

# INDIA REGULATORY DEVELOPMENTS

Circulars | Master Circulars | Consultation Papers | Regulations

 Key Updates from SEBI, RBI, & IFSCA

1<sup>st</sup> Aug - 31<sup>st</sup> Aug 2026

*"A machine may reach the decision; a person must own it. If a bank cannot say who that person is, it has not deployed a model — it has delegated its accountability."*

- Shri Shirish Chandra Murmu, Deputy Governor, Reserve Bank of India

## SEBI

### SEBI Circulars

**Title:** [SEBI Extends PaRRVA Enrolment Deadline to September 3, 2026.](#)

**Date:** Aug 03, 2026

SEBI has extended the deadline for registered Investment Advisers and Research Analysts to enrol with the Past Risk and Return Verification Agency (PaRRVA) from August 3 to September 3, 2026. The requirement applies to professionals wishing to communicate certified past performance data to existing or prospective clients. The extension follows representations from industry participants and PaRRVA and is intended to support smooth implementation of the verification framework across the advisory and research ecosystem.

**Title:** [Amendment to SEBI \(Issue and Listing of Municipal Debt Securities\) Regulations, 2015.](#)

**Date:** Aug 11, 2026

SEBI has revised operational requirements under the ILMDS framework for municipal debt securities. Privately placed securities may now have a face value of ₹1 lakh or ₹10,000, with ₹10,000 securities required to have fixed maturity and no structured obligations. The circular also introduces a two-step escrow mechanism for pooled finance vehicles/SPVs, permits specified credit enhancements, and extends financial-result filing timelines to 60 days for half-yearly results and 90 days for annual audited results. The changes

apply immediately.

**Title:** [Amendment to SEBI \(Issue and Listing of Municipal Debt Securities\) Regulations, 2015.](#)

**Date:** Aug 11, 2026

SEBI has revised operational requirements under the ILMDS framework for municipal debt securities. Privately placed securities may now have a face value of ₹1 lakh or ₹10,000, with ₹10,000 securities required to have fixed maturity and no structured obligations. The circular also introduces a two-step escrow mechanism for pooled finance vehicles/SPVs, permits specified credit enhancements, and extends financial-result filing timelines to 60 days for half-yearly results and 90 days for annual audited results. The changes apply immediately.

**Title:** [Review of Inclusion of Historical Scenarios in Stress Testing for Commodity Derivatives Segment.](#)

**Date:** Aug 12, 2026

SEBI has revised the standardized stress-testing framework for recognised clearing corporations operating in the commodity derivatives segment. Under the amended methodology, extreme historical price movements exceeding a **Z-score of 5** will be replaced by price movements corresponding to that threshold, compared with the earlier Z-score limit of 10. The calculation will continue using mean and standard deviation of returns over the applicable MPOR period across 15 years. The change aims to facilitate Ease of Doing Business and is effective immediately.

**Title:** [SEBI Expands Online Bond Platform Framework to Enhance Product Access and Ease of Doing Business.](#)

**Date:** Aug 14, 2026

SEBI has modified the regulatory framework for Online Bond Platform Providers (OBPPs) to promote ease of doing business and widen permissible offerings. OBPPs can now offer products regulated by IFSCA and other financial regulators, as well as eligible 54EC tax-saving bonds. The circular also prescribes disclosures for overseas and tax-specific instruments and revises compliance officer requirements, mandating applicable NISM certification. The changes to the NCS Master Circular take effect immediately.

**Title:** [SEBI Revises NDCF Framework for InvITs to Account for Debt-Funded Road Maintenance Expenses.](#)

**Date:** Aug 14, 2026

SEBI has revised the Net Distributable Cash Flow (NDCF) framework for Infrastructure Investment Trusts (InvITs), allowing major maintenance expenses for road projects funded through external borrowing to be added back while computing NDCF. The framework requires unitholder approval, statutory auditor certification and detailed disclosures regarding borrowings, maintenance expenditure and their impact on future distributions and leverage. InvITs must also separately disclose major-maintenance borrowings in financial reports and debt maturity profiles. The circular takes effect immediately.

**Title:** [SEBI Permits Digitally Signed Power of Attorney for Foreign Portfolio Investors.](#)

**Date:** Aug 20, 2026

SEBI has permitted Foreign Portfolio Investors (FPIs) to submit Power of Attorney documents digitally signed in accordance with the Information Technology Act, 2000. The change forms part of SEBI's broader effort to streamline and digitalise the FPI onboarding process. Digitally signed PoAs will be accepted as an alternative to notarised, apostilled or consularised documents, reducing onboarding time and easing compliance for FPI applicants. The revised provision under the FPI Master Circular takes effect from August 20, 2026.

**Title:** [SEBI Enables KYC Information Sharing Between KRAs and IFSCA-Regulated Entities.](#)

**Date:** Aug 20, 2026

SEBI has specified the International Financial Services Centres Authority (IFSCA) under Regulation 16A(1) of the KRA Regulations, enabling IFSCA-regulated entities to access SEBI-registered KYC Registration Agencies for client KYC. The move aims to improve interoperability and facilitate information sharing across financial regulators. Entities accessing KRA systems must comply with SEBI's applicable KYC norms, while FPI-

related data must follow prescribed data-security requirements. The circular comes into force with immediate effect from August 20, 2026.

**Title:** [SEBI Aligns Cyber Incident Reporting Portal with FSB's FIRE Format.](#)

**Date:** Aug 24, 2026

SEBI has aligned its Cyber Incident Reporting Portal with the Financial Stability Board's Format for Incident Reporting Exchange (FIRE) to standardise and strengthen cyber-incident reporting across the securities market. Regulated entities must continue reporting applicable cyber incidents to SEBI and CERT-In within six hours and submit details through SEBI's portal within 24 hours. The FIRE-aligned format aims to improve consistency, timeliness, regulatory visibility and cross-border information exchange, supporting faster assessment and stronger cyber resilience.

**Title:** [SEBI Introduces IT Resilience Index for Market Infrastructure Institutions.](#)

**Date:** Aug 24, 2026

SEBI has introduced an IT Resilience Index (ITRI) for Market Infrastructure Institutions, covering stock exchanges, clearing corporations and depositories, to measure the robustness of critical IT systems. The index will assess nine parameters, including availability, security, governance, business continuity and integrity, through a system-driven framework with no manual intervention. MIIs must compute the index half-yearly, while the Industry Standards Forum will finalise measurement criteria and SOPs before full operationalisation by February 2027.

**Title:** [Extension of Timeline for Implementation of SEBI Norms on Base Price, Price Bands, Pre-Open Call Auction and Close-Out Procedure for ETFs.](#)

**Date:** Aug 28, 2026

SEBI has extended the implementation date of its June 15, 2026, circular prescribing revised norms for base price, price bands, pre-open call auctions and close-out procedures for Exchange Traded Funds (ETFs). The provisions, originally scheduled to take effect from September 1, 2026, will now become effective from September 7, 2026, following feedback from stock exchanges to facilitate smooth implementation. All other provisions remain unchanged, while MIIs must ensure necessary systems, regulatory amendments and market communication.

# SEBI Consultation Paper

**Title:** [Depository Receipts Against REIT and Publicly Listed InvIT Units.](#)

**Date:** Aug 04, 2026

SEBI proposes allowing DRs against units of REITs and publicly listed InvITs to improve access for foreign investors and attract overseas capital.

## Discussion Points:

- Permit DR issuance for REITs and publicly listed InvITs.
- Exclude privately listed InvITs due to investor and trading-lot restrictions.
- Amend REIT and InvIT Regulations and issue a detailed framework through a circular.

**Deadline for Comments:** Aug 25, 2026

**Title:** [Ease of Doing Business Measures for REITs and InvITs.](#)

**Date:** Aug 06, 2026

SEBI proposes regulatory relaxations to improve operational flexibility, investment opportunities and market efficiency for REITs and InvITs. The paper seeks stakeholder views on simplifying selected investment, governance and exit-related requirements.

## Discussion Points:

- Permit investments in third-party projects without mandatory controlling interest.
- Revise unitholder approval threshold calculations.
- Review exit-offer requirements upon change in sponsor.
- Recognise remote common infrastructure as real estate and reduce OFS cooling-off period for privately listed InvITs.

**Deadline for Comments:** Aug 27, 2026

**Title:** [Ease of Doing Business – Settlement and Risk Management for Clearing Corporations.](#)

**Date:** Aug 06, 2026

SEBI proposes simplifying settlement and risk-management requirements applicable to clearing corporations. The exercise aims to remove duplication, obsolete provisions and unnecessary compliance while creating a clearer regulatory framework.

## Discussion Points:

- Create a separate Master Circular for Clearing Corporations by merging relevant provisions.
- Rationalise reporting, disclosures and periodic filings, including Core SGF disclosures.
- Exempt clearing corporations acting as DPs from specified periodic DP filings.

- Remove or relocate broker/exchange-specific and duplicative provisions.

**Deadline for Comments:** Aug 27, 2026

**Title:** [Consultation Paper on Review of Provisions Related to ISIN for Debt Securities.](#)

**Date:** Aug 10, 2026

SEBI proposes to relax existing ISIN limits for privately placed debt securities to improve issuers' funding flexibility and Asset Liability Management. It also proposes easing Regulation 62A requirements relating to mandatory listing of previously issued unlisted debt securities.

## Discussion Points:

- Increase the maximum number of ISINs maturing in a financial year from **14 to 17**, including up to **12 ISINs for plain vanilla debt securities**.
- Permit additional ISINs beyond the 12-ISIN limit for every incremental **₹3,000 crore** outstanding after the initial ₹15,000 crore threshold.
- Exclude **Gol-serviced/EBR bonds and ESG debt securities** from applicable ISIN limits.
- Remove the requirement for a new debt-listed issuer to retrospectively list all outstanding unlisted NCDs issued since January 1, 2024, while continuing mandatory listing for subsequent issuances.

**Deadline for Comments:** Aug 31, 2026

**Title:** [Consultation Paper on FPI Participation in Exchange Traded Commodity Derivatives \(ETCDs\).](#)

**Date:** Aug 11, 2026

SEBI proposes to broaden Foreign Portfolio Investor (FPI) participation in India's commodity derivatives market by allowing access to non-agricultural index derivatives and non-cash/physically settled non-agricultural commodity derivatives. The objective is to deepen institutional participation, improve liquidity and strengthen price discovery.

## Discussion Points:

- Allow FPIs to trade non-agricultural index derivatives irrespective of whether the underlying commodities are cash settled.
- Permit FPI participation in physically settled non-agricultural commodity derivatives, while requiring exit/rollover before the tender period.
- Introduce a safeguard mechanism where unclosed FPI positions are automatically transferred to the designated TM/TCM before delivery obligations arise.
- Provide for onboarding agreements, post-close transfers, position-limit management and a possible Proprietary Risk Absorption Charge.

**Deadline for Comments:** Sep 01, 2026

# SEBI Consultation Paper

**Title:** [Consultation Paper on Review of the Accredited Investor Framework.](#)

**Date:** Aug 13, 2026

SEBI proposes changes to simplify and broaden the Accredited Investor framework, improve ease of accreditation, and deepen the pool of sophisticated risk capital while maintaining investor safeguards.

## Discussion Points:

- Permit **manager-led accreditation** alongside existing accreditation agencies.
- Introduce securities-market assets as an eligibility criterion: ₹5 crore for individuals and ₹20 crore for corporates.
- Extend deemed AI status to all Persons Resident Outside India, including FPIs.
- Consider accreditation for qualifying LLPs and wholly owned subsidiaries.

**Deadline for Comments: Sep 03, 2026**

**Title:** [Consultation Paper on Mandatory Adoption of a Credit Risk-o-Meter as an Additional Disclosure Mechanism for Debt Securities.](#)

**Date:** Aug 13, 2026

SEBI proposes a standardized, colour-coded Credit Risk-o-Meter to simplify credit-risk understanding for debt investors, particularly retail investors. It will supplement existing alphanumeric credit ratings.

## Discussion Points:

- Mandatory display by issuers and OBPPs across offer documents, advertisements, web and mobile platforms.
- Six risk levels mapped from AAA to D.
- Multiple ratings to use the lowest rating for the meter.
- Special disclosures for unsecured and perpetual bonds.

**Deadline for Comments: Sep 03, 2026**

**Title:** [SEBI Consultation Paper on Simplifying KYC for Persons Resident Outside India \(PROI\).](#)

**Date:** Aug 14, 2026

SEBI has proposed simplifying the KYC and digital onboarding process for individual Persons Resident Outside India, including NRIs, OCIs and foreign nationals. The objective is to enable seamless digital onboarding from outside India while maintaining appropriate verification, risk-management and investor-protection safeguards.

## Discussion Points:

- **Digital onboarding from overseas:** SEBI proposes removing the requirement for PROI clients from

FATF-compliant countries to be physically present in India during digital KYC, subject to safeguards such as liveness checks, geo-location verification, prevention of spoofed IP addresses and concurrent audit.

- **Digital KYC documents and signatures:** PROI clients may be allowed to submit KYC forms and OVDs digitally using electronic/digital signatures, including Aadhaar e-sign, with specimen signatures capable of being verified during Video In-Person Verification.
- **Simplification of address and contact verification:** SEBI proposes permitting self-declaration of the current address in certain cases and relaxing mandatory verification of foreign mobile numbers, while requiring collection and verification of email IDs.
- **KYC portability and third-party reliance:** The proposal would ease the “validated” KYC requirement for portability and allow intermediaries to rely on KYC records available through CKYCRR or other regulated financial-sector entities, while retaining ultimate responsibility for client due diligence.

**Deadline for Comments: Sep 04, 2026**

**Title:** [SEBI Consultation Paper on Review of the Settlement Proceedings Framework and Proposed Settlement Regulations, 2026.](#)

**Date:** Aug 14, 2026

SEBI has proposed a comprehensive overhaul of the existing Settlement Proceedings Regulations, 2018 to make settlement of enforcement proceedings simpler, faster and more objective. The review seeks to rationalise settlement amounts, reduce procedural complexity and encourage quicker resolution of enforcement matters while retaining sufficient regulatory deterrence.

## Discussion Points:

- **Simpler settlement amount formula:** SEBI proposes replacing the existing complex formula with Settlement Amount =  $BA \times (S + R + G + A - M)$ , where factors cover the base amount, stage of proceedings, past regulatory action, nature of violation, aggravating factors and mitigating factors. Base amounts would also be linked to statutory minimum penalties with applicant-specific multipliers.
- **Rationalisation of settlement costs:** Wrongful gains would no longer be counted twice while determining the settlement amount, the additional 20% charge for multiple proceedings is proposed to be largely removed, and interest on disgorgement before a final SEBI order is proposed at 9% per annum, instead of the existing 12%.

# SEBI Consultation Paper

- **Greater flexibility in filing and settlement:** The time for filing a settlement application after a Show Cause Notice is proposed to increase from 60 to 90 days. Applicants may also be allowed to reapply at later stages, including before SAT or the Supreme Court, subject to conditions and an additional settlement amount.
- **Fast-track and pre-SCN settlement mechanism:** SEBI proposes fast-track settlement for cases involving settlement amounts of up to ₹10 lakh, bypassing HPAC review. It also proposes issuing a settlement notice before a Show Cause Notice, giving entities 60 days to opt for settlement, except where prosecution is contemplated.

**Deadline for Comments: Sep 04, 2026**

**Title:** [SEBI Consultation Paper: Revision of Advertisement Code for Online Bond Platform Providers \(OBPPs\).](#)

**Date:** Aug 21, 2026

SEBI proposes replacing the OBPP Advertisement Code with a revised framework supplementing the Common Advertisement Code. The changes seek stronger investor protection, transparency and standardisation as bond promotions increasingly move to digital channels.

## Discussion Points:

1. Mandatory issuer, tenor, rating, security, price, YTM and Risk-o-meter disclosures.
2. Conditions/disclaimers for “fixed returns”, “predictable returns” and “passive income”.
3. Restrictions on vague claims such as “high yield/high returns” and advertising OBPP holdings.

**Deadline:** Sep 11, 2026.

**Title:** [SEBI Consultation Paper: Introduction of Fixed Income Channel Partners \(FICPs\) for Distribution through OBPPs.](#)

**Date:** Aug 21, 2026

SEBI proposes a new FICP framework to widen retail access to fixed-income securities, particularly across Tier II, Tier III and rural markets. FICPs would be enlisted with stock exchanges and appointed by OBPPs to facilitate distribution and investor onboarding.

## Discussion Points:

1. Eligibility, NISM certification and exchange enlistment of FICPs.
2. OBPP/FICP responsibilities, supervision, conduct and investor safeguards.
3. Commission structure, capped client charges, disenlistment and grievance framework.

**Deadline:** Sep 11, 2026.

**Title:** [Exemption from Mandatory Merchant Banker Appointment for Small-Value Debt through Private Placement by Certain Listed Issuers.](#)

**Date:** Aug 27, 2026

SEBI proposes exempting eligible listed issuers from appointing a merchant banker for ₹10,000 face-value privately placed debt, reducing costs and execution delays while facilitating market development.

## Discussion Points:

- Issuer must be regulated by an Indian financial-sector regulator.
- Listed for at least one year with no pending SEBI/exchange penalties.
- No defaults during the last three financial years/current year.
- Debt must be senior, secured and rated at least AA-.

**Deadline for Comments:** Sep 17, 2026

# RBI

**Title:** [RBI Introduces Uniform Loan Recovery and Recovery Agent Conduct Framework.](#)

**Date:** Aug 06, 2026

RBI has harmonised rules on recovery of loan dues and engagement of recovery agents across commercial banks, small finance banks, local area banks, regional rural banks, co-operative banks, AIFIs and NBFCs. The framework strengthens board-approved recovery policies, borrower disclosures, agent due diligence, training and certification, grievance redressal, communication standards and record retention. It also restricts coercive recovery practices and prescribes

permitted contact hours. The amended directions will come into force from **January 1, 2027**.

**Title:** [RBI Aligns HFC Loan Recovery Practices with NBFC Conduct Framework.](#)

**Date:** Aug 06, 2026

RBI has amended the Housing Finance Companies Directions, 2025 to align HFC recovery practices with the comprehensive recovery framework prescribed for NBFCs. Existing provisions on engaging recovery agents under the Fair Practices Code are replaced by a requirement that HFCs comply with paragraphs 100A

to 100AB of the NBFC Responsible Business Conduct Directions, 2025. This brings HFCs under uniform standards governing loan recovery conduct, recovery agencies, borrower protection and related safeguards. The amendment takes effect from **January 1, 2027**.

**Title:** [RBI Revises PSL Computation for FCNR\(B\) and NRE Deposit-Funded Advances.](#)

**Date:** Aug 07, 2026

RBI has amended the Priority Sector Lending framework to exclude specified advances funded by eligible fresh FCNR(B) and NRE deposits from Adjusted Net Bank Credit used for computing PSL targets. The relief covers qualifying FCNR(B) deposits of three-to-five-year tenor mobilised between June 8 and September 30, 2026, and NRE term deposits of three years or more mobilised between June 19 and September 30, 2026. The exclusion is subject to prescribed CRR/SLR-linked limits and takes immediate effect.

**Title:** [Formation of New Districts in Ladakh – Assignment of Lead Bank Responsibility.](#)

**Date:** Aug 10, 2026

RBI has assigned Lead Bank responsibility for five newly created districts in the Union Territory of Ladakh—Sham, Nubra, Changthang, Zaskar and Drass—following their notification by the UT Administration. State Bank of India has been designated as the Lead Bank for all five districts, with separate District Working Codes allotted to each. The Lead Bank arrangements for the other existing districts of Ladakh remain unchanged under the revised administrative structure.

**Title:** [RBI Draft Directions on Interest Rates on Loans and Advances, 2026.](#)

**Date:** Aug 12, 2026

RBI has issued draft Directions proposing a harmonised, principles-based framework for determining interest rates on both fixed and floating rate loans across all regulated entities. The framework seeks to strengthen monetary policy transmission, improve credit-risk pricing, ensure fair borrower treatment, and address divergent practices in areas such as MCLR and fixed-rate lending. Final Directions will be issued separately for each category of regulated entity after considering stakeholder feedback. Comments are invited until **September 11, 2026**.

**Title:** [Deposit Interest Rates: RBI Ends Temporary FCNR\(B\)/NRE Deposit-Rate Relaxations Earlier.](#)

**Date:** Aug 25, 2026

Across Commercial Banks, Small Finance Banks, Local Area Banks, Regional Rural Banks, Urban Co-operative Banks and Rural Co-operative Banks, RBI has brought forward the expiry of its temporary deposit-rate

relaxation from September 30 to August 31, 2026. The measure covers fresh 3–5 year FCNR(B) deposits and NRE deposits of three years or more, including renewals. Effectively, all six categories of banks must revert to the applicable normal deposit-rate framework one month earlier than previously scheduled.

**Title:** [CRR/SLR: RBI Advances End-Date of Reserve Requirement Exemptions for Non-Resident Deposits.](#)

**Date:** Aug 25, 2026

Across Commercial Banks, Small Finance Banks, Regional Rural Banks, Urban Co-operative Banks and Rural Co-operative Banks, RBI has advanced the closing date for CRR and SLR exemptions on qualifying non-resident deposits from September 30 to August 31, 2026. The exemptions cover fresh 3–5 year FCNR(B) deposits and NRE term deposits of three years or more. The original commencement dates remain unchanged: June 8 for FCNR(B) and June 19 for NRE deposits, including qualifying renewals.

**Title:** [NBFC Concentration Risk: RBI Extends NBFC-IFC Large Exposure Limits to Upper-Layer IDF-NBFCs.](#)

**Date:** Aug 25, 2026

RBI has separately amended concentration-risk rules for Upper Layer Infrastructure Debt Fund-NBFCs. Such IDF-NBFCs will now be subject to the same large-exposure limits applicable to NBFC-Infrastructure Finance Companies. Effective immediately, the amendment inserts paragraph 39A into the 2025 Concentration Risk Management Directions. The change harmonises prudential treatment between comparable infrastructure-financing NBFC structures and provides a defined large-exposure framework for IDF-NBFCs that become subject to RBI's more stringent Upper Layer regulatory requirements.

### Penalty Corner:

**Title:** [Reserve Bank of India imposes monetary penalty on IndusInd Bank Limited](#)

**Date:** Aug 14, 2026

Imposed a monetary penalty of ₹59.20 lakh on IndusInd Bank Limited for non-compliance with certain provisions of directions issued by RBI on 'Interest Rate on Deposits' and 'Securitisation of Standard Assets'. The bank:

- i. Paid interest on deposits held in certain current accounts; and
- ii. Undertook activities in the nature of 'Synthetic Securitisation'.

## Penalty Corner:

**Title:** [RBI imposes monetary penalty on Utsav Securities Limited.](#)

**Date:** Aug 07, 2026

Imposed a monetary penalty of ₹3.90 lakh on Utsav Securities Limited for non-compliance with certain provisions of the directions issued by RBI on 'Governance' and 'Submission of data to Credit Information Companies (CICs)'.

- i. The Key Management Personnel (KMP) of the company held office (including directorship) in other NBFCs-Middle Layer; and
- ii. The company failed to submit credit information of certain loan accounts to the CICs.

**Title:** [RBI imposes monetary penalty on Namdev Finvest Limited \(formerly known as Namdev Finvest Private Limited\).](#)

**Date:** Aug 07, 2026

Imposed a monetary penalty of ₹2.70 lakh on Namdev Finvest Limited (formerly known as Namdev Finvest Private Limited) for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions' issued by RBI. The company failed to put in place a robust software for effective identification and reporting of suspicious transactions.

**Title:** [RBI imposes monetary penalty on Infinity Fincorp Solutions Private Limited.](#)

**Date:** Aug 07, 2026

Imposed a monetary penalty of ₹5.40 lakh on Infinity Fincorp Solutions Private Limited for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions' and the directions issued by RBI on 'Fair Practice Code'. The Company:

- i. Failed to put in place a system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months; and
- ii. Failed to disclose the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers in the application forms and the sanction letters.

**Title:** [RBI imposes monetary penalty on Valuefin India Credit Services Private Limited.](#)

**Date:** Aug 13, 2026

Imposed a monetary penalty of ₹1.80 lakh on Valuefin India Credit Services 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.

**Title:** [RBI imposes monetary penalty on Muthoot MCred Limited.](#)

**Date:** Aug 14, 2026

Imposed a monetary penalty of ₹3.10 lakh on Muthoot MCred Limited (Formerly Known as Muthoottu Mini Financiers Limited) for non-compliance with certain provisions of the directions issued by RBI on 'Asset Classification'. The company upgraded certain loan accounts which were 'non-performing assets' as 'Standard', without repayment of entire arrears of interest and principal pertaining to all the credit facilities.

**Title:** [RBI imposes monetary penalty on Northern Arc Capital Limited.](#)

**Date:** Aug 14, 2026

Imposed a monetary penalty of ₹6.20 lakh on Northern Arc Capital Limited for non-compliance with certain provisions of the directions issued by RBI on 'Disclosures in Financial Statements - Notes to Accounts' and on 'Internal Ombudsman for Regulated Entities'. The Company:

- i. Did not disclose correct and complete information about customer complaints in its Annual Financial Statements for the financial year 2024-25.
- ii. The company failed to ensure auto-escalation of certain complaints that were partly or wholly rejected by the company's Internal Grievance Redress Mechanism, to its Internal Ombudsman.

**Title:** [RBI imposes monetary penalty on Fusion Finance Limited.](#)

**Date:** Aug 14, 2026

Imposed a monetary penalty of ₹2.70 lakh on Fusion Finance Limited for non-compliance with certain provisions of 'Reserve Bank of India (Know Your Customer (KYC)) Directions' issued by RBI. The company failed to put in place a system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months.

**Title:** [RBI imposes monetary penalty on Shri Ram Finance Corporation Private Limited.](#)

**Date:** Aug 21, 2026

Imposed a monetary penalty of ₹8.10 lakh on Shri Ram Finance Corporation Private Limited for non-compliance with certain provisions of the directions issued by RBI on 'Governance' and the 'RBI KYC Directions'. The Company:

- i. Failed to take prior written permission of the RBI while appointing a director resulting in change in management, on account of change in more than 30 per cent of its directors, excluding independent directors;

## Penalty Corner:

- i. Failed to put in place a system to categorize its customers as low, medium and high- risk category; and,
- ii. Failed to upload KYC records of certain customers onto Central KYC Records Registry within the prescribed timeline.

**Title:** [RBI imposes monetary penalty on Progfin Private Limited.](#)

**Date:** Aug 21, 2026

Imposed a monetary penalty of ₹2.70 lakh on Progfin Private Limited for non-compliance with certain provisions of the 'RBI KYC Directions'. The company failed to put in place a system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months.

# IFSCA

## IFSCA Circular

**Title:** [IFSCA AML, CFT and KYC Guidelines, 2022 — Updated as on August 3, 2026.](#)

**Date:** Aug 04, 2026

These updated IFSCA Guidelines establish the AML, counter-terrorist financing and KYC framework applicable to regulated entities in International Financial Services Centres. They require a risk-based approach, business and customer risk assessments, customer due diligence, beneficial ownership identification, enhanced checks for high-risk customers, wire-transfer monitoring, record keeping and suspicious transaction reporting. The Guidelines also cover governance, compliance, audit, training, group-wide controls, international sanctions obligations, V-CIP and digital KYC procedures.

**Title:** [IFSCA Expands Certification Options for KMPs and Employees of Capital Market Intermediaries.](#)

**Date:** Aug 06, 2026

IFSCA has expanded the recognised certification framework for KMPs and employees of Capital Market Intermediaries in IFSCs. In addition to the existing ICSI course on the regulatory framework for CMIs, IFSCA has now recognised ICAI's course titled **"Regulatory Framework for Capital Markets Intermediaries and Listing Requirements of IFSCA."** Successful completion of either course will satisfy the certification requirement under Regulation 9(5) of the IFSCA (Capital Market Intermediaries) Regulations, 2025. The circular is effective **immediately**.

**Title:** [Clarification on Applicability of Implementation Services Circular to Fund Management Entities.](#)

**Date:** Aug 10, 2026

IFSCA has clarified that its May 12, 2026 circular on "Implementation Services by Investment Advisers in the IFSC" does not apply to Fund Management Entities (FMEs) that provide advisory services. Under Regulation 80 of the IFSCA (Fund Management) Regulations, 2025, FMEs offering Portfolio

Management Services may also provide advisory services subject to the Capital Market Intermediaries Regulations, 2025. Accordingly, such FMEs are exempt from the implementation-services framework prescribed specifically for registered Investment Advisers.

**Title:** [Directions to All Regulated Entities in the International Financial Services Centre \(IFSC\).](#)

**Date:** Aug 10, 2026

IFSCA has directed all regulated entities in the IFSC to continuously maintain a valid Letter of Approval (LoA) under the SEZ framework along with all applicable regulatory instruments. Entities must not undertake business activities if either approval is invalid or expired. LoA renewal applications must be filed at least two months before expiry. Non-compliance may lead to financial penalties, suspension or cancellation of regulatory approvals. The circular supersedes the April 3, 2025 directions and takes immediate effect.

**Title:** [Specification of Certification Course for Employees of Fund Management Entities under IFSCA \(Fund Management\) Regulations, 2025.](#)

**Date:** Aug 10, 2026

IFSCA has recognised the ICAI's "Regulatory Framework for Fund Management in IFSC" certification course for employees of Fund Management Entities under Regulation 7(6) of the Fund Management Regulations, 2025. This is in addition to the ICSI course specified in April 2026. Successful completion of either certification will be sufficient for regulatory compliance. All other provisions of the April 1, 2026 circular remain unchanged, and the new circular takes effect immediately.

**Title:** [IFSCA Extends Deadline for Transition to ISINs Issued by IFSC-Recognised Depositories.](#)

**Date:** Aug 25, 2026

IFSCA has extended the deadline for IFSC units that already hold ISINs issued by domestic Indian depositories to obtain new ISINs from an IFSCA-recognised depository.

The original deadline of August 31, 2026 has been moved to December 31, 2026 following stakeholder representations. Consequently, the recognised IFSC depository must submit its compliance report confirming completion of the transition by January 31, 2027. The circular takes immediate effect and modifies the February 6, 2026 ISIN directions.

## IFSCA Consultation Paper

**Title:** [Financial Soundness Criteria for Payment System Operators in IFSC.](#)

**Date:** Aug 04, 2026

IFSCA proposes financial soundness and net-worth requirements for existing PSOs and new applicants operating payment systems in IFSC.

### Discussion Points:

- Trade Repositories: net worth equal to one year's operating costs.
- LEI issuers: minimum USD 0.2 million; TReDS platforms: minimum USD 1 million.
- Existing PSOs must comply within six months; new applicants before authorisation.

**Deadline for Comments: Aug 28, 2026**

**Title:** [Consultation paper on proposed amendments to the IFSCA Banking Handbook on General Directions.](#)

**Date:** Aug 12, 2026

IFSCA has proposed amendments to the Banking Handbook – General Directions to provide greater clarity on governance, staffing and risk-management requirements for IFSC Banking Units (IBUs).

The changes are based on supervisory assessments of IBUs and seek to strengthen compliance with Governing Body meeting requirements and designated-function appointments.

### Discussion Points:

- IBUs would be required to hold at least two quarterly Governing Body meetings physically in the IFSC; members located outside India may participate through video conferencing.
- The positions of CEO/Head – IBU, Compliance Officer and, where applicable, Risk Officer must be held by Approved Individuals.
- A dedicated Risk Officer would be mandatory where outstanding advances or total investments exceed USD 2.5 billion, or where the derivatives portfolio's notional turnover exceeds USD 5 billion.
- The Risk Officer would report administratively to the Head of the IBU and functionally to the Governing Body, with responsibility for overseeing risk management.

**Deadline for Comments: Sep 01, 2026**

**Title:** [Consultation Paper on Draft "Framework for](#)

[Leasing Activity in the International Financial Services Centre".](#)

**Date:** Aug 13, 2026

IFSCA proposes a consolidated leasing framework for IFSC entities, merging existing aircraft and ship leasing frameworks while expanding eligible leasing activities. It aims to improve regulatory clarity and ease of doing business.

### Discussion Points:

- Introduces oilfield equipment leasing.
- Enables leasing through SPV structures.
- Consolidates eligibility, governance, prudential and compliance requirements.
- Replaces multiple existing leasing circulars with one unified framework.

**Deadline for Comments: Sep 02, 2026**

**Title:** [IFSCA Consultation on Operating Lease of GPU and Data Centre Equipment.](#)

**Date:** Aug 18, 2026

IFSCA proposes to recognise operating leases, including hybrid operating-financial leases, of GPUs and connected data centre equipment as a financial product in IFSC, supporting AI infrastructure financing and positioning GIFT IFSC as a leasing hub.

### Discussion Points:

- Scope and definition of eligible GPU/data centre equipment
- Adequacy of the proposed HSN/CTH classification
- Inclusion of allied power, cooling and thermal equipment
- Other considerations for implementing the leasing framework

**Deadline for Comments: Aug 28, 2026**

**Title:** [Consultation Paper on Secondary Listing of Exchange Traded Funds in IFSC.](#)

**Date:** Aug 27, 2026

IFSCA proposes enabling India- or foreign-regulated fund managers to secondary-list existing ETFs on recognised IFSC exchanges without necessarily registering as an FME, subject to eligibility and investor-protection safeguards.

### Discussion Points:

- Eligible retail-regulated ETF managers and fit-and-proper criteria.
- Index-replicating ETFs with prescribed track record.
- Mandatory local representative where manager is not an IFSC FME.
- Concurrent English disclosures, investor protection and exchange-led market-making/listing rules.

**Deadline for Comments: Sep 17, 2026**