

Reserve Bank of India (Payments Banks - Undertaking of Financial Services) (Amendment) Directions, 2025

The Reserve Bank of India vide its Notification No. RBI/DOR/2025-26/137 dated December 05, 2025, has updated the framework for Payments Banks following the entity-wise Master Directions released on November 28, 2025. The amendments, developed after public consultation and stakeholder feedback, clarify the definitions and permissible activities for Payments Banks engaging in third-party financial products.

The amendment introduces a revised definition of Agency Business, allowing banks to act as agents of third-party product or service providers (TPPSPs) for regulated financial products, including insurance, mutual funds, and pensions, without assuming risk. It outlines responsibilities such as marketing, sales, customer support, and after-sales services.

Additionally, Referral Services are defined to permit Payments Banks to refer customers to TPPSPs without involvement in product processes or branding, ensuring operational separation and compliance. The directions aim to standardise practices, maintain regulatory clarity, and protect customer interests while enabling Payments Banks to participate in agency and referral business models.

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