

Our financial system should combine the innovation of T20 with the prudence and resilience of Test cricket, building institutions that not only score quickly but endure for decades.

-Shri Swaminathan J, Deputy Governor, Reserve Bank of India

All Agency Banks to remain open for public on March 31, 2026 (Tuesday).

The Government of India has directed that all Agency Banks keep their branches handling government receipts and payments open on March 31, 2026 (Tuesday), despite it being a public holiday, to ensure all government transactions are accounted for in FY 2025-26. Banks are also advised to publicise the availability of banking services on this day.

Voluntary Retention Route - Imparting predictability and increasing ease of doing business

The RBI has revised the regulatory framework for Foreign Portfolio Investor (FPI) investments under the Voluntary Retention Route (VRR) to enhance ease of doing business. Under the revised framework, VRR investment limits will be subsumed under the General Route limits for FPI investments in Central Government securities, State Government securities and corporate debt and all VRR investments will be reckoned within the respective General Route limits. FPIs that have opted for retention periods longer than the minimum prescribed will be permitted to partly or fully liquidate their portfolios and exit VRR after completion of the minimum retention period. These changes will come into effect from April 01, 2026 and all existing VRR investments as on that date will be transferred to the applicable General Route limits. Authorised Dealer

Category-I banks have been advised to inform their constituents and customers accordingly.

Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026

RBI has issued the Lending to MSME Sector (Amendment) Directions, 2026, amending the existing Master Directions. Banks should not accept collateral for loans up to ₹20 lakh extended to MSE units and are advised to provide collateral-free loans up to ₹20 lakh under the Prime Minister's Employment Generation Programme (PMEGP). Based on internal policy and borrower track record, banks may extend the collateral-free limit up to ₹25 lakh. Availing credit guarantee cover is permitted, and voluntary pledge of gold and silver within the limit will not be treated as a violation. The amendment is effective for loans sanctioned or renewed on or after April 01, 2026.

Strengthening of Grievance Redress Mechanism in Banks - Review

RBI has withdrawn its January 27, 2021 circular on strengthening grievance redress mechanisms in banks, as related requirements are now covered under updated disclosure directions, the Integrated Ombudsman Scheme, 2026, and Internal Ombudsman Directions, 2026. The withdrawal aims to avoid duplication. However, banks must continue to maintain and strengthen effective grievance redress systems as per existing regulatory instructions and Board-approved policies.

Unique Transaction Identifier for OTC Derivative Transactions

The Reserve Bank has introduced a framework mandating the use of a Unique Transaction Identifier (UTI) for reporting over-the-counter (OTC) derivative transactions. The UTI is a globally recognized data element designed to enhance transparency and enable policymakers to obtain a comprehensive view of the OTC derivatives market. Currently, OTC transactions in rupee interest rate derivatives, forward contracts in Government securities, foreign currency derivatives, foreign currency interest rate derivatives, and credit derivatives are currently reported to the Trade Repository operated by CCIL. It has now been decided to make the UTI mandatory for all such transactions, with the detailed implementation framework provided in the annex. These directions will come into effect from January 1, 2027, and will apply to all OTC derivative transactions entered into on or after that date. CCIL will issue the operating guidelines and reporting format.

Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 | Reporting under Foreign Exchange Management Act, 1999 - Returns pertaining to External Commercial Borrowing (ECB)

The RBI has notified the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, effective February 16, 2026, revising the framework governing External Commercial Borrowings (ECB). The amended Regulations consolidate ECB-related provisions and certain INR

borrowing provisions, leading to the deletion of corresponding paragraphs in the relevant Master Directions and FAQs to remove duplication. Pursuant to these amendments, the RBI has also revised the ECB reporting framework, substituting Part V – Annex I and Part V – Annex II of the Master Direction – Reporting under FEMA, 1999 with updated formats, namely Form ECB 1 / Revised Form ECB 1 and Form ECB 2. Authorised Dealer Category I banks are required to comply with the amended Regulations while facilitating borrowing and lending transactions, and Authorised Persons have been advised to inform their customers and constituents about the revised reporting requirements.

[Revision of Order-to-Trade Ratio \(OTR\) framework](#)

SEBI has revised the Order-to-Trade Ratio (OTR) framework applicable to algorithmic trading to refine the imposition of economic disincentives for high OTR. Based on stakeholder feedback and recommendations of the Secondary Market Advisory Committee, the framework now exempts equity option orders placed within $\pm 40\%$ of the LTP (premium) or $\pm ₹20$, whichever is higher, from OTR penalties. Further, algorithmic orders placed by Designated Market Makers for market-making activities are excluded from OTR computation. The OTR framework continues to apply to cash and derivatives segments, including liquidity enhancement schemes, subject to the revised exemptions. These provisions will come into effect from April 06, 2026.

[Review of Calendar Spread margin benefit in Single stock derivatives on expiry day](#)

SEBI has withdrawn the calendar spread margin benefit on the expiry day for single stock derivatives, aligning the margin framework with that applicable to index derivatives. Offsetting positions across expiries will not be eligible for margin offsets on the expiry day for expiring contracts, while the existing treatment will continue for non-expiring calendar spreads. The change aims to mitigate potential risks arising from margin volatility and adverse price movements after the expiry of one leg of the spread. Stock exchanges and clearing corporations have been directed to implement the necessary system and regulatory changes. The circular will take effect three months from the date of issuance.

[Creation/Invocation of pledge of securities through depository system](#)

Securities and Exchange Board of India (SEBI) has strengthened the framework for creation and invocation of pledge of securities through the depository system to align with the Indian Contract Act, 1872. Depositories are required to update the Pledge Request Form to include undertakings from both the pledger and pledgee, including a commitment by the pledgee to provide reasonable notice prior to sale of pledged securities. Depositories must also notify both parties upon pledge invocation and record the pledgee as beneficial owner in line with the SEBI (Depositories and Participants) Regulations, 2018. The revised provisions must be implemented on or before April 6, 2026.

Penalty corner

Bank

Imposed a monetary penalty of ₹63.60 lakh on **CSB Bank Limited** for non-compliance with certain directions issued by RBI on 'Scope of activities to be undertaken of Business Correspondents (BCs)' and 'Customer Service in Banks'. The Bank:

- i. Entered into an arrangement with BCs for undertaking activities, which are not covered within the scope of activities that can be undertaken by BCs; and
- ii. Levied charges in certain savings bank accounts without ensuring that customers were made aware of such charges upfront.

Imposed a monetary penalty of ₹29.60 lakh on **DCB Bank Limited** for non-compliance with certain directions issued by RBI on loans extended against pledge of gold ornaments and jewellery for non-agricultural end uses. The bank failed to maintain the prescribed loan-to-value (LTV) ratio in certain non-agricultural gold loan accounts during the tenure of such loans.

Imposed a monetary penalty of ₹32.50 lakh on **Bank of Maharashtra** for non-compliance with certain provisions of directions issued by RBI on 'Credit information reporting in respect of Self Help Group members' and 'Know Your Customer'. The Bank:

- i. Did not report Self Help Group member level data to Credit Information Companies; and
- ii. Did not identify Beneficial Owners in certain accounts.

Imposed a monetary penalty of ₹38.60 lakh on **UCO Bank** for non-compliance with certain directions issued by RBI on 'Periodicity of payment of interest on savings deposits', 'Locker Rent' and 'Credit Information Reporting in respect of Self Help Group (SHG) members'.

The Bank:

- i. Did not pay any interest on certain Savings Bank Deposit accounts;
- ii. Did not report credit related Self Help Group member level data to Credit Information Companies; and
- iii. Did not refund the proportionate amount of advance locker rent collected in case of premature surrender of locker by certain customers.

NBFC

Imposed a monetary penalty of ₹1 lakh on **Vinayaka Capsec Private Limited** for non-compliance with certain directions issued by RBI on 'Acquisition of Shareholding or Control'. The company had failed to obtain prior written permission of RBI for change in shareholding in excess of 26 per cent of its paid-up equity capital.

Imposed a monetary penalty of ₹3.80 lakh on **Navi Finserv Limited** for non-compliance with certain provisions of the directions issued by RBI on 'Recovery Agents'. The company contacted customers after 7:00 p.m. and before 8:00 a.m. for recovery of overdue loans and did not follow the due protocol while sending messages to customers.

Imposed a monetary penalty of ₹5.30 lakh on **IIFL Finance Limited** for non-compliance with certain directions issued by RBI on 'Asset Classification'. The company failed to classify certain accounts as 'non-performing asset', on restructuring.

Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

SEBI has mandated reporting of the Net Asset Value (NAV) of Alternative Investment Fund (AIF) units to depositories to enhance transparency, particularly as AIF units are issued in dematerialised form. AIFs, through their RTAs, must upload the latest NAV corresponding to each ISIN in the depository system by May 1, 2026, or within 30 days from the valuation date, whichever is later. The AIF manager will be responsible for timely and accurate reporting, while depositories must develop necessary systems and display appropriate disclaimers. Trustees/sponsors must ensure compliance is reflected in the Compliance Test Report.

Obligations on CRAs while undertaking rating of financial instruments falling under the purview of any other Financial Sector Regulator

SEBI has prescribed additional obligations for Credit Rating Agencies (CRAs) undertaking ratings of instruments regulated by other Financial Sector Regulators under the SEBI (Credit Rating Agencies) Regulations, 1999. CRAs must ensure clear segregation between SEBI-regulated and other regulatory activities, including maintaining separate email IDs for grievances and distinct website disclosures. The measures aim to avoid investor confusion and strengthen transparency and regulatory oversight where CRAs operate across multiple regulatory jurisdictions.

Capacity Planning and Real Time Performance Monitoring framework for Commodity Derivatives Segment of Market Infrastructure Institutions (MIIs)

SEBI has introduced a Capacity Planning and Real Time Performance Monitoring framework for the commodity derivatives segment of Market Infrastructure Institutions (MIIs), including stock exchanges and clearing corporations. The framework extends the revised guidelines issued in December 2024 to this segment, with certain modifications. Installed capacity must be at least 2 times the projected peak load, and corrective action must be initiated if capacity utilisation exceeds 75% under SCOT oversight. MIIs are required to submit their approved policy to SEBI within three months, and the circular will come into effect three months from the date of issuance.

Circular on Forms for registration of stock brokers and clearing members

SEBI has revised and standardized the application forms for registration of stock brokers and clearing members under the SEBI (Stock Brokers) Regulations. The updated formats aim to improve clarity, uniformity, and ease of processing while capturing more comprehensive information from applicants. Stock exchanges and clearing corporations must use the revised forms for processing registrations and related submissions.

Categorization and Rationalization of Mutual Fund Schemes

SEBI has undertaken a review of the categorization and rationalization framework for mutual fund schemes to enhance transparency and comparability for investors. The framework classifies open-ended schemes into broad

Imposed a monetary penalty of ₹11.50 lakh on **Mahindra & Mahindra Financial Services Limited** for non-compliance with certain directions issued by RBI on 'Fair Practices Code' and 'Internal Ombudsman for Regulated Entities'. The Company:

- i. Levied revised foreclosure charges on certain accounts of borrowers without incorporating a suitable condition in their loan agreements; and
- ii. Failed to ensure:
 - a. escalation of certain complaints, partly / wholly rejected by the company's Internal Grievance Redress Mechanism to its Internal Ombudsman within the prescribed time.
 - b. communication of final decision to the complainant, within the prescribed time, in certain cases.

categories such as Equity, Debt, Hybrid, Solution-Oriented and Other Schemes, with defined investment norms. The review aims to reduce overlap among schemes, strengthen "true-to-label" disclosures, and ensure clear investment characteristics within each category. SEBI has invited stakeholder comments on the proposed enhancements.

Valuation of physical Gold and Silver held by mutual fund schemes

SEBI has revised the valuation methodology for physical gold and silver held by mutual fund schemes. Mutual funds will now use polled spot prices published by recognized stock exchanges for valuation, replacing the earlier LBMA-based pricing mechanism with domestic adjustments. The change is intended to improve transparency and better reflect domestic market conditions.

Ease of Doing Investment (EoDI)- Disclosure of registered name and registration number by SEBI regulated entities and their agents on Social Media Platforms (SMPs)

SEBI under its Ease of Doing Investment (EoDI) initiative, has directed regulated entities and their agents to disclose their registered name and SEBI registration number on social media platforms. The details must be prominently displayed on the home page of social media handles and at the beginning of securities market-related posts or videos. Entities with multiple registrations must provide a weblink listing all registrations and disclose the relevant registration in each content piece. Agents must also disclose the principal entity's registration details to enhance transparency and investor protection.

Revised Norms for appointment of an independent third-party reviewer/ certifier for green debt security

Securities and Exchange Board of India (SEBI) has revised the framework for appointment of independent third-party reviewers/certifiers for green debt securities to align it with the broader ESG debt securities framework under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Issuers are required to appoint an independent reviewer with adequate ESG expertise to confirm compliance with the regulatory requirements. The scope and form of external review—such as Second Party Opinion, Verification, Certification, or Scoring/Rating—must be disclosed in the offer document. Details of the appointed reviewer are also required to be disclosed to enhance transparency.

[Master Circular for Registrars to an Issue and Share Transfer Agents | Master Circular for Investment Advisers | Master Circular for Research Analysts | Master Circular for Issue of Capital and Disclosure Requirements](#)

Securities and Exchange Board of India (SEBI) has issued a series of Master Circulars in February 2026 for various market intermediaries, including Registrars to an Issue and Share Transfer Agents (RTAs), Investment Advisers, Research Analysts, and the Issue of Capital and Disclosure Requirements (ICDR) framework. These circulars consolidate all applicable regulatory provisions, circulars, operational guidelines, and procedural requirements into single reference documents.

[Inauguration of PAN India Bond Issuer Outreach Program by Chairman, SEBI](#)

SEBI, in collaboration with stock exchanges, inaugurated a PAN-India Bond Issuer Outreach Program in Mumbai to strengthen India's corporate bond market. The initiative includes a documentary on bond market development and investor awareness videos to improve understanding among issuers and investors. The program aims to deepen market participation, support efficient capital formation, and reinforce the corporate bond ecosystem through coordinated stakeholder efforts.

[Launch of AI-driven calling campaign to promote 'SEBI Check' Tool and Validated UPI Handles](#)

SEBI has launched a pilot multilingual, AI-enabled public outreach initiative to boost investor awareness about the 'SEBI Check' tool and validated UPI handles, in collaboration with Sarvam. The initiative will deliver informational calls to select investors explaining how to verify UPI IDs, QR codes, and bank details of SEBI-registered intermediaries before transferring funds. Investors are advised that genuine awareness calls will originate only from the SEBI-authorized number 1600-313-384.

[SEBI Constitutes Working Group to Review ESG Rating Providers \(ERPs\) Regulatory Framework](#)

The group will assess the existing framework, examine representations, and recommend measures to improve transparency, reliability, and investor confidence. It will also study global practices and submit recommendations to SEBI.

[Consultation paper on proposed amendments to Schedule II of the Securities and Exchange Board of India \(Intermediaries\) Regulations, 2008-'Fit and Proper Person' Criteria](#)

SEBI has issued a consultation paper proposing amendments to Schedule II of the SEBI (Intermediaries) Regulations, 2008 to strengthen the 'Fit and Proper Person' framework. The proposals aim to improve clarity, consistency, and objectivity in assessing integrity, competence, financial soundness, and reputation of intermediaries, refine disqualification triggers, and enhance disclosures. The initiative seeks to bolster investor protection, market integrity, and governance standards across SEBI-regulated intermediaries.

[Consultation Paper On Draft Circular on Review of Inclusion of Historical Scenarios in Stress Testing and Coverage of Settlement Guarantee Fund for Commodity Derivatives Segment.](#)

Securities and Exchange Board of India (SEBI) has proposed changes to stress testing and Settlement Guarantee Fund (SGF) norms in the commodity derivatives segment. The draft recommends including historical extreme scenarios in stress tests and aligning SGF coverage to strengthen default-handling capacity, aiming to enhance risk management and market stability.

[Consultation Paper on Flexibility to Alternative Investment Funds \(AIFs\) in Winding up the scheme / Surrendering the Registration.](#)

SEBI has issued a consultation paper proposing to provide greater flexibility to Alternative Investment Funds (AIFs) in winding up schemes and surrendering registration. The proposals aim to streamline timelines, clarify procedural requirements, and reduce operational challenges faced by AIFs during closure or exit. SEBI is considering measures such as simplified approval processes, clearer responsibilities of trustees/managers, and enhanced disclosure to investors.

[Consultation Paper on Measures towards Ease of Doing Business for REITs and InvITs](#)

SEBI has proposed measures to enhance ease of doing business for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). The proposals aim to rationalize disclosure requirements, simplify compliance procedures, streamline fundraising and investment norms, and provide operational flexibility while maintaining investor protection. SEBI is also reviewing certain regulatory conditions to reduce redundancies and improve efficiency in structuring and managing these trusts. The objective is to facilitate capital formation, strengthen the regulatory framework, and promote growth and competitiveness of REITs and InvITs in India.

[Consultation paper on 'extending facility of standing instructions for Systemic Withdrawal Plan \(SWP\)/Systemic Transfer Plan \(STP\) for Mutual Fund units held in demat form'](#)

SEBI has issued a consultation paper proposing to extend the facility of standing instructions for Systemic Withdrawal Plans (SWP) and Systemic Transfer Plans (STP) to mutual fund units held in demat form. The proposal aims to enhance investor convenience, ensure operational parity with non-demat holdings, and streamline transaction processes. The objective is to improve ease of doing business and provide seamless automated transaction facilities for demat mutual fund investors.

[Review of minimum value of investment by individual investors in Social Impact Fund under SEBI AIF Regulations, 2012 and review of requirements related to registration period of NPOs and minimum subscription under SEBI ICDR Regulations, 2018](#)

SEBI has issued a consultation paper proposing a review of the minimum investment threshold for individual investors in Social Impact Funds (SIFs) under the SEBI (AIF) Regulations, 2012. The proposal aims to enhance retail participation while maintaining appropriate risk safeguards. SEBI is also reviewing requirements under the SEBI (ICDR) Regulations, 2018 relating to the minimum registration period of Not-for-Profit Organizations (NPOs) and minimum subscription norms for Social Stock Exchange issuances. The objective is to improve capital access for social enterprises and

NPOs, deepen the Social Stock Exchange ecosystem, and promote ease of doing business while ensuring investor protection.

[Consultation paper on Ease of doing business-Relaxations in the reporting requirements for stock brokers.](#)

SEBI has proposed relaxations in reporting requirements for stock brokers to enhance ease of doing business. The proposals aim to rationalize periodic submissions, remove redundant reporting, and streamline compliance processes without compromising regulatory oversight. The objective is to reduce compliance burden, improve operational efficiency, and enable stock brokers to focus on core market activities while maintaining adequate transparency and investor protection.

[Consultation Paper on Review of provisions related to Base Price and Price Bands for Exchange Traded Funds \(ETFs\).](#)

SEBI has issued a consultation paper proposing a review of provisions related to base price and price bands for Exchange Traded Funds (ETFs). The paper seeks to rationalize the current framework to improve trading efficiency, liquidity, and price discovery while maintaining adequate investor protection. SEBI is examining whether existing price band mechanisms and base price calculations appropriately reflect ETF market dynamics, especially given the passive nature and underlying NAV linkage of ETFs. The proposals aim to reduce unnecessary trading restrictions, enhance market depth, and align the ETF trading framework with evolving market practices while ensuring orderly market functioning.

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