 2026](#)

The comments/feedback on the draft directions are invited from public/stakeholders by **January 30, 2026**. The comments/feedback may be submitted through the link under the '[Connect2Regulate](#)' Section available on the Reserve Bank's website. Alternatively, comments/feedback may also be forwarded to:

The Chief General Manager  
Reserve Bank of India  
Department of Regulation (Governance Section)  
12<sup>th</sup> Floor, Central Office  
Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

Or by [email](#) with the subject line "Feedback on RBI (UCBs - Governance) Amendment Directions, 2026 / RBI (RCBs - Governance) Amendment Directions, 2026."

**Background and Objective**

Section 10A(2A)(i) read with Section 56 of the Banking Regulation Act, 1949 stipulates a maximum continuous tenure of 10 years for directors of co-operative banks. Reserve Bank of India has observed instances where this requirement was sought to be bypassed through brief resignations or brief interruptions between two directorships followed by re-election or co-option to the Board of Directors. Such practices undermine the intent and spirit of the law. To ensure compliance with the

aforesaid statutory provision in letter and spirit, it has been decided to introduce a minimum cooling-off period for directors of co-operative banks.

**Press Release: 2025-2026/1883**

**(Brij Raj)**  
Chief General Manager

**Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment  
Directions, 2026**

Please refer to [Reserve Bank of India \(Urban Co-operative Banks - Governance\) Directions, 2025 \(DOR.GOV.REC.No.192/18-10-014/2025-26\) dated November 28, 2025](#). Chapter-II of these directions have provisions regarding the Constitution of Board and Appointment of Directors.

2. The Banking Regulation (Amendment) Act, 2020 had made section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, "*the Act*"), which prescribed a ceiling on continuous tenure of directors, applicable to primary (urban) co-operative banks (hereinafter collectively referred to as 'UCBs' and individually as 'UCB'). The provision had come into force for UCBs with effect from June 29, 2020. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of UCBs from eight years to 10 years and the amended provision has come into effect on August 1, 2025.

3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act such as resigning briefly from office and being reelected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of a UCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.

4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India in this regard, Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

(1) These Directions shall be called the Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026.

(2) These Directions shall come into force with immediate effect.

(3) These Directions shall modify the [Reserve Bank of India \(Urban Co-operative Banks - Governance\) Directions, 2025](#) in the manner as specified hereinafter.

(4) After paragraph 7 of the [Reserve Bank of India \(Urban Co-operative Banks - Governance\) Directions, 2025](#), the following shall be inserted:

7A. A director on the Board of a UCB, after completing a continuous tenure of 10 years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same UCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the UCB in any capacity / manner other than as a member / customer. This, however, shall not preclude him / her from being appointed as a director on the Board of another bank.

*Explanation:*

For calculating the period of continuous tenure, the total time served on the Board of the UCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned.

Yours faithfully,

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Chief General Manager

**DRAFT**

**Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment  
Directions, 2026**

Please refer to [Reserve Bank of India \(Rural Co-operative Banks - Governance\) Directions, 2025 \(DOR.GOV.REC.No.217/18-10-015/2025-26\) dated November 28, 2025](#). Chapter-II of these directions have provisions regarding the Constitution of Board.

2. The Banking Regulation (Amendment) Act, 2020 had made section 10A(2A)(i) of the Banking Regulation Act, 1949 (in short, “*the Act*”), which prescribed a ceiling on continuous tenure of directors, applicable to State Co-operative banks (hereinafter collectively referred to as ‘StCBs’ and individually as ‘StCB’) and Central Co-operative banks (hereinafter collectively referred to as ‘CCBs’ and individually as ‘CCB’). The provision had come into force for StCBs and CCBs with effect from April 1, 2021. This provision was further amended by the Banking Laws (Amendment) Act, 2025 to increase the maximum continuous tenure of directors of StCBs and

CCBs from eight years to 10 years and the amended provision has come into effect on August 1, 2025.

3. In a few cases, directors have been found to be resorting to certain methods to circumvent the provisions of the Act such as resigning briefly from office and being reelected / co-opted to the Board within a short period of time, thereby continuing to be on the Board of a StCB / CCB for an extended period beyond the legally permissible tenure, which defeats the intent and spirit of the statutory provision.

4. Accordingly, in exercise of the powers conferred by Section 35A read with Section 10A(2A)(i) and Section 56 of the Act, and all other provisions / laws enabling the Reserve Bank of India in this regard, Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby issues these Directions hereinafter specified.

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

(2) These Directions shall come into force with immediate effect.

(3) These Directions shall modify the [Reserve Bank of India \(Rural Co-operative Banks - Governance\) Directions, 2025](#) in the manner as specified hereinafter.

(4) After paragraph 7 of the [Reserve Bank of India \(Rural Co-operative Banks - Governance\) Directions, 2025](#), the following shall be inserted:

7A. A director on the Board of a StCB / CCB, after completing a continuous tenure of 10 years in office, shall be eligible to be re-appointed, whether by election or co-option or in any other manner, as a director on the Board of the same StCB / CCB only after undergoing a minimum cooling-off period of three years. During the cooling-off period, the said director shall not be associated with the StCB / CCB in any capacity / manner other than as a member / customer. This, however, shall not preclude him / her from being appointed as a director on the Board of another bank.

*Explanation:*

For calculating the period of continuous tenure, the total time served on the Board of the StCB / CCB including the period of directorship preceding an interruption of less than three years but excluding the period of directorship preceding at least a three-year interruption shall be reckoned.

Yours faithfully,

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Chief General Manager