# IT GOVERNANCE: UPGRADE NEEDED BY APRIL 01, 2024

- On November 07, 2023, the RBI notified an unified Information Technology framework across regulated entities (REs) -
  [Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices](#) ('Directions')
- These Directions kick in from **April 01, 2024**

| Committees | | Officers/ Personnel | Policies |
|---|---|---|---|
| **Board Level** | Board of Directors (Board)<br><br>IT Strategy Committee (ITSC) | Audit Committee (ACB)<br><br>Risk Management Committee (RMC) | Head of IT Function (CTO/ CIO)<br><br>Chief Information Security Officer (CISO)<br><br>CEO/ Senior Management |
| **Management Level** | IT Steering Committee | Information Security Committee (ISC) | IS Auditor(s) |

Policies:
- Information Technology/ System Security
- Business Continuity and Disaster Recovery
- Information and Cyber Security
- Risk Management
- Change and Patch Management
- Data Migration
- Information System Audit

- The adjoining diagram identifies the governance areas that are affected by the new Directions

# IT GOVERNANCE: TAKE ACTION NOW

## Applicability on NBFCs

- These Directions apply on all NBFCs (except NBFC-CICs) which fall under following three layers as per the SBR framework ('Specified NBFCs'):
    - Top Layer
    - Upper Layer
    - Middle Layer

- Base Layer NBFCs shall continue to follow the 2017 [Master Direction - Information Technology Framework for the NBFC](#)

- In terms of their IT governance framework, Specified NBFCs need to take a number of actions. A summarised list of the significant action items is provided in the adjoining table.

## Immediate Action Items

- Review and re-draft policies w.r.t. information technology, systems, security, IS Audit, BCP and DRM
- Constitute new committee -
    - Information Securities Committee (ISC)
- Reconstitute and update committee ToR for
    - IT Strategy Committee (ITSC), IT Steering Committee
- Update ToR for RMC and ACB
- Designate officer(s), allocate staff and resources and set up reporting lines for -
    - Head of IT Function, CISO
- Adopt/ revise framework for various assessments, reviews and testing (e.g. IT risk assessment, capacity assessment, DR drills, IT vendor assessment, etc.)
- Convene Board, ACB and RMC meetings to review and adopt changes

# TO GET IN TOUCH

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Team

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