



# IIBF VISION

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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy /counselling and continuing professional development programs.



## INSIDE

|                                 |    |
|---------------------------------|----|
| Top Stories                     | 3  |
| <hr/>                           |    |
| Banking Policies                | 4  |
| <hr/>                           |    |
| Banking Developments            | 5  |
| <hr/>                           |    |
| Capital Market                  | 5  |
| <hr/>                           |    |
| Regulator Speaks                | 6  |
| <hr/>                           |    |
| Economic Wrap Up                | 8  |
| <hr/>                           |    |
| New Appointments                | 8  |
| <hr/>                           |    |
| Forex                           | 9  |
| <hr/>                           |    |
| Glossary                        | 9  |
| <hr/>                           |    |
| Financial Basics                | 9  |
| <hr/>                           |    |
| Institute's Training Activities | 10 |
| <hr/>                           |    |
| News from the Institute         | 10 |
| <hr/>                           |    |
| Market Roundup                  | 11 |

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**TOP STORIES**

## **The key highlights of Monetary Policy Committee meeting held from June 03-05, 2026**

The Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) meeting held from June 03-05, 2026. The key highlights of the meeting are as follows:

- Repo Rate unchanged at 5.25%.
- Standing Deposit Facility (SDF) rate unchanged at 5.00%.
- Marginal Standing Facility (MSF) rate and the Bank Rate unchanged at 5.50%.

## **RBI removed IFR requirement for banks that maintain market risk capital**

The RBI has removed the Investment Fluctuation Reserve (IFR) requirement, while allowing existing IFR balances to be transferred 'below the line' to Statutory Reserve, General Reserve or Balance of Profit & Loss Account. For Regulated Entities continuing under the IFR framework — including Urban Co-operative Banks, Small Finance Banks, Payments Banks and Regional Rural Banks — the minimum IFR requirement will now be assessed only on balance sheet dates rather than on a continuous basis. For a foreign bank operating in India in via branches, the balance in IFR shall be transferred directly to 'statutory reserves kept in Indian books' or 'remittable surplus retained in Indian books which is not repatriable so long as the bank functions in India.'

## **FSDC Sub-Committee discussed financial sector developments, challenges and progresses**

The Sub-Committee of the Financial Stability and Development Council (FSDC-SC) held its 33<sup>rd</sup> meeting under the chairmanship of Shri Sanjay Malhotra, Governor, RBI. Important global and domestic macroeconomic and financial sector developments were discussed, along with, emerging issues bearing implications for financial stability. A review was conducted of the progress achieved in several inter-regulatory matters and regulatory impact assessment. Emphasis was iterated on enhancing the quality, transparency and accountability of regulatory processes. The FSDC-SC reaffirmed its commitment to increasing the financial sector's resilience via inter-regulatory coordination; and being vigilant about emerging challenges, including those from geopolitical tensions.

## **Cabinet approved Emergency Credit Line Guarantee Scheme 5.0**

Cabinet approved Emergency Credit Line Guarantee Scheme 5.0, which aims to provide credit guarantee coverage of 100% for MSMEs and 90% for non-MSMEs as well as airline sector, to Member Lending Institutions (MLIs) by National Credit Guarantee Trustee Company Limited (NCGTC) for the amount in default under the additional credit facility extended to the eligible borrowers to tide over any short-term liquidity mismatches, against the backdrop of ongoing West Asia situation.

## NPS subscribers to benefit from Retirement Income Schemes

The Pension Fund Regulatory and Development Authority (PFRDA) has introduced a new post-retirement framework, Retirement Income Schemes (RIS) and draw-down options, under the National Pension System (NPS), to improve cashflow predictability and ensure corpus longevity during the retirement phase of the subscriber. The new framework allows subscribers to receive periodic payouts from their retirement corpus, while keeping a portion of their money invested for potential market-linked growth.

## NPA allowed to invest in NDB's rupee-dominated bonds

With effect from May 13, 2026, the PFRDA has allowed Government and private sector NPS investments in rupee-denominated bonds issued by the New Development Bank (NDB). Earlier, such investments could only be made in rupee-denominated bonds issued by the International Bank for Reconstruction and Development, the International Finance Corporation and the Asian Development Bank.

## PFRDA offers incentives to grassroot pension agents

To empower last-mile rural agents to facilitate pension inclusion, the PFRDA has extended its '₹100 per subscriber incentive framework' to Points of Presence (PoPs) for enrolments made under NPS Sanchay. Under this initiative, which will remain active until March 31, 2027, the incentive will only be released after the initial contribution amount prescribed by PFRDA is successfully received and the current contribution norms are complied with.

## Banking Policies



## RBI mandated cooling period for co-operative bank Directors

The RBI has introduced a mandatory three-year cooling-off period for Directors of Urban Co-operative Banks (UCBs) and Rural Co-operative Banks (RCBs) after they complete 10 continuous years on the board. During the cooling-off period, the said Director shall not be associated with the UCB/RCB in any capacity/manner other than as a member/customer. However, if such a Director fulfils other eligibility criteria, he/she can still be appointed on the Board of another bank.

## RBI amended meaning of the term 'Reserve Revenue'

As per changes made under the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Sixth Amendment Directions, 2026, the expression 'Revenue Reserve' shall mean any reserve other than Capital Reserve. It will include all reserves, other than those separately classified. The expression 'reserve' shall not include any amount retained to provide for depreciation, renewals, any known liability or diminution in value of assets. The details on movement of provisions for Non-Performing Investments (NPIs) have also been modified.

## Not necessary to activate CCyB at this time: RBI

The framework on Countercyclical Capital Buffer (CCyB) laid out in Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, states that CCyB would be activated in a pre-

announced manner, as & when circumstances warrant. The framework envisages credit-to-GDP gap as the main indicator to be used in conjunction with other supplementary indicators if needed. After conducting a review and empirical analysis of CCyB indicators, RBI has decided that it is not necessary to activate CCyB at this point in time.

## Banking Developments

### **RBI updated framework for Authorised Dealers (ADs)**

RBI has revised norms for the entities dealing in foreign exchange, whereby fresh licences will not be issued to money changers. The regulations recognise three categories of Authorised Dealers (ADs):

- AD Category-I — Licensed banks permitted to undertake any current and capital account transaction permissible under FEMA.
- AD Category-II — Banks, NBFCs, eligible Full-Fledged Money Changers (FFMCs)/Forex Correspondents (with more than 2 years' experience and an annual forex turnover of ₹50 crore). These are permitted to handle non-trade current account transactions and foreign trade transactions up to ₹25 lakh per transaction.
- AD Category-III — Entities that have forex dealings incidental to their core business or those offering innovative forex-linked products.

The updated regulations have specifically defined the permitted activities.

### **Amendment for including quarterly profits in Common Equity Tier I capital**

RBI has eased the norms for banks to include current year profits in their capital adequacy calculations on a quarterly basis by removing an “additional qualifying condition”. As per the revised norms, banks may reckon the profits in the current financial year for Capital to Risk weighted Assets Ratio (CRAR) calculation on a quarterly basis subject to certain conditions, including a prescribed formula. Also, the financial statements will be audited or subjected to limited review on a quarterly basis.

### **RBI eased rules for outward remittances by non-bank entities**

Till recently, non-bank entities had to acquire prior approval to form tie-ups for facilitating outward remittance services through banks in India. Now, the RBI has removed this requirement and issued an operating framework for facilitating such remittances through AD Cat-I banks in India. These banks will be solely responsible for ensuring compliance of the transactions with FEMA and undertaking due Know Your Customer (KYC) procedures.

## Capital Market

### **SEBI relaxed nomination rules and processes**

To reduce the accumulation of unclaimed financial assets, the Securities and Exchange Board of India (SEBI) has simplified the nomination norms for demat accounts and Mutual Fund (MF) folios, while making the process easier for investors to follow. For all single accounts/folios that will be opened once these norms get operational,

the investor shall mandatorily provide nomination or then submit a declaration form for 'opt-out'. Nomination will be optional for jointly held demat account/folios. Investors can provide up to 3 nominees for each account/folio. The nominations can be changed or cancelled any number of times.

### **SEBI revised MCR format to capture more granular data**

SEBI has revamped its Monthly Cumulative Report (MCR) format for MFs to align reporting requirements with the updated scheme categorization framework. The new format will be able to capture more granular data across several classifications, including equity, debt, hybrid, exchange traded funds, index funds and overseas funds. This new structure, along with separate Specialized Investment Fund (SIF) formats, will become effective from June 2026.

### **IRRA platform discontinued owing to its redundancy in present times**

Observing the redundancy of the Investor Risk Reduction Access (IRRA) platform with the emergence of stronger business continuity and cyber resilience frameworks in the securities market, the SEBI has discontinued this platform. Launched on October 1, 2023, IRRA was designed to provide stock brokers with an alternative access point for trading, during the disruption of trading services offered by them.

### **Index will be classified as 'significant' if daily AUM exceeds ₹20,000 crore: SEBI**

To enhance transparency and accountability in index governance, the SEBI has introduced a regulatory framework whereby an index will be classified as a "significant index" if it is benchmarked by MF schemes with daily average cumulative Assets Under Management (AUM) exceeding ₹20,000 crore for six months preceding June 30 and December 31 of each year. It will continue to remain in that bracket unless its tracked AUM falls below the threshold for three consecutive years.

### **Stock price data will be available for educational content only after 30 days: SEBI**

SEBI has mandated Market Infrastructure Institutions (MIIs) such as stock exchanges, clearing corporations and depositories to ensure market price data used for educational and awareness purposes carry a mandatory 30-day lag. Effective from July 1 2026, this rule is aimed to prevent misuse of price data and ensure that the content remains purely educational.

### **SEBI cautions REs about risks from AI tools, sets up task force**


SEBI has issued an advisory cautioning REs about the emerging risks from advanced Artificial Intelligence (AI) driven vulnerability identification tools, including Anthropic's AI model Mythos. SEBI has also set up a task force named cyber-suraksha.ai, comprising representatives from Market Infrastructure Institutions (MIIs), Qualified Registrar and Transfer Agents (QRTAs), Qualified Regulated Entities (QREs) and other related stakeholders.

## **Regulator Speaks**



### **Uncertainty is a defining feature of the monetary policy landscape: Mr. Sanjay Malhotra, Governor, RBI**

Speaking at the 12<sup>th</sup> High-Level Conference on the International Monetary System jointly organized by the Swiss National Bank (SNB) and the International Monetary Fund (IMF), Mr. Sanjay Malhotra, Governor, RBI



stated that uncertainty is not just an important feature of the monetary policy landscape but is rather a defining characteristic of that landscape. He elucidated about the principles embedded in monetary policy frameworks to help them navigate uncertainty. First principle is to prioritise robustness over optimality during uncertain times. Second is the Brainard principle of attenuation which talks about gradualism in policy making. Other principles include anchoring inflation expectations; maintaining transparency and having clear and effective communication.

### **More work is required to deepen and strengthen our financial markets: Mr. Sanjay Malhotra, Governor, RBI**

Speaking at the 25<sup>th</sup> FIMMDA-PDAI Annual Conference, Mr. Sanjay Malhotra, Governor, RBI said that while working towards the development of various market segments, we have focussed on strengthening market infrastructure; enhancing transparency and ease of investments for foreign investors across market segments. Despite the considerable progress achieved, there is more to be done. We need to improve liquidity across all tenors and securities; improve Over-the-Counter (OTC) derivatives markets; and improve credit derivatives. He observed that Indian banks deal only with offshore market-makers rather than with end-users. However, for the global INR market to be on-shored, Indian banks will need to evolve as market-makers globally. Usage of the FX Retail platform remains limited. Banks must facilitate the use of the FX Retail Platform on priority to help retail users get a fair deal.

### **Banking is more of judgment and experience, than just numbers: Mr. Swaminathan J, Deputy Governor, RBI**

Delivering the 12<sup>th</sup> G. Ramachandran Memorial Lecture at the Madras School of Economics, Mr. Swaminathan J, Deputy Governor, RBI said that going beyond numbers, models and regulations, banking leans substantially on judgement, experience and a strong sense of public purpose; especially in credit decisions that behold uncertainty about the future. Mr. Swaminathan also drew attention to the importance of looking beyond balance sheets to understand real business conditions, governance practices and borrower behaviour. He averred that regulators must go beyond looking at just institutional performance, to focus on safety, soundness and the larger public interest. He also spoke about the challenges that continue to emerge in today's rapidly-evolving financial ecosystem comprising of digitisation, data-driven lending and strengthening of non-bank intermediaries.

### **India's inflation has moderated impressively after adopting inflation targeting: Dr. Poonam Gupta, Deputy Governor, RBI**

Inflation Targeting (IT) has been an established concept on a global level for the last three decades, India's tryst with the same has been quite recent, said Dr. Poonam Gupta, Deputy Governor, RBI speaking at National Council of Applied Economic Research (NCAER). The concept of IT was first adopted by New Zealand in the early 1990s. Since then, it has become the benchmark monetary policy framework across Advanced Economies (AEs) and Emerging Market and Developing Economies (EMDEs), albeit a common concern expressed about IT is that the single-minded pursuit of price stability may come at the cost of growth. Before adopting IT, India's inflation stayed persistently above the world average and EMDE average. However, after adopting IT, India's inflation has scaled down impressively as compared to other economies.

## India is on a growth trajectory; must extend framework on sub-national levels for more prosperity: Dr. Poonam Gupta, Deputy Governor, RBI

Speaking at the Columbia University, Dr. Poonam Gupta, Deputy Governor, RBI stated that India has certainly achieved accelerated growth and macroeconomic stability. Every Indian state has recorded a significant rise in per capita income over the past two decades. However, the pace of income growth has not been similar across all states. If India has to sustain, or rather, exceed its encouraging growth trajectories to grow more prosperous by 2047, we will have to extend the current growth frameworks at subnational levels. Dr. Gupta stated that the main question is how broadly and how equitably the prosperity would be shared across its states and its people.

### Economic Wrap Up

#### The Department of Economic Affairs released Monthly Economic Review, May 2026. Its key highlights are as follows:

- The West Asia conflict has emerged as a major shock with its effects increasingly visible across energy markets, supply chains, trade routes and global financial conditions. Elevated energy, transportation and logistics costs have revived inflationary pressures and renewed stagflation concerns across major economies.
- Retail inflation increased only marginally to 3.48% and remained below the RBI's target, pressures intensified in select food items and services. In contrast, wholesale inflation accelerated sharply to 8.3%, driven primarily by elevated global energy prices, currency depreciation and low base effect.
- India's total exports (merchandise and services) rose to USD 80.8 billion in April 2026, registering a (YoY) growth rate of 13.6%.
- Merchandise imports registered an YoY growth of 10%, largely driven by higher imports of gold and silver, which rose by 81.7% (YoY) and 157.2% (YoY), respectively.
- Services exports increased by 13.4% (YoY), amounting to USD 37.2 billion, whereas, Services imports decreased by 1.5% (YoY).
- Gross Foreign Direct Investment (FDI) inflows reached a historical peak of USD 94.5 billion in FY26, up from USD 80.6 billion in the corresponding period of the previous year (an increase of 17.3% YoY), indicating sustained investor interest in the Indian economy despite the uncertain global environment.
- After recording net inflows in February 2026, Foreign Portfolio Investors (FPIs) recorded cumulative outflows of USD 23.6 billion from Indian markets since the onset of the conflict till May 21, 2026.

### New Appointments

| Name              | Designation                               |
|-------------------|---|
| Mr. Gunveer Singh | Executive Director, Reserve Bank of India |

## Forex

| Foreign Exchange Reserves              |                    |          | Trends in Foreign Exchange Reserve (US\$ Mn) last 6 months |
|--|--------------------|----------|--|
| Item                                   | As on May 29, 2026 |          |  |
|  | ₹ Cr.              | US\$ Mn. |  |
|  | 1                  | 2        |  |
| <b>1 Total Reserves</b>                | 6483678            | 682321   |  |
| <b>1.1 Foreign Currency Assets</b>     | 5189565            | 546148   |  |
| <b>1.2 Gold</b>                        | 1069944            | 112600   |  |
| <b>1.3 SDRs</b>                        | 178137             | 18747    |  |
| <b>1.4 Reserve Position in the IMF</b> | 46032              | 4826     |  |

Note: Data as reported on last Friday of respective month

Source: Reserve Bank of India

### Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on May 29, 2026, applicable for the month of June 2026

| ARR Name    | Base Rates of ARR (%) |
|-------------|-----------------------|
| SOFR (USD)  | 3.63                  |
| SONIA (GBP) | 3.729                 |
| €STR (EUR)  | 1.932                 |
| TONA (JPY)  | 0.727                 |
| CORRA (CAD) | 2.2500                |

| ARR Name     | Base Rates of ARR (%) |
|--------------|-----------------------|
| AONIA (AUD)  | 4.35                  |
| SARON (CHF)  | -0.039893             |
| OCR (NZD)    | 2.25                  |
| SWESTR (SEK) | 1.646                 |
| SORA (SGD)   | 0.9060                |

| ARR Name    | Base Rates of ARR (%) |
|-------------|-----------------------|
| HONIA (HKD) | 2.08615               |
| MYOR (MYR)  | 2.75                  |
| DESTR (DKK) | 1.5360                |

Source: [www.fbil.org.in](http://www.fbil.org.in)

## Glossary

### Full Fledged Money Changers

Full Fledged Money Changers are companies registered to undertake purchase of foreign exchange and sale of foreign exchange for specified purposes, namely, private and business travel abroad.

## Financial Basics

### Modified Internal Rate of Return

The Modified Internal Rate of Return (MIRR) is used to correct the distortions caused by unconventional cash flow patterns (including alternating positive and negative cash flows) and to eliminate the unrealistic assumption in IRR that intermediate cash inflows are reinvested at the project's internal rate of return.

## Institute's Training Activities

### Training Programmes for the month of June 2026

| Programmes  | Dates   | Location                        |
|---|---|---------------------------------|
| Programme on Foreign Exchange Operations & International Banking  | 15 <sup>th</sup> -19 <sup>th</sup> June, 2026 | Leadership Centre, IIBF, Mumbai |
| Programme on Basic Credit Skills (Appraisal, Due Diligence & Monitoring)                                      | 16 <sup>th</sup> -17 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on Credit Appraisal, Monitoring & Recovery  | 16 <sup>th</sup> -18 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on Know Your Customer (KYC), Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT)   | 16 <sup>th</sup> -18 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on Export and Import Finance for Bank Officials   | 16 <sup>th</sup> -18 <sup>th</sup> June, 2026 | PDC South Zone, Chennai         |
| Programme for Internal Auditors of Banks & FIs  | 17 <sup>th</sup> -18 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on Operational Risk (ORM) and Operational Resilience based on RBI Guidance for Banks/NBFCs/FIs/SFBs | 23 <sup>rd</sup> -24 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on Discipline Management, Investigation & Disciplinary Action/Proceedings for Banks                 | 23 <sup>rd</sup> -25 <sup>th</sup> June, 2026 | Virtual                         |
| Programme on use of AI & Emerging Technologies in Banking & Finance   | 24 <sup>th</sup> -25 <sup>th</sup> June, 2026 | Virtual                         |

## News from the Institute

### Webinar on “Digital lending: Convenience, Compliance, Inclusion and Customer protection”

IIBF organised a webinar on “Digital lending: Convenience, Compliance, Inclusion and Customer protection” on June 5, 2026, 3pm onwards. The webinar was delivered by Prof. Ram Kumar Kakani, Vice Chancellor, RV University. The lecture was well received and attended by a wide number of bankers.

### The Banking L&D Leaders’ Meet 2026

IIBF is proud to present “The Banking L&D Leaders’ Meet 2026”, on theme “Architecting the Future-Ready Banker: Capabilities, Compliance, and Collaboration” - bringing together Learning & Development heads from leading Public and Private Sector Banks across India, on June 9, 2026, in Mumbai. The Meet was designed as a



high-impact, full-day dialogue between IIBF and the L&D community – exploring the capabilities, compliance mandates and collaborative frameworks needed to build the future-ready banker.

**Flipbooks available for JAIIB & CAIB study books**

IIBF is pleased to inform that the Institute has now made available the digital version of the JAIIB, CAIB, CAIB Electives and DB&F examination study books (Flipbooks). For more details, please visit [www.iibf.org.in](http://www.iibf.org.in)

**Bank Quest Theme for upcoming issue**

The theme for the April-June 2026 Issue of Bank Quest is “Financial Inclusion – The Next Phase”.

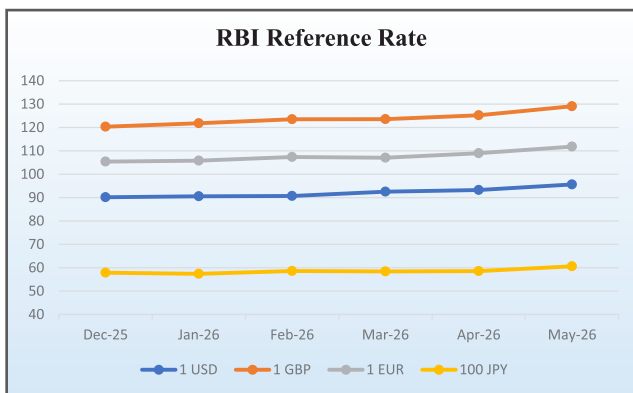
**Cut-off date of guidelines/important developments for examinations**

The Institute has a practice of asking questions in each exam about the recent developments/guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that: (i) In respect of the exams to be conducted by the Institute for the period from March to August of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June will only be considered for the purpose of inclusion in the question papers.

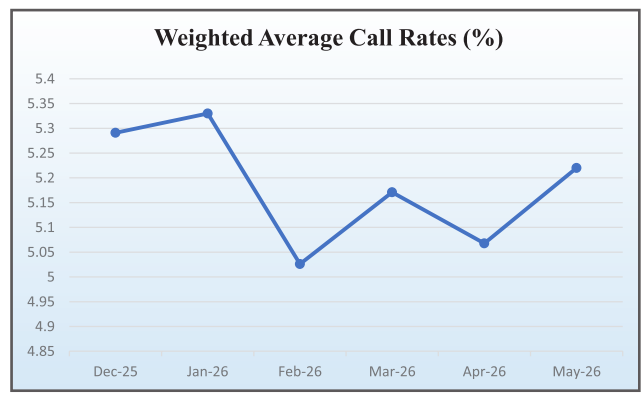
**Green Initiative**

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

**Market Roundup**

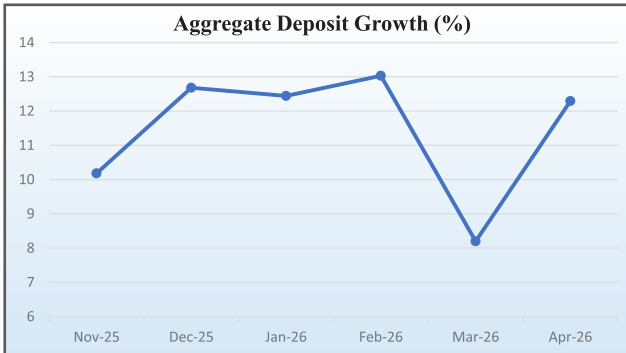


Source: FBIL

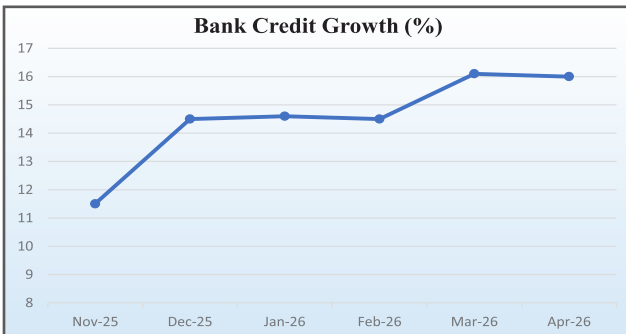


Source: Weekly Newsletter of CCIL

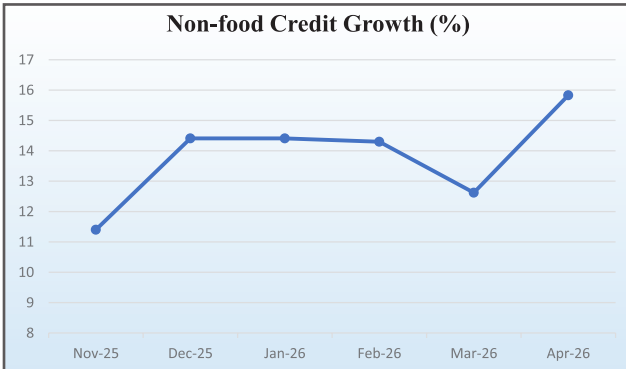
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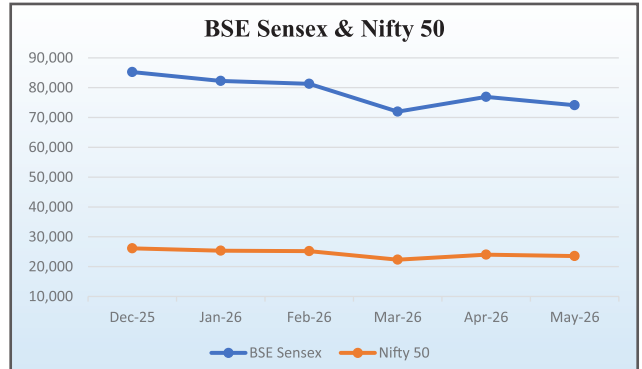
Source: Monthly Review of the Economy, CCIL, April 2026



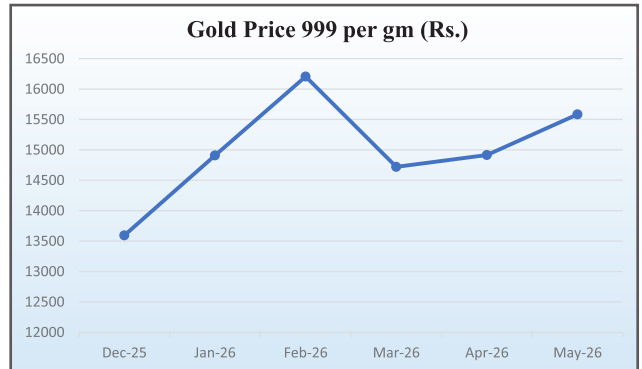
Source: Reserve Bank of India



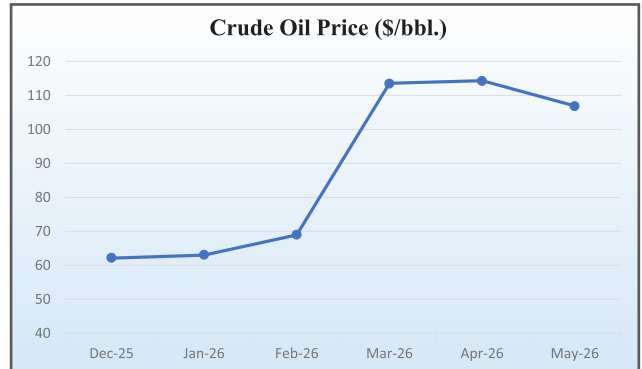
Source: Monthly Review of the Economy, CCIL, April 2026



Source: BSE & NSE



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas

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