



RBI Type I NBFC Deregistration Framework 2026

STRUCTURED EXIT FOR LOW-RISK NBFCs



CONTEXT & PURPOSE

A landmark structured exit route

Reduces regulatory burden on small, non-customer-facing NBFCs that pose minimal systemic risk — creating a tiered NBFC oversight framework.

SECTION 01

Three-tier classification system

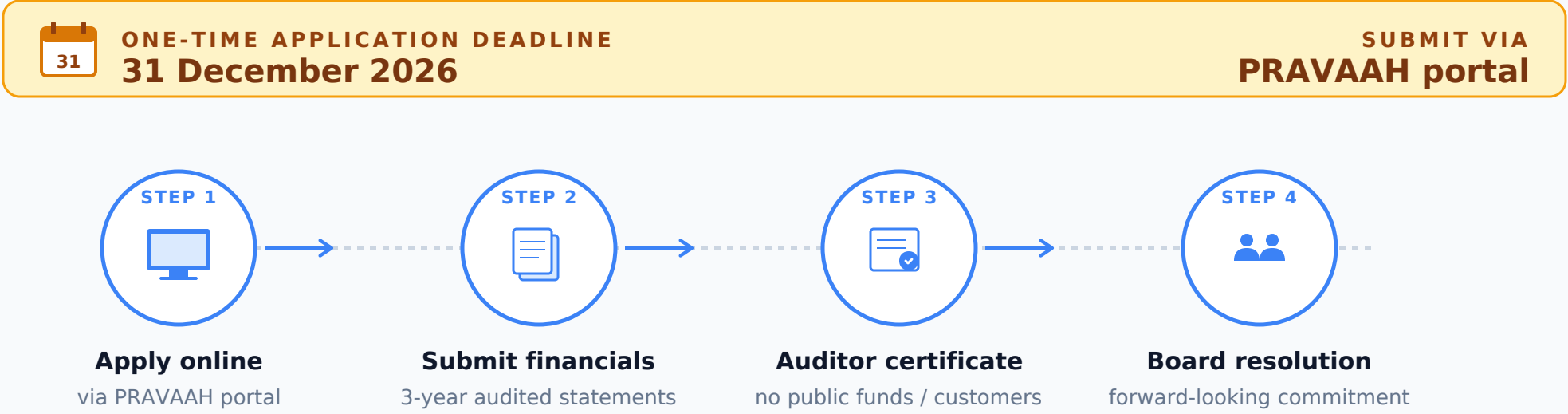
RBI categorizes NBFCs based on assets, public funds, and customer interaction

UNREGISTERED TYPE I	REGISTERED TYPE I	TYPE II NBFCs
EXEMPT FROM RBI REGISTRATION	REMAINS REGISTERED	FULL RBI OVERSIGHT
- Assets < ₹1,000 crore - No public funds (direct or indirect) - No customer interface - No direct lending to public	- Assets ≥ ₹1,000 crore - No public funds - No customer interface - Lighter regulatory touch	- Has public funds, OR - Has customer interface - Direct lending or deposits - Continues strict compliance
EFFECTIVE: 1 JULY 2026	SIZE-BASED OVERSIGHT	HIGH SYSTEMIC RISK

SECTION 02

The deregistration exit path

A one-time window for existing Type I NBFCs to leave RBI's direct regulatory net



STEP 3

Auditor certificate
no public funds / customers

STEP 4

Board resolution
forward-looking commitment

SECTION 03

PRAVAAH portal

RBI's single-window digital gateway for licenses, approvals, and authorizations

- ✓ **Single window submission**
60+ application types unified into one portal
- ✓ **Real-time tracking**
10-digit Application ID monitors progress at every stage
- ✓ **Interactive query management**
Replies and additional documents in same thread
- ✓ **Digital audit trail**
Every interaction recorded for accountability
- ✓ **Doorstep global access**
Foreign investors and NRIs can apply from anywhere

SECTION 04

Anti-arbitrage safeguards

Strict guardrails ensuring companies don't exploit deregistration as a regulatory loophole

Indirect funding rule Money received from a group entity that has accessed public funds is treated as public funds.	Overseas investment limit Cannot invest in foreign financial services without prior RBI registration and approval.	Auditor exception reports Statutory auditors must directly file reports to RBI on any breach of Type I conditions.



KEY TAKEAWAY

A tiered NBFC ecosystem

Low-risk entities exit regulation; high-risk NBFCs remain under strict RBI oversight.