Reserve Bank Of India (Commercial Banks – Credit Facilities) Fourth Amendment Directions, 2026

Notification dated June 23, 2026 introducing Chapter IIA for Credit Facilities Linked to Specific Payment Instruments including pre-sanctioned UPI credit lines. Similar amendments are introduced for Small Finance Banks.

The amendment ensures that prudential treatment of UPI-linked pre-sanctioned credit lines depends solely on the nature of the underlying credit facility and not on the payment channel or technology used.

Area	Earlier Position	Current Amendment
Framework	No dedicated chapter	New Chapter IIA inserted
Prudential Treatment	Not specifically clarified	Based on underlying credit facility
Credit Policy	No explicit provision	Terms to be included in bank credit policy
Permissibility	Implicit	Only otherwise permissible credit facilities can be offered
Legal Compliance	General	Other payment laws continue to apply

This amendment brings uniform regulatory treatment across banks, greater clarity for UPI-linked credit products, strengthens governance and compliance and facilitates responsible innovation in digital lending.

Kindly refer to the link for the further details - [Reserve Bank of India (Commercial Banks – Credit Facilities) Fourth Amendment Directions, 2026]