Master Circular Of Reserve Bank Of India (Non-Banking Financial Companies – Cybersecurity, Technology: Risk, Resilience And Assurance Framework) Directions, 2026

The Directions consolidate and replace the existing IT governance and cybersecurity framework applicable to NBFCs and establish a comprehensive, risk-based technology governance regime across different categories of NBFCs based on their size and regulatory layer. The framework is effective from July 31, 2026 and applies to all RBI-regulated NBFCs, Housing Finance Companies and Factoring entities, with differentiated requirements based on scale and complexity of operations.

The Directions align the regulatory expectations around cybersecurity and technology governance framework for NBFCs with those applicable to banks. The framework adopts a proportionate approach, requiring basic cybersecurity controls for smaller NBFCs while imposing enhanced governance, resilience and oversight requirements on larger and systemically important entities.

A key change is the requirement to report cyber incidents to RBI within six hours of detection, highlighting the regulator's focus on timely supervision and effective cyber-risk management. NBFCs may need to upgrade their monitoring, incident response and cyber resilience capabilities to meet these expectations.

The mandatory appointment of Chief Information Security Officers (CISOs), periodic vulnerability assessments, penetration testing, disaster recovery drills and stronger oversight of outsourced IT service providers indicate RBI's intent to elevate cybersecurity from an operational function to a Board-level governance responsibility. While implementation may increase compliance and technology costs in the short term, the framework is expected to enhance operational resilience and reduce cyber risks across the NBFC sector over the long term.

Similar amendments are introduced for Commercial Banks, Small Finance Banks, Payment Banks, Urban Co-operative Banks, Credit Information Companies ('CICs') and AIFIs.

Kindly refer the following for the details- Reserve Bank of India (Non-Banking Financial Companies – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026