



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Invitation of applications for recognition of Self-Regulatory Organisations (SROs) for NBFCs

The Reserve Bank had issued '[Omnibus Framework for recognition of Self-Regulatory Organisations for Regulated Entities of the Reserve Bank](#)' dated **March 21, 2024**, wherein broad parameters, viz., objectives, responsibilities, eligibility criteria, governance standards, application process, etc., were specified. It was also stated that other sector-specific guidelines like number of SROs, membership, etc., shall be issued separately whenever a sectoral SRO is intended to be set up.

2. It has now been decided to invite applications for recognition of SROs for the NBFC sector under the aegis of the aforesaid omnibus framework. The applicant entity shall fulfil the eligibility criteria and guidelines mentioned under the omnibus framework, along with specific instructions specified hereunder:

A. Membership Criteria for the SRO for NBFCs

- (i) The SRO for NBFC sector is primarily envisaged for NBFCs in the categories of Investment and Credit Companies (NBFC-ICCs), Housing Finance Companies (HFCs) and Factors (NBFC-Factors). However, the SRO may also have other categories of NBFCs as its members.
- (ii) The recognized SRO shall have a good mix of NBFC-ICCs, HFCs and NBFC-Factors as its members. To ensure fair representation to smaller NBFCs, the SRO shall have at least 10% of the total number of NBFCs in the Base Layer as per Scale Based Regulatory Framework and categorised as NBFC-ICC and NBFC-Factor, as its members. Failure to achieve the aforesaid membership, within two years of the grant of recognition as SRO, would render the SRO liable for revocation of the recognition granted.

B. Other terms of recognition of SRO

- (i) The applicant should achieve a minimum net worth of Rupees two crore within a period of one year after recognition as an SRO by Reserve Bank, or before commencement of operations as an SRO, whichever is earlier. Thereafter, the SRO shall maintain this on an ongoing basis.
- (ii) A maximum of two SROs for the NBFC sector will be recognised, subject to the applicants fulfilling the prescribed criteria to the satisfaction of the Reserve Bank.

- (iii) The guidelines as given in the omnibus framework for recognition of SRO for REs of the Reserve Bank, shall be adhered to for application, recognition and functioning of the SRO.
- (iv) Different verticals/ divisions within the SRO may be set up for catering to different categories of NBFCs, as considered necessary.

3. Interested applicants seeking recognition as an SRO may submit their [application](#) through [email](#) or to the Chief General Manager–in–Charge, Department of Regulation, Reserve Bank of India, Central Office, 2nd Floor, Main Office Building, Shahid Bhagat Singh Marg, Mumbai – 400 001 by September 30, 2024.

4. The application should be complete in all aspects and comply with the instructions laid down in the Omnibus SRO Framework. Any decision on the grant of recognition shall be taken after considering all applications received during the application period. The decision of the Reserve Bank in the matter shall be final.

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(Puneet Pancholy)
Chief General Manager