

“Build for inclusion, adopt a customer-first approach, innovate in credit delivery, prioritise trust and compliance, and think global while anchoring local - five thoughts for the FinTech industry to consider.”

- Shri Sanjay Malhotra, Governor, Reserve Bank of India

[Merchanting Trade Transactions \(MTT\) – Review of time period for outlay of foreign exchange](#)

RBI has revised the guidelines on Merchanting Trade Transactions (MTT) to ease operations for traders. Earlier, foreign exchange outlay in such transactions was limited to four months. This period has now been extended to six months, while the overall time limit for completing MTT remains nine months. The commencement date of MTT will continue to be the earlier date of shipment/ export receipt or import payment, and the completion date will be the later of the three.

[Export Data Processing and Monitoring System \(EDPMS\) & Import Data Processing and Monitoring System \(IDPMS\) – reconciliation of export /import entries – Review of Guidelines](#)

RBI has eased guidelines for reconciliation of small-value entries in Export Data Processing and Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS). For bills of value up to ₹10 lakh per entry/per bill or less, AD banks can now close entries based on a simple declaration from exporters confirming realisation or from importers confirming payment. Value reductions in bills will also be accepted on declaration. These declarations may be submitted

quarterly in bulk for multiple bills. AD banks are required to review and rationalise charges for such small-value transactions and cannot levy penal charges for delays.

[Investment in Corporate Debt Securities by Persons Resident Outside India through Special Rupee Vostro account | International Trade Settlement in Indian Rupees \(INR\)](#)

RBI has allowed persons resident outside India maintaining Special Rupee Vostro Accounts (SRVA) to invest their surplus rupee balances not only in Central Government Securities but also in non-convertible debentures (NCDs), bonds, and commercial papers issued by Indian companies. These investments will count toward the corporate debt securities limit under the General Route for foreign portfolio investors. The minimum residual maturity and issue-wise limits will not apply to investments under the SRVA route. AD Category-I banks must ensure compliance, facilitate separate demat accounts for SRVA holders, and report such transactions to SEBI-registered depositories.

[Reserve Bank - Integrated Ombudsman Scheme, 2021 \(RB-IOS, 2021\)](#)

RBI has notified that, effective November 1, 2025, State Co-operative Banks and Central Co-operative Banks will also be treated as Regulated Entities under the RBI-Integrated Ombudsman Scheme, 2021. With this

change, these banks will now fall under the Ombudsman framework for grievance redressal, similar to other banks and financial institutions, except where specifically excluded.

[Foreign Exchange Management \(Borrowing and Lending\) \(Amendment\) Regulations, 2025](#)

RBI has amended the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, allowing Authorised Dealer (AD) banks in India to lend in Indian Rupees to persons or banks resident in Bhutan, Nepal, or Sri Lanka for cross-border trade transactions. This change aims to promote trade and financial cooperation with neighbouring countries.

[Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Seventh Amendment\) Regulations, 2025](#)

RBI has amended the Foreign Currency Accounts Regulations to include International Financial Services Centres (IFSCs) within its scope. Exporters can now open and maintain foreign currency accounts with banks outside India, including in IFSCs, for receiving export proceeds or advance remittances. The funds can be used for import payments or must be repatriated within three months for IFSC accounts and by the next month for other jurisdictions. The amendment which clarifies that accounts permitted “outside India” also cover those opened in IFSCs, eases export transactions and enhances trade flexibility.

Reserve Bank of India (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions, 2025

RBI has issued the Reserve Bank of India (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions 2025, aligning with amendments to the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 2025. The Directions mandate all banks to offer a nomination facility in deposit accounts, lockers, and safe custody articles to enable smooth claim settlement after a customer's death. Banks must inform customers about the facility's benefits, obtain written declarations if customers opt out, and they cannot deny account opening for refusal to nominate. Systems must be in place for registration, cancellation, and modification of nominations, with acknowledgements issued within three working days. Banks must display "Nomination Registered" and nominee details on passbooks, statements, and term deposit receipts. Additionally, banks are required to promote awareness of nomination benefits through customer communication and educational initiatives.

Review of Block Deal Framework

SEBI has updated the block deal mechanism to streamline large trades. Two trading windows will now be available:

- Morning: 8:45–9:00 AM (reference: previous day close)
- Afternoon: 2:05–2:20 PM (reference: VWAP from 1:45–2:00 PM)

Orders must be within $\pm 3\%$ of the reference price, with a minimum deal size of ₹25 crore, and all trades must result in delivery. Block deal details will be disclosed post market hours. The framework, including applicability to T+0 settlement, becomes effective 60 days from the circular date.

Relaxation in timeline for disclosure of allocation methodology by Angel Funds

The deadline for Angel Funds to disclose a defined allocation methodology in their PPMs has been extended from October 15, 2025 to January 31, 2026. Post this date, all new investments must follow the disclosed methodology. Other provisions of the revised framework remain unchanged.

Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions

Listed entities may now use a simplified disclosure format (Annexure-13A) for RPTs not exceeding 1% of annual consolidated turnover or ₹10 crore (whichever is lower). RPTs below ₹1 crore are exempt. This aims to ease compliance while maintaining transparency.

Transfer of portfolios of clients (PMS business) by Portfolio Managers.

Portfolio Managers may now transfer their PMS business to another registered Portfolio Manager:

- Within group: partial or full transfer allowed
- Outside group: full transfer only

Transfers require prior SEBI approval and must be completed within two months of approval.

Penalty corner

Imposed a monetary penalty of ₹4.20 lakh on **HDB Financial Services Limited** for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016' issued by RBI. The company failed to obtain Permanent Account Number (PAN) or equivalent e-document thereof or Form No. 60 in certain loan accounts disbursed during FY 2023-24.

Imposed a monetary penalty of ₹31.80 lakh on **American Express Banking Corp.** for non-compliance with certain directions of Reserve Bank of India (Credit Card and Debit Card - Issuance and Conduct) Directions, 2022 issued by RBI. The bank did not make any efforts to reverse credit balances of certain credit cardholders, arising out of refund / failed / reversed transactions, to their bank accounts.

Further extension of timeline for mandatory implementation of systems and processes by Qualified Stock Brokers (QSBs) with respect to T+0 settlement cycle

The timeline for Qualified Stock Brokers (QSBs) to operationalize T+0 settlement has been further extended. The revised implementation date will be notified later to ensure readiness. MIIs must update systems and provide advance communication to market participants.

Ease of doing business measures - Enabling Investment Advisers ("IAs") to provide second opinion to clients on assets under pre-existing distribution arrangement

Investment Advisers may now provide a second opinion on assets held under an existing distributor arrangement and charge advisory fees (up to 2.5% p.a.) on such assets. Annual client consent and disclosure of distributor-related costs are mandatory.

Ease of doing business - Interim arrangement for certified past performance of Investment Advisers and Research Analysts prior to operationalisation of Past Risk and Return Verification Agency ("PaRRVA")

Until the PaRRVA system becomes operational, IAs and RAs may share certified past performance data (ICAI/ICMAI certified) only on one-to-one request, not publicly. After PaRRVA goes live, entities must enroll within 3 months and transition fully to PaRRVA-verified performance within 2 years.

Implementation of eligibility criteria for derivatives on existing Non-Benchmark Indices

Stock exchanges must realign constituents and weights of NBIs in line with prudential norms:

- BANKEX & FINNIFTY: by Dec 31, 2025
- BANKNIFTY: in phases by Mar 31, 2026

The objective is orderly implementation and enhanced market stability.

Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper

SEBI has issued a Master Circular consolidating all previous circulars on the issue, listing and disclosure of NCS, SDIs, SRs, MDS and CP. This brings all procedural and ongoing disclosure requirements for issuers and stock exchanges into one framework.

SEBI rolls out “Validated UPI Handles” and “SEBI Check” for secure investor payments

Launch of Investor Verification Tools: “Validated UPI Handles” & “SEBI Check”

SEBI has rolled out two investor protection tools to prevent fraudulent fund transfers:

Validated UPI Handles (@valid) will now be used by SEBI-registered intermediaries.

Each verified handle will include:

- A category tag (e.g., .brk for brokers, .mf for mutual funds)
- A green thumbs-up triangle icon
- A unique QR code for visual verification

SEBI Check (via SEBI platform / Saarthi App) enables investors to verify bank account & UPI details before making payments.

Intended to reduce fraud, improve transparency, and increase investor confidence. Most major brokers and all mutual funds have already adopted the framework.

Clarification on Media Reports regarding Regulatory Oversight of Family Offices

SEBI has clarified that it is not considering bringing family offices under regulatory oversight at this time. Media reports suggesting otherwise were incorrect.

Ease of doing business – Rationalisation and standardisation of penalties levied on stock brokers by stock exchanges

SEBI has introduced a rationalised and standardised penalty framework for stock brokers to enhance ease of doing business and reduce reputational impact from procedural lapses. Under the new approach issued by stock exchanges on October 10, 2025, penalties across exchanges are aligned, and only a lead exchange will levy penalties for violations common across multiple exchanges. The term “penalty” has been replaced with “financial disincentive” for minor procedural/technical lapses to avoid stigma, and first-time minor violations may now attract only an advisory or warning.

Consultation paper for review of LODR Regulations - Clarification regarding the timeline for transfer of unclaimed amount by entity having listed non-convertible securities.

SEBI proposes that unclaimed interest/redemption amounts relating to listed NCDs be transferred to IEPF/IPEF seven years after maturity, instead of after seven years from deposit into escrow. This aligns with the Companies Act and reduces operational burden.

Consultation paper on comprehensive review of SEBI (Mutual Funds) Regulations, 1996.

SEBI proposes modernisation of the MF regulatory framework including:

- Revised expense ratio structure
- Possible reduction in brokerage caps
- Clearer scheme categorisation and naming norms
- Separation of AMC's mutual fund activity from other businesses

Consultation Paper on Measures for ease of doing business on Administration of Exchanges

The SEBI's Consultation Paper dated October 08 2025 proposes major amendments to the Master Circulars governing administration of stock exchanges and commodity derivatives exchanges to promote ease of doing business for Market Infrastructure Institutions (MIIs). The review focuses on merging and simplifying existing Master Circulars, eliminating outdated and redundant provisions, creating separate circulars for clearing corporations, harmonising chapters on investor protection, governance and administration, and introducing clearer future cut-off dates for applicability. By consolidating rules and reducing duplication, SEBI aims to reduce compliance burdens, streamline governance requirements and provide a more efficient regulatory framework for exchanges.

Consultation paper on proposed amendment to certain provisions of SEBI (LODR) Regulations, 2015 to facilitate transfer of securities transferred prior to April 1, 2019 and simplify the process of dematerialization of shares

SEBI's consultation paper dated October 17, 2025 proposes amendments to the LODR Regulations to ease transfer and dematerialisation of physical securities. It suggests allowing transfer of shares where transfer deeds were executed prior to April 1, 2019, so that such securities can then be dematerialised. Further, SEBI proposes simplifying the demat process by removing the requirement for issuing a Letter of Confirmation and instead enabling direct credit of shares to the investor's demat account after verification.

Consultation paper on Standardization of process for Opening of Mutual Fund Folios and Execution of First Investment

SEBI has issued a consultation paper proposing a standardized process for opening mutual fund folios and executing the first investment to ensure investors are fully KYC-compliant before transactions begin. The move aims to resolve issues arising from the current sequential KYC checks, where folios may be created by AMCs before KRA verification, leading to blocked transactions, delays in receiving redemption/dividend amounts, and communication challenges due to incorrect investor details. SEBI proposes that new folios be activated only after successful KRA-level KYC verification and marking of the folio as compliant, ensuring seamless investor transactions and reducing unclaimed payouts. The draft circular outlining the procedure has been released, and public comments have been invited until November 14, 2025.

Circular on Relaxation of India geo-tagging for NRI clients re-KYCKYC modification through digital on-boarding video client Identification process (V-CIP)

SEBI has released a draft circular proposing relaxation of the India geo-tagging requirement for NRI clients during re-KYC or KYC modification carried out through digital onboarding or Video Client Identification Process (V-CIP). Currently, clients must be physically located in India during digital KYC, but SEBI plans to allow NRIs to complete re-KYC or modify KYC details from abroad. Under the proposal, intermediaries' apps must still capture GPS coordinates and ensure they match the country mentioned in the client's proof of address, while preventing spoofed IPs and ensuring real-time interaction. This change aims to ease compliance and improve convenience for NRI investors while maintaining verification safeguards. SEBI has invited public comments on the proposal by November 13, 2025.

[Consultation paper for permitting debt issuers to offer incentives in public issues to certain category of investors.](#)

SEBI is considering allowing issuers of NCDs to offer higher coupon rates or price discounts to specific investor categories such as senior citizens, women, armed forces personnel and retail to strengthen retail bond market participation.

[Consultation paper on Relaxation in the threshold for identification of High Value Debt Listed Entities \(HVDLEs\) and measures facilitating ease of doing measures for HVDLE including provisions relating to Related Party Transactions.](#)

High Value Debt Listed Entities (HVDLE) – Threshold Revision
Proposal to increase HVDLE threshold from ₹1,000 crore to ₹5,000 crore of listed debt. This would reduce the number of entities under the stricter governance framework and streamline compliance.

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