

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4016

ANSWERED ON MONDAY, AUGUST 18, 2025/ SRAVANA 27, 1947 (SAKA)
REFORMS IN RBI

4016. SHRI MANISH TEWARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering comprehensive reforms in the Reserve Bank of India (RBI) in light of its evolving functions including monetary policy, Government debt management, and financial sector regulation;
- (b) the current status of the Central Bank Digital Currency (CBDC) rollout by RBI and future roadmap;
- (c) the RBI's current official position on the regulation and legal status of crypto assets and decentralised virtual currencies along with the details of statutory framework under consideration;
- (d) whether the Government has any recommendations for separation of RBI's roles as monetary authority and investment banker to Central/ State Governments, if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): The basic functions of the Reserve Bank of India (RBI) are to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage, to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, and to maintain price stability while keeping in mind the objective of growth. Over the years, RBI has performed a wide range of functions to support the Indian economy.

The legislative framework for regulation and supervision of financial institutions and markets is primarily drawn from enabling provisions of the Reserve Bank of India Act (RBI Act), 1934, Banking Regulation Act, 1949, National Housing Bank Act, 1987, Foreign Exchange

Management Act 1999, Payment and Settlement Systems Act, 2007, SARFAESI Act, 2002, Credit Information Companies (Regulation) Act, 2005, and Factoring Regulation Act, 2011.

RBI Act vests RBI with the responsibility of management of public debt of the Government of India and (by agreement) of State Governments. Within this overarching statutory framework, RBI has been issuing regulations to regulate and develop the government securities market.

To keep pace with the evolving role of RBI, and national and global regulatory and macroeconomic developments, Government and RBI engage in extensive stakeholders' consultations and also constitute various working groups / committees from time-to-time, and based on these, and assessments of requirements, necessary reforms measures are taken on an ongoing basis. The autonomy for RBI, within the framework of the RBI Act, is an essential and accepted governance requirement. There is an institutional harmony based on mutual respect, matured relationship and effective co-ordination between the Government and RBI.

India's Central Bank Digital Currency (CBDC) is a digital form of currency notes issued by a central bank. CBDC, being a sovereign currency, holds unique advantages of central bank money viz., trust, safety, liquidity, settlement finality and integrity. RBI has informed that, the CBDC-Retail (e₹-R) pilot started with the initial use cases of person-to-person (P2P) and person-to-merchant (P2M) transactions. RBI has since rolled out multiple pilots exploring offline and programmability features as well. As at end-March 2025, the pilot in the e₹-R segment was expanded to 17 banks and 60 lakh users since its inception in December 2022. To further enhance adoption and improve distribution, certain non-banks have been allowed to offer CBDC wallets.

With regard to RBI's current official position on the regulation and legal status of crypto assets, RBI has informed that cryptocurrencies and crypto assets do not fall under the regulatory domain of RBI.
