



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI decides to simplify and rationalise the process of registration of new NBFCs

In order to make the process of registration of new NBFCs smoother and hassle free, the [application form](#) for registration of new NBFCs and the [checklist of documents](#) to be submitted have been revised. The number of documents to be submitted by the NBFC applicants has been reduced from existing set of 45 documents to 7-8 in the revised process.

Secondly, from now onwards, there would be two different types of applications for non-deposit taking NBFCs (NBFC-ND) based on Sources of Funds & Customer Interface as follows:

- a) Type I - NBFC-ND not accepting public funds¹/ not intending to accept public funds in the future **and** not having customer interface²/ not intending to have customer interface in the future
- b) Type II - NBFC-ND accepting public funds/ intending to accept public funds in the future **and/or** having customer interface/intending to have customer interface in the future

The processing of cases for Type I - NBFC-ND applicants would be on fast track mode. As these companies will not have access to public fund and will not have customer interface, they will be subjected to less intensive scrutiny / due diligence. However, CoR issued to Type I - NBFC-ND companies will be conditional. These companies will be prohibited from accessing public funds and having customer interface. In case these companies intend to avail public fund or intend to have customer interface in the future, they are required to take approval from Reserve Bank of India, Department of Non-Banking Regulation.

¹"Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide [Notification No. DNBS \(PD\) CC.No. 206/03.10.001/2010-11 dated January 5, 2011](#).

²"Customer interface" means interaction between the NBFC and its customers while carrying on its NBFI business as defined in Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide [Notification No. DNBR. 008/CGM \(CDS\) -2015 dated March 27, 2015](#).

Following forms have been revised and uploaded on the RBI website-

- a) Application form
- b) Documents required for registration as Type I - NBFC-ND
- c) Documents required for registration as Type II - NBFC-ND (including new applications of NBFC-MFI, NBFC-factor, NBFC-IDF)

Application form has been changed in the online COSMOS Application of the Reserve Bank of India, except in the case of CIC-ND-SIs where a separate application form has been prescribed. The application form mentioned above shall be applicable to new applications of Type I - NBFC-ND and Type II - NBFC-ND (including NBFC-MFI, NBFC-Factor and NBFC-IDF).

Furthermore, with the aim to centralise the process, the application for new NBFCs may be submitted to Central Office, Department of Non-Banking Regulation directly at the following address:

Chief General Manager
Department of Non-Banking Regulation
Reserve Bank of India
Centre I, World Trade Centre
Mumbai-400 005

It is further advised that the checklists mentioned are indicative and not exhaustive. The Reserve Bank, may, if necessary, call for any further documents to satisfy itself on the eligibility of the company seeking registration as NBFC. In the event of the Reserve Bank calling for further documents in addition to those mentioned in the checklist, the applicant company must respond within a stipulated time of one month.

Background:

It may be recalled that in the [First Bi-monthly Monetary Policy Statement - 2016-17](#), it was stated that in order to make the process of registration of new NBFCs smoother and hassle free, it has been decided to simplify and rationalise the process of registering new NBFCs. The new application forms will be simpler and the number of documents required to be submitted will be reduced to a minimum.

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