

RBI updates the KYC Rules for Authorised Persons under FEMA

The **Reserve Bank of India (RBI)** vide its **Notification No. RBI/2025-26/99 dated November 29, 2025**, has revised the KYC compliance framework for all Authorised Persons (APs) dealing in foreign exchange, money changing, overseas investments, remittances, and MTSS operations.

With the earlier 2016 KYC Master Direction now replaced, APs must follow entity-specific KYC directions applicable to them. Those regulated by the Department of Regulation must comply with their respective KYC frameworks, while APs not regulated by DoR must adhere to the “RBI (Non-Banking Financial Companies – Know Your Customer) Directions, 2025.”

The Notification also requires APs to ensure that their agents, sub-agents, and franchisees follow the same updated norms. The directions have been issued under FEMA sections 10(4) and 11(1), and related Master Directions, including those on money changing, overseas investment, remittance facilities, and MTSS, are being amended.

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