

INDIA REGULATORY DEVELOPMENTS

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 Key Updates from SEBI, RBI, & IFSCA

1st Sep - 30th Sep 2026

"Technology investment should be treated also as a risk investment – it is an investment in continuity, confidence and financial stability." (

-Shri Rohit Jain, Deputy Governor, Reserve Bank of India

SEBI

SEBI Circulars

Title: [Relaxation in Timeline for Accredited Investor Mandate for Angel Funds.](#)

Date: Sep 07, 2026

SEBI has extended the deadline for Angel Funds registered on or before September 10, 2025 to comply with the Accredited Investor mandate from September 8, 2026 to March 31, 2027. Until then, such funds may offer investment opportunities to a maximum of 200 non-Accredited Investors. From April 1, 2027, they cannot accept contributions from non-Accredited Investors for investee companies. Existing investors may continue holding investments already made under applicable fund documents.

Title: [Ease of Regulatory Compliances for FPIs Investing Only in Government Securities.](#)

Date: Sep 07, 2026

SEBI has further eased compliance requirements for Foreign Portfolio Investors investing exclusively in Government Securities. Such FPIs will no longer be required to furnish investor group details, irrespective of whether investments are made through the Fully Accessible Route or General Route. The change follows RBI's withdrawal of concentration-limit requirements for FPIs investing in Government Securities through the General Route. Depositories, custodians and DDPs must update their systems accordingly, with the revised provisions taking immediate effect.

Title: [SEBI Revises Client Position Limits and Penalty Framework for Commodity Derivatives.](#)

Date: Sep 09, 2026

SEBI has revised position-limit and penalty norms for commodity derivatives, with immediate effect, to ease market participation and reflect current conditions. Penalties for client-level breaches are now capped at ₹2 lakh for violations above 2% of prescribed limits and ₹10,000 for breaches up to 2%. It also broadens the definition of "Broad Commodity" and sets client position limits at 2%, 1% and 0.5% of deliverable supply for broad, narrow and sensitive commodities, respectively.

Title: [SEBI Master Circular for Debenture Trustees – September 28, 2026.](#)

Date: Sep 09, 2026

SEBI has issued a revised Master Circular for Debenture Trustees, consolidating all applicable circulars and regulatory requirements as of September 28, 2026, while rescinding the earlier Master Circular dated August 13, 2025. The circular covers registration requirements, due diligence, security creation and covenant monitoring, security cover certification, continuous monitoring, disclosures, investor grievance redressal, defaults and remedies, regulatory reporting, outsourcing, conflict-of-interest norms and FINNET 2.0 registration. Existing actions and obligations under the superseded circular remain valid and enforceable.

SEBI Consultation Paper

Title: [SEBI Consultation on Net Settlement of Funds for Mutual Fund Cash-Market Transactions.](#)

Date: Sep 03, 2026

SEBI proposes allowing mutual fund schemes to net fund obligations for eligible outright cash-market transactions, while continuing gross settlement of securities. The objective is to improve settlement efficiency and reduce temporary liquidity requirements without affecting scheme-wise accounting, valuation, or investor safeguards.

Discussion Points:

- Permit fund netting for outright buy/sell transactions.
- Exclude securities involving both purchase and sale in the same settlement cycle.
- Initially restrict the framework to mutual fund cash-market transactions.
- Invite other suggestions with supporting rationale

Deadline for Comments: Sep 24, 2026

Title: [SEBI Proposes Stronger Governance Framework for MIIs.](#)

Date: Sep 09, 2026

SEBI proposes changes to strengthen governance of MIIs by widening eligibility for Governing Board directors and introducing standardized requirements for key managerial personnel. The proposals seek to improve access to qualified talent while reinforcing technology, cybersecurity, compliance and risk-management functions.

Discussion Points:

- Extend director eligibility carve-outs to companies with well-diversified shareholding, subject to a 10% ownership/control threshold.
- Introduce SOPs defining qualifications, experience, skills and certifications for CTO, CISO, Compliance Officer and Chief Risk Officer.
- Require KMP vacancies to be filled within three months and consider appointing deputies for continuity.

Deadline for Comments: Sep 30, 2026

Title: [SEBI Proposes Review of Closing Auction, Derivatives Settlement and Market Timings.](#)

Date: Sep 12, 2026

SEBI is reviewing the Closing Auction Session framework following initial market experience since August 2026. The paper examines derivatives settlement, CAS timings, indicative index dissemination and auction-order safeguards.

Discussion Points:

- Consider Blended VWAP of CTS and CAS trades, or retain CTS VWAP temporarily.

- Stop dissemination of IEP-derived Indicative Index Values during CAS.
- Reduce CTS–CAS transition to one minute and post-CAS derivatives trading to five minutes.
- Restrict cancellation of orders beyond $\pm 1\%$ and allow pending Iceberg orders into CAS.

Deadline for Comments: Oct 03, 2026

Title: [SEBI Proposes Extending IT & Cyber Security Framework to MII Subsidiaries.](#)

Date: Sep 12, 2026

SEBI proposes extending the IT and Cyber Security framework applicable to Market Infrastructure Institutions (MIIs) to relevant subsidiaries.

The objective is to ensure consistent cyber resilience where subsidiaries support regulated functions, handle critical data or share infrastructure.

Discussion Points:

- Framework to cover subsidiaries performing MII functions, handling MII data or sharing infrastructure.
- Covered subsidiaries must meet cybersecurity, system audit, incident reporting, BCP-DR and governance requirements.
- Unrelated subsidiaries remain outside the framework.
- Infrastructure-sharing subsidiaries may seek SEBI exemption with compensatory controls and Board/SCOT views.

Deadline for Comments: Oct 02, 2026

Title: [SEBI Consultation Paper on Strengthening BCP and Disaster Recovery Framework for Market Infrastructure Institutions.](#)

Date: Sep 15, 2026

SEBI proposes enhancements to the BCP/DR framework for MIIs to improve operational resilience, ease DR testing, and strengthen data recovery. The proposals focus on shorter mock drills, stronger primary-site controls, and recovery of lost trade data.

Discussion Points:

- Reduce DR drills to a minimum four-hour session with PDC-to-DRS switchover.
- Expand stress testing, fault-tolerance checks, logging, and configuration monitoring.
- Require proactive monitoring of system limits and bottlenecks.
- Enable stock exchanges to recover lost trade data from clearing corporations.

Deadline for Comments: 5 October 2026.

Title: [RBI Discontinues Certain Reporting Requirements for Accounts of Non-Resident Banks.](#)

Date: 02 Sep, 2026

The Reserve Bank of India has withdrawn two reporting requirements applicable to Authorised Dealer Category-I banks concerning accounts of non-resident banks. Banks will no longer need to submit an annual list of branches maintaining Rupee accounts of non-resident banks or report temporary overdrawals by overseas branches or correspondents that remain unadjusted beyond five days. The changes take effect immediately and are aimed at simplifying existing foreign exchange reporting requirements under the Foreign Exchange Management Act, 1999.

Title: [RBI Introduces Half-Yearly CIMS Reporting for Natural Calamity Relief Measures.](#)

Date: 02 Sep, 2026

The Reserve Bank of India has introduced a half-yearly CIMS reporting framework for relief measures extended by regulated entities in areas affected by natural calamities. Banks, RRBs, SFBs, cooperative banks, NBFCs and AIFIs must submit validated data within 30 days of each half-year end—by October 30 and April 30. The revised framework aligns reporting with stressed-asset amendment directions effective July 1, 2026, while discontinuing the earlier monthly return applicable to scheduled commercial banks.

Title: [RBI Withdraws Seven Superseded Circulars under FEMA.](#)

Date: Sep 08, 2026

The Reserve Bank of India has withdrawn seven A.P. (DIR Series) circulars issued under FEMA that have become inoperative due to subsequent regulatory amendments, redundancy, overlap, or supersession. The withdrawn circulars mainly relate to External Commercial Borrowings, rupee-denominated overseas bonds, infrastructure-sector definitions, borrowing and lending in rupees, import of services and technical know-how, the Money Transfer Service Scheme, and ECBs by SIDBI. Authorised Persons are advised to inform their concerned constituents.

Title: [RBI Revises ANBC Exemption Window for FCNR\(B\) and NRE Deposit-Linked Advances.](#)

Date: Sep 11, 2026

The Reserve Bank of India has issued the Third Amendment to the Priority Sector Lending – Targets and Classification Directions, 2026. The amendment revises the eligibility cut-off for excluding advances against qualifying fresh FCNR(B) and NRE deposits from Adjusted Net Bank Credit (ANBC), changing the earlier date of September 30, 2026 to August 31, 2026. The exclusion remains capped at the outstanding eligible deposits qualifying for CRR and SLR exemption. The amendment takes effect immediately.

Title: [RBI Extends KYC Certified-Copy Facility to Foreign Portfolio Investors.](#)

Date: Sep 18, 2026

The RBI amended the Know Your Customer (KYC) Directions across six categories of banks to extend an existing document-certification facility available to NRIs and Persons of Indian Origin (PIOs) to Foreign Portfolio Investors (FPIs). Banks may now accept original certified copies of KYC documents of FPIs certified by specified overseas authorities, including overseas branches of Indian scheduled commercial banks, correspondent overseas banks, notaries public, magistrates, judges and Indian embassies/consulates. The amendments came into force immediately on 18 September 2026 and primarily simplify KYC documentation for FPIs without changing the broader customer due-diligence framework.

Title: [Reserve Bank of India \(Commercial Banks – Minimum Capital Requirements for Market Risk\) Directions, 2026.](#)

Date: Sep 21, 2026

The RBI has issued a dedicated framework for calculating minimum capital requirements for market risk for commercial banks, effective April 1, 2027. It defines the boundary between banking and trading books, regulates internal risk transfers, and prescribes capital treatment for interest-rate, equity, foreign-exchange, gold and options exposures. It also introduces Pillar 3 disclosure requirements and repeals the existing market-risk capital provisions under the 2025 Commercial Banks Prudential Norms on Capital Adequacy Directions.

Title: [RBI Standardises Valuation of InvIT and REIT Investments Across Banks and Financial Institutions.](#)

Date: Sep 22, 2026

RBI has amended investment portfolio directions for commercial banks, small finance banks, payments banks, local area banks and All India Financial Institutions to standardise valuation of InvIT and REIT holdings. Quoted units will follow existing quoted-security valuation rules, while unquoted units will be valued at the NAV disclosed by the trust. If NAV is not computed or disclosed as required by SEBI, or units are infrequently traded, they will be valued at ₹1. The amendments take effect immediately.

Title: [RBI Finalises Framework for Novation of OTC Derivative Contracts](#)

Date: Sep 22, 2026

RBI has finalised its framework for novation of over-the-counter derivative contracts after considering feedback on the 2025 draft directions. The requirements have been incorporated into existing directions governing OTC foreign exchange, rupee interest-rate derivatives, government securities forward contracts and credit derivatives. The framework applies to eligible market participants and covers

any novation undertaken on or after September 22, 2026, consolidating the relevant requirements within the respective master directions and creating a uniform regulatory treatment across key OTC derivative segments.

Title: [Exim Bank's Government of India-Supported ₹4,850 Crore Line of Credit to Maldives.](#)

Date: Sep 23, 2026

The RBI notified a Government of India-supported Line of Credit of ₹4,850 crore extended by Exim Bank to the Government of Maldives for financing developmental projects. At least 75% of the contract value must comprise goods, works and services supplied from India, while up to 25% may be sourced elsewhere. Effective August 27, 2026, individual credit agreements of at least ₹500 crore will be executed for approved projects, with disbursement timelines linked to contract completion.

Title: [Designation of Terrorist Organisation under Section 35\(1\)\(a\) of the Unlawful Activities \(Prevention\) Act, 1967.](#)

Date: Sep 24, 2026

The RBI has advised all regulated entities to take note of the Ministry of Home Affairs notification dated September 16, 2026, designating the Shahzad Bhatti Network (SBN) as a "Terrorist Organisation" under the UAPA, 1967.

Title: [RBI Amends FEMA Export and Import Regulations, Tightens Realisation Timelines and Expands AD Powers.](#)

Date: Sep 25, 2026

The Reserve Bank of India has amended the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, effective October 1, 2026. The amendment reduces specified timelines under Regulation 5 from 15 months to nine months and from 18 months to 12 months. It also preserves existing RBI orders for exporters on the Caution List as of September 30, 2026. Further, Authorised Dealers can handle certain pre-October 2026 export, import and merchanting trade transactions that previously required RBI approval.

Regulated entities must follow applicable KYC and UAPA compliance procedures, including reporting matching accounts to FIU-IND and informing the MHA. They must also monitor future amendments to Schedule I of the UAPA for immediate compliance.

Penalty Corner:

Title: [RBI imposes monetary penalty on TransUnion CIBIL Limited](#)

Date: Sep 4, 2026

Imposed a monetary penalty of ₹26,82,800 on TransUnion CIBIL Limited for non-compliance with certain provisions of the directions issued by RBI on 'Framework for compensation to customers for delayed updation/rectification of credit information'. The company failed to credit the compensation amount to the bank accounts of certain eligible complainants, within the prescribed period.

Title: [RBI imposes monetary penalty on CRIF High Mark Credit Information Services Private Limited](#)

Date: Sep 4, 2026

Imposed a monetary penalty of ₹6,89,600 on CRIF High Mark Credit Information Services Private Limited for non-compliance with certain provisions of the directions issued by RBI on 'Framework for compensation to customers for delayed updation/rectification of credit information'. The company failed to credit the compensation amount to the bank accounts of certain eligible complainants, within the prescribed period.

Title: [RBI imposes monetary penalty on Sammaan Finserve Limited](#)

Date: Sep 4, 2026

Imposed a monetary penalty of ₹4.20 lakh on Sammaan Finserve Limited for non-compliance with certain provisions of the directions issued by RBI on 'Early Recognition of Stress and Reporting to Central Repository of Information on Large Credits (CRILC)'. The company failed to report credit information of its borrower to CRILC.

Title: [RBI imposes monetary penalty on Equifax Credit Information Services Private Limited](#)

Date: Sep 4, 2026

Imposed a monetary penalty of ₹1,19,400 on Equifax Credit Information Services Private Limited for non-compliance with certain provisions of directions issued by RBI on 'Framework for compensation to customers for delayed updation / rectification of credit information'. The company failed to credit compensation amount to the bank accounts of certain eligible complainants, within the prescribed period.

Title: [RBI imposes monetary penalty on Hinduja Leyland Finance Limited](#)

Date: Sep 4, 2026

Imposed a monetary penalty of ₹6.20 lakh on Hinduja Leyland Finance Limited for non-compliance with certain provisions of the directions issued by RBI on 'Pricing of Microfinance Loans' and 'Securitisation of Standard Assets'. The Company:

- i. Failed to put in place a Board-approved policy on pricing of microfinance loans.
- ii. Undertook activities in the nature of 'Synthetic Securitisation'.

Penalty Corner:

Title: [RBI imposes monetary penalty on Asset Care & Reconstruction Enterprise Limited](#)

Date: Sep 11, 2026

Imposed a monetary penalty of ₹27.30 lakh on Asset Care & Reconstruction Enterprise Limited for non-compliance with certain provisions of the directions issued by RBI on 'Income Recognition'. The company had violated regulatory requirement with respect to charging of management fees.

Title: [Reserve Bank of India imposes monetary penalty on Ola Financial Services Private Limited](#)

Date: Sep 24, 2026

Imposed a monetary penalty of ₹3.10 lakh on Ola Financial Services Private Limited for non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. The company failed to carry out risk categorisation of certain customers.

Title: [RBI imposes monetary penalty on Hero Fincorp Limited](#)

Date: Sep 24, 2026

Imposed a monetary penalty of ₹10 lakh on Hero Fincorp Limited for non-compliance with certain provisions of the directions issued by RBI on 'Fair Practices Code for Lenders – Charging of Interest'. The company collected excess interest from certain loan accounts.

Title: [RBI imposes monetary penalty on KLM Axiva Finvest Limited](#)

Date: Sep 24, 2026

Imposed a monetary penalty of ₹2.70 lakh on KLM Axiva Finvest Limited for non-compliance with certain provisions of the directions issued by RBI on 'Auction' procedure. The company had failed to pay the surplus amount realised from the auction of pledged gold articles, over and above the loan outstanding, to certain borrowers.

IFSCA

Title: [GIFT IFSC Strengthens Its Position as a Global Banking and Cross-Border Financing Hub.](#)

Date: 02 Sep, 2026

GIFT IFSC has recorded strong growth across foreign currency mobilisation and international financing. As of August 31, 2026, 20 IFSC Banking Units sanctioned USD 54.02 billion under RBI's FCNR(B) swap facility, with USD 52.82 billion disbursed. Between April and August, IBUs also disbursed USD 11.62 billion in ECBs, while Indian banks raised USD 11.12 billion through bond listings on IFSC exchanges, reinforcing GIFT IFSC's role as a bridge between global capital and India.

Title: [IFSCA \(Prohibition of Market Abuse in Securities Markets\) Regulations, 2026.](#)

Date: Sep 07, 2026

IFSCA has notified the Prohibition of Market Abuse in Securities Markets Regulations, 2026, establishing a dedicated framework to prevent market abuse within International Financial Services Centres. The regulations cover insider trading, misuse of material non-public information, fraudulent and manipulative practices, and unfair trading conduct. They also require listed entities to maintain effective internal controls and codes of conduct, prescribe disclosure obligations for designated persons, and empower IFSCA to take enforcement action for violations. The regulations take effect from Gazette publication.

Title: [IFSCA Amends Master Circular for Credit Rating Agencies in IFSC.](#)

Date: Sep 08, 2026

The International Financial Services Centres Authority (IFSCA) has amended its August 2025 Master Circular governing Credit Rating Agencies (CRAs) in the IFSC, following the 2026 amendments to the Capital Market Intermediaries Regulations. The amendment modifies sub-paragraph 18.2 by permitting certain situations in accordance with the CRA's approved policy, including but not limited to specified cases. The revised provision takes effect immediately and applies to CRAs and recognised stock exchanges operating in the IFSC.

Title: [IFSCA Permits Extension of Expired Placement Memoranda for Venture Capital and Restricted Schemes.](#)

Date: Sep 11, 2026

IFSCA has permitted Fund Management Entities to seek extension of expired placement memoranda for Venture Capital and Restricted Schemes, even when applications are filed after expiry. Extensions may be granted in six-month blocks, subject to payment of an extension fee and late fee. FMEs cannot make material changes to the scheme's name, investment objective, strategy, structure, category or nature; otherwise, a fresh placement memorandum must be filed. The circular takes effect immediately.

Title: [IFSCA Updates Fund Management Regulations with Second Amendment, 2026.](#)

Date: Sep 14, 2026

IFSCA has issued the consolidated Fund Management Regulations, 2025, incorporating amendments effective up to September 10, 2026. The latest changes refine the definition of "associate", modify placement memorandum

extension provisions, clarify permissible investments and pre-first-close deployment, update NAV and portfolio disclosure requirements, and revise FME contribution norms for venture capital schemes. The amendments also introduce greater flexibility for follow-on investments and strengthen operational, disclosure and governance requirements applicable to fund management entities and schemes in IFSCs.

Title: [IFSCA \(Capital Market Intermediaries\) Regulations, 2025 – Updated Framework for IFSC Capital Market Intermediaries.](#)

Date: Sep 16, 2026

The IFSCA (Capital Market Intermediaries) Regulations, 2025, as amended up to September 5, 2026, establish the regulatory framework for registration, supervision and conduct of capital market intermediaries operating in IFSCs. The regulations cover broker dealers, clearing members, custodians, distributors, investment advisers, investment bankers, research entities, credit rating agencies and other intermediaries. They prescribe requirements relating to registration, net worth, fit-and-proper criteria, key personnel, certification, governance, record maintenance, risk management, compliance audits and intermediary-specific obligations, with the objective of protecting investors and maintaining market integrity.

Title: [IFSCA Notifies Electronic Trading Platforms Regulations, 2026.](#)

Date: Sep 18, 2026

The International Financial Services Centres Authority (IFSCA) has notified the Electronic Trading Platforms Regulations, 2026, establishing a regulatory framework for operating electronic trading platforms in IFSCs. The regulations prescribe registration, eligibility, fit-and-proper and minimum net-worth requirements for operators, along with rules on participant onboarding, risk management, algorithmic trading, clearing and settlement, cyber resilience, market-abuse surveillance, grievance redressal, reporting and data retention. They also specify recognised eligible jurisdictions and strengthen IFSCA's supervisory and enforcement powers.

Title: [IFSCA Expands Permitted Jurisdictions for Distribution of Capital Market Products in IFSC.](#)

Date: Sep 18, 2026

IFSCA has amended the Master Circular for Distributors in the IFSC to specify UAE, Singapore, Australia and the European Union as additional eligible jurisdictions for distribution of capital market products and services. The amendment clarifies that "jurisdiction" refers to the domicile of the capital market product or service, not the location of its manager. Eligible jurisdictions must also not be identified as high-risk or under increased monitoring for AML/CFT or proliferation-financing concerns. The amendment is effective immediately.

Title: [IFSCA Relaxes Qualified Jeweller Eligibility for Gold and Silver Imports through IIBX.](#)

Date: Sep 22, 2026

IFSCA has updated its consolidated framework governing the import of gold and silver through the India International Bullion Exchange (IIBX). The amendment relaxes eligibility for notification as a Qualified Jeweller by extending access to entities holding valid DGFT authorisations for specified ITC(HS) codes, alongside Advance Authorisation and GJEPC RCMC holders. Such entities may participate through Bullion Trading Members, subject to applicable import conditions, authorisation limits, regulatory compliance and IFSCA notification requirements.

Title: [IFSCA Framework for Differential Distribution in Venture Capital and Restricted Schemes.](#)

Date: Sep 25, 2026

IFSCA has introduced a framework permitting differential distribution through multiple classes of units in Venture Capital Schemes and Restricted Schemes, aimed at facilitating blended finance and accommodating investors with different risk-return preferences. Eligible schemes may issue senior, junior or subordinate units with differing distribution and loss-absorption rights. ESG schemes may also accept grants, subject to a 49% corpus limit and specified disclosure, governance and audit requirements. The framework additionally prescribes minimum investment thresholds, enhanced PPM disclosures, independent valuation requirements and due-diligence obligations for Fund Management Entities and KMPs.

Title: [IFSCA Framework for Differential Distribution in Venture Capital and Restricted Schemes.](#)

Date: Sep 25, 2026

IFSCA has introduced a framework permitting differential distribution through multiple classes of units in Venture Capital Schemes and Restricted Schemes, aimed at facilitating blended finance and accommodating investors with different risk-return preferences. Eligible schemes may issue senior, junior or subordinate units with differing distribution and loss-absorption rights. ESG schemes may also accept grants, subject to a 49% corpus limit and specified disclosure, governance and audit requirements. The framework additionally prescribes minimum investment thresholds, enhanced PPM disclosures, independent valuation requirements and due-diligence obligations for Fund Management Entities and KMPs.

Title: [IFSCA Extends Timeline for Certification Course for KMPs and Employees of Capital Market Intermediaries.](#)

Date: Sep 30, 2026

The International Financial Services Centres Authority (IFSCA) has extended the deadline for successful completion of the prescribed certification course by Key Managerial Personnel (KMPs) and other employees of Capital Market Intermediaries in IFSCs to December 31, 2026. The requirement arises under the IFSCA (Capital Market Intermediaries) Regulations, 2025 and earlier circulars dated April 2 and August 6, 2026. All other provisions of those circulars remain unchanged. The extension takes effect immediately under the relevant provisions of the IFSCA Act and CMI Regulations.