

**Draft Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Amendment Directions, 2026**

In exercise of the powers conferred by Sections 45JA, Section 45K, 45L, and 45M of the Reserve Bank of India Act, 1934, Section 3 read with Section 31A and Section 6 of Factoring Regulation Act, 2011 and Section 30, 30A, 32 and 33 of NHB Act, the Reserve Bank being satisfied that it is necessary and expedient in the public interest to do so, hereby, amends the directions issued vide [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions, 2025](#) (“Master Direction”).

**2.** The extant regulations governing agency business have been reviewed and, accordingly, the Master Direction has been amended and the revised regulatory framework is provided below. Further, the regulatory instructions on customer service and conduct aspects shall be consolidated in the [Reserve Bank of India \(Non-Banking Financial Companies - Responsible Business Conduct\) Directions, 2025](#).

**3. Short Title and Commencement**

(1) These Directions shall be called the Reserve Bank of India (Non-Banking Financial Companies - Undertaking of Financial Services) Amendment Directions, 2026.

(2) These Directions shall come into effect on **April 1, 2026**.

**4.** These Amendment Directions shall modify the [Reserve Bank of India \(Non-Banking Financial Companies – Undertaking of Financial Services\) Directions, 2025](#) as under:

**(i)** Paragraph 6 of the Master Direction stands deleted.

**(ii) In paragraph 32 of the Master Direction,** the following shall be substituted, namely:-

*“32. An NBFC may take up insurance distribution business, either under the corporate agency or broking model, without obtaining the approval of the RBI subject to the following conditions:*

- (1) An NBFC shall obtain requisite permission from IRDAI and comply with the relevant IRDAI regulations.
- (2) An NBFC shall ensure that it is in full compliance with the instructions on Reserve Bank of India (Non-Banking Financial Companies - Responsible Business Conduct) Directions, 2025.
- (3) The business shall be undertaken on fee basis without any risk participation. This shall be explicitly disclosed upfront to the customers.
- (4) It shall be ensured that the insurance companies whose products are being sold have robust customer grievance redressal arrangements in place. The NBFC may facilitate the redressal of grievances.
- (5) Only such insurance products which are covered under the arrangement shall be listed or displayed on websites or any other digital channels offered by the NBFC.
- (6) The premium shall be paid by the insured directly to the insurance company without routing through the NBFC.

(iii) Paragraph 33 of the Master Direction stands deleted.

(iv) In paragraph 40 of the Master Direction, the following shall be substituted, namely:-

**“40. Taking up Insurance Agency Business**

HFCs having Net Owned Fund (NOF) of not less than the prescribed NOF may take up insurance distribution business, either under the corporate agency or broking model, without the approval of the Reserve Bank, subject to the following conditions:

- (1) The HFC should obtain requisite permission from IRDAI and comply with the relevant IRDAI regulations.
- (2) An HFC shall ensure that it is in full compliance with the instructions on Reserve Bank of India (Non-Banking Financial Companies - Responsible Business Conduct) Directions, 2025.
- (3) The business shall be undertaken on fee basis without any risk participation. This shall be explicitly disclosed upfront to the customers.
- (4) It shall be ensured that the insurance companies whose products are being sold have robust customer grievance redressal arrangements in place. The HFC may facilitate the redressal of grievances.

(5) Only such insurance products which are covered under the arrangement shall be listed or displayed on websites or any other digital channels offered by the HFC.

(6) The premium shall be paid by the insured directly to the insurance company without routing through the HFC.

**(v)** Paragraphs 45, 46, 47, 48 and 49 of the Master Direction stand deleted.

**(vi)** In paragraph 50 of the Master Direction, the following shall be substituted, namely:-

“50. An NBFC desirous of undertaking distributing mutual funds, shall be required to adhere to the following stipulations:

(1) An NBFC shall comply with the SEBI guidelines / regulations, including its code of conduct, for distribution of mutual fund products.

(2) An NBFC shall ensure that it is in full compliance with the instructions on [Reserve Bank of India \(Non-Banking Financial Companies - Responsible Business Conduct\) Directions, 2025](#).

(3) The business shall be undertaken on fee basis without any risk participation. This shall be explicitly disclosed upfront to the customers.

(4) It shall be ensured that the Mutual Funds whose products are being sold have robust customer grievance redressal arrangements in place. The NBFC may facilitate the redressal of grievances.

(5) Only such mutual fund products which are covered under the arrangement shall be listed or displayed on websites or any other digital channels offered by the NBFCs.”

**(vii)** In paragraph 54 of the Master Direction, the following shall be substituted, namely:-

“54. An NBFC (other than Base Layer NBFC) complying with the prescribed CRAR and have made net profit in the preceding financial year shall be permitted to undertake PoP services under PFRDA for NPS on fee basis without any risk participation after registration with PFRDA. An NBFC conducting PoP services shall strictly adhere to the instructions on [Reserve Bank of India \(Non-Banking Financial](#)

*Companies - Responsible Business Conduct) Directions, 2025 and the guidelines framed by PFRDA.”*

**(viii) In paragraph 56 of the Master Direction**, the following shall be substituted, namely:-

*“56.. It shall be ensured that the Pension Funds whose products are being sold have robust customer grievance redressal arrangements in place. The NBFC may facilitate the redressal of grievances.”*

**(Manoranjan Padhy)**  
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