

Regulation is not merely about control; it is about enabling responsible financial intermediation within a well-defined and transparent framework.

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

Reserve Bank of India (Classification, Valuation and Operation of the Investment Portfolio of Commercial Banks) Directions, 2023

The Reserve Bank of India has issued clarifications in the form of FAQs on the Classification, Valuation and Operation of the Investment Portfolio of Commercial Banks Directions, 2023, originally issued on September 12, 2023. These clarifications are based on market experiences and practices and aim to address practical issues faced by banks. They are applicable to all commercial banks, excluding regional rural banks. The original Directions will be updated to incorporate these FAQs and related changes.

Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

RBI has announced investment limits for Foreign Portfolio Investors (FPIs) in debt instruments for the financial year 2025-26. The limits for FPI investment in Government Securities (G-Secs), State Government Securities (SGSs), and corporate bonds remain unchanged at 6%, 2%, and 15%, respectively, of the outstanding stock of these securities for 2025-26. The Fully Accessible Route (FAR) will continue to govern investments in specified securities. For the fiscal year, the incremental G-Sec limit has been evenly split between the 'General' and 'Long-term' sub-categories. Meanwhile, all additional limits for SGSs have been allocated to the 'General' sub-category.

The revised investment limits for FPIs in these categories will be implemented in two phases: April-September 2025 and October-March 2026, with gradual increases across all categories. FPIs can sell Credit Default Swaps (CDS) up to 5% of the total outstanding corporate bond stock, translating to a new limit of ₹2,93,612 crore for 2025-26.

Liquidity Adjustment Facility - Change in rates

As announced in the Monetary Policy statement for 2025-26, the Policy repo rate under the Liquidity Adjustment Facility (LAF) has been reduced by 25 basis points from 6.25 per cent to 6.00 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate and marginal standing facility (MSF) rate stand adjusted to 5.75 per cent and 6.25 per cent respectively.

Penal Interest on shortfall in CRR and SLR requirements-Change in Bank Rate

The Bank Rate has been reduced by 25 basis points from 6.50% to 6.25% with immediate effect. Consequently, the penal interest rates on shortfalls in Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) linked to the Bank Rate stand revised to 9.25% (Bank Rate + 3%) and 11.25% (Bank Rate + 5%), down from 9.50% and 11.50% respectively.

Standing Liquidity Facility for Primary Dealers

Following the 25 basis points cut in the policy repo rate under Liquidity Adjustment Facility from 6.25% to

6.00%, the Standing Liquidity Facility for Primary Dealers will now be available at the revised repo rate of 6.00%, with immediate effect.

Opening of and operation in deposit accounts of minors

The revised guidelines on opening and operation in deposit accounts of minors permit minors of any age to open and operate savings and term deposit accounts through their natural or legal guardians, including the mother as guardian. Minors aged 10 years and above may open and operate such accounts independently, subject to limits and conditions set by individual banks, based on their risk management policies. These terms must be clearly communicated to the minor. When a minor turns 18, banks must obtain fresh operating instructions and specimen signature. If the account was operated by a guardian, the balance must be confirmed. Banks should take proactive measures to ensure this transition. Banks may offer internet banking, ATM/debit cards, cheque books, etc., based on product suitability, customer appropriateness and risk policy. However, overdrafts are not permitted; accounts must always remain in credit. Banks must follow KYC norms for account opening and ongoing due diligence. These guidelines are issued under Sections 35A and 56 of the Banking Regulation Act, 1949 and must be implemented by July 01, 2025.

Circular - Migration to '.bank.in' domain

As announced in the Statement on Developmental and Regulatory Policies (Feb 7, 2025), the RBI has introduced '.bank.in', the exclusive internet domain for Indian Banks to strengthen cybersecurity

and enhance public trust in digital banking. This initiative is aimed at reducing fraud in digital payments. The Institute for Development and Research in Banking Technology (IDRBT), authorised by NIXI under MeitY, will act as the exclusive registrar for the '.bank.in' domain. Banks must contact IDRBT (sahyog@idrbt.ac.in) to initiate the domain registration and migration process. All banks are directed to complete the migration to the '.bank.in' domain by October 31, 2025.

Amendments to Directions - Compounding of Contraventions under FEMA, 1999

RBI has amended the Directions on Compounding of Contraventions under FEMA, 1999 issued via A.P. (DIR Series) Circular No. 17/2024-25 dated October 1, 2024. Compounding amounts will no longer be linked to earlier orders. Each application will be treated as fresh. To address delays and reconciliation issues in compounding applications, applicants must now include the following in Part B of Annexure I:

- Mobile number of the applicant/authorised representative
- RBI office where payment was made (Central/Regional/FED CO Cell)
- Mode of application submission (PRAVAAH/Physical)

These changes aim to improve the turnaround time and processing efficiency. AD Category-I and authorised banks are advised to inform their constituents about these updates.

Exports through warehouses in 'Bharat Mart' in UAE - relaxations

The RBI has announced relaxations to facilitate exports through 'Bharat Mart', a multimodal logistics marketplace in the UAE aimed at providing Indian exporters access to regional and global markets. Under the new guidelines, Authorised Dealer (AD) Category-I banks may allow exporters to realise and repatriate the full export value of goods exported to 'Bharat Mart' within nine months from the date of sale from the warehouse, instead of from the shipment date. Additionally, AD banks may permit Indian exporters with a valid Importer Exporter Code (IEC) to open or hire warehouses in Bharat Mart and remit funds for both initial and ongoing operational expenses without any preconditions, after assessing the reasonableness of such expenses. AD banks are directed to communicate the contents of this circular to their relevant constituents.

Amendments to Directions - Compounding of Contraventions under FEMA, 1999

The RBI has amended the Master Directions on compounding of contraventions under FEMA, 1999, by introducing a new clause (Para 5.4.II.vi). This clause allows the compounding authority, upon being satisfied with the nature of the contravention and any exceptional circumstances or public interest considerations, to cap the maximum compounding amount at ₹2,00,000 per regulation/rule contravened (as per Row 5 of the computation matrix). This change is aimed at providing relief in specific cases and will be incorporated into the updated Master Directions. AD Category-I and Authorised banks are advised to inform their constituents accordingly.

Dispensation of ₹100 and ₹200 denomination banknotes through ATMs

To improve public access to commonly used currency, the RBI has directed all banks and White Label ATM Operators (WLAOs) to ensure regular dispensing of ₹100

Penalty corner

Imposed a monetary penalty of Rs. 3,20,000/- on **Citibank N.A.** for not undertaking due diligence while processing the inward remittances from a Foreign Currency Account opened by a constituent, resulting in contravention of Section 10 (4) of FEMA, 1999.

Imposed a monetary penalty of ₹61.40 lakh on **Kotak Mahindra Bank Limited** for non-compliance with certain directions issued by RBI on 'Guidelines on Loan System for Delivery of Bank Credit' and 'Loans and Advances – Statutory and Other Restrictions'. The Bank:

- Failed to ensure that the outstanding 'loan component' was at least the specified percentage of the sanctioned fund based working capital limit for certain borrowers.
- Did not comply with the margin requirements for intra-day limits to certain stock-brokers.

Imposed a monetary penalty of ₹38.60 lakh on **IDFC First Bank Limited** for non-compliance with certain directions issued by RBI on 'Know Your Customer (KYC)'. The bank failed to undertake requisite Customer Due Diligence process for opening current accounts of certain sole proprietary firms.

Imposed a monetary penalty of ₹29.60 lakh on **Punjab National Bank** for non-compliance with certain directions issued by RBI on 'Customer Service in Banks'. The bank levied penal charges for non-maintenance of minimum balance in inoperative accounts.

Imposed a monetary penalty of ₹71.30 lakh on **Mahindra & Mahindra Financial Services Limited** for non-compliance with certain provisions of the 'NBFC - Systemically Important Non-Deposit taking Company and Deposit taking Company Directions, 2016' and 'Reserve Bank of India (KYC) Directions, 2016' issued by RBI. The Company:

- Did not disclose the processing fees and other charges in certain loan application forms;
- Did not furnish copies of loan agreements and did not convey details of the loans in the sanction letters to certain borrowers;
- Did not give a final chance to certain borrowers to repay the loans, before the sale / auction of vehicles; and
- Allotted multiple customer identification codes to certain customers, instead of a Unique Customer Identification Code (UCIC) for each individual customer.

Imposed a monetary penalty of ₹1,61,40,000 on **Indian Bank** for contravention of provisions of Section 26A of the Banking Regulation Act, 1949 and non-compliance with certain directions issued by RBI on 'Interest Rate on Advances', 'Kisan Credit Card (KCC) Scheme' and 'Lending to Micro, Small and Medium Enterprises (MSME) Sector'. The Bank:

- Failed to benchmark the interest rate on certain floating rate retail loans and loans to certain Micro, Small and Medium Enterprises to an external benchmark rate;
- Had obtained collateral security in respect of certain KCC loans upto ₹1.60 lakh and certain loans to Micro and Small Enterprises upto ₹10 lakh; and
- Did not transfer eligible amount to the Depositor Education and Awareness Fund within the prescribed period.

Imposed a monetary penalty of ₹63.60 lakh on **Indian Overseas Bank** for non-compliance with certain directions issued by RBI on 'Credit Flow to Agriculture- Collateral free agricultural loans' and 'Lending to Micro, Small & Medium Enterprises (MSME) Sector'. The Bank:

- Had obtained collateral security for agricultural loans up to ₹1.60 lakh in certain cases and
- Had obtained collateral security for loans up to ₹10 lakh extended to certain Micro and Small Enterprises (MSEs).

or ₹200 notes through their ATMs. By September 30, 2025, at least 75% of their ATMs must dispense either ₹100 or ₹200 notes from one cassette, and to 90% of the ATMs by March 31, 2026.

[Processing of Regulatory Authorisations/ Licenses/ Approvals through PRAVAAH](#)

The RBI has mandated that, effective from May 1, 2025, all Regulated Entities must submit applications for regulatory authorisations, licenses, and approvals exclusively through the PRAVAAH (Platform for Regulatory Application, Validation And Authorisation) portal. Launched on May 28, 2024, PRAVAAH is a secure, centralized web-based platform designed to streamline such submissions. Despite the availability of the portal and receipt of nearly 4,000 applications so far, some entities continue to submit requests outside the system. Going forward, the use of PRAVAAH is compulsory for all eligible applications. The portal, accessible at <https://pravaah.rbi.org.in>, includes application forms, a user manual, FAQs, and videos to assist users in the submission and tracking of applications.

[Note Sorting Machines: Standards issued by the Bureau of Indian Standards -Revised Timeline for Implementation](#)

Banks had been advised to deploy only such NSMs as conform to the standards issued by Bureau of Indian Standards on NSMs by May ,2025.Due to implementation challenges faced by banks, the timeline now stands extended to November 1, 2025.

[Extension of timeline for formulation of implementation standards pertaining to SEBI Circular on “Safer participation of retail investors in Algorithmic trading”](#)

SEBI's circular on safer retail participation in algorithmic trading, issued on February 4, 2025, has revised timelines. Implementation standards will take effect from May 1, 2025, and the circular's provisions from August 1, 2025. Stock Exchanges must update systems, rules, and notify brokers accordingly.

[Relaxation of provision of advance fee restrictions in case of Investment Advisers and Research Analysts](#)

SEBI has relaxed the advance fee collection restrictions for Investment Advisers (IAs) and Research Analysts (RAs), effective immediately. Earlier, RAs were restricted to charging advance fees for only three months, and IAs for two quarters. In response, SEBI has now permitted IAs and RAs to collect advance fees for up to one year, provided the client agrees. This revised fee provision applies only to individual and Hindu Undivided Family (HUF) clients, excluding accredited investors within this category. For non-individual clients, accredited investors, and institutional investors seeking proxy advisor recommendations, fee terms will be governed by mutually agreed contractual terms, exempt from SEBI's standard fee restrictions.

[Amendment to Circular for mandating additional disclosures by FPIs that fulfil certain objective criteria](#)

SEBI has amended its Master Circular on Foreign Portfolio Investors (FPIs) to revise the threshold for mandatory additional disclosures. Previously, FPIs (individually or as a group under Regulation 22(3)) holding over ₹25,000 crore in Indian equity markets were required to disclose additional information. This threshold has now been

increased to ₹50,000 crore, easing compliance for medium-sized investors. Similar disclosure rules applicable to ODI subscribers are also updated accordingly.

[Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio \(LCR\) – Review of haircuts on High Quality Liquid Assets \(HQLA\) and review of composition and run-off rates on certain categories of deposits](#)

The Reserve Bank of India has issued revised guidelines under the Basel III LCR framework effective from April 1, 2026, retail deposits enabled with internet and mobile banking (IMB) will attract an additional 2.5% run-off factor. Thus, stable IMB-enabled deposits will face a 7.5% run-off, while less stable ones will have 12.5%. Similarly, unsecured wholesale funding from non-financial small business customers (SBCs) will follow the same treatment as retail deposits. Level 1 High Quality Liquid Assets (HQLA) in government securities will now be valued at current market value after applying haircuts consistent with Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) guidelines. Deposits previously excluded from LCR computation but pledged as collateral will be treated as callable for LCR purposes. Additionally, deposits from entities such as trusts, partnerships, and LLPs—previously considered as "Other Legal Entities (OLEs)" attracting 100% run-off—will now be reclassified under "non-financial corporates" and attract a 40% run-off rate, unless categorized as SBCs under the LCR framework. These changes apply to all commercial banks, excluding payments banks, RRBs, and LABs.

[Clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#)

Regulation 6(1) of the SEBI (LODR) Regulations, 2015, as amended on December 12, 2024, mandates that the Compliance Officer of a listed entity must be in whole-time employment, not more than one level below the board of directors, and designated as a Key Managerial Personnel (KMP). SEBI received queries seeking clarification on the term 'level' in this context. It is now clarified that 'one level below the board of directors' refers to the Compliance Officer's position in the organizational structure—specifically, one level below the Managing Director (MD) or Whole-Time Director(s) (WTDs) who are part of the board. If a listed entity does not have an MD or WTD, then the Compliance Officer must not be more than one level below the Chief Executive Officer (CEO), Manager, or the individual heading the daily operations of the company.

[Recognition and operationalization of Past Risk and Return Verification Agency \(PaRRVA\)](#)

SEBI has released detailed operational guidelines on the functioning of the Past Risk and Return Verification Agency (PaRRVA) and Performance Data Committee (PDC). The circular outlines committee composition, inspection rights, and enforcement authority under various SEBI regulations. PaRRVA and PDC must enter agreements with data-sharing entities like MIIs, AMFI, and others to ensure accurate and timely sharing of reports needed for verification of risk-return metrics. A dispute resolution mechanism must be established by PaRRVA within two months of in-principle approval, with escalation available through an Oversight Committee and the ODR portal. Investor complaints shall be routed via SCORES. Importantly, SEBI has amended provisions in Master Circulars for IAs, RAs, and Stock Brokers, allowing them to reference verified risk-return metrics (past performance) in their advertisements only if verified by PaRRVA. Stock brokers offering algorithmic trading can now refer to verified performance metrics without violating existing restrictions. These changes aim to foster transparency, improve data credibility, and allow fair use of performance references, thereby promoting investor trust and regulatory clarity.

Clarification on Regulatory framework for Specialized Investment Funds ('SIF')

Rules concerning the maturity of securities in interval schemes, as specified in the Master Circular for Mutual Funds dated June 27, 2024, will not apply to Interval Investment Strategies under SIFs. Additionally, the minimum investment threshold for SIFs, stated in the earlier circular, has been revised. The aggregate investment by an investor across all SIF investment strategies at the PAN level must now be at least INR 10 lakh. However, this minimum threshold will not apply to mandatory investments made by AMCs for designated employees as per the MF Master Circular. These clarifications take immediate effect from the date of this circular.

Specialized Investment Funds ('SIF') – Application and Investment Strategy Information Document (ISID) formats

SEBI has issued guidelines for Mutual Funds to submit applications and Investment Strategy Information Documents (ISID) for launching Specialized Investment Funds (SIFs). To ensure uniformity, applications must follow the formats provided in the latest circular's Annexures I and II, aligning with earlier SIF regulatory circulars from February and April 2025.

Timelines for collection of Margins other than Upfront Margins – Alignment to settlement cycle

SEBI has revised margin collection timelines for Trading and Clearing Members in the cash segment to align with the T+1 settlement cycle. While upfront VaR and ELM margins must still be collected before trade execution, all other margins must now be collected by the settlement day (earlier T+2). This aims to enhance risk management, with penalties for shortfalls unless pay-in is completed by settlement. The changes are effective immediately, and exchanges must update their rules and inform stakeholders.

Extension of timeline for implementation of provisions of SEBI Circular dated December 10, 2024, on optional T+0 settlement cycle for Qualified Stock Brokers (QSBs)

SEBI has extended the deadline for Qualified Stock Brokers (QSBs) to implement the optional T+0 settlement cycle from May 1, 2025, to November 1, 2025, to ensure a smoother rollout. This optional cycle enables same-day equity trade settlement alongside the existing T+1 cycle, and only applies to QSBs meeting specific criteria. All other provisions of the original December 2024 circular remain unchanged.

Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

SEBI has issued clarifications and updates to the Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs). Key revisions include updated thresholds for classifying REs such as Stock Brokers, DPs, KRAs, Portfolio Managers, IAs, RAs, MBs, AIFs, and VCFs based on parameters like client count, trading volume, and AUM. Entities falling under multiple categories must comply with the highest applicable standard. Exemptions apply to REs with minimal clients or volumes. Qualified REs and MIIs must adopt a dedicated Hardware Security Module (HSM), while others may use alternatives subject to board-approved risk assessments. BSE is designated as the reporting authority for IAs and

RAs for five years. Compliance is mandatory by June 30, 2025, with audits from FY 2025–26 to follow the updated CSCRF. Stock Exchanges and Depositories must amend bylaws and inform stakeholders.

Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results

SEBI has extended the automated trading window closure framework to immediate relatives of Designated Persons (DPs) under the PIT Regulations, 2015, to strengthen compliance around financial results disclosures. Trading restrictions will now apply to immediate relatives during window closure periods, similar to DPs. Listed companies must upload details of DPs and their immediate relatives through the Designated Depository (DD) platform, specifying the closure period dates. The DD will freeze PAN-linked accounts for off-market and pledge transactions, and Stock Exchanges will restrict on-market trades during the window closure. Implementation is phased:

Phase 1: Top 500 companies (based on BSE market cap as of March 31, 2025) from July 1, 2025.

Phase 2: All other listed companies from October 1, 2025.

Depositories and Stock Exchanges must ensure daily data updates, handle exemptions, and submit quarterly reports to SEBI in the prescribed format. The system provides for exemptions and mandates that any additions or changes be processed within two trading days.

Change in cut-off timings to determine applicable NAV with respect to repurchase/ redemption of units in overnight schemes of Mutual Funds

SEBI has modified the cut-off timings for repurchase/redemption of units in overnight mutual fund schemes, following the framework outlined in the December 12, 2023, upstreaming circular. The change aims to safeguard clients' funds by requiring Stock Brokers (SBs) and Clearing Members (CMs) to upstream clients' funds to Clearing Corporations (CCs) at the end of each day. These funds can be upstreamed in the form of cash, lien on Fixed Deposit Receipts, or pledge of units in Mutual Fund Overnight Schemes (MFOS). The updated cut-off timings for repurchase of units in liquid and overnight funds are as follows:

- Applications received up to 3:00 PM will receive the NAV of the day before the next business day.

- Applications received after 3:00 PM will receive the NAV of the next business day.

- For online applications, the cut-off time will be extended to 7:00 PM for overnight funds.

This modification is intended to align with the operational framework of upstreaming clients' funds, ensuring better protection and efficiency in managing investors' assets.

Clarificatory and Procedural changes to aid and strengthen ESG Rating Providers (ERPs)

SEBI has issued a circular introducing procedural updates for ESG Rating Providers (ERPs), including new conditions for rating withdrawals and disclosure norms. Subscriber-pays model ERPs can withdraw ratings if there are no active subscribers or if BRSR reports are unavailable, while issuer-pays model ERPs can do so after continuous rating for three years or meeting specific conditions like bondholder consent. Withdrawn ratings cannot be re-shared. Subscriber-pays ERPs may restrict detailed rating rationales to subscribers, but basic rating info must remain public. ESG ratings must now be prominently displayed on stock exchange websites. For Category II ERPs, internal audit and governance committee requirements are deferred by two years, with broader audit eligibility now permitted.

[Securities and Exchange Board of India \(Infrastructure Investment Trusts\) \(Amendment\) Regulations, 2025](#)

The SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2025 introduce governance and compliance reforms for InvITs. Key changes include timely filling of independent director vacancies, defined fiduciary duties for trustees, conditional investment flexibility, and clarified distribution and disclosure norms. Locked-in units may be transferred within sponsor groups, and some provisions, like trustee duties, take effect after 180 days. The amendments aim to enhance transparency and investor confidence.

[Securities and Exchange Board of India \(Real Estate Investment Trusts\) \(Amendment\) Regulations, 2025](#)

The SEBI (REITs) Amendment Regulations, 2025 introduce measures to enhance transparency, flexibility, and governance in REITs. Key changes include defining "common infrastructure," expanding investment options, stricter timelines for filling independent director vacancies, stronger trustee duties, and tighter rules for Small & Medium REITs. The rules also mandate unclaimed dividends be moved to SEBI's Investor Protection Fund. These reforms aim to strengthen oversight and investor confidence.

[Securities and Exchange Board of India \(Credit Rating Agencies\) \(Second Amendment\) Regulations, 2025](#)

SEBI's 2025 amendment to Credit Rating Agencies Regulations introduces ESG rating norms, defining the subscriber-pays model and allowing unregistered ESG ratings if outside SEBI's scope. It mandates transparency on regulatory oversight, use of public data, conflict-of-interest safeguards, simultaneous report sharing, a comment window, and clear information-sharing policies.

[Investor Charter for Investment Advisers](#) ,

[Investor Charter for Research Analysts](#) &

[Investor Charter for Registrars to an Issue and Share Transfer Agents \(RTAs\)](#)

SEBI has issued draft circulars for public comments proposing updated Investor Charters for Investment Advisers (IAs), Research Analysts (RAs), and Registrars to an Issue and Share Transfer Agents (RTAs). These revisions aim to enhance financial consumer protection, transparency, literacy, and inclusion, in light of recent developments such as the launch of the Online Dispute Resolution (ODR) platform and SCORES 2.0.

For RTAs, the updated charter, formulated with inputs from the Industry Standards Forum (ISF), is available in Annexure A. All registered RTAs must display the charter prominently on their websites, office premises, and via email to both existing and new investors. The Registrar Association of India (RAIN) is also required to publish it on its website. Additionally, RTAs must disclose monthly complaint data and redressal status by the 7th of each month in the format prescribed in Annexure B. These disclosures are in addition to existing SEBI mandates. The circular for RTAs takes immediate effect, rescinding the earlier circular dated November 26, 2021, and amending Clause 29 of the Master Circular for RTAs dated May 7, 2024.

Public comments are invited until May 2, 2025, through SEBI's online platform or via email.

[Consultation Paper on investment by Mutual Funds in REITs and InvITs](#)

SEBI has released a consultation paper proposing to relax investment limits for Mutual Funds (MFs) in REITs and InvITs to enhance market participation and diversification. Currently, MFs face a 10% cap per issuer (max 5% of NAV) and a 10% overall exposure limit. The key proposals include increasing single-issuer limits to 10% of NAV and overall limits to 20% for equity/hybrid schemes, while retaining the 10% cap for debt schemes due to higher risk. SEBI is also evaluating whether to reclassify REITs/InvITs as "equity" for inclusion in indices, though stakeholders note their hybrid nature. The paper defers the introduction of dedicated MF schemes for REITs/InvITs, citing limited liquidity and market depth. Feedback is sought on these proposals, with comments due by May 11, 2025. This move aims to boost capital flow into REITs/InvITs while balancing investor protection.

[Draft Circular on 'Amendments to Master Circular on Online Resolution of Disputes in the Indian Securities Market'](#)

SEBI has released a draft circular proposing amendments to the Master Circular on Online Dispute Resolution (ODR) to enhance clarity and streamline dispute resolution in the securities market. Key changes include introducing direct arbitration for specific cases, making conciliation consent irrevocable, mandating separate panels for conciliators and arbitrators, and outlining a standard operating procedure (SOP) for ODR institutions. The amendments aim to address operational ambiguities raised by market infrastructure institutions (MIIs) and stakeholders, ensuring smoother resolution of disputes between investors and listed companies/intermediaries. The ODR portal will facilitate online conciliation and arbitration, covering disputes arising from securities market activities while excluding regulatory/enforcement matters. Public comments on the draft are invited until May 12, 2025, with submissions accepted via SEBI's online portal.

[DRAFT CIRCULAR FOR PUBLIC COMMENTS - Limited relaxation from compliance with certain provisions of the SEBI \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#)

SEBI has proposed a draft circular offering limited relaxations from certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The objective is to ease compliance burdens for listed entities while maintaining market integrity. Public comments are invited on the proposed relaxations, with submissions accepted via SEBI's online web-based form until May 12, 2025.

[Consultation paper on amendment to Securities and Exchange Board of India \(Issue of Capital and Disclosure Requirements\) Regulations, 2018 with the objective of mandatory dematerialization of existing securities of select shareholders prior to IPO](#)

SEBI has released a consultation paper proposing amendments to the ICDR Regulations (2018) to mandate dematerialization of existing securities held by key stakeholders before an IPO. The move aims to reduce physical share certificates, which pose risks like fraud, loss, and inefficiencies. The proposal expands the current requirement (applicable only to promoters) to include:

- Promoter group, directors, KMPs, senior management
- Selling shareholders, QIBs, employees, and shareholders with special rights
- Registered stock brokers and non-systemically important NBFCs

This aligns with MCA's existing rules for unlisted companies and seeks to minimize physical shares in listed markets. Public comments are invited until May 20, 2025, with feedback submitted via SEBI's online portal.

[Consultation paper on Framework for Orderly Winding Down of Critical Operations and Services of a KYC \(Know Your Client\) Registration Agency \(KRA\)](#)

SEBI has released a draft circular mandating KYC Registration Agencies (KRAs) to establish a structured framework for the orderly winding down of critical operations in scenarios like insolvency, voluntary exit, or regulatory action. The framework aims to ensure continuity of KYC services, secure data transfer to a successor entity, and protect investor interests. Key provisions include:

- Identification of triggers (voluntary/involuntary cessation, regulatory revocation).
- Standard Operating Procedures (SOPs) for seamless data migration, interoperability, and compliance with PMLA/IBC.
- Oversight by a Regulatory Committee to monitor the winding-down process.
- Timelines: KRAs must implement the framework within 90 days of the circular's issuance.

Public comments are invited until May 20, 2025.

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www.compliancematters.in



compliance.matters@compliancematters.in