



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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**Reserve Bank of India (Commercial Banks – Undertaking of Financial Services)
Third Amendment Directions, 2026**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby, amends the directions issued vide [Reserve Bank of India \(Commercial Banks – Undertaking of Financial Services\) Directions, 2025](#) (“**Master Direction**”).

2. The extant regulations governing agency business and referral services have been reviewed and, accordingly, the Master Direction shall be amended. The revised regulatory framework is provided below. Further, the regulatory instructions on customer service and conduct aspects shall be consolidated in the [Reserve Bank of India \(Commercial Banks - Responsible Business Conduct\) Directions, 2025](#).

3. Short Title and Commencement

- (1) These Directions shall be called the Reserve Bank of India (Commercial Banks - Undertaking of Financial Services) Third Amendment Directions, 2026.
- (2) These Directions shall come into effect on **January 01, 2027**.

4. These Amendment Directions shall modify the [Reserve Bank of India \(Commercial Banks – Undertaking of Financial Services\) Directions, 2025](#) as under:

(i) In paragraph 4 of the Master Direction,

a) Sub-para (1) shall be substituted by the following, namely:-

“(1) ‘**Agency Business**’ means an arrangement under which a bank or its group entity acts as an agent of a third-party product or service provider (TPPSP), without risk participation, to facilitate the sale of the latter’s financial products or services (e.g., insurance, mutual fund, pension fund, etc.) to its own customers. The activities

covered under agency business arrangements may inter-alia include marketing, sales, promotion, initial point of contact for redressal of grievance and other after-sale services related to the product or service”.

b) Sub-para (17) shall be substituted by the following, namely:-

*“(17) ‘**Referral Services**’ means an arrangement under which a bank may refer its customers to a TPPSP by making available information about the financial products or services offered by the TPPSP. Banks may undertake only such third-party product or services under Referral route where continued customer interactions such as distribution, grievance redressal, post sales services are not undertaken”.*

c) after sub-para (17), the following sub-para shall be inserted, namely: -

*“(17A) **Regulated financial products and services** means financial products and services which fall under the regulatory framework of any of the financial sector regulators viz. Reserve Bank of India, Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA) and Overseas Regulatory Authorities including IFSCA”.*

d) after sub-para (18), the following sub-paras shall be inserted, namely: -

*“(19) ‘**Third-party Product and Service (TPPS)**’ means a product or service as defined under [Reserve Bank of India \(Commercial Banks - Responsible Business Conduct\) Directions, 2025](#).*

*(20) ‘**Third-party Product and Service Provider (TPPSP)**’ means an entity which has entered into agency business or referral arrangement with a bank to offer its product or service (Third-party Product or Service (TPPS)) to a customer of the concerned bank”.*

(ii) Sub-paras (1) and (2) under paragraph 7 of the Master Direction shall be omitted.

(iii) Paragraph 8 of the Master Direction shall be omitted.

(iv) For paragraph 52 of the Master Direction, the following shall be substituted, namely:-

“52. A bank may, at its option, act as an insurance broker departmentally subject to the conditions mentioned under paragraph 58 on agency business”.

(v) For paragraph 58 of the Master Direction, the following shall be substituted, namely:-

“58. Banks may facilitate the sale of a TPPS under the agency business arrangement as specified below:

- (1) Banks shall only deal with regulated financial products and services in which a bank is permitted to deal in as per sub-section (a) to (m) and (o) of Section 6(1) of the Banking Regulation Act, 1949. Only such TPPS which are covered under the arrangement shall be listed or displayed on websites, mobile applications, or any other digital banking channels offered by the banks.*
- (2) Banks shall ensure that it is in full compliance with the instructions on [Reserve Bank of India \(Commercial Banks - Responsible Business Conduct\) Directions, 2025](#).*
- (3) Agency business shall be undertaken on fee basis without any risk participation. This shall be explicitly disclosed upfront to the customers.*
- (4) Under agency business arrangement, the bank and the group entity shall enter into an agreement with a TPPSP for sale of only regulated financial products or services.*
- (5) It shall be ensured that TPPSP whose products are being sold has robust customer grievance redressal arrangements in place. The bank may facilitate the redressal of grievances”.*

(vi) Paragraphs 59 to 61 of the Master Direction shall be omitted.

(vii) For paragraph 62 of the Master Direction, the following shall be substituted, namely:-

“62. Banks may refer their customers to a TPPSP only for regulated financial products and services subject to the product regulators’ instructions and the conditions listed herein:

- (1) Banks shall comply with the instructions on [Reserve Bank of India \(Commercial Banks - Responsible Business Conduct\) Directions, 2025](#).*

- (2) It shall be ensured that the role of the bank is purely referral in nature. Banks may market and refer the TPPS to their customers but not sell under referral arrangement. The same should be made explicitly clear upfront through a disclaimer to the customers.*
- (3) The name or brand of the bank shall not feature in any of the product/ service documents.*
- (4) The list of TPPS under the referral arrangement of a bank shall be published on their websites, mobile application, and any other digital banking channels to ensure transparency.*
- (5) No processes relating to TPPS shall either be integrated with the bank's platform/carried out within the premises of the bank (unless specifically permitted) or be accessible in the form of a micro-site or micro-application, except for an access link to redirect the customer to the TPPSP.*
- (6) The selection of the TPPSP shall be done with proper due diligence so as to take care of the reputational risks to which the bank may be exposed to while dealing with the TPPSP. It shall be ensured that TPPSP whose products are being referred has robust customer grievance redressal arrangements in place”.*

(Manoranjan Padhy)
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