

*"Use of technology has become the core engine for improving decision-making and customer service, moving far beyond its traditional role of driving efficiency."*

*- Shri Sanjay Malhotra, Governor, Reserve Bank of India*

### [International Trade Settlement in Indian Rupees \(INR\)](#)

AD Category-I banks can now open Special Rupee Vostro Accounts (SRVAs) of overseas correspondent banks without prior RBI approval. This change is effective immediately.

### [Investment in Government Securities by Persons Resident Outside India through Special Rupee Vostro account](#)

The RBI has permitted persons resident outside India, maintaining a Special Rupee Vostro Account (SRVA) for international trade settlement in INR, to invest their rupee surplus balance in Central Government Securities (including Treasury Bills).

### [Compliance with Hon'ble Supreme Court Order dated April 30, 2025 in the matter of Pragya Prasun and Ors. vs Union of India \(W.P.\(C\) 289 of 2024\) and Amar Jain vs Union of India & Ors. \(W.P.\(C\) 49 of 2025\)](#)

The RBI has directed all Regulated Entities (REs) to comply with the Hon'ble Supreme Court Order dated April 30, 2025, in the cases of Pragya Prasun and Ors. vs Union of India (W.P.(C) 289 of 2024) and Amar Jain vs Union of India & Ors. (W.P.(C) 49 of 2025). The directions were issued by the Court to Regulators/REs to make the KYC process during onboarding, periodic updation of KYC etc. more inclusive for persons with disabilities.

### [Reserve Bank of India \(Know Your Customer \(KYC\)\) \(2nd Amendment\) Directions, 2025](#)

The RBI has issued the Reserve Bank of India (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025, further modifying the 2016 KYC Directions under provisions of the PML Act, FEMA, Banking Regulation Act, RBI Act, and PSS Act.

Key amendments include:

- Addition of a link to FAQs on KYC for public reference.
- Explicit inclusion of Persons with Disabilities (PwDs) under disadvantaged persons, ensuring no application for onboarding or periodic updation of KYC is rejected without due consideration; reasons for rejection must be recorded.
- KYC requirements expanded to cover occasional transactions of ₹50,000 or above (single or linked) and international money transfer operations.
- Recognition of Aadhaar Face Authentication.
- Clarification that liveness checks in digital verification must not exclude persons with special needs.
- Addition of past circular references (2009-10) to the Appendix for completeness.

### [Introduction of Continuous Clearing and Settlement on Realisation in Cheque Truncation System](#)

The RBI has announced the transition of the Cheque Truncation System (CTS) from batch processing to continuous

clearing and settlement on realisation which is expected to increase the efficiency of cheque clearing and reduce settlement risk for participants. While the CTS currently processes cheques with a clearing cycle of two working days, the transition to continuous clearing with on realisation settlement is expected, to reduce the clearing cycle to a few hours. This will be implemented in two phases — Phase 1 from October 4, 2025 and Phase 2 from January 3, 2026.

### [SEBI | Review of Framework for conversion of Private Listed InvIT into Public InvIT](#)

SEBI has updated norms for converting private listed InvITs into public InvITs, aligning sponsor holding, lock-in, and disclosure requirements with InvIT Regulations. Conversion procedures will now follow follow-on offer norms, ensuring uniformity and investor protection.

### [SEBI | Extension of timeline for implementation of SEBI Circular 'Margin obligations to be given by way of pledge/Re-pledge in the Depository System' dated June 03, 2025](#)

SEBI has deferred the implementation of its June 3, 2025 circular on margin obligations via pledge/re-pledge in the depository system from September 1, 2025 to October 10, 2025. The extension was granted on requests from CDSL and NSDL for additional testing and system readiness.

## [Monetary Policy Statement, 2025-26 Resolution of the Monetary Policy Committee August 4 to 6, 2025 | Statement on Developmental and Regulatory Policies](#)

The RBI has published its Monetary Policy Statement and Statement on Developmental and Regulatory Policies following the Monetary Policy Committee (MPC) meeting held during August 4–6, 2025:

1. The MPC kept the policy repo rate unchanged at 5.50%, with the Standing Deposit Facility (SDF) at 5.25% and Marginal Standing Facility (MSF) and Bank Rate at 5.75%, maintaining a neutral stance. The RBI awaits further transmission of 100 bps rate cuts made earlier this year; next policy review is scheduled for September 29–October 1, 2025.

2. The RBI published the Statement on Developmental and Regulatory Policies alongside the Monetary Policy Statement, setting out key policy measures to improve regulatory efficiency and deepen financial markets:

- Standardised Procedure for Claims on Deceased Customers' Deposits

RBI plans to streamline and standardise the claim settlement process for deposits, safe custody items, and lockers in the event of a customer's death. This move aims to reduce procedural differences across banks and ease the burden on nominees and legal heirs. A draft circular will be released for public feedback soon. - Draft Circular issued.

- Auto-Bidding in RBI Retail Direct for T-Bills

To help retail investors plan better, the RBI has introduced auto-bidding in the Retail Direct platform for investment and re-investment in Treasury Bills (T-Bills). This new feature allows automated bid placement in primary auctions, of T Bills adding convenience for retail participants.

## [SEBI | Relaxation in the timeline to submit net worth certificate by the Stock Brokers to offer margin trading facility to their clients](#)

SEBI has eased the submission timelines for stock brokers' half-yearly net worth certificates required for offering margin trading. Instead of April 30 and October 31, brokers must now file certificates in line with SEBI LODR timelines—by May 31 (for March 31) and November 15 (for September 30) each year.

## [SEBI | Technical Clarifications to Cybersecurity and Cyber Resilience Framework \(CSCRF\) for SEBI Regulated Entities \(REs\)](#)

SEBI has issued technical clarifications to the Cybersecurity and Cyber Resilience Framework (CSCRF) for Regulated Entities (REs). The circular introduces principles of Exclusivity and Equivalence for REs under multiple regulators, clarifies definitions of critical systems, zero-trust model, mobile app security, cyber incident reporting, VAPT submissions, and supply chain risk assessment. It also revises RTO/RPO timelines, recommends (not mandates) ISO 27001 certification, and emphasizes SOC efficacy and confidentiality of audit reports. Further, portfolio managers and merchant bankers are re-categorized based on AUM and activity levels. REs must also align with CERT-In Cyber Security Audit Policy Guidelines for consistent audits.

## **Penalty corner**

Imposed a monetary penalty of ₹75.00 lakh on **ICICI Bank Limited** for non-compliance with certain directions issued by RBI on 'Valuation of Properties - Empanelment of Valuers' and 'Opening of Current Accounts by Banks – Need for discipline'.

The Bank:

- Did not carry out valuation of properties by independent valuers in certain mortgage loans.
- Opened / maintained certain current accounts in contravention of extant regulatory requirements.

Imposed a monetary penalty of ₹10,000 on **Altum Credo Home Finance Private Limited**, Pune, Maharashtra for non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. The company had failed to put in place a system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months.

Imposed a monetary penalty of ₹1 lakh on **Ayodhya Finlease Limited** for non-compliance with certain provisions of 'Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' read with 'Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023' issued by RBI. The company had failed to obtain prior written permission of RBI for change in shareholding in excess of 26 percent of its paid-up equity capital.

Imposed a monetary penalty of ₹44.70 lakh on **Bandhan Bank Limited** for contravention of section 10(1)(b)(ii) of the Banking Regulation Act, 1949 (BR Act), and non-compliance with certain directions issued by RBI on 'Automation of Income Recognition, Asset Classification and Provisioning processes in banks'. The Bank:

- Paid remuneration in the form of commission to certain employees; and
- Had carried out manual intervention through back-end in respect of data of certain accounts and had not captured the audit trails / logs of access with specific user details in the system.

## [Master Circular for Debenture Trustees \(DTs\)](#)

SEBI has consolidated all directions into a new Master Circular, introducing online registration, centralized approvals, stronger compliance norms, a unique Asset ID system, and mandatory Investor Charter.

## [SEBI | Extension of timelines and Update of reporting authority for IAs and RAs w.r.t. SEBI Circular for Compliance to Digital Accessibility Circular 'Rights of Persons with Disabilities Act, 2016 and rules made thereunder- mandatory compliance by all Regulated Entities' dated July 31, 2025 \(Circular No. SEBI/HO/ITD-1/ITD VIAP/P/CIR/2025/111\)](#)

SEBI has extended deadlines under its Digital Accessibility Circular (July 31, 2025). Key dates:

- Sept 30, 2025 – Action report & list of platforms
- Dec 14, 2025 – Appointment of IAAP-certified auditors
- Apr 30, 2026 – Accessibility audit
- July 31, 2026 – Remediation
- FY 2026-27 onwards – Annual audits

Reporting for IAs and RAs will now be to BSE Ltd., while others continue with their respective authorities.

**[Securities and Exchange Board of India \(Research Analysts\) \(Amendment\) Regulations, 2025](#)** | **[Securities and Exchange Board of India \(Investment Advisers\) \(Amendment\) Regulations, 2025](#)**

SEBI has amended regulations for Research Analysts and Investment Advisers (2025) by tightening deposit requirements. Deposits must now be maintained in a SEBI specified manner and marked as lien in favour of a SEBI recognised supervisory body. These funds can be used to settle dues arising from arbitration, conciliation, or SEBI-specified dispute resolution mechanisms—strengthening investor protection and accountability.

**[Securities and Exchange Board of India \(Foreign Portfolio Investors\) \(Amendment\) Regulations, 2025](#)**

SEBI's Foreign Portfolio Investors (Amendment) Regulations, 2025 exempt FPIs investing only in Government Securities from certain eligibility and compliance norms under Regulations 4(c) and 22. Effective 180 days from notification, the move simplifies compliance and aims to attract greater foreign investment into India's sovereign bond market.

**[Shri Amit Pradhan takes charge as Executive Director, SEBI](#)** | **[Shri Avneesh Pandey takes charge as Executive Director, SEBI](#)** | **[Shri Sanjay Chandrakant Purao takes charge as Executive Director, SEBI](#)**

SEBI announced the appointment of three new Executive Directors in Mumbai. Shri Amit Pradhan will oversee the Legal Affairs Department (Vertical 1) and Prosecution & Settlement Department (PSD). Shri Avneesh Pandey will head the Information Technology Department (ITD). Shri Sanjay Chandrakant Purao will manage the Corporation Finance Investigation Department, Recovery and Refund Department, and Internal Inspection Department.

**[SEBI | Consultation Paper on Amendment to the definition of Strategic Investor for REITs and InvITs](#)**

SEBI proposes to expand the definition of Strategic Investor to include all QIBs, while continuing to exclude FPIs that are individuals, corporates, or family offices. Public comments are open until Aug 22, 2025.

**[SEBI | Revised Norms for appointment of an independent third-party reviewer/ certifier for green debt security](#)**

SEBI has issued a draft circular proposing revised norms for appointing independent third-party reviewers/certifiers for green debt securities, aligning them with the June 2025 ESG debt framework. The move aims to ensure consistency, independence, and stronger investor confidence. Public comments are open until Aug 21, 2025.

**[SEBI | Modification in the conditions specified for reduction in denomination of debt securities and non-convertible redeemable preference shares \(NCRPS\)](#)**

SEBI has issued a draft circular (Aug 2025) proposing that zero-interest debt securities and preference shares also be eligible for issuance at the reduced face value of ₹10,000. Public comments are invited until Aug 21, 2025.

**[SEBI | Consultation Paper on Amendments To Provisions Relating To Related Party Transactions Under SEBI \(LODR\) Regulations, 2015 And Circulars Thereunder](#)**

SEBI has issued a consultation paper (August 4, 2025) proposing amendments to the provisions on Related Party Transactions under the Listing Obligations and Disclosure Requirements Regulations. The changes aim to simplify compliance, rationalize approval thresholds, and streamline disclosures while maintaining governance standards and investor protection.

**[SEBI | Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents](#)**

SEBI, through a consultation paper dated August 7, 2025, has proposed a review of the regulatory framework for Registrars to an Issue and Share Transfer Agents. The proposals focus on investor protection, operational efficiency, and updated norms on registration, compliance, reporting, and governance.

**[SEBI | Proposals for Ease of Doing Business for Investment Advisers and Research Analysts](#)**

SEBI, on August 7, 2025, released a consultation paper proposing measures to ease the regulatory and operational framework for Investment Advisers and Research Analysts. The objective is to reduce compliance burden, streamline registration and reporting processes, and enhance ease of doing business while maintaining investor protection and market integrity.

**[SEBI | Consultation Paper on introduction of separate type of AIF scheme for only Accredited Investors](#)**

SEBI, on August 8, 2025, released a consultation paper proposing the introduction of "Accredited Investor (AI)-only" AIF schemes, allowing funds to onboard exclusively accredited investors under a lighter-touch regulatory framework. The proposal envisions a gradual transition from the existing minimum commitment threshold to accreditation status as the primary metric of investor sophistication, while maintaining investor protection, disclosure norms, and systemic safeguards. AI-only schemes may enjoy specific flexibilities, including exemption from maintaining pari-passu rights among investors, extended fund tenure up to five years with investor consent, exemption from NISM certification for key investment personnel, removal of the cap on the number of investors, and shifting trustee responsibilities to the fund manager. Public comments are invited by August 29, 2025.

**[SEBI | Consultation Paper on review of requirement of Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers in terms of Securities Contracts \(Regulation\) Rules, 1957](#)**

SEBI is reviewing norms on Minimum Public Offer (MPO) and Minimum Public Shareholding (MPS) to improve liquidity and price discovery. Feedback is sought on thresholds, timelines, and compliance mechanisms.



## **[SEBI | Consultation Paper on proposals to facilitate participation by resident Indians in Foreign Portfolio Investors \(FPIs\)](#)**

SEBI has issued a consultation paper proposing measures to enable greater participation of resident Indians in Foreign Portfolio Investors. Key proposals include allowing IFSC-based retail schemes with resident Indian non-individuals as fund managers, aligning contribution limits with IFSCA rules, permitting Indian mutual funds to be part of FPIs, and capping resident Indian non-individual contributions at 10% of the corpus or AUM. Public comments on the proposals and draft amendments are invited by August 29, 2025.

## **[SEBI | Consultation Paper on introduction of “Single Window Automatic & Generalised Access for Trusted Foreign Investors \(SWAGAT-FI\)” framework for FPIs and FVCIs](#)**

SEBI, on August 8, 2025, issued a consultation paper proposing the “Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FI)” framework to simplify registration for Foreign Portfolio Investors and Foreign Venture Capital Investors. The framework seeks to enable faster, automated onboarding for credible foreign investors while ensuring regulatory oversight, with public comments invited on its implementation.

## **[SEBI | Consultation paper on providing flexibilities to Large Value Funds for Accredited Investors \(“LVFs”\) under SEBI \(AIF\) Regulations](#)**

SEBI, on August 8, 2025, proposed relaxations for Large Value Funds under the Alternative Investment Fund Regulations, including lowering the minimum investment from ₹70 crore to ₹25 crore and easing disclosure, audit, and certification requirements. The cap on the number of investors is also proposed to be removed, with comments invited by August 29, 2025.

## **[SEBI | Addendum to Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents – related to fees](#)**

SEBI has issued an addendum to its consultation paper on the review of the regulatory framework for Registrars to an Issue and Share Transfer Agents, focusing on fee revisions. The proposal removes RTA categorization and applies the Category-I fee structure uniformly to all RTAs. Existing Category-II RTAs may either continue their activities under the current fee until expiry of their block period or transition to full RTA functions by paying pro-rata differential fees, subject to compliance. Public comments are invited by August 28, 2025.

## **[SEBI | Consultation Paper on Draft circular on Ease of doing investment - Smooth transmission of securities from Nominee to Legal Heir](#)**

SEBI has issued a draft circular titled “Ease of Doing Investment – Smooth Transmission of Securities from Nominee to Legal Heir.” The paper addresses tax and reporting challenges in cases where nominees act only as trustees for legal heirs. To avoid such transmissions being misclassified as taxable sales, SEBI proposes a new reporting reason code “TLH” (Transmission to Legal

Heirs) for use by reporting entities when filing with the Income Tax Department. Public comments are invited until September 2, 2025.

## **[SEBI | Consultation Paper on review of SEBI \(Stock Brokers\) Regulations, 1992](#)**

SEBI is reviewing the 1992 Stock Broker Regulations to strengthen investor protection and align with market developments. Focus areas include eligibility, compliance, risk management, governance, and operational resilience.

## **[SEBI | Implementation of Eligibility criteria for Derivatives on Non-Benchmark indices based on SEBI circular dated May 29, 2025](#)**

SEBI has proposed eligibility norms for derivatives on Non-Benchmark Indices, requiring them to be broad-based (e.g., 14+ stocks, top weight  $\leq 20\%$ , top 3  $\leq 45\%$ ). For existing indices, SEBI suggests either launching new indices or rebalancing current ones, and seeks feedback on a glidepath for implementation.

## **[SEBI | Consultation Paper on Review of Block Deal Framework](#)**

- SEBI has proposed key revisions to the Block Deal Framework to improve transparency and efficiency:

- Minimum order size to rise from ₹10 crore to ₹25 crore.
- Price band widened to  $\pm 3\%$  for non-F&O stocks (remains  $\pm 1\%$  for F&O).
- Two trading windows: Morning (8:45–9:00 a.m.) with previous close as reference; Afternoon (2:05–2:20 p.m.) with VWAP of 1:30–2:00 p.m. as reference.
- Mandatory delivery of shares – no squaring off or reversal.
- Same-day public disclosure of trade details after market hours.

Public comments are invited until September 15, 2025.

## **[SEBI | Consultation paper on ‘Introduction of Closing Auction Session in the equity cash segment’](#)**

SEBI released a consultation paper proposing the introduction of a Closing Auction Session (CAS) in the equity cash segment. The CAS aims to determine the closing price of securities through a transparent and price-discovery-based mechanism, replacing the current method of using the last traded price. The proposed framework intends to enhance market efficiency, improve price formation, and reduce price volatility at market close.

## **[SEBI | Transaction charges paid to Mutual Fund Distributors](#)**

SEBI has scrapped provisions permitting AMCs to pay transaction charges to mutual fund distributors on investments of ₹10,000 or more. Effective immediately, this move—based on public and industry feedback—aims to streamline distributor remuneration and enhance transparency for investors.

## **[SEBI | Use of liquid mutual funds and overnight mutual funds for compliance with deposit requirement by Investment Advisers and Research Analysts](#)**

SEBI has allowed Investment Advisers (IAs) and Research Analysts (RAs) to meet deposit requirements under Regulation 8 of their respective regulations using units of liquid mutual funds or overnight mutual funds, in addition to bank deposits. These deposits must be lien-marked in favor of the respective supervisory bodies (IAASB/RAASB).

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