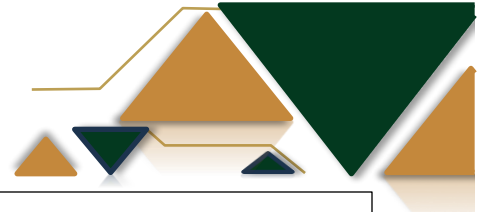


BEGUR BULLETIN

BANKING & FINANCE

JANUARY - MARCH 2026

QUARTELY REGULATORY UPDATE



WELCOME TO THE BEGUR BULLETIN!

As we review the first quarter of 2026, the regulatory approach of the Reserve Bank of India reflects a clear transition from the broad-based consolidation undertaken during 2025 to a phase of refinement, integration, and supervisory strengthening. Rather than introducing entirely new frameworks, RBI has focused on operationalising, aligning, and stress-testing the regulatory architecture established in the previous year. The period is marked by a shift towards principle-based regulation supported by granular data capture, with increasing reliance on institutional governance and system-level controls.

A defining feature of January to March 2026 is the overhaul and internal alignment of the external sector framework under FEMA, including the introduction of comprehensive regulations governing export-import transactions, guarantees, and borrowing and lending arrangements. These measures collectively establish a coherent capital account architecture, reducing fragmentation and closing structural gaps that previously enabled regulatory arbitrage. Parallely, the quarter also witnessed a strong emphasis on market infrastructure and data standardisation, with the introduction of transaction-level identifiers (UTI), consolidation of identifier frameworks (LEI/UTI), and enhancements in reporting systems such as ECB reporting and CIMS, indicating RBI's movement towards data-centric supervision and real-time monitoring of financial exposures.

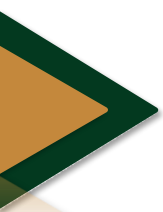
In addition, RBI has undertaken horizontal harmonisation across regulated entities, particularly in areas such as capital adequacy, credit risk management, financial disclosures, and dividend distribution. These measures aim to ensure that similar risks are treated consistently across banks, NBFCs, and other financial institutions, thereby improving comparability and reducing regulatory arbitrage. Complementing prudential alignment, the quarter also reflects a continued focus on conduct and governance, with strengthened grievance redress mechanisms and expansion of the Internal Ombudsman framework. Targeted interventions: such as MSME lending refinements and trade relief measures, further demonstrate RBI's calibrated use of regulatory tools to address sector-specific concerns without diluting overall prudential discipline.

Taken together, the developments in Q1 2026 indicate a regulatory strategy centred on deepening supervisory capability, enhancing transparency, and reinforcing institutional accountability. The emphasis is no longer on expanding the rulebook, but on ensuring that the existing framework is internally consistent, data-enabled, and effectively enforceable, thereby strengthening the resilience and integrity of India's financial system.

We value your thoughts and suggestions. If there is feedback on how we can improve The Begur Bulletin, we'd love to hear from you on communications@begurs.com. Your input helps us keep this platform insightful.

Enjoy reading, here's to staying informed, compliant, and capital-ready.

— Team Begur



BANKING AND FINANCE**1. RBI INTRODUCES TRADE RELIEF MEASURES DIRECTIONS, 2026**

RBI, vide notification dated March 31, 2026, has issued the RBI (Trade Relief Measures) Directions, 2026, providing regulatory flexibility in respect of trade-related credit exposures.

The Directions permit regulated entities to:

- a) extend repayment timelines for trade credit,
- b) provide temporary restructuring or relief measures, and
- c) allow operational flexibility in settlement of trade obligation;

without immediate asset classification downgrade, subject to prescribed eligibility criteria and safeguards.

The framework is targeted at addressing stress in trade-linked sectors while maintaining prudential discipline.

B&P View: This is a targeted counter-cyclical intervention, reflecting RBI's calibrated approach to sector-specific stress. Unlike broad-based restructuring frameworks, the relief is narrowly scoped and condition-driven, preserving asset quality discipline while supporting trade flows.

The Direction signals RBI's preference for targeted regulatory tools over system-wide forbearance, balancing financial stability with economic support.

2. RBI RATIONALISES ECB REPORTING FRAMEWORK UNDER FEMA

RBI vide A.P. (DIR Series) Circular No. 23 dated February 18, 2026 (read with the revised ECB framework notified under the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026), has revised the reporting

framework for External Commercial Borrowings (ECB) under FEMA vide notification dated March 30, 2026.

The circular amends the Master Direction - Reporting under FEMA, 1999, with the following key operational changes:

a) Substitution of Core Reporting Forms

- **Form ECB 1 (Revised):** used for obtaining Loan Registration Number (LRN), and also used for reporting changes in ECB parameters;
- **Form ECB 2:** used for monthly reporting of ECB transactions, including drawdowns, repayments, and outstanding balances.

b) Lifecycle-Based Reporting

- Reporting now captures: (i) origination (LRN stage), (ii) subsequent modifications to ECB terms; (iii) ongoing servicing and repayment flows.
- Changes to ECB parameters must be reported within prescribed timelines (typically within month-end reporting cycles).

B&P View: While operational in appearance, this measure is significant in the context of RBI's data-driven supervision agenda. ECBs represent a major channel of cross-border exposure, and improved reporting enhances RBI's ability to monitor external sector risks and capital flows.

The refinement indicates a shift towards real-time, high-quality data capture in capital account transactions.

3. RBI ISSUES MASTER DIRECTION ON UNIQUE IDENTIFIERS IN FINANCIAL MARKETS, 2026



RBI vide Notification No. RBI/FMRD/2025-26/392 dated March 27, 2026, has issued the Master Direction – RBI (Unique Identifiers in Financial Markets) Directions, 2026, consolidating and standardising the use of Legal Entity Identifier (LEI) and Unique Transaction Identifier (UTI) across RBI-regulated financial markets.

The Directions establish a two-layer identifier framework, entity-level (LEI) and transaction-level (UTI), with the following key features:

a) Legal Entity Identifier (LEI) Framework (Effective Immediately)

- Mandatory LEI for all non-individual entities undertaking transactions in, government securities, money market instruments, foreign exchange instruments and derivatives;
- Entities without a valid LEI cannot undertake transactions in RBI-regulated financial markets. Further, LEI must be active and renewed, failing which participation is restricted.
- Entities, intermediaries, and infrastructure providers must capture and maintain LEI in their systems for all transactions.
- LEI requirement applies to non-derivative FX transactions above USD 1 million equivalent.

b) Unique Transaction Identifier (UTI) Framework (Effective January 1, 2027)

- Mandatory for all OTC derivative transactions, including interest rate derivatives, FX derivatives, credit derivatives, and forward contracts in government securities;
- Each derivative contract must have a unique UTI that persists throughout its lifecycle;

- New UTI required only in case of novation or creation of a new contract
- UTI must be reported to trade repositories (e.g., CCIL-TR)
- Temporary/interim UTI permitted but must be regularised within 5 Mumbai business days;
- UTI generation aligned with CPMI-IOSCO technical guidance
- Structure typically combines LEI of generating entity and transaction-specific code.

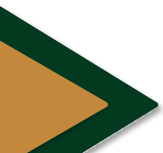
B&P View: This Direction represents a foundational shift towards a fully digitised and traceable financial market architecture. By integrating entity-level, product-level, and transaction-level identifiers, RBI is creating a system where all financial exposures can be mapped, aggregated, and monitored holistically.

This significantly enhances RBI's ability to monitor systemic risk, particularly in complex and interconnected markets such as derivatives. The Direction should be viewed as a cornerstone of RBI's data-centric supervision strategy.

4. RBI CONSOLIDATES PRUDENTIAL FRAMEWORK ON DIVIDEND DECLARATION ACROSS ENTITIES

RBI, vide multiple notifications dated March 10, 2026, has issued Directions on Prudential Norms for Declaration of Dividend across banks and other regulated entities, including commercial banks, small finance banks, payments banks, regional rural banks, and local area banks, along with repeal of earlier guidelines.

The unified framework prescribes:





- a) eligibility criteria based on capital adequacy and asset quality,
- b) restrictions linked to supervisory observations, and
- c) standardised conditions for profit distribution.

The Directions aim to ensure that dividend payouts are aligned with the financial strength and risk profile of institutions.

B&P View: This reform strengthens capital conservation and governance discipline. By linking dividend payouts to prudential indicators, RBI ensures that profit distribution does not compromise institutional resilience.

The harmonisation across entity classes eliminates inconsistencies and reinforces a uniform supervisory approach to capital management, particularly relevant in a tightening prudential environment.

5. RBI AMENDS FRAMEWORK FOR WHOLLY OWNED SUBSIDIARIES (WOS) OF FOREIGN BANKS

RBI, vide notification dated March 10, 2026, has issued amendments to the framework governing wholly owned subsidiaries (WOS) of foreign banks in India, specifically revising provisions relating to declaration of dividends. Under the amended framework, foreign bank WOS are now permitted to declare dividends in line with the RBI (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2026, thereby aligning their treatment with that of domestic banks.

Dividend declaration by such subsidiaries is now explicitly linked to prudential parameters, including capital adequacy, asset quality, profitability, and supervisory observations. Further, dividends declared by WOS may be repatriated to the parent

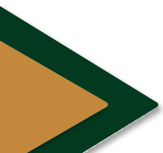
foreign bank in accordance with applicable foreign exchange regulations. The amendment eliminates earlier regulatory distinctions in dividend treatment between domestic banks and foreign bank subsidiaries and is applicable from Financial Year 2026–27.

B&P View: The amendment, while limited in scope, reflects a clear regulatory intent to treat foreign bank subsidiaries as fully domestic entities for prudential purposes. By aligning dividend norms with those applicable to commercial banks, RBI reinforces the principle that local incorporation entails adherence to domestic capital conservation standards, irrespective of foreign ownership.

Linking dividend payouts to prudential metrics ensures that profit distribution does not undermine balance sheet resilience, particularly in the context of capital adequacy and asset quality. At a structural level, the removal of differential treatment reduces scope for regulatory arbitrage between branch and subsidiary models of foreign bank presence. The change therefore strengthens RBI's broader approach of combining openness to foreign participation with uniform supervisory discipline and financial stability safeguards.

6. RBI INTRODUCES UNIQUE TRANSACTION IDENTIFIER (UTI) FOR OTC DERIVATIVE TRANSACTIONS

RBI, vide Circular No. RBI/2025-26/222 dated February 18, 2026, has mandated the implementation of a Unique Transaction Identifier (UTI) framework for all over-the-counter (OTC) derivative transactions. The UTI is a globally standardised identifier assigned to each derivative contract, enabling consistent identification and reporting across counterparties and trade repositories.





Key features of the framework include:

- a) **Mandatory applicability across OTC derivatives:** Covers transactions in:
 - rupee interest rate derivatives;
 - foreign currency derivatives;
 - credit derivatives;
 - forward contracts in government securities
- b) **Unique and persistent identifier:**
 - Each transaction must have a single UTI that remains unchanged throughout its lifecycle, except in limited cases such as novation
 - UTI is structured using the Legal Entity Identifier (LEI) of the generating entity plus a unique transaction string, with a maximum length of 52 characters
- c) **Waterfall mechanism for generation:**
 - Clear hierarchy determining which counterparty generates the UTI
 - Ensures no duplication or mismatch across reporting entities
- d) **Lifecycle reporting requirements:**
 - UTI must be reported for all stages of a transaction, including (i) modification; (ii) compression, and (iii) termination.
 - Enables tracking of the entire lifecycle of derivative contracts
- e) **Alignment with global standards:**
 - Framework is aligned with CPMI-IOSCO technical guidance on transaction identifiers
 - Facilitates cross-border regulatory interoperability

f) **Implementation timeline:**

- Applicable to OTC derivative transactions entered into on or after January 1, 2027
- Timeline extended to allow market participants to upgrade systems and reporting infrastructure

B&P View: The UTI framework represents a critical infrastructure reform in derivatives markets, moving India closer to global post-crisis reporting standards. Its importance lies not in transaction-level compliance, but in system-wide aggregation capability.

By enabling regulators to identify and link both legs of a derivative contract across counterparties and systems, RBI significantly enhances its ability to monitor counterparty exposures, interconnectedness, and systemic risk concentration.

For market participants, the key impact lies in systems integration, reporting alignment, and reconciliation processes, particularly in cross-border transactions where global identifier standards must be synchronised.

7. RBI AMENDS FEMA BORROWING AND LENDING REGULATIONS, 2026

RBI, vide notification dated February 16, 2026, has issued the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, introducing targeted changes to the framework governing cross-border borrowing and lending arrangements between residents and non-residents.

The amendments are primarily aimed at aligning the borrowing and lending framework with the newly notified FEMA





(Guarantees) Regulations, 2026, and clarifying regulatory treatment of interconnected credit structures.

Key aspects include:

- a) Clarification of permissible roles of residents and non-residents in borrowing and lending transactions, including situations involving layered or structured financing;
- b) Alignment of guarantee-backed lending structures with borrowing regulations, ensuring that guarantees are not used to circumvent capital account restrictions;
- c) Consistency in treatment of contingent liabilities and underlying debt exposures, particularly where guarantees, loans, and credit support arrangements coexist; and
- d) Rationalisation of regulatory references across FEMA instruments, reducing fragmentation and interpretational inconsistencies.

The amendments ensure that borrowing, lending, and guarantee frameworks operate within a coherent and unified regulatory structure.

B&P View: The significance of this amendment lies in its system-level coherence rather than standalone impact. Historically, FEMA frameworks for borrowing, lending, and guarantees evolved in silos, creating scope for regulatory arbitrage through structuring.

By aligning these frameworks, RBI is effectively moving towards a substance-based regulation of cross-border credit, where the economic nature of exposure, not

its legal form, determines regulatory treatment.

This has important implications for structured finance, external commercial borrowings, and group financing arrangements, requiring participants to reassess structuring strategies and ensure alignment across multiple FEMA regulations.

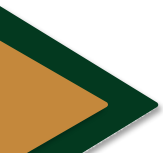
8. RBI ENHANCES GRIEVANCE REDRESSAL MECHANISM IN BANKS

RBI, vide circular dated February 11, 2026, has issued a review of grievance redress mechanisms in banks, strengthening the framework governing customer complaint handling and internal resolution processes.

The revised framework emphasises:

- a) Time-bound resolution of complaints, with stricter internal timelines and monitoring;
- b) Strengthened escalation mechanisms, ensuring unresolved complaints are systematically reviewed at higher levels, including the Internal Ombudsman;
- c) Enhanced transparency in complaint handling, including communication with customers and disclosure of grievance redress processes; and
- d) Integration with governance frameworks, requiring oversight by senior management and boards on grievance trends and resolution quality.
- e) The changes are aimed at improving customer experience and strengthening accountability in complaint resolution.

B&P View: This measure is a continuation of RBI's broader conduct regulation agenda, complementing the Internal Ombudsman





Directions issued in January 2026. The focus is shifting from procedural compliance to institutional accountability for customer outcomes.

9. RBI REVISES MSME LENDING FRAMEWORK

RBI, vide circular dated February 09, 2026, has issued amendments to the Directions on Lending to the Micro, Small and Medium Enterprises (MSME) sector, refining classification norms, eligibility criteria, and operational aspects of MSME lending.

The amendments seek to improve accuracy in classification and consistency in reporting, with key changes including:

- a) Alignment of MSME classification with updated statutory definitions, ensuring consistency between regulatory and policy frameworks;
- b) Clarifications on borrower eligibility and loan categorisation, particularly in cases involving multiple business activities or mixed-use financing;
- c) Refinement of reporting requirements, including improved granularity in data submission and monitoring; and
- d) Strengthening of compliance expectations for banks and NBFCs, particularly in classification and documentation.

The framework continues to support credit flow to MSMEs while ensuring integrity in classification and reporting.

B&P View: The amendment reflects RBI's continued focus on classification discipline within priority sector lending, particularly in segments like MSMEs where definitional ambiguity has historically led to inconsistent reporting.

Rather than expanding credit incentives, RBI is focusing on ensuring that credit reported as MSME exposure genuinely aligns with policy intent. This indicates a shift from quantitative targets to qualitative compliance.

10. RBI REVISES CRR AND SLR FRAMEWORK ACROSS ALL REGULATED ENTITIES

RBI, vide notifications dated January 22, 2026, has issued amendments to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) Directions applicable across all categories of regulated entities, including commercial banks, small finance banks, payments banks, co-operative banks, regional rural banks, and local area banks.

The revisions reflect adjustments in reserve requirements linked to the prevailing monetary policy stance and liquidity conditions.

B&P View: The uniform application of CRR/SLR revisions across the banking ecosystem indicates RBI's coordinated approach to liquidity management. While mechanical in nature, such changes have system-wide implications for funding costs, liquidity buffers, and credit availability.

11. RBI AMENDS PRIORITY SECTOR LENDING FRAMEWORK, 2026

RBI vide notification dated January 19, 2026, has issued the Reserve Bank of India (Priority Sector Lending - Targets and Classification) (Amendment) Directions, 2026, introducing refinements to the consolidated PSL framework notified in March 2025.



The amendments primarily focus on operational clarity, recalibration of eligibility, and alignment of classification norms, with key changes including:

- a) Refinement of eligible categories and activities within priority sectors such as agriculture, MSMEs, and allied activities, to remove ambiguities in classification and ensure uniform application across banks;
- b) Clarifications on end-use and borrower eligibility, particularly in cases involving intermediated lending, co-lending arrangements, and structured credit exposure, to prevent misclassification and regulatory arbitrage;
- c) Strengthening of reporting and monitoring requirements, including improved granularity in classification and alignment with supervisory reporting systems;
- d) Alignment of PSL recognition with evolving credit structures, including treatment of loans originated through digital platforms, co-lending models, and participation structures; and
- e) Rationalisation of certain sub-target computations, ensuring consistency in achievement measurement across different categories of banks.

B&P View: The amendments reflect RBI's iterative approach to credit allocation policy. While not a structural overhaul, they reinforce the operational effectiveness of the PSL regime and ensure continued alignment with financial inclusion objectives.

12. RBI NOTIFIES FOREIGN EXCHANGE MANAGEMENT (EXPORT AND IMPORT OF GOODS AND SERVICES) REGULATIONS, 2026

RBI, vide notification dated January 16, 2026, has issued the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, replacing the earlier 2015 framework and associated Master Directions. The Regulations provide a comprehensive and unified legal framework governing cross-border trade transactions in goods and services under the Foreign Exchange Management Act, 1999.

The Regulations will come into force from October 1, 2026, and introduces a single, consolidated legal framework governing export and import transactions with the following key operational changes:

- a) **Unified Export Declaration Framework (EDF):**
 - Mandatory EDF filing for both goods and services (earlier services largely exempt);
 - For EDI ports, EDF deemed filed through shipping bill;
 - Service exports to be reported within 30 days from month-end of invoicing;
- b) **Revised Realisation & Repatriation Timelines:**
 - Export proceeds to be realised within 15 months
 - Extended to 18 months for INR-denominated trade
 - AD banks empowered to grant extensions and reductions



- c) **Expanded Settlement Flexibility:**
 - Express recognition of set-off arrangements, third-party payments, and netting;
 - Permitted subject to AD bank satisfaction of bona fides;
- d) **Formal Integration of Merchanting Trade Transactions (MTT):** Entire transaction cycle capped at 6 months.
- e) **Simplified Compliance for Low-Value Transactions:** EDPMS/IDPMS entries up to INR 10 lakh may be closed based on self-declarations.
- f) **Strengthened Role of Authorised Dealer (AD) Banks:**
 - Greater discretion for: (i) extensions of timelines; (ii) reduction in export realisation; (iii) approval of settlement structures
 - Mandatory SOPs, internal controls, and reporting discipline
- g) **Enhanced Monitoring Architecture:**
 - Continued reliance on EDPMS, IDPMS and FETERS for transaction-level tracking
 - Stricter linkage between transaction processing and reporting

B&P View: This is a foundational external sector reform. By replacing fragmented directions with a unified regulatory framework, RBI has significantly enhanced clarity and consistency in export-import compliance. The move is expected to reduce procedural friction for market participants

while strengthening supervisory oversight under FEMA.

13. RBI ISSUES INTERNAL OMBUDSMAN DIRECTIONS, 2026 ACROSS REGULATED ENTITIES

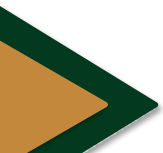
RBI, vide notifications dated January 14, 2026, has issued Internal Ombudsman Directions, 2026 applicable across multiple regulated entities, including commercial banks, small finance banks, payments banks, NBFCs, prepaid payment instrument issuers, and credit information companies. The Directions standardise governance norms relating to appointment, independence, scope of review, and functioning of Internal Ombudsman (IO) mechanisms.

Regulated entities are required to ensure independence of IOs from operational functions and provide adequate authority and infrastructure for effective grievance redressal.

B&P View: The expansion and harmonisation of the Internal Ombudsman framework represent a key conduct and governance reform. By strengthening internal grievance redressal systems, RBI reinforces consumer protection and reduces reliance on external dispute mechanisms. This aligns with global best practices and complements RBI's broader conduct supervision agenda.

14. RBI AMENDS CAPITAL ADEQUACY FRAMEWORK ACROSS REGULATED ENTITIES

RBI, vide notifications dated January 09, 2026, has issued amendments to prudential norms on capital adequacy applicable to





commercial banks, small finance banks, and All-India Financial Institutions. The amendments refine components of regulatory capital, computation of risk-weighted assets (RWAs), and treatment of specific exposure classes under the capital framework.

Key aspects of the amendments include:

- a) **Refinements in classification and eligibility of capital instruments**, including clearer delineation between CET I, AT1, and Tier II components;
- b) **Alignment of risk-weight computation methodologies** across regulated entities, particularly for exposures that may have been subject to divergent interpretations;
- c) **Clarificatory adjustments to treatment of certain asset classes**, including off-balance sheet exposures and contingent liabilities; and
- d) **Harmonisation of prudential norms across banks and AIFs**, ensuring consistency in capital measurement and supervisory reporting.

These amendments are intended to ensure that capital adequacy frameworks remain responsive to evolving risk profiles and aligned with supervisory expectations.

B&P View: The January 2026 amendments to capital adequacy norms are best understood as precision adjustments rather than structural reform. RBI appears to be addressing inconsistencies in interpretation and application that typically emerge post-consolidation of frameworks.

The emphasis on harmonisation and clarity suggests a move towards comparability of capital positions across institutions, which is critical for effective supervision. Additionally, the focus on contingent exposures indicates heightened sensitivity to off-balance sheet risks, an area of increasing regulatory attention.

From a compliance perspective, the impact will be most visible in internal capital computation models, ICAAP processes, and regulatory reporting alignment, rather than headline capital ratios.

15. RBI NOTIFIES FOREIGN EXCHANGE MANAGEMENT (GUARANTEES) REGULATIONS, 2026

RBI vide Notification No. FEMA 8(R)/2026-RB dated January 6, 2026, has issued the Foreign Exchange Management (Guarantees) Regulations, 2026, replacing the earlier 2000 framework and consolidating multiple circulars governing cross-border guarantees.

The Regulations establish a comprehensive and principle-based framework governing guarantees involving residents and non-residents, with the following key features:

- a) **Clear regulatory scope and prohibition framework:**
 - Residents cannot be party (as principal debtor, surety, or creditor) to cross-border guarantees except as permitted under FEMA or RBI regulations.
 - The framework applies where at least one party is resident in India and another is non-resident.



b) **Shift to principle-based permissibility (automatic route expansion):**

- Residents may act as surety or principal debtor if: the underlying transaction is permitted under FEMA, and parties comply with borrowing/lending eligibility norms.
- Several transactions now permitted without prior RBI approval, expanding the automatic route.

c) **Alignment with Borrowing & Lending Regulations:**

- Guarantees cannot be used to bypass FEMA borrowing norms.
- Ensures structural consistency with cross-border lending frameworks.

d) **Defined exemptions:**

- Guarantees by IFSC units, AD bank-backed guarantees, and certain irrevocable payment commitments carved out.
- Specific operational exemptions for shipping/airline agents and intra-resident transactions.

e) **Introduction of a unified reporting framework (Form GRN):**

- Mandatory quarterly reporting of: (i) issuance; (ii) modifications, (iii) invocation and (iv) honouring of guarantees;
- Reporting within 15 days of quarter-end via AD banks.

B&P View: The overhaul of the guarantees framework is a significant step towards

modernising cross-border financial regulation. By shifting to a principle-based approach and consolidating multiple legacy instructions, RBI has improved regulatory certainty and strengthened monitoring of contingent liabilities in cross-border transactions.

16. RBI AMENDS CREDIT RISK MANAGEMENT FRAMEWORK ACROSS ENTITIES

RBI, vide notifications dated January 05, 2026, has issued amendments to Credit Risk Management (CRM) Directions across banks, NBFCs, co-operative banks, and All-India Financial Institutions. The amendments aim to further standardise credit appraisal, exposure recognition, monitoring practices, and reporting frameworks across regulated entities.

Key features include:

- Clarifications on borrower and group exposure aggregation**, particularly in cases involving complex corporate structures and layered financing arrangements;
- Strengthening of due diligence and credit appraisal expectations**, including documentation and risk assessment requirements;
- Alignment of exposure recognition across direct and indirect exposures**, including guarantees, co-lending, and participation structures; and
- Enhanced monitoring and early warning frameworks**, including periodic review and stress assessment of credit portfolios.



The amendments build upon the comprehensive CRM Directions issued in 2025 and aim to ensure consistent application across the financial system.

B&P View: The amendments reflect RBI's continued focus on standardising credit risk practices across heterogeneous regulated entities. The emphasis on exposure aggregation and indirect exposures suggests a regulatory intent to address structuring-led opacity in credit risk.

Importantly, the changes indicate a shift towards substance-over-form credit assessment, where economic exposure rather than legal structuring determines regulatory treatment. This reduces the scope for regulatory arbitrage and enhances systemic risk visibility.

17. RBI AMENDS FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE NORMS

RBI, vide notifications dated January 05, 2026, has issued amendments to Directions on Financial Statements: Presentation and Disclosures applicable across banks, NBFCs, co-operative banks, and All-India Financial Institutions. The amendments aim to standardise financial reporting formats, improve disclosure requirements, and align presentation practices across regulated entities.

Key changes include:

- a) Enhanced disclosure requirements for asset quality, provisioning, and capital adequacy, ensuring greater transparency in financial statements;
- b) Standardisation of reporting formats across entity types, enabling comparability of financial data;

- c) Refinements in classification and presentation of financial assets and liabilities, including alignment with prudential norms; and
- d) Improved linkage between financial disclosures and regulatory reporting, reducing inconsistencies between published financials and supervisory data.

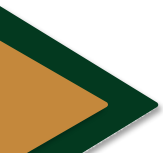
The amendments are intended to strengthen transparency, comparability, and reliability of financial reporting.

B&P View: These amendments reflect RBI's increasing focus on disclosure as a regulatory tool, complementing prudential norms with enhanced transparency. By standardising formats and strengthening disclosure requirements, RBI is enabling better market discipline and stakeholder assessment of financial institutions.

18. RBI EXPANDS DATA-DRIVEN SUPERVISION THROUGH CIMS REPORTING

RBI, vide notifications dated January 01, 2026, has expanded mandatory reporting requirements under the Centralised Information Management System (CIMS) for entities regulated under the Department of Payment and Settlement Systems. The revised framework mandates granular and standardised reporting of operational and transactional data.

B&P View: The expansion of CIMS reporting reflects RBI's transition towards technology-driven supervision. Enhanced data visibility enables more proactive risk identification and strengthens regulatory effectiveness.



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A List (2023-2024)

ALB India Law Awards 2025
Notable Firm (2024)

Legal 500
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IFLR1000 (34th Edition) 2024

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2. Firm Ranking: Recommended Firm
3. Southern Asia, Australasia and Central Asia Ranking: Highly Regarded

Corporate INTL Global Awards

Cross Border Private Equity Transactions Law Firm of the Year in India - 2025

Forbes India – Legal Powerlist 2023

Top Law Firm (above 10 years' experience)

Asia Law 2022

Notable Firm – Private Equity, Investment Funds, Banking and Finance, Corporate and M&A

Global Law Expert 2021

Cross Border Private Equity Transactions Law Firm of the year

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Top 40 Indian Law Firm

