



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Conference for the Heads of Assurance Functions of Non-Banking Financial Companies (NBFCs)

The Reserve Bank today held a Conference in Mumbai for the Heads of Assurance Functions (i.e., Chief Compliance Officers, Chief Risk Officers and Heads of Internal Audit) of select Non-Banking Financial Companies (NBFCs). The conference was attended by about 280 participants representing more than 100 NBFCs. This event, with the theme '*Resilient Financial System – Role of Effective Assurance Functions*', is a part of the series of supervisory engagements the Reserve Bank has been organising over the last one year with its Regulated Entities. As part of this series, the Conference for the Heads of Assurance Functions of Scheduled Commercial Banks was held earlier in January 2024.

Deputy Governors Shri M. Rajeshwar Rao and Shri Swaminathan J. addressed the participants. Executive Directors Shri S C Murmu, Shri Saurav Sinha, Shri J K Dash and Shri Rohit Jain along with other senior officials representing the Regulation and Supervision departments of the Reserve Bank also participated in the Conference.

Shri Rao, in his keynote address, outlined the transformative journey and progress witnessed in the Indian financial landscape, and contribution of the NBFC sector in last mile credit delivery. He delineated the role of assurance functions in certain contextual issues such as third-party dependencies and operational risks; customer conduct; and transparency in operations.

Shri Swaminathan urged NBFCs to bolster governance and assurance functions and maintain constant vigil against potential risks and vulnerabilities. In the highly dynamic and challenging environment in which financial entities operate, they are exposed to a multitude of risks that can impact their financial and operational resilience. He *inter-alia* highlighted cybersecurity and operational risks; credit risks from rule-based credit models; and liquidity risks. He conveyed the Reserve Bank's Supervisory expectations from the regulated entities to ensure independent and meaningful assurance functions as well as fair and transparent conduct towards customers.

The Conference included technical sessions on the three Assurance Functions by the Chief General Managers of the Reserve Bank. Presentations on best practices and challenges faced were also made by the Heads of Assurance Functions of select NBFCs.

The Conference concluded with an open house interactive session of the participants with the Executive Directors of the Reserve Bank.

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(Puneet Pancholy)
Chief General Manager