FREE ERRATA · FOR THE NOVEMBER 2026 PAPERS

JAIIB Law Update Sheet — September 2026

Everything in banking law, RBI regulation, payments and the economy that moved **after 1 July 2026** — the date our books, mocks and videos were frozen — plus the handful of 2026 changes that IIBF's own textbooks still predate. Position verified as on **3 September 2026**. Keep this sheet next to your revision notes; a second sheet follows after the October MPC.

How to answer when the book and the law disagree. JAIIB papers are set from the IIBF textbooks, but a good share of PPB and IE&IFS questions use the words *currently, at present, latest, w.e.f.* or name a scheme/year. Rule of thumb: **(1)** the stem names an old scheme or year, or says *as per the textbook* — give the textbook figure; **(2)** the stem says *currently / latest / now* — give the figure in this sheet; **(3)** if only one of the two figures appears in the options, that is your answer. Section 8 lists the ten traps where the two positions differ.

1 · Policy rates and reserve ratios — position on 3 September 2026

Instrument	Now	Since	Note for the exam
Repo rate (policy rate)	5.25%	5 Dec 2025	Held in February, April, June and August 2026 — four straight pauses. Path: 6.50 → 6.25 (Feb 2025) → 6.00 (Apr 2025) → 5.50 (Jun 2025, −50 bps) → 5.25 (Dec 2025). Cumulative −125 bps.
Standing Deposit Facility (SDF)	5.00%	5 Dec 2025	Repo − 25 bps. Floor of the LAF corridor (SDF replaced fixed reverse repo as the floor in Apr 2022).
Marginal Standing Facility (MSF)	5.50%	5 Dec 2025	Repo + 25 bps (corridor ±25 bps). Ceiling of the corridor.
Bank Rate	5.50%	5 Dec 2025	Aligned to MSF. Penal rate for CRR/SLR shortfall.
Fixed reverse repo	3.35%	22 May 2020	Unchanged since 2020; not the corridor floor any more. Still asked.
CRR	3.00%	29 Nov 2025	Cut from 4.00% in four 25-bp steps (fortnights from 6 Sep 2025). Textbooks quote 4.5%/4.0% as illustrations — those are history.
SLR	18.00%	11 Apr 2020	Unchanged. Maximum permissible 40%.
Stance	Neutral	Jun 2025	August 2026 vote: unanimous hold. Next MPC: 5–7 October 2026 (before your first paper on 1 Nov).

RBI projections (5 Aug 2026 policy): real GDP FY27 6.7%; headline CPI expected to climb toward 5.9% in Oct–Dec 2026 as the low-base effect fades. Q1 FY27 actual growth came in far higher (Section 5).

2 · What changed after 1 July 2026 — the nine items that matter

2.1 Integrated Ombudsman Scheme 2026 is now the law (from 1 July 2026)

What changed: RB-IOS 2026 replaced RB-IOS 2021. Compensation for consequential loss up to **₹30 lakh** (was ₹20 lakh) plus up to **₹3 lakh** for time, expense and mental harassment (was ₹1 lakh). The complaint window is now **90 days** from the date the entity's 30-day reply period ends, or from its last reply (was one year). No monetary ceiling on the size of the dispute. Covers banks, eligible NBFCs, non-bank PPI issuers and Credit Information Companies; complaints continue through the Centralised Receipt and Processing Centre (CRPC), cms.rbi.org.in and 14448.

Earlier position: Books and our July print describe RB-IOS 2021 (₹20 lakh + ₹1 lakh; one-year window).

Exam line: 'Under the integrated ombudsman scheme *currently* in force the maximum award is' → ₹30 lakh. If the stem names RB-IOS 2021 → ₹20 lakh. The 30-day wait for the bank's reply is unchanged.

2.2 Loans against shares and IPO finance — limits raised tenfold (from 1 July 2026)

What changed: RBI's Capital Market Exposure amendment directions (issued Oct 2025, deferred from 1 Apr to 1 Jul 2026) fix a ceiling of **₹1 crore** per individual for loans against shares, debentures, REIT/InvIT units and similar securities, and **₹25 lakh** per individual for IPO/FPO/ESOP subscription finance — applied at the banking-system level. The old physical-vs-demat distinction goes. Banks may now extend **acquisition finance** to Indian corporates for gaining control of non-financial companies, and lending to capital-market intermediaries becomes principle-based (fully collateralised).

Earlier position: Textbook: ₹10 lakh against physical shares / ₹20 lakh against demat shares; IPO finance ₹10 lakh; no acquisition finance.

Exam line: 'Maximum loan to an individual against demat shares *at present*' → ₹1 crore. 'As per the RBI Master Circular discussed in the book' → ₹20 lakh (demat) / ₹10 lakh (physical).

2.3 Merchant Discount Rate law changed — but UPI is still free (17 August 2026)

What changed: The **Taxation and Other Laws (Amendment) Act, 2026** amended Section 10A of the Payment and Settlement Systems Act, 2007. The blanket bar on any charge for payments through 'prescribed electronic modes' (UPI and RuPay debit, in force since 1 January 2020) is replaced by a power for the Government to **notify** which modes stay charge-free. As on today no notification levies MDR; customers and small merchants still pay zero on UPI.

Earlier position: Books and our July print: zero MDR on UPI and RuPay debit under Section 10A PSS Act read with Section 269SU Income-tax Act (from 1-1-2020).

Exam line: Answer 'zero' for any question on the MDR applicable on UPI. If asked what the 2026 amendment did → it converted the statutory ban into a Government notification power.

2.4 UPI: biometric limit doubled; masked names and non-mobile IDs (Aug–Sep 2026)

What changed: NPCI raised the per-transaction cap for **biometric (fingerprint/face) authenticated** UPI payments from ₹5,000 to **₹10,000** from 7 August 2026. Its 5 June 2026 circular requires apps to mask the payer/payee mobile number in transaction screens and to offer UPI IDs not built on the mobile number — deadline **4 September 2026**. Ordinary limits are unchanged: ₹1 lakh per day P2P; ₹5 lakh per transaction / ₹10 lakh per day for specified P2M categories such as capital markets, insurance, travel and credit-card bill payments (since 15 Sep 2025).

Earlier position: July print: biometric UPI ₹5,000 (introduced 2025); textbook still says UPI cap ₹1 lakh / ₹2 lakh.

Exam line: 'Current limit for biometric-authenticated UPI' → ₹10,000. Never write ₹2 lakh as 'the UPI limit' unless the stem quotes the textbook.

2.5 Deposit pricing rules tightened — effective 1 October 2026 (issued 30 July 2026)

What changed: RBI (Interest Rate on Deposits) **Second Amendment** Directions 2026: a bank must offer the **same rate on the same day** for deposits of the same amount and tenor to all customers at all branches; bulk-deposit rates must be published on the website **every day by 10:00 a.m.** (ten-minute grace); differential rates on rupee bulk deposits may vary only by the LCR run-off category of the depositor (non-resident rupee deposits included). Applies to commercial banks, SFBs, RRBs, payments banks, LABs and UCBs.

Earlier position: Books: uniform rate across branches; bulk deposit = single rupee term deposit of ₹3 crore and above for SCBs and SFBs (₹1 crore for RRBs and LABs) — definition of 7 June 2024.

Exam line: The ₹3 crore bulk-deposit threshold is unchanged. New keyword: 'run-off category'.

2.6 FCNR(B)/NRE rupee-support measures closed on 31 August 2026

What changed: To defend the rupee (record low near ₹97/USD in May 2026; ₹94.47 on 3 Sep), RBI ran a package from 8 June 2026: a concessional USD–INR swap for fresh 3–5-year FCNR(B) deposits, CRR and SLR exemption on fresh FCNR(B) and NRE deposits of 3 years and above, and withdrawal of the interest-rate ceilings on such deposits. The window closed on **31 August 2026** (advanced from 30 Sep by the Third/Fourth Amendment Directions of 25 Aug 2026); swaps are executed by 11 Sep. Inflows reached **US$56.85 billion** by 13 Aug (US$52.3 bn FCNR(B)). The separate ECB/OFCB swap runs till 31 Dec 2026.

Earlier position: Not in books (2013 FCNR(B) swap window is the textbook precedent — US$34 bn).

Exam line: Two-line memory: 2013 window → US$34 bn; 2026 window → about US$57 bn, closed 31 Aug 2026.

2.7 Floating-rate loan pricing — draft directions out for comment (12 Aug; comments till 11 Sep 2026)

What changed: Draft RBI (Interest Rates on Loans and Advances) Directions 2026 propose: maximum **three-month reset** for all floating-rate loans; MCLR to be computed on a **three-month moving average** of the cost of fresh deposits and borrowings; the non-credit-risk part of the spread frozen for three years; a standard day-count convention; provisional start 1 April 2027 with full migration by 1 April 2029.

Earlier position: Books: MCLR (Apr 2016) and external benchmark (Oct 2019, reset at least once in three months) regimes.

Exam line: This is a **draft**. If asked 'as proposed in Aug 2026' → three-month reset / moving-average MCLR. The external-benchmark rule (reset at least every three months) is the current law.

2.8 SEBI's simplified nomination rules for demat accounts and mutual funds (1 September 2026)

What changed: New single-holder demat accounts and MF folios must either nominate or opt out; up to **three nominees** with percentage shares (equal if unspecified); only the nominee's name and relationship are mandatory; witness needed only for thumb-impression; intermediaries must send nomination reminders twice a year; nomination stays optional for joint holdings.

Earlier position: Books: nomination under Companies Act Sec. 72 and Banking Regulation Act Sec. 45ZA for deposits — bank deposit nomination is unchanged (single nominee under the 1985 Rules; Banking Laws (Amendment) Act 2025 allows up to four nominees, successive or simultaneous).

Exam line: Bank deposit → up to 4 nominees (2025 Act); demat/MF → up to 3 nominees (SEBI, 2026). Don't cross the two.

2.9 Q1 FY27 GDP and the new price indices (31 August 2026 release)

What changed: Real GDP grew **7.8%** in April–June 2026 (Q1 FY26: 6.9%; Q4 FY26: 8.6%), nominal GDP 10.3%, GVA 8.2%. Manufacturing 9.2%, services about 10%, agriculture 3.6%, mining −2.4%. Gross fixed capital formation rose 11.9%, 34.3% of GDP. Revised annual growth: FY24 7.3%, FY25 7.2%, FY26 **7.8%**. CPI inflation was **4.45%** in July 2026 on the new 2024 base.

Earlier position: July print: FY26 7.6% (provisional), Q4 FY26 8.6%.

Exam line: Latest quarterly growth → 7.8% (Q1 FY27). FY26 final → 7.8%. RBI's FY27 forecast → 6.7% (yet to be revised).

3 · Announced but effective later — know the date and the number

Measure	Effective	Key facts
Deposit rate directions — Second Amendment 2026	1 Oct 2026	Same-day uniform rates; bulk rates on website by 10 a.m.; run-off-category pricing (Section 2.5).
TAN not required for resident individual/HUF buying property from a non-resident (Finance Act 2026)	1 Oct 2026	TDS under Sec. 195 continues; only the TAN requirement goes. Earlier: buyer had to obtain TAN.
Customer protection in fraudulent electronic banking transactions — Responsible Business Conduct (Third Amendment) Directions, 24 Jun 2026	1 Jan 2027	Zero liability if the bank is at fault (any time) or for third-party breach reported within **5 calendar days**; bank must prove customer negligence; resolve in **45 days** (60 for cross-border); card/digital 'shadow credit' within 5 days; SMS alert for every debit above ₹500; one-time relief of 85% of net loss, max ₹25,000, where the loss is up to ₹50,000. Until then the **6 July 2017** circular applies: zero liability if reported within 3 working days; ₹5,000 / ₹10,000 / ₹25,000 caps if reported in 4–7 days; bank's policy after 7 days.
Expected Credit Loss provisioning for scheduled commercial banks (final directions Apr 2026)	1 Apr 2027	Replaces the incurred-loss/IRAC provisioning for SCBs (excluding SFBs, payments banks, LABs); five-year glide path for the transition impact. IRAC norms (90-day NPA, 15% / 25% / 40% / 100% provisions) remain in force for the November papers.

Measure	Effective	Key facts
Draft loan-pricing directions (Section 2.7)	1 Apr 2027 (proposed)	Three-month reset; moving-average MCLR; spread freeze three years; migration by 1 Apr 2029.
ECB / OFCB swap facility	till 31 Dec 2026	Companion to the FCNR(B) package — the only leg still open.

4 · Already in force before July — corrections to the textbook baseline

These changed in the first half of 2026 (or late 2025). IIBF's 2023-edition textbooks predate them, and our July print carries the textbook figure in a few places. Read them as 'textbook says X, current law says Y'.

Topic	Textbook / July print	Current position	Since
CPI base year	2012 = 100; food weight 45.86%	**2024 = 100**; 12 COICOP divisions, 358 items; food & beverages 36.75%, housing 17.67%; first print (Jan 2026) 2.75%. GDP base 2022-23 (Feb 2026); new IIP base (May 2026).	12 Feb 2026
Income-tax law	Income-tax Act 1961; 'previous year' and 'assessment year'	**Income-tax Act, 2025** (536 sections, 23 chapters, 16 schedules) — single **'tax year'**; 80C → Sec. 123, 80CCD → 124, 80D → 126, 80E → 129; rates and limits unchanged. Sec. 269SU MDR provision now sits in the new Act.	1 Apr 2026
Co-lending	Co-Lending Model (CLM) 2020, PSL only; 20/80	**Co-Lending Arrangements Directions 2025**: all loans (not just PSL); each lender retains at least 10%; blended rate; escrow; DLG capped 5%; loan transferred within 15 days.	1 Jan 2026
Digital payment authentication	OTP-based AFA for card-not-present	**Authentication Mechanisms Directions 2025**: AFA with at least one dynamic factor for every digital payment (exceptions as before); issuers free to use biometrics, PIN, device binding.	1 Apr 2026
CRR	4.5% / 4.0% used as examples	3.00%	29 Nov 2025
Nomination on deposits/lockers	One nominee	Up to **four** nominees — simultaneous or successive for deposits; successive only for lockers and safe-custody articles (Banking Laws (Amendment) Act 2025).	1 Nov 2025
Substantial interest (BR Act)	₹5 lakh	₹2 crore (Banking Laws (Amendment) Act 2025)	2025 Act
Unclaimed dividends / bonds	Only unclaimed deposits to DEA Fund	Unclaimed dividends, interest and bond redemption proceeds also go to IEPF.	2025 Act
UPI transaction limits	₹1 lakh (₹2 lakh for some)	₹5 lakh per transaction / ₹10 lakh per day for specified P2M categories; ₹1 lakh P2P; biometric ₹10,000.	15 Sep 2025 / 7 Aug 2026
Cheque clearing	CTS batch sessions	Continuous clearing — presentation window, settlement within hours (phase 1 from 4 Oct 2025; near-real-time from 3 Jan 2026).	Oct 2025
ATM interchange / customer charge	₹21 beyond free limit	₹23 beyond free transactions.	1 May 2025
Deposit insurance	₹5 lakh	Unchanged at ₹5 lakh (a higher cover has been discussed, nothing notified).	4 Feb 2020

5 · Economy snapshot for IE&IFS one-liners (as on 3 September 2026)

Indicator	Value	Indicator	Value
GDP growth, Q1 FY27 (Apr–Jun 2026)	7.8% real · 10.3% nominal	CPI inflation, July 2026	4.45% (2024 base)
GVA growth, Q1 FY27	8.2%	RBI CPI projection, Q3 FY27	about 5.9%
FY26 growth (revised)	7.8% (FY25 7.2%, FY24 7.3%)	Rupee, RBI reference rate 3 Sep	₹94.47 per US$ (low ~₹97 in May)
RBI FY27 growth projection	6.7%	Forex reserves (21 Aug 2026)	US$729.3 billion; record US$740.8 bn on 28 Aug (released 4 Sep)
Gross fixed capital formation	34.3% of GDP (+11.9%)	Brent crude (July 2026)	above US$90/bbl
91-day T-bill (3 Sep)	5.26%	10-year G-sec (6.94% GS 2036)	about 6.98%
Savings deposit rate (major banks)	2.50%	Term deposit > 1 year	6.00% – 6.75%
MCLR overnight (major banks)	7.80% – 8.00%	Base rate range	8.40% – 10.00%
182-day / 364-day T-bill	5.66% / 5.91%	FPI flows CY2026 (to Aug)	net outflow about US$13.7 billion
Call money rate (3 Sep)	4.00% – 5.20%	Bulk deposit threshold	₹3 crore (unchanged)

6 · Small savings and other administered rates — July–September 2026 quarter

Unchanged since January 2024 — every quarterly review since has held them. The Government reviews these on or about 30 September for the October–December quarter; if they move, we will mail the new table.

Scheme	Rate	Scheme	Rate
Post Office Savings Account	4.0%	PPF	7.1%
Post Office TD 1 yr / 2 yr / 3 yr / 5 yr	6.9% / 7.0% / 7.1% / 7.5%	Sukanya Samriddhi	8.2%
5-year Recurring Deposit	6.7%	Senior Citizen Savings Scheme	8.2%
Monthly Income Scheme	7.4%	NSC (5 yr)	7.7%
Kisan Vikas Patra	7.5% (matures in 115 months)	EPF interest FY2025-26	8.25% (EPF Scheme 2026 notified 30 Jun 2026)

Income-tax calendar you may be asked about: ITR-1/ITR-2 due 31 July; ITR-3/ITR-4 (non-audit) 31 August; audit cases 31 October; transfer-pricing cases 30 November; second advance-tax instalment 15 September (45% cumulative). GST: no rate change since the 22 September 2025 restructuring into 5% / 18% / 40%; compensation cess withdrawn on the remaining goods from 1 February 2026; the 57th GST Council has not met yet.

7 · Dates to watch before the November papers

Date	Event	Why it matters for you
4 Sep 2026	NPCI deadline: masked mobile numbers / non-mobile UPI IDs	PPB — payment systems
11 Sep 2026	Comments close on draft loan-pricing directions	PPB / AFM — MCLR, EBLR
12–15 Sep 2026	CPI (August) and WPI releases	IE&IFS — inflation figure
15 Sep 2026	Second advance-tax instalment	AFM — taxation

Date	Event	Why it matters for you
~30 Sep 2026	Small savings rates for Oct–Dec; H2 borrowing calendar	IE&IFS / RBWM
1 Oct 2026	Deposit Second Amendment Directions; TAN relief for property buyers	PPB / AFM
5–7 Oct 2026	MPC meeting — the last rate decision before your papers	IE&IFS / PPB — memorise the outcome
1 / 22 / 28 / 29 Nov 2026	JAIIB papers (IE&IFS, PPB, AFM, RBWM)	Our second Law Update Sheet reaches you in the week after the October MPC

8 · Ten 'both positions' traps — memorise both numbers

#	If the question asks…	Textbook answer	Current answer
1	Maximum compensation the RBI Ombudsman can award	₹20 lakh (+₹1 lakh) — RB-IOS 2021	₹30 lakh (+₹3 lakh) — RB-IOS 2026
2	Time limit to approach the Ombudsman	1 year after bank's reply	90 days
3	Loan against demat shares to an individual	₹20 lakh (₹10 lakh physical)	₹1 crore (no physical/demat split)
4	IPO / FPO / ESOP finance per individual	₹10 lakh	₹25 lakh
5	CRR	4.5% / 4.0% (illustrations)	3.00%
6	Repo / SDF / MSF / Bank Rate	6.50 / 6.25 / 6.75 / 6.75 (2023 edition)	5.25 / 5.00 / 5.50 / 5.50
7	CPI base year and food weight	2012; 45.86%	2024; 36.75%
8	Nominees on a bank deposit	One	Up to four (2025 Act)
9	Customer liability, unauthorised transaction reported on day 5	₹5,000 / ₹10,000 / ₹25,000 slab (2017 circular) — still the law till 31 Dec 2026	Zero, if third-party breach (from 1 Jan 2027)
10	Income-tax: the year in which income is taxed	Assessment year (Act 1961)	Tax year (Act 2025, from 1 Apr 2026)

9 · What we changed in the Mock Centre on 3 September 2026

Seventy explanations and unit fact-sheets in the question bank now carry both positions, marked *[Law update, Sep 2026]*: PPB Units 5, 16, 17, 19, 25, 38, 44, 45 and 48 (nomination, deposit pricing, customer liability, ombudsman, loans against shares, co-lending, UPI); RBWM Units 8, 10, 18, 19 and 21 (nomination, MDR, UPI and liability, co-lending, ombudsman appeals); IE&IFS Units 14 and 17 (CPI base, CRR); AFM Units 29 and 30 (Income-tax Act 2025, GST slabs). No question was deleted. One answer key changed — the CPI base-year question (IE&IFS Unit 14) now keys to 2024; every other key that follows the textbook was kept as it is, and the explanation tells you which figure the paper is likely to want. Readiness, Smart Revision and the mock timers are untouched.

Missed something? Tell us. Reply to your purchase email or write to collabwithsjha@gmail.com with the question number and the change you saw in the news. Verified corrections go into the bank within 48 hours and into the next sheet. This sheet is free to share with any JAIIB aspirant — sjalearning.in/downloads/jaiib-law-update-sheet-september-2026.pdf

Sources checked on 3 September 2026: RBI (Monetary Policy Statement 5 Aug 2026; Deposit Directions Second/Third/Fourth Amendments 2026; Capital Market Exposure Directions; RB-IOS 2026 and FAQs; Responsible Business Conduct Third Amendment 2026; draft Interest Rates on Loans and Advances Directions 2026; ECL Directions 2026; current rates page), NPCI circulars (5 Jun and Aug 2026), MoSPI (Q1 FY27 estimates 31 Aug 2026; CPI series 2024), Ministry of Finance (small savings Q2 FY27; Taxation and Other Laws (Amendment) Act 2026; Finance Act 2026), SEBI circular of 29 May 2026, IIBF examination notification for November 2026. Figures marked 'about' are market data and move daily.