



*The real question today is no longer whether something is technically permissible, but whether it is fundamentally fair and in the public interest.”*

*- Shri Tuhin Kanta Pandey, Chairman, SEBI*

### [Returns – Department of Payment and Settlement Systems – Submission in CIMS \(1\) | Returns – Department of Payment and Settlement Systems – Submission in CIMS \(2\) | Returns – Department of Payment and Settlement Systems – Submission in CIMS \(3\)](#)

The RBI has decided to commence mandatory reporting of multiple returns on its Centralised Information Management System (CIMS) following the launch of its next-generation data warehouse. This includes MTSS Business (R103), WLA Statistics (R330), PPI Statistics (R100) on a monthly basis, and PPI Customer Grievances (R360) on a quarterly basis. Monthly reporting will be applicable from the December 2025 reporting period, while quarterly reporting will apply from the quarter ended December 2025. All returns must be submitted through the CIMS portal in accordance with prescribed guidelines. Admin users for reporting entities have already been created in CIMS and are responsible for generating login credentials for submitting users. Monthly returns are required to be filed by the 7th of the succeeding month (i.e., December 2025 returns by January 7, 2026), while quarterly returns must be filed by the 10th of the succeeding month (i.e., December 2025 quarter by January 10, 2026). Any non-compliance with these reporting requirements will attract penal action.

### [Foreign Exchange Management \(Guarantees\) Regulations, 2026 \(For ADs\) |](#)

### [Foreign Exchange Management \(Guarantees\) Regulations, 2026](#)

The RBI has issued the Foreign Exchange Management (Guarantees) Regulations, 2026 under FEMA, 1999, replacing the earlier 2000 regulations and laying down a comprehensive framework for issue of guarantees by persons resident in India involving persons resident outside India. Such guarantees are prohibited unless specifically permitted under FEMA or RBI directions, with certain exemptions including guarantees by overseas branches of AD banks or branches in IFSC, Irrevocable Payment commitments of custodian banks, and guarantees under the Overseas Investment Regulations. Residents in India may act as sureties, principal debtors, or obtain guarantees as creditors, subject to permitted underlying transactions and applicable lending/borrowing norms, with specified relaxations. The regulations introduce comprehensive reporting of all guarantees issued, modified, or invoked by the responsible persons through Form GRN via authorised dealer banks, along with a Late Submission Fee for delayed reporting if any, with detailed modalities to be notified separately. Consequent to these regulations, several A.P. (DIR Series) Circulars have been superseded, quarterly reporting on Trade Credit guarantees will be discontinued from the quarter ending March 2026, and relevant provisions in FEMA Master Directions have been amended. AD banks are required to comply with Department of Regulation guidelines and inform their customers of these changes.

### [Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card \(KCC\) during the financial year 2025-26](#)

The Government of India has approved the continuation of the Modified Interest Subvention Scheme (MISS) for FY 2025–26 for short-term crop loans and allied activities availed through Kisan Credit Cards (KCC). Farmers will receive loans up to an overall limit of ₹3 lakh per farmer at 7% interest, with banks eligible for 1.5% interest subvention. Farmers who repay on time will get an additional 3% incentive, effectively reducing the interest rate to 4% per annum. The benefit covers crop loans and allied activities, with a sub-limit of ₹2 lakh for allied activities. The scheme also extends benefits for warehouse storage post-harvest and provides relief for loans restructured due to natural calamities, including extended support in cases of severe calamities. Aadhaar authentication and e-KYC are mandatory, and benefits are capped per farmer across multiple KCCs. Banks must ensure accurate data reporting and timely submission of claims on the KRP portal as per prescribed procedures.

### [Foreign Exchange Management \(Export and Import of Goods and Services\) Regulations, 2026 | Export and Import of Goods and Services](#)

The RBI has issued the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 after a comprehensive review of the existing framework under FEMA, 1999, with the objective of promoting ease of doing business, especially for small exporters and importers and enabling authorised dealers

(ADs) to provide faster and more efficient services. The new regulations and directions will come into force from October 01, 2026 and will replace the existing Master Directions and specified circulars on export and import of goods and services. ADs are directed to ensure strict adherence to FEMA, related rules and regulations and the prevailing Foreign Trade Policy while handling export, import and merchanting trade transactions. They are also required to route all references to RBI through the PRAVAAH portal and report any doubtful transactions to the Directorate of Enforcement. ADs have been advised to inform their customers about these changes.

### [Interest Subvention for Pre- and Post- Shipment Export Credit under Export Promotion Mission \(EPM\) – Niryat Prothsahan](#)

The Government of India has launched a pilot Interest Subvention Scheme for Pre- and Post-Shipment Export Credit under the Export Promotion Mission (EPM) – Niryat Prothsahan. The operational guidelines for implementing the scheme have been issued by the Directorate General of Foreign Trade through Trade Notices dated January 2, 2026 and January 16, 2026. Under the scheme, eligible lending institutions are required to extend the interest subvention benefit to eligible exporters strictly in accordance with the scheme provisions and in compliance with existing RBI regulatory instructions. Banks and other eligible lenders must ensure that the benefit is provided only for eligible export credit and that all claims are submitted as per the prescribed procedures and timelines.

### [SEBI | Specification of the consequential requirements with respect to Amendment of Securities and Exchange Board of India \(Merchant Bankers\) Regulations, 1992](#)

SEBI has specified consequential requirements following the SEBI (Merchant Bankers) Amendment Regulations, 2025, effective from January 3, 2026. The circular lays down phased implementation of revised net worth and new liquid net worth requirements for existing Merchant Bankers (MBs), with compliance deadlines up to January 2, 2028, and mandatory categorisation as Category I or II. It defines “liquid net worth” and prescribes haircuts for eligible liquid assets. Limits on underwriting obligations (maximum 20 times liquid net worth) are introduced, along with enhanced reporting requirements. The circular also mandates NISM certifications for key employees and compliance officers, independence of compliance officers, minimum experience criteria for principal officers, and prohibits outsourcing of core merchant banking activities. Minimum revenue thresholds from permitted activities are prescribed, with assessments beginning from FY 2029. Detailed conditions are laid down for undertaking non-SEBI regulated activities through separate business units with strict segregation, disclosures, and stakeholder acknowledgements. Overall, the framework aims to strengthen financial soundness, governance, transparency, and investor protection in the merchant banking ecosystem.

### [Compliance reporting formats for Specialized Investment Funds \(SIF\)](#)

SEBI has issued a circular standardising compliance reporting for Specialized Investment Funds (SIFs) introduced under the framework notified on February 27,

## Penalty corner

Imposed a monetary penalty of ₹10,000/- on **Shaha Finlease Private Limited**, Mumbai, for non-compliance with certain directions issued by RBI on ‘Fair Practices Code’. The company failed to put in place a system of periodical review of compliance of the ‘Fair Practices Code’.

Imposed a monetary penalty of ₹40,000 on **Sankhya Financial Services Private Limited** for non-compliance with certain directions issued by RBI on ‘Guidelines on purchase/sale of non-performing assets’. The company had assigned a non-performing asset to an ineligible entity.

Imposed a monetary penalty of ₹1 lakh on **Pinnacle Capital Solutions Private Limited**, Jharkhand for non-compliance with certain directions issued by RBI on ‘Default Loss Guarantee (DLG) in Digital Lending’. The company had obtained a Default Loss Guarantee from Lending Service Provider, which exceeded five per cent of the amount of outstanding loan portfolio.

Imposed a monetary penalty of ₹80,000/- on **VSJ Investments Private Limited**, Mumbai, Maharashtra, for non-compliance with certain directions issued by RBI on ‘Transfer of Loan Exposures’. The company had acquired a loan from an ineligible entity.

Imposed a monetary penalty of ₹2.70 lakh on **Northern Arc Capital Limited** for non-compliance with certain provisions of the ‘Reserve Bank of India [Know Your Customer (KYC)] Directions’ issued by RBI. The company failed to put in place any IT system / software for effective identification and reporting of suspicious transactions.

2025. All reporting requirements applicable to mutual funds under the SEBI (Mutual Funds) Regulations, 1996 and related circulars shall also apply to SIFs. The Compliance Test Report (CTR) format has been updated to include an additional Part IV for AMCs managing SIFs, and the Half-Yearly Trustee Report (HYTR) has been amended to introduce Clause 72A for additional trustee disclosures. The circular is effective immediately.

### [Extension of timeline for implementation of additional incentives structure for distributors for onboarding new individual investors from B-30 cities and women investors](#)

SEBI has extended the implementation timeline for the additional incentive framework for mutual fund distributors aimed at onboarding new individual investors from B-30 cities and new women investors. The framework, originally notified vide SEBI Circular dated November 27, 2025 and scheduled to come into effect from February 1, 2026, was intended to incentivize distributors for mobilizing investments from new PAN holders in these categories. Based on industry feedback highlighting operational challenges in establishing the required systems and processes, SEBI has deferred the effective date. The revised implementation date is now March 1, 2026. All other provisions of the November 27, 2025 circular remain unchanged.

### [SEBI | Simplification of requirements for grant of accreditation to investors](#)

SEBI has further simplified the investor accreditation process under the AIF framework. Pending receipt of the formal accreditation certificate, investment managers may execute contribution agreements and commence related operational

processes based on their assessment of the investor's eligibility. However, such commitments shall not be considered as part of the scheme corpus and no funds may be accepted until the accreditation certificate is obtained. SEBI has also rationalised documentation requirements for net-worth-based accreditation by removing the mandatory submission of a detailed net-worth break-up as an annexure to the net-worth certificate. Further, specifying the exact net worth is optional for the certifying chartered accountant, provided the prescribed threshold is met. Compliance with these provisions is required to be reported in the Compliance Test Report.

### [Review of Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems](#)

SEBI has revised the framework for handling technical glitches in stock brokers' electronic trading systems, replacing the November 25, 2022 circular. The revised framework eases compliance by excluding brokers with fewer than 10,000 clients and exempting external, minor, or non-material glitches. Reporting timelines have been extended to two hours with a single Common Reporting Platform, while technology and financial disincentive requirements have been rationalised based on broker size, technology dependence, and the nature and frequency of glitches. Stock exchanges will issue guidelines, monitor glitches, and disclose incidents on their websites.

### [Single Window Automatic and Generalised Access for Trusted Foreign Investors \(SWAGAT-FI\) framework for FPIs and FVCIs](#)

SEBI has issued a circular under the SWAGAT-FI framework to simplify registration and ongoing compliance for FPIs and FVCIs. SWAGAT-FI FVCI applicants may now seek FVCI registration concurrently with FPI registration without a separate application, subject to appointing the same custodian and DDP, and eligible existing FVCIs may migrate to SWAGAT-FI status. Registration validity and KYC review periodicity for SWAGAT-FI FVCIs have been extended to 10 years. The circular will be effective from 1 June 2026, with system updates required for depositories, custodians, and DDPs.

### [Single Window Automatic and Generalised Access for Trusted Foreign Investors \(SWAGAT-FI\) framework for FPIs and FVCIs](#)

SEBI has amended the FPI Master Circular under the SWAGAT-FI framework, pursuant to the SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2025, to simplify onboarding and ongoing compliances for trusted foreign investors. The amendments relax certain investment restrictions for SWAGAT-FI FPIs, subject to conditions on LRS contributions and Indian exposure, and specify eligible categories such as government-related investors, regulated mutual funds or unit trusts, insurance companies, and pension funds. Eligible FPIs may convert their registrations accordingly, with registration validity and KYC review periodicity extended to 10 years. The changes, including system updates by intermediaries, will be effective from 1 June 2026.

### [Introduction of Closing Auction Session \(CAS\) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session](#)

SEBI has introduced a Closing Auction Session (CAS) in the Equity Cash Segment to enhance price discovery, reduce volatility at market close, and align Indian markets with global best practices. The CAS will determine the official closing price of securities through an auction-based mechanism conducted after the regular trading session. Orders eligible for execution during CAS include market and limit orders, subject to specified price bands and eligibility criteria. In addition, SEBI has made certain modifications to the Pre-Open Auction Session to improve efficiency and price discovery at market opening.

### [Ease of Doing Investment - Special Window for Transfer and Dematerialisation of Physical Securities](#)

SEBI has introduced a one-time window from February 5, 2026 to February 4, 2027 to facilitate transfer and dematerialisation of physical securities transacted prior to April 1, 2019. Eligible securities must be credited in demat form and will be subject to a one-year lock-in, subject to specified conditions and exclusions.

### [Ease of Doing Investment and Ease of Doing Business - Doing away with requirement of issuance of Letter of Confirmation \("LOC"\) and to effect direct credit of securities in dematerialisation account of the investor](#)

1. SEBI has streamlined the process for credit of securities arising from investor service requests by removing the requirement to issue a Letter of Confirmation (LOC). Earlier, LOCs were mandated for services such as issuance of duplicate certificates, transmission, transposition, claims from unclaimed suspense accounts and certain corporate actions, as prescribed under the Master Circular for RTAs dated June 23, 2025.

2. To reduce timelines and mitigate risks such as loss or pilferage, Depositories will now develop systems enabling RTAs and listed companies to directly credit securities into the investor's demat account after completing due diligence. Investor service requests must be accompanied by a latest Client Master List (CML), not older than two months and duly attested by the Depository Participant.

### [Master Circular for Framework on Social Stock Exchange](#)

SEBI has issued a Master Circular consolidating eligibility, registration, disclosure, governance, social impact reporting, and fundraising norms for entities operating on the Social Stock Exchange, applicable to NPOs and FPEs.

### [Master Circular for compliance with the provisions of the Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2015 by listed entities](#)

SEBI has issued a Master Circular consolidating all compliance, disclosure, governance, and reporting requirements under the SEBI (LODR) Regulations, 2015 to ensure uniform implementation and ease of compliance for listed entities.

### [Securities and Exchange Board of India \(Stock Brokers\) Regulations, 2026](#)

The SEBI (Stock Brokers) Regulations, 2026, notified on 8 January 2026, replace the earlier framework to simplify regulations, strengthen governance, and enhance investor protection. The regulations rationalise provisions, remove outdated requirements,

and introduce clearer eligibility, net-worth, and experience norms for stock brokers. They strengthen compliance obligations relating to client asset protection, risk management, disclosures and code of conduct, while clearly prohibiting practices such as assured returns and misuse of client funds. Overall, the regulations aim to improve transparency, accountability, and ease of doing business in the securities market.

### [Securities and Exchange Board of India \(Credit Rating Agencies\) \(Amendment\) Regulations, 2026](#)

Notified on 13 January 2026, the amendments clarify and rationalise the scope of permitted activities for credit rating agencies. CRAs may undertake additional activities and rate instruments regulated by other financial sector authorities, as specified by SEBI, subject to applicable guidelines and regulatory oversight of the concerned authority. The removal of the earlier proviso provides greater clarity and regulatory consistency, aligning the framework with evolving market practices.

### [Securities and Exchange Board of India \(Mutual Funds\) Regulations, 2026](#)

The SEBI (Mutual Funds) Regulations, 2026 replace the old mutual fund rules with a modern, transparent framework to strengthen investor protection and cost clarity. A key reform is the introduction of a Base Expense Ratio that separates actual fund management costs from brokerage and statutory levies such as STT and GST, resulting in clearer expense disclosures. Expense caps for various fund categories have been rationalised to lower costs for investors, and brokerage limits on cash and derivatives trades have been tightened to reduce hidden transaction costs. The regulations enhance governance by broadening trustee and independent director oversight, improve portfolio discipline, and standardise disclosures for better comparability. Other changes include rationalised exit load norms and structured incentives to widen investor participation. These rules aim to make mutual funds more cost-efficient, transparent, and aligned with investor interests.

### [Securities and Exchange Board of India \(Issue and Listing of Non-Convertible Securities\) \(Amendment\) Regulations, 2026](#)

Notified on 20 January 2026, the amendments introduce a formal definition of “retail individual investor” (applications up to ₹2 lakh) and permit issuers to offer incentives to specified investor categories, including retail investors and senior citizens. Such incentives are restricted to the initial allotment. The amendments seek to encourage wider retail participation while maintaining transparency and fairness in issuances.

### [Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) \(Amendment\) Regulations, 2026](#)

The amendments rationalise compliance requirements for listed entities, particularly High Value Debt Listed Entities (HVDLEs). The HVDLE threshold has been increased from ₹1,000 crore to ₹5,000 crore, easing compliance for smaller issuers. Governance, disclosure, and procedural requirements have been streamlined, obsolete provisions removed, and targeted exemptions provided, while maintaining robust investor protection standards.

### [SEBI Constitutes Working Group on Technology Roadmap for Market Infrastructure Institutions \(MIIs\)](#)

SEBI has constituted a Working Group to develop 5-year and 10-year technology roadmaps for Market Infrastructure Institutions (MIIs), focusing on adoption of emerging technologies such as AI/ML, blockchain, cloud computing, RegTech and SupTech to strengthen market resilience, surveillance and investor protection.

### [SEBI Facilitates Seamless Digital Signature Certificate Functionality for FPIs](#)

SEBI has enabled integrated Digital Signature Certificate (DSC) functionality in the Common Application Form (CAF) portal, allowing FPIs to apply for an Indian DSC and submit registration applications through a single digital process, thereby streamlining and expediting FPI onboarding.

### [SEBI says SWAGAT to FPIs and FVCIs](#)

SEBI has introduced the SWAGAT-FI framework to provide a single-window, streamlined registration and compliance process for eligible FPIs and FVCIs. Effective June 1, 2026, the framework aims to reduce documentation, simplify compliance and enhance ease of doing business for trusted foreign investors.

### [Consultation Paper on Norms for sharing and usage of price data for educational purposes](#)

SEBI has proposed a uniform 30-day time lag for sharing and using price data solely for educational and investor awareness purposes. The proposal seeks to balance investor protection and effective education by preventing misuse of near-real-time data while retaining relevance of educational content. All other existing restrictions, including prohibition on advisory or research activities, will continue unchanged.

### [Consultation Paper on Circular for Trading at Stock Exchanges.](#)

SEBI has issued a consultation paper to review the framework governing trading at stock exchanges with a view to enhancing market integrity, efficiency, and investor protection. The paper examines trading hours, pre-open and call auction mechanisms, price discovery, volatility controls, and risk management, and proposes greater uniformity across exchanges to prevent regulatory arbitrage and ensure orderly market conditions.

### [Consultation Paper on proposal to permit netting of funds for transactions done by Foreign Portfolio Investors \(FPIs\)](#)

SEBI has proposed permitting netting of pay-in and pay-out obligations for transactions undertaken by Foreign Portfolio Investors (FPIs). The proposal aims to reduce fund movement, settlement risk, and operational costs, align Indian markets with global practices, and improve ease of doing business, while maintaining appropriate risk management safeguards.

### [Consultation paper for simplification of client on-boarding and rationalisation of risk management framework at KYC Registration Agencies](#)

SEBI has proposed measures to simplify client on-boarding and rationalise the risk management framework at KYC Registration Agencies (KRAs). The proposals focus on reducing duplication, improving interoperability among KRAs, streamlining KYC processes, and adopting a more uniform, risk-based approach while strengthening data security and governance.

## [Consultation Paper on Circular under SEBI \(Index Providers\) Regulations, 2024](#)

SEBI has issued a consultation paper proposing a circular to operationalise the framework for regulating “Significant Indices” under the SEBI (Index Providers) Regulations, 2024. Indices tracked by mutual fund schemes with cumulative AUM exceeding ₹20,000 crore are proposed to be classified as Significant Indices, requiring index providers to seek SEBI registration within six months, subject to specified exemptions.

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