



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Extension of timeline for implementation of SEBI Circular dated February 04, 2025 on ‘Safer participation of retail investors in Algorithmic trading’.

The Securities and Exchange Board of India (SEBI) has further extended the timeline for the complete implementation of its framework for the safer participation of retail investors in algorithmic (Algo) trading, originally mandated by the February 2025 circular. While stock brokers ready with the necessary systems may proceed with implementation starting October 1, 2025, a glide path has been introduced for those needing more time due to recent clarifications in operational modalities. This path sets out three key milestones: registration applications for retail algo products and at least one strategy must be submitted by October 31, 2025 (Milestone 1); registration completion by November 30, 2025 (Milestone 2); and mandatory participation in a mock session with the new functionality by January 3, 2026 (Milestone 3). Stock brokers failing to meet these milestones will be barred from onboarding new retail clients for API-based algo trading from January 5, 2026. The full implementation of the new algo framework will be mandatory for all stock brokers starting April 1, 2026.

For more information, you can access the SEBI circular here:

https://www.sebi.gov.in/legal/circulars/sep-2025/extension-of-timeline-for-implementation-of-sebi-circular-dated-february-04-2025-on-safer-participation-of-retail-investors-in-algorithmic-trading_96979.html

MINISTRY OF FINANCE

1. Monthly review of accounts of Government of India up to August 2025 (FY 2025-26).

The monthly accounts of the Government of India up to the month of August, 2025 has been consolidated and reports published. The highlights are given below: - The Government of India has received ₹12,82,709 crore (36.7% of corresponding BE 2025-26 of Total Receipts) up to August, 2025 comprising ₹8,10,407 crore Tax Revenue (Net to Centre), ₹4,40,332 crore of Non-Tax Revenue and ₹31,970 crore of Non-Debt Capital Receipts. ₹5,30,148 crore has been transferred to State Governments as Devolution of Share of Taxes by Government of India this period which is ₹74,431 crore higher than the previous year. Total Expenditure incurred by Government of India is ₹18,80,862 crore (37.1% of corresponding BE 2025-26), out of which ₹14,49,283 crore is on Revenue Account and ₹4,31,579 crore is on Capital Account. Out of the Total Revenue Expenditure, ₹5,28,668 crore is on account of Interest Payments and ₹1,50,377 crore is on account of Major Subsidies.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2173166>

2. Financial Intelligence Unit (FIU IND) issues notices for non-compliance to 25 offshore Virtual Digital Assets Service providers (VDA SPs) under Section 13 of the Prevention of Money Laundering Act (PML) Act, 2002.

As part of recent part of compliance action against the such entities, Financial Intelligence Unit India (FIU IND) has issued notices for non-compliance to the 25 offshore Virtual Digital Assets Service Providers (VDA SPs) under Section 13 of the Prevention of Money Laundering (PML) Act, 2002. Further, the Director

FIU IND, in exercise of powers under Section 79(3)(b) of the Information Technology Act, 2000, has also issued notices to the aforesaid entities with respect to takedown of the application/URLs for public access which have been found to be operating illegally without complying with the relevant provisions of the PML Act, 2002 in India. Virtual Digital Assets Service Providers (VDA SPs) were brought into the ambit of Anti Money Laundering/Counter Financing of Terrorism (AML-CFT) framework under the provisions of the Prevention of Money Laundering Act (PML) Act, 2002 in March 2023. It must be mentioned that the Crypto products and NFTs are unregulated and can be highly risky. There may be no regulatory recourse for any loss from such transactions.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2173758>

3. Union Finance Minister Smt. Nirmala Sitharaman to Launch Nationwide Awareness Campaign of Unclaimed Financial Assets – “आपकी पूँजी, आपका अधिकार” (“Your Money, Your Right”) from Gandhinagar, Gujarat on 4th October, 2025.

The Department of Financial Services (DFS), Ministry of Finance, Government of India, in coordination with the Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Securities and Exchange Board of India (SEBI), and the Investor Education and Protection Fund Authority (IEPFA) under the Ministry of Corporate Affairs, will launch a three-month nationwide awareness campaign (October–December 2025) on unclaimed assets in the financial sector, titled “आपकी पूँजी, आपका अधिकार” — Your Money, Your Right. Unclaimed financial assets, including insurance policy claims, bank deposits, dividends, shares, and mutual fund proceeds, often remain unclaimed due to lack of awareness or outdated account details. During the campaign, the citizens will be provided on-the-spot guidance on how to search for their unclaimed assets, update records and complete claim procedures. Digital tools and step-by-step demonstrations will also be showcased. A special financial inclusion exhibition will also be organized featuring stalls from banks, insurance companies, mutual funds, and pension institutions.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2173503>

MINISTRY OF CORPORATE AFFAIRS

1. Insolvency and Bankruptcy Board of India celebrates its Ninth Annual Day.

The Insolvency and Bankruptcy Board of India (IBBI) celebrated its Ninth Annual Day today. Hon’ble Justice Ashok Bhushan, Chairperson, National Company Law Appellate Tribunal graced the occasion as the Guest of Honour. In his address on the occasion, Hon’ble Justice Ashok Bhushan, reflected on the stellar accomplishments of the Insolvency and Bankruptcy Code over the period of nine years and at the same time drew attention to the challenges that must be addressed to secure its continued efficacy. In outlining the way forward for the insolvency ecosystem, he emphasized the need to augment institutional capacity, enhance value realization through robust competitive bidding, and encourage the wider adoption of innovative platforms. His insightful observations offered both inspiration and direction, serving as a beacon for all stakeholders in their collective endeavour to strengthen and elevate the IBC framework. He lauded the IBBI for its proactive role as a regulator, one that constructively engages with stakeholders and nurtures research in insolvency law to underpin informed and evidence-based policymaking. He acknowledged IBBI’s meticulous and forward-looking regulatory approach, harmonized with the nation’s broader economic objectives, while underscoring the imperative of continuous innovation, sustained capacity building, and the strategic deployment of technology to facilitate timely admissions and expeditious resolutions. To commemorate its establishment, the IBBI has instituted an Annual Day Lecture Series. Ms. Deepti Gaur Mukerjee, Secretary, Ministry of Corporate Affairs and Sh. M. Nagaraju, Secretary, Department of Financial Services, Ministry of Finance delivered the Annual Day Lecture this year. The event was graced by the presence of Shri Jayanti Prasad, Whole Time Member, IBBI; Shri Sandip Garg, Whole Time Member, IBBI and Shri Bhushan Kumar Sinha, Whole Time Member, IBBI. As part of the ninth Annual Day celebrations, an annual publication, “Breaking New Ground: IBC’s Role in Building a Resilient Economy” was released.

This publication marks the seventh consecutive annual release of the IBBI's Annual Publication. The event witnessed participation of eminent dignitaries and key stakeholders of the insolvency ecosystem, including officers from the Government and regulatory bodies, representatives of insolvency professional agencies and registered valuers' organizations, insolvency professionals, registered valuers, other industry experts, debtors, creditors, business leaders, and academicians.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2173854>

2. IICA to Host 2nd National Conference & Exhibition on Corporate Social Responsibility (NCCSR) on 'Leveraging CSR Excellence for Tribal Development' in New Delhi on 6–7 October.

The Indian Institute of Corporate Affairs (IICA) will host the 2nd National Conference and Exhibition on Corporate Social Responsibility (NCCSR 2025) on 6–7 October 2025 in New Delhi. The theme of the conference is "Leveraging CSR Excellence for Tribal Development." The event is organised by IICA through its School of Business Environment, in collaboration with the Ministry of Corporate Affairs, Ministry of Tribal Affairs, Ministry of DoNER, and Department of Public Enterprises. The conference is rooted in the observance of IICA CSR Day on 2 October, inspired by Mahatma Gandhi's ideals of trusteeship and responsible business. This tradition continues to uphold Gandhian values while providing a national platform for dialogue, recognition, and collaboration in advancing India's CSR agenda. NCCSR 2025 will feature six High Level expert panel discussions, a live Social Innovation Lab, a tribal cultural showcase, and a dedicated exhibition of 30–35 stalls. A National Compendium on CSR Best Practices will also be released, recognising exemplary projects driving social impact. Leading organisations, including TRIFED, HCL Foundation, UNICEF, IOCL, GAIL, SPARK MINDA, Partners In Change, AMRITA Vishwa Vidyapeetham and others, are actively participating to showcase pioneering CSR initiatives. By joining NCCSR 2025, delegates will not only contribute to shaping national CSR priorities but also gain the opportunity to showcase transformative work, build cross-sectoral partnerships, and help chart a roadmap for tribal-centred, inclusive growth. This is a rare opportunity to be part of a powerful movement advancing India's journey towards Viksit Bharat @2047.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2174952>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. IBBI, ED reached solution to address problem in interface between insolvency law, PMLA: Official.

The Insolvency and Bankruptcy Board and the Enforcement Directorate have arrived at a solution to address the problem related to the interface between the insolvency law and the PMLA in resolving stressed assets. There have been issues in resolution of certain cases under the Insolvency and Bankruptcy Code (IBC) where there have been suspected assets involving black money. Under the Prevention of Money Laundering Act (PMLA), the Enforcement Directorate (ED) can attach such assets. The IBC provides a moratorium on assets of an entity undergoing insolvency resolution process. He was speaking at the ninth annual day of the IBBI, which is a key institution under the IBC. "Recently, Supreme Court gave two judgements related to real estate. So we have started working on those directions given by the Supreme Court and in the next two, three months I hope that we should be able to implement those suggestions," he said. Meanwhile, the IBBI is also working on draft regulations with respect to the proposed amendments to the IBC. In August this year, the government introduced a bill to amend the Code in the Lok Sabha and was referred to a select committee of the House. Various amendments proposed in the bill were decided upon after extensive stakeholder consultations, and back in January 2023, the government issued a discussion paper to seek stakeholder inputs on further improving the Code. So far, the Code has undergone six legislative interventions since its enactment, and the last amendment was made in 2021.

For more information, you can access the article here:

<https://economictimes.indiatimes.com/news/india/ibbi-ed-reached-solution-to-address-problem-in-interface-between-insolvency-law-pmla-official/articleshow/124263528.cms?from=mdr>

2. IBC Amendment Bill: Centre re-examining draft 'out-of-court' insolvency rules to minimize litigation.

The Centre is re-looking at the draft IBC (Amendment) Bill, 2025 to ensure there are no provisions that could lead to litigation. The government may change some clauses of the newly introduced 'Creditor-Initiated Insolvency Resolution Process' (CIIRP) - an out-of-court insolvency process - as it feels the provisions in the new draft bill need some modifications to avoid 'any form of litigation', the official said. "The feedback received on the draft tells us that tweaks are needed. We're looking at it and will make the changes wherever required." The CIIRP is a new concept within the IBC and is not yet in place, but will kick in once the new IBC Bill is passed by the Parliament. In simple terms, the CIIRP is an 'out-of-court' insolvency initiation mechanism to enable faster and more cost-effective insolvency resolution for genuine business failures with minimal disruption to the business. The draft Bill states that once implemented, the process will help ease the burden on judicial systems, promote ease of doing business, and improve access to credit.

For more information, you can access the article here:

<https://www.moneycontrol.com/news/economy/policy/ibc-amendment-bill-centre-re-examining-draft-out-of-court-insolvency-rules-to-minimize-litigation-13594876.html>

RESERVE BANK OF INDIA

1. Reserve Bank of India (Interest Rate on Advances) (Amendment Directions), 2025.

Refer to the Reserve Bank of India (Interest Rate on Advances) Directions, 2016 ('Directions') and the Circular on Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans dated August 18, 2023 ('Circular'), read with FAQs issued on January 10, 2025 ('FAQs'). On a review, in exercise of the powers conferred by the sections 21, 35A and 56 of the Banking Regulation Act, 1949 and Section 45JA, 45L and 45M of the Reserve Bank of India Act, 1934 and sections 30A and 32 of the National Housing Bank Act, 1987, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the following Amendment Directions.

Reserve Bank of India (Interest Rate on Advances) Directions, 2016

In Chapter – IV, the following proviso shall be inserted after sub-paragraph 8 (e):

Provided that, the other spread components may be reduced by banks for a loan category earlier than three years for customer retention, on justifiable grounds, in a non-discriminatory manner, and in terms of the bank's policy.

Circular dated August 18, 2023 on Reset of Floating Interest Rate on EMI based Personal Loans Paragraph 2 (ii) shall be modified as under:

At the time of reset of interest rates, REs shall may, at its option, provide the option a choice to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12902&Mode=0>

2. Reserve Bank of India (Lending Against Gold and Silver Collateral) – (1st Amendment) Directions, 2025.

Reserve Bank had issued Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 (hereinafter referred to as "the Directions"). Upon a review based on market feedback, certain amendments are envisaged with a view to clarifying certain aspects. Accordingly, in exercise of the powers

conferred by the sections 21, 35A and 56 of the Banking Regulation Act, 1949; Sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934; and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987, and all other laws enabling the Reserve Bank in this regard, the Reserve Bank, being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Amendment Directions hereinafter specified. The proposed amendments modify the Directions as under:

(i) Paragraph 12 shall stand amended with the insertions and deletions as highlighted:

12. A lender shall not grant any advance or loan:

(i) for purchase of gold in any form including primary gold, ornaments, jewellery, or coins, or for purchase of financial assets backed by gold, e.g., units of Exchange-traded funds (ETFs) or units of Mutual Funds; and

(ii) against primary gold or silver or financial assets backed by primary gold or silver.

Provided that a Scheduled Commercial Bank or a Tier 3 or 4 UCB may extend need-based working capital finance to borrowers who use gold or silver as a raw material, or as an input in their manufacturing or industrial processing activity, for which such gold or silver can also be accepted as security. A bank extending such finance shall ensure that borrowers do not acquire or hold gold for investment or speculative purposes.

These amendments shall come into force from the date of adoption of the Directions, as provided under paragraph 4 thereof. For a lender that has already adopted the Directions, the Amendment shall be effective from October 1, 2025.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12903&Mode=0>

3. Reserve Bank of India (Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas) Directions, 2025.

The Reserve Bank had issued a circular DOR.CAP.REC.No.56/21.06.201/2021-22 dated October 4, 2021 on “Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas” (hereinafter referred to as “the circular”). On a review, it has been decided to revise the existing eligible limit applicable to PDIs denominated in foreign currency/rupee denominated bonds overseas. Accordingly, in exercise of the powers conferred by section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby issues the Directions hereinafter specified. (i) These Directions shall be called the “Reserve Bank of India (Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas) Directions, 2025”. (ii) These Directions shall come into force from October 01, 2025. In supersession of the circular *ibid*, the revised limits applicable to PDIs denominated in foreign currency/rupee denominated bonds overseas shall be as under:

“Perpetual Debt Instruments (PDIs) issued in foreign currency/ rupee denominated bonds overseas shall be eligible for inclusion in Additional Tier 1 (AT1) capital up to a maximum amount of 1.5 per cent of Risk Weighted Assets (RWAs) as per the latest available financial statements (audited or subjected to limited review).”

The circular DOR.CAP.REC.No.56/21.06.201/2021-22 dated October 4, 2021 on “Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas” shall stand repealed.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12904&Mode=0>

4. Export Data Processing and Monitoring System (EDPMS) & Import Data Processing and Monitoring System (IDPMS) – reconciliation of export /import entries – Review of Guidelines.

Attention of Authorised Dealer Category – I banks (AD banks) is invited to the instructions in the Master Direction – Export of Goods & Services and Master Direction – Import of Goods & Services, related to processing of bills in EDPMS and IDPMS respectively. To facilitate timely closure of entries in EDPMS & IDPMS, and to reduce compliance burden on small exporters and importers, the following directions are being issued. Notwithstanding anything contained in the aforesaid master directions, AD banks shall adopt the following procedure while closing entries (including outstanding entries) in EDPMS & IDPMS of value equivalent to ₹10 lakh per entry/bill or less:

- Such entries shall be reconciled and closed based on a declaration provided by the concerned exporter that the amount has been realised or by the importer that the amount has been paid.
- Any reduction in declared value or invoice value of the shipping bills/bills of entry shall also be accepted, based on the declaration by the concerned exporter or importer.
- The declarations referred above may also be received on a quarterly basis from the exporters and importers in a consolidated manner (by combining several bills in one declaration) for bulk reconciliation and closing of EDPMS/IDPMS entries.

Accordingly, AD banks shall also review the charges levied for handling these small-value export and import transactions, keeping in view the revised procedure/relaxations mentioned above and ensure that the same are commensurate with the services rendered. AD banks shall not levy any penal charges (penalty) for delays in adherence to any regulatory guidelines. The above instructions shall come into force with immediate effect. The Master Direction – Export of Goods & Services and Master Direction – Import of Goods & Services shall accordingly be updated to reflect the above changes. AD banks may bring the contents of this circular to the notice of their constituents concerned. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12908&Mode=0>

5. Merchanting Trade Transactions (MTT) – Review of time period for outlay of foreign exchange.

Attention of Authorised Dealer Category – I banks (AD banks) is invited to Para 2 (vi) of A.P. (DIR Series) Circular No.20 dated January 23, 2020 wherein it has been indicated that ‘The entire MTT shall be completed within an overall period of nine months and there shall not be any outlay of foreign exchange beyond four months. The commencement date of merchanting trade shall be the date of shipment / export leg receipt or import leg payment, whichever is first. The completion date shall be the date of shipment / export leg receipt or import leg payment, whichever is the last’. On a review and in order to facilitate merchanting traders to manage their MTT efficiently, it has been decided to increase the time period for outlay of foreign exchange from four to six months. All the other directions indicated in the Circular referred above shall remain unchanged. The above instruction is applicable with immediate effect. AD banks may bring the contents of this circular to the notice of their constituents and customers concerned. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12907&Mode=0>

6. International Trade Settlement in Indian Rupees (INR).

Attention of Authorised Dealer Category – I banks (AD banks) is invited to Para 8(c) of A.P. (DIR Series) Circular No.10 dated July 11, 2022 wherein it has been indicated that the balance in Special Rupee Vostro Accounts can be used for: ‘Investment in Government Treasury Bills, Government securities, etc. in terms of extant guidelines and prescribed limits, subject to FEMA and similar statutory provision’. In the light of the directions issued through AP DIR Circular No.13 dated October 03, 2025, AD banks may permit investment of surplus balances in the Special Rupee Vostro Accounts also in non-convertible debentures/bonds and commercial papers issued by an Indian company in terms of guidelines and limits prescribed vide the referred circular dated October 03, 2025. The above instruction is applicable with immediate effect. AD banks may bring the contents of this circular to the notice of their constituents and customers concerned. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12910&Mode=0>

7. India’s International Investment Position (IIP), June 2025.

Today, the Reserve Bank released data relating to India’s International Investment Position for end-June 2025. Net claims of non-residents on India declined by US\$ 16.4 billion during Q1:2025-26 and stood at US\$ 312.8 billion as at end-June 2025. It was mainly due to higher rise in Indian residents’ overseas financial assets (US\$ 47.8 billion) as compared to the foreign-owned assets in India (US\$ 31.4 billion). The ratio of India’s international assets to international liabilities improved to 79.2 per cent in June 2025 from 77.6 per cent a quarter ago and 71.5 per cent two years ago. The share of reserves in India’s international financial assets increased marginally to 58.7 per cent in June 2025. Reserve assets accounted for over 62 per cent of the rise in Indian residents’ overseas financial assets during the quarter; other major contributors were direct investments (17.6 per cent) and currency & deposits (6.7 per cent). Inward direct investment (45.5 per cent), loans (30.9 per cent) and currency & deposits (13.1 per cent) together constituted around 90 per cent of the rise in foreign liabilities of Indian residents during Q1:2025-26. The share of debt liabilities in total external liabilities declined marginally from 54.8 per cent to 54.5 per cent during the quarter.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61324

8. RBI imposes monetary penalty on Indian Overseas Bank.

The Reserve Bank of India (RBI) has, by an order dated September 29, 2025, imposed a monetary penalty of ₹31.80 lakh (Rupees Thirty One Lakh Eighty Thousand only) on Indian Overseas Bank (the bank) for non-compliance with certain directions issued by RBI on ‘Priority Sector Lending (PSL) – Targets and Classification’. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2024) of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank’s reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, inter alia, that the following charge against the bank was sustained, warranting imposition of monetary penalty: The bank collected loan related charges in certain PSL accounts, each having sanctioned loan amount up to ₹25,000/-. The action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61327

9. Reserve Bank launches ‘Scheme for Facilitating Accelerated Payout – Inoperative Accounts and Unclaimed Deposits’.

The Reserve Bank through its public awareness initiatives, has been encouraging members of public to activate their inoperative accounts and claim their unclaimed deposits from the banks. In this endeavour, to encourage the banks to actively pursue customers/ depositors for re-activation of their inoperative accounts and return of their unclaimed amounts lying with Depositor Education and Awareness (DEA) Fund, the Reserve Bank of India today announced a ‘Scheme for Facilitating Accelerated Payout - Inoperative Accounts and Unclaimed Deposits’. The Scheme aims to reduce both the stock of existing unclaimed deposits and fresh accretion of flows to the DEA Fund. It will run for a period of one year, viz., October 01, 2025 to September 30, 2026.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61330

10. Withdrawal of ₹2000 Denomination Banknotes – Status.

The Reserve Bank of India (RBI) had announced the withdrawal of ₹2000 denomination banknotes from circulation vide Press Release 2023-2024/257 dated May 19, 2023. The status of withdrawal of ₹2000 banknotes is periodically published by the RBI. The last press release in this regard was published on September 01, 2025. The facility for deposit and / or exchange of the ₹2000 banknotes was available at all bank branches in the country up to October 07, 2023. The facility for exchange of the ₹2000 banknotes is available at the 19 Issue Offices of the Reserve Bank (RBI Issue Offices)¹ since May 19, 2023. From October 09, 2023, RBI Issue Offices are also accepting ₹2000 banknotes from individuals / entities for deposit into their bank accounts. Further, members of the public are sending ₹2000 banknotes through India Post from any post office within the country, to any of the RBI Issue Offices for credit to their bank accounts. The total value of ₹2000 banknotes in circulation, which was ₹3.56 lakh crore at the close of business on May 19, 2023, when the withdrawal of ₹2000 banknotes was announced, has declined to ₹5,884 crore at the close of business on September 30, 2025. Thus, 98.35% of the ₹2000 banknotes in circulation as on May 19, 2023, has since been returned. The ₹2000 banknotes continue to be legal tender.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61342

11. RBI imposes monetary penalty on American Express Banking Corp.

The Reserve Bank of India (RBI) has, by an order dated October 01, 2025, imposed a monetary penalty of ₹31.80 lakh (Rupees Thirty One Lakh Eighty Thousand only) on American Express Banking Corp. (the bank) for non-compliance with certain directions of Reserve Bank of India (Credit Card and Debit Card - Issuance and Conduct) Directions, 2022 issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949. The statutory Inspection for Supervisory Evaluation (ISE 2024) of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on the supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank’s reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charge against the bank was sustained, warranting imposition of monetary penalty: The bank did not make any efforts to reverse credit balances of certain credit cardholders, arising out of refund / failed / reversed transactions, to their bank accounts. This action is based on deficiencies in regulatory compliance and is not

intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI press release here:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61361

You may send your suggestions at niyati@asalegal.in

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