



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 1, 2014

Temporary suspension of issuing Certificate of Registration (COR) for conducting business of NBFI

Several important developments have taken place in the financial sector warranting a major shift in the regulatory paradigm for the NBFC sector.

The Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, (Nachiket More Committee) which submitted its report to the Bank on December 31, 2013, has made several recommendations pertaining to NBFCs. These recommendations are being examined by the Bank. Several changes to the regulatory and supervisory framework for NBFCs may be called for. Putting in place the required mechanisms is likely to take some time.

In view of the above, there is a felt need to review the regulatory framework and streamline the sector, before taking a view on allowing more entities, into the sector. The Reserve Bank of India has, therefore, in public interest, announced in its Monetary Policy Statement on April 1, 2014, that it has been decided to keep in abeyance, for a period of one year, the issue of Certificate of Registration (COR) to the companies proposing to conduct business of NBFI in terms of Section 45IA of the RBI Act, 1934. However, COR applications already received by the Bank on or before March 31, 2014, will be disposed of in the normal course.

The temporary suspension, will also not be applicable to COR applications that may be submitted by prospective systemically important Core Investment Companies (CIC-NDSIs), Infrastructure Finance Companies (IFCs), Infrastructure Debt Fund companies (IDF-NBFCs) and NBFCs proposing to conduct Micro-finance business (NBFC-MFIs). Such applications may be considered in public interest.

Press Release : 2013-2014/1931

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