



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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June 15, 2026

**Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Second 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 shall be amended. 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) Second Amendment Directions, 2026.

(2) These Directions shall come into effect on **January 01, 2027**.

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

**(i) In paragraph 4 of the Master Direction,**

a) Sub-para (1) shall be substituted by the following, namely: -

*“(1) ‘Agency Business’ means an arrangement under which an NBFC acts as an agent of a third-party product or service provider (TPPSP), without risk participation, to facilitate the sale of the latter’s financial products or services (e.g., insurance, mutual fund, pension fund, etc.) to its own customers. The activities covered under agency business arrangements may inter-alia include marketing, sales, promotion, initial point of contact for redressal of grievance and other after-sale services related to the product or service.*

*Note: Under agency business arrangement, the NBFC shall enter into an agreement with a TPPSP for sale of only regulated financial products or services.”.*

b) the existing sub-para (1) in the Master Direction, which defines **Debtor Company**, shall be renumbered as (1A).

c) after sub-para (7), the following sub-para shall be inserted, namely:-

*“(7A) ‘Regulated financial products and services’ means financial products and services which fall under the regulatory framework of any of the financial sector regulators viz. Reserve Bank of India, Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA) and Overseas Regulatory Authorities including IFSCA”.*

d) after sub-para (8), the following sub-paras shall be inserted, namely:-

*“(9) **Third-party Product and Service (TPPS)** means a product or service as defined under [Reserve Bank of India \(Non-Banking Financial Companies - Responsible Business Conduct\) Directions, 2025](#).*

*(10) ‘**Third-party Product and Service Provider (TPPSP)**’ means an entity which has entered into agency business or referral arrangement with an NBFC to offer its product or service (Third-party Product or Service (TPPS)) to a customer of the concerned NBFC”.*

(ii) Paragraph 6 of the Master Direction shall be omitted.

**(iii) For 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”.*

**(iv)** Paragraph 33 of the Master Direction shall be omitted.

**(v) For 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”.*

**(vi)** Paragraphs 45 to 49 (except Notes) of the Master Direction shall be omitted.

**(vii)** For 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”.*

**(viii)** For 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”.

**(ix) For 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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