Reserve Bank Of India (Commercial Banks – Cash Reserve Ratio And Statutory Liquidity Ratio) Third Amendment Directions, 2026

RBI issued the Commercial Banks – Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) Third Amendment Directions, 2026 on June 19, 2026. The amendment modifies the Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio Directions, 2025 by providing a temporary CRR and SLR exemption for eligible Non-Resident (External) Rupee (NRE) term deposits. The amendment came into force with immediate effect. Similar amendments are introduced for Small Finance Banks, Regional Rural Banks, Rural Co-operative Banks and Urban Co-operative Banks.

The amendment provides that fresh NRE term deposits with a tenor of three years or more, mobilized (including renewals) between June 19, 2026 and September 30, 2026, shall be exempt from the maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).

This exemption:

- applies from the reporting fortnight beginning July 16, 2026;
- continues only for the original deposit amount as long as the deposit remains with the bank; and
- does not apply to amounts transferred from Non-Resident Ordinary (NRO) accounts to NRE accounts.

The amendment is intended to encourage banks to mobilize stable long-term foreign currency-linked deposits from Non-Resident Indians (NRIs) which allows banks to finance long-term loans and reduce liquidity risk. By exempting these deposits from CRR and SLR requirements, RBI reduces the regulatory cost of raising such funds, thereby improving banks' liquidity position and strengthening foreign currency inflows into the banking system.

Kindly refer to the link for the further details **Amendment**