

Data moves to boardrooms

The Reserve Bank of India's (RBI) draft Guidance On Regulatory Expectations For Data Governance, and what regulated entities should do now

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On 15 July 2026, the Reserve Bank of India (RBI) released its draft guidance on regulatory expectations for data governance, applicable to eleven categories of regulated entities, from commercial banks to non-banking financial companies (NBFCs), asset reconstruction companies (ARCs) and credit information companies.

It requires a board-approved, enterprise-wide data governance framework covering the full data lifecycle, drawing on Basel Committee on Banking Supervision standard 239 (BCBS 239) and aligned with the Digital Personal Data Protection Act, 2023 (DPDP Act). The consultation closed on 17 August 2026, and the final guidance is awaited.

In our view, the direction of travel is settled whatever changes finalization brings: **data governance is now a supervisory matter, and the board owns it.** The period before the final text is published is preparation time, and institutions that use it will meet the compliance timeline from a position of strength.





Introduction

Indian regulated entities have lived with data-related regulation for years, through master directions on information technology (IT) governance, outsourcing, cybersecurity and returns submission. The draft guidance is different in kind rather than degree. For the first time, the RBI has set out a consolidated, enterprise-wide statement of what it expects data governance to look like across the entire data lifecycle, and it has placed accountability for that framework squarely with the board.

Three features of the draft deserve particular attention. First, its breadth: it applies to all organizational data, not merely regulatory reporting or risk data, and to a wide population of entities including co-operative banks and NBFCs that have not previously faced expectations of this nature. Second, its lineage: the framework draws visibly on BCBS 239, extending principles that were once confined to global systemically important banks into the mainstream of Indian supervision. Third, its timing: with the Digital Personal Data Protection Rules notified and supervisory technology maturing, the RBI will increasingly be in a position to test data governance claims against the data itself.

The consultation closed on 17 August 2026, and industry submissions are now with the RBI. Experience of comparable consultations, in India and elsewhere, suggests that finalization is likely to refine the text at the margins rather than alter its substance; the areas most likely to move are proportionality thresholds, timelines and definitional detail. Institutions waiting for the final version before acting are, in effect, deferring work that the draft already describes with sufficient clarity to begin.

What is new

The draft guidance is organized around a set of connected expectations spanning governance frameworks, roles, architecture, metadata and lineage, quality, and third-party data sharing. The table below summarizes each theme and sets out our reading of what it is likely to demand in practice.

What does the draft say and what is new

Theme	What the draft expects	What this means in practice
Governance and board oversight	A board-approved data governance framework covering all organizational data, proportionate to size, complexity and business model, and reviewed at least annually.	The board can no longer treat data as a technology matter delegated to the chief information officer (CIO). Annual review creates a standing board agenda item, and a standing evidence requirement.
Roles and organizational structure	Clearly defined data governance roles and a dedicated data function, with accountability for data distributed across ownership, stewardship and custodianship.	Most entities have fragments of this. Few have a mandated, funded data function with authority over business-owned data. Expect organizational change, not just policy drafting.
Data lifecycle controls	Controls across creation, collection, storage, processing, sharing, archiving and disposal.	Disposal and archiving are where we expect the widest gaps; few institutions can evidence controlled end-of-life for data.
Data architecture and single source of truth (SSOT)	Architecture that supports a SSOT for critical data elements.	SSOT is an architectural undertaking measured in years, not a policy statement. Institutions with fragmented ledgers and multiple golden sources will need a funded remediation roadmap.
Metadata and lineage	Documented metadata and data lineage, enabling traceability of data from origination to reporting.	Lineage at scale is not achievable manually. This expectation effectively mandates tooling investment for larger entities.
Data classification	Classification of data by sensitivity and criticality, driving differentiated controls.	Classification is the hinge between this guidance and DPDP compliance; one exercise should serve both.
Data quality	Defined data quality standards, measurement, monitoring and remediation processes.	Supervisors are likely to ask for metrics. Institutions that cannot quantify their data quality today should treat measurement as the first deliverable.
Third-party data sharing	Governance over data shared with, or sourced from, third parties, consistent with outsourcing and DPDP obligations.	The perimeter now extends to fintech partners, co-lending arrangements and service providers, a material contracting and due-diligence effort.

What does this mean for regulated entities

The practical burden of the guidance will vary considerably by institution.

Large private and public sector banks with BCBS 239 or internal ratings-based (IRB) heritage will find familiar concepts, though few could today evidence enterprise-wide lineage or a functioning SSOT beyond risk and finance data.

Mid-sized banks and NBFCs face a steeper climb, many may need to establish the data function itself before they can operate the framework it is meant to run.

Cooperative banks and smaller entities will rely heavily on the proportionality principle, but proportionality reduces the depth of the requirement, not its existence.

In our experience of comparable regimes, the recurring gaps are predictable:

- Data ownership that exists on paper but not in practice,
- Quality measurement confined to regulatory returns,
- Lineage documented only where a past inspection demanded it, and
- Third-party data flows that no single function can enumerate.

Institutions should also expect the guidance to be applied retrospectively in spirit, in that supervisors reviewing a data-related incident after finalization are likely to ask why the framework did not prevent it.

Boards and senior management should be asking three questions now:

- Whether the institution could produce a defensible self-assessment against the draft within ninety days,
- What the realistic cost and duration of remediation would be, and
- Who, by name, would own the response.

A phased response plan

The draft may change between consultation and finalization; the obligations it signals are unlikely to. We therefore recommend a response in three horizons, sequenced so that no work undertaken now is wasted whatever the final text says.

Before the final guidance

- Run a rapid self-assessment against the draft's expectations
- Confirm board sponsorship and name an accountable executive
- Inventory third-party data-sharing arrangements
- Track finalization and prepare a draft-to-final delta review

First six months

- Stand up or strengthen the data function and operating model
- Approve the data governance framework at board level
- Define critical data elements and quality metrics
- Align classification with DPDP obligations

Twelve to twenty-four months

- Execute the architecture roadmap toward a SSOT
- Deploy metadata and lineage tooling at scale
- Embed quality monitoring and remediation into business-as-usual
- Evidence readiness ahead of supervisory review

How can EY help

Our Financial Services Risk Management (FSRM) practice has supported banks in India, the Middle East and globally on data governance, risk data aggregation and regulatory data programs, including BCBS 239 implementations and supervisory remediation. We bring proprietary accelerators, reference operating models and assessment frameworks that materially shorten the path from gap analysis to demonstrable compliance.



How we help

Final guidance impact assessment

Data governance readiness diagnostic

Operating model and framework design

Architecture, lineage and quality remediation

What we will help deliver

A structured draft-to-final delta analysis delivered promptly on publication of the final guidance, translating changes into specific implications for your institution.

A four-to-six-week assessment against the draft's expectations, producing a board-ready gap report and costed remediation roadmap.

Design of the data function, roles, policies and board reporting required to operate the data governance framework.

Delivery of SSOT architecture, metadata and lineage tooling, and data quality measurement, supported by EY tools and accelerators.

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Start the conversation



Ajay Sirikonda

EY India FSRM - Leader
ajay.sirikonda@in.ey.com
+91 99007 65493



Rohit Kumar

FSRM - Partner
rohit11.kumar@in.ey.com
+91 78295 65727



Pallavi Karanth

FSRM - Senior Manager
Pallavi.Karanth@in.ey.com
+91 98860 45058