

INDIA REGULATORY DEVELOPMENTS

1st – 15th Aug 2025

SEBI

[SEBI Circular on Mechanism for Review, Appeal, or Waiver of Penalties by MIIs \(Aug 05, 2025\)](#)

SEBI issued a circular on August 5, 2025, refining the procedure for handling requests related to review, appeal, or waiver of penalties imposed by Member Committees (MC) within Market Infrastructure Institutions (MIIs). Key revisions include clear bifurcation of responsibilities between Internal Committees and independent appeal bodies, with the Governing Board establishing SOPs for handling appeals against MC decisions. These measures aim to enhance fairness, transparency, and investor protection. Implementation is mandated within 45 days of issuance, with MIIs required to update relevant rules and inform stakeholders.

[SEBI Circular on Joint Annual Inspection Policy for MIIs \(Aug 07, 2025\)](#)

SEBI introduces a unified inspection framework for brokers and depository participants by mandating joint annual inspections across all Market Infrastructure Institutions (MIIs), effective December 1, 2025. This policy aims to streamline inspections, reduce operational disruptions, and enhance oversight via shared information and standardized criteria. The top 25 high-risk entities and those with significant investor complaints will be prioritized. MIIs must develop a joint SOP and designate a Lead MII for enforcement. The circular also rescinds the 2017 version and amends the June 2025 Master Circular.

[SEBI Abolishes Transaction Charges to Mutual Fund Distributors \(Aug 08, 2025\)](#)

The Securities and Exchange Board of India (SEBI) has issued a circular dated August 8, 2025, eliminating transaction charges paid to mutual fund distributors as outlined in its earlier Master Circular. This decision follows consultations in 2023 and 2025, where it was concluded that AMCs, as principals, should compensate distributors directly. As a result, paragraphs 10.4.1.b and 10.5 of the Master Circular are deleted with immediate effect, promoting investor protection and regulatory clarity in the mutual fund sector.

[SEBI Revises Framework for Converting Private Listed InvITs into Public InvITs \(Aug 08, 2025\)](#)

SEBI issued a circular on August 8, 2025, revising Chapter 14 of its InvIT Master Circular. Key updates include streamlined rules for minimum sponsor contributions and lock-in periods, aligning public offer conversion norms with follow-on offer procedures. Changes ensure regulatory consistency, improve transparency, and protect investor interests. These revisions take effect immediately and apply to all Infrastructure Investment Trusts transitioning from private to public status.

[SEBI Circular Permits Use of Mutual Funds for IA/RA Deposit Compliance \(Aug 12, 2025\)](#)

On August 12, 2025, SEBI issued a circular allowing Investment Advisers (IAs) and Research Analysts (RAs) to meet their mandatory deposit requirements using units of liquid or overnight mutual funds,

in addition to traditional bank deposits. This change, effective immediately, stems from industry feedback and SEBI Board's June 2025 approval. The deposits must be lien-marked in favor of IAASB/RAASB. Relevant amendments to the IA and RA regulations were notified on August 6–7, 2025, and compliance is required by September 30, 2025.

✚ [Master Circular for Debenture Trustees – SEBI Consolidated Guidelines 2025 \(Aug 13, 2025\)](#)

The SEBI Master Circular for Debenture Trustees, dated August 13, 2025, consolidates all existing regulations, circulars, and procedural guidelines for debenture trustees into a single, structured document. It outlines updated requirements for registration, due diligence, creation and monitoring of securities, investor grievance redressal, disclosure mandates, conflict of interest, and compliance protocols. The circular enhances operational efficiency and regulatory compliance in the corporate debt market by mandating digital processes, transparency, and accountability mechanisms through platforms like the Security and Covenant Monitoring System

✚ [Securities and Exchange Board of India \(Research Analysts\) Regulations \(Aug 14, 2025\)](#)

This document outlines the SEBI (Research Analysts) Regulations, 2014, providing a comprehensive framework for registering and regulating research analysts in India. It defines essential terms, prescribes qualifications, registration procedures, and operational guidelines for individuals and entities offering research services in securities markets. The regulations aim to maintain transparency, independence, and accountability in research practices, safeguard investor interests, and manage conflicts of interest. Updates from 2023-2025 introduce clarity on AI usage, disclosure mandates, client segregation, and dispute resolution, reflecting SEBI's evolving oversight in the financial advisory ecosystem.

✚ [Securities and Exchange Board of India \(Investment Advisers\) Regulations, 2013 – Updated Provisions \(August 14, 2025\)](#)

The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 establish the framework for registration, qualifications, obligations, and conduct of investment advisers in India. They define key terms, prescribe eligibility criteria, mandate professional and certification requirements, and set deposit norms. The regulations outline fiduciary duties, conflict-of-interest rules, risk profiling, suitability assessments, disclosure obligations, and record-keeping standards. They also address segregation of advisory and distribution services, AI usage, investor grievance redressal, and compliance oversight. Amendments up to 2025 reflect evolving market practices and investor protection needs

IFSCA

✚ [Master Circular for Research Entities in the IFSC – 2025 Guidelines by IFSCA \(Aug 05, 2025\)](#)

The Master Circular issued by the International Financial Services Centres Authority (IFSCA) on August 5, 2025, outlines the regulatory framework for research entities operating within IFSCs. It covers registration via the SWIT system, fee structures, governance norms, permissible activities, and compliance with KYC/AML guidelines. Additional sections include standards for research reports, conflict of interest policies, cyber resilience, and grievance redressal mechanisms. The circular also details periodic reporting, handling of registration surrender, and conditions around changes in

control, aiming to enhance transparency, investor protection, and ease of doing business within India's financial hubs.

✚ [Master Circular for Investment Bankers in the IFSC – Regulatory Framework 2025 \(Aug 05, 2025\)](#)

Issued on August 5, 2025, by the International Financial Services Centres Authority (IFSCA), this Master Circular consolidates all regulations applicable to Investment Bankers in India's IFSCs. It covers registration via the SWIT system, governance norms, permissible investment banking activities (e.g., underwriting, M&A advisory), KYC/AML compliance, cybersecurity, and grievance redressal protocols. The circular replaces the 2021 version and mandates adherence to the Capital Market Intermediaries Regulations, 2025. It emphasizes transparency, internal controls, conflict of interest policies, periodic reporting, and proper conduct to ensure ethical and efficient functioning of investment banking operations in IFSCs.

✚ [Master Circular for Investment Advisers in the IFSC – IFSCA Regulatory Framework 2025 \(Aug 05, 2025\)](#)

Released on August 5, 2025, by IFSCA, this Master Circular sets out comprehensive regulations for Investment Advisers operating within India's International Financial Services Centres (IFSC). It details registration via the SWIT platform, outlines permissible advisory activities for both IFSC and foreign jurisdictions, and mandates standards on client agreements, risk profiling, recordkeeping, and conflict of-interest disclosure. The circular enforces strict governance, KYC/AML compliance, cybersecurity readiness, and reporting obligations. It replaces earlier guidance, ensuring better investor protection and operational clarity under the Capital Market Intermediaries Regulations, 2025, while enhancing regulatory oversight and transparency.

✚ [Master Circular for ESG Ratings and Data Products Providers in the IFSC – IFSCA Framework 2025 \(Aug 05, 2025\)](#)

Released on August 5, 2025, by the IFSCA, this Master Circular lays out the operational, compliance, and governance framework for ESG Ratings and Data Products Providers (ERDPPs) within India's IFSCs. It details registration via the SWIT system, permissible services, fee structures, codes of conduct, and KYC/AML obligations. The circular mandates governance standards, quarterly reporting, cybersecurity protocols, grievance redress mechanisms, and procedures for changes in control or surrender of registration. It aligns with IOSCO principles and ICMA Code, aiming to enhance transparency, investor trust, and global compatibility of ESG services in the IFSC ecosystem.

✚ [Master Circular for Distributors in the IFSC – Regulatory Framework 2025 by IFSCA \(Aug 05, 2025\)](#)

The IFSCA's Master Circular dated August 5, 2025, sets a comprehensive regulatory framework for Distributors operating in International Financial Services Centres (IFSCs). It outlines the registration process via the SWIT platform, permissible activities, governance roles, distribution responsibilities, and KYC/AML compliance. Key features include fee structures, referral arrangements, digital distribution, grievance redressal, and periodic reporting. The circular mandates standards on outsourcing, cybersecurity, and the surrender or change in control of registrations. It aims to streamline distributor operations, enhance investor protection, and ensure adherence to the Capital Market Intermediaries Regulations, 2025.

✚ [Master Circular for Debenture Trustees in the IFSC – IFSCA Regulatory Framework 2025 \(Aug 05, 2025\)](#)

Issued on August 5, 2025, by IFSCA, this Master Circular defines the operational, governance, and compliance requirements for Debenture Trustees in India's International Financial Services Centres (IFSCs). It covers registration via the SWIT system, due diligence protocols, governance structure, permissible activities, code of conduct, KYC/AML norms, and handling of defaults. Additional provisions include grievance redressal, conflict of interest management, cybersecurity mandates, periodic reporting, and procedures for change in control or surrender of registration. The framework aims to safeguard investor interests and ensure robust fiduciary responsibility in capital markets.

📌 [Master Circular for Market Makers in the IFSC – IFSCA Regulatory Framework 2025 \(Aug 05, 2025\)](#)

Released by IFSCA on August 5, 2025, this Master Circular establishes a consolidated regulatory framework for Market Makers operating in the IFSC. It specifies the registration process through the SWIT system, outlines permissible activities (e.g., providing liquidity in securities), capital adequacy norms, and governance standards. It mandates adherence to KYC/AML regulations, risk management systems, code of conduct, and cyber resilience protocols. Additional provisions include periodic reporting, handling changes in control, and grievance redressal mechanisms. The goal is to ensure efficient market functioning, enhanced liquidity, and regulatory consistency in the IFSC ecosystem.

📌 [Master Circulars for Capital Market Intermediaries in IFSC \(Aug 05, 2025\)](#)

On August 5, 2025, the IFSCA released Master Circulars for seven categories of capital market intermediaries in the IFSC, under the newly notified Capital Market Intermediaries Regulations, 2025. These include Credit Rating Agencies, Debenture Trustees, Distributors, ESG Rating/Data Providers, Investment Advisers, Investment Bankers, and Research Entities. The circulars consolidate applicable guidelines to enhance regulatory clarity and operational efficiency, covering aspects such as registration, governance, compliance, cybersecurity, and complaint handling. This initiative supports the growing IFSC ecosystem and promotes ease of doing business.

📌 [IFSCA \(TechFin and Ancillary Services\) Regulations, 2025 – Gazette Notification \(Aug 07, 2025\)](#)

On July 8, 2025, the IFSCA notified the TechFin and Ancillary Services Regulations, 2025, establishing a comprehensive regulatory framework for entities providing technology and support services in IFSC. The regulations cover registration processes, eligibility, compliance requirements, permissible services, and codes of conduct. It mandates entities to register via SWIT, outlines "fit and proper" criteria, and sets operational norms including foreign currency use and reporting. Existing frameworks are repealed post-transition. These rules aim to enhance transparency, governance, and innovation within IFSC's tech-enabled financial ecosystem.

📌 [Circular on Onboarding IFSC Regulated Entities to Central Registry for Receivables \(Aug 07, 2025\)](#)

On August 7, 2025, IFSCA mandated that all Factors and Trade Receivables Discounting Systems (TReDS) in IFSC must onboard with the Central Registry of CERSAI. This aligns with Section 19 of the Factoring Regulation Act, 2011, and Regulation 6 of the 2024 IFSCA regulations, requiring the registration and satisfaction of assignment of receivables. Newly included entity categories—such as IFSC Banking Units and TReDS—must comply immediately. Detailed user manuals are provided on the CERSAI portal, and support is available via the CERSAI helpdesk.

📌 [Revamped IFSCA Framework Enhances Global Market Access for Indian Investors \(Aug 12, 2025\)](#)

The International Financial Services Centres Authority (IFSCA) has released a revamped regulatory framework to position India's IFSC as a key hub for cross-border capital flows. Aimed at connecting

India with global financial markets, the framework facilitates transparent access to foreign exchanges, especially for Indian retail investors via the Liberalised Remittance Scheme. It promotes onshoring of global trading activities, ensures investor protection through regulated brokers' presence in IFSC, and sets comprehensive norms for Global Access Providers, strengthening market integrity and competitiveness.

[IFSCA Issues Revised Global Access Framework for IFSC Operations \(Aug 12, 2025\)](#)

The International Financial Services Centres Authority (IFSCA) has issued a detailed circular updating the regulatory framework for Global Access in the IFSC. Applicable to Global Access Providers (GAPs), Broker Dealers, and Introducing Brokers, it outlines norms for authorization, net worth requirements, client categories, permitted products, operational responsibilities, disclosures, KYC/AML compliance, data storage, and reporting. The framework aims to enhance investor protection, streamline cross border trading via IFSC, and replace earlier guidelines, with specific compliance deadlines set for October 31, 2025.

[IFSCA Clarification on Opening Foreign Currency Accounts by Indian Residents in IFSC IBUs \(Aug 13, 2025\)](#)

In its circular dated August 13, 2025, the International Financial Services Centres Authority (IFSCA) clarified that Indian residents may open foreign currency accounts with International Banking Units (IBUs) in specified currencies, treating them as equivalent to accounts held with banks outside India under the 2015 FEMA regulations. This move allows IBUs to open such accounts without prior approval from the authority, enhancing ease of operations and financial inclusion within IFSCs. The circular comes into immediate effect under the powers of the IFSCA Act, 2019.

RBI

[RBI Allows Opening of SRVAs Without Prior Approval \(Aug 05, 2025\)](#)

In its circular dated August 5, 2025, the Reserve Bank of India (RBI) has permitted all Category-I Authorised Dealer (AD) banks to open Special Rupee Vostro Accounts (SRVAs) of overseas correspondent banks without seeking prior approval. This move amends the prior requirement stated in Circular No.10 (July 11, 2022) and is effective immediately. Issued under FEMA, 1999, this step aims to streamline and promote international trade settlements in Indian Rupees by easing procedural constraints.

[Reserve Bank of India \(Non-Fund Based Credit Facilities\) Directions, 2025 \(Aug 06, 2025\)](#)

The Reserve Bank of India's 2025 Directions aim to unify and strengthen regulations for Non-Fund Based (NFB) credit facilities like guarantees, letters of credit, and co-acceptances across all regulated entities. Effective from April 1, 2026, they define operational norms, eligibility, and risk controls, and introduce detailed provisions for Partial Credit Enhancement (PCE). These Directions mandate stricter prudential norms, internal controls, electronic guarantee issuance protocols, and comprehensive disclosures. The document also repeals outdated circulars to streamline NFB facility governance, fostering safer and more transparent credit intermediation.

[Reserve Bank of India \(Co-Lending Arrangements\) Directions, 2025 \(Aug 06, 2025\)](#)

Effective January 1, 2026, RBI's new Directions formalize co-lending arrangements (CLA) between regulated entities (REs), such as banks and NBFCs, to enhance credit access while maintaining prudential standards. The rules require a minimum 10% loan retention by each RE, joint risk sharing, clear operational roles, KYC adherence, blended interest rate disclosures, and borrower protections. A 5% Default Loss Guarantee (DLG) is permitted under defined conditions. REs must also ensure robust audit, grievance redressal, and data sharing mechanisms. These Directions supersede the 2020 co-lending circular, expanding scope beyond priority sector lending.

[RBI Allows SRVA Holders to Invest Rupee Surplus in Government Securities \(Aug 12, 2025\)](#)

The Reserve Bank of India (RBI) has permitted persons resident outside India holding Special Rupee Vostro Accounts (SRVAs) for international trade settlements in INR to invest their surplus rupee balances in Central Government Securities, including Treasury Bills. This update aligns with the Foreign Exchange Management (Debt Instruments) Regulations, 2019, and the Master Direction on Non-resident Investment in Debt Instruments. The measure, effective immediately, aims to enhance investment avenues for SRVA holders and strengthen the integration of rupee-based trade settlements with India's debt market.

[RBI Introduces Continuous Clearing and Real-Time Settlement in CTS \(Aug 13, 2025\)](#)

The Reserve Bank of India has announced the phased implementation of Continuous Clearing and Settlement on Realisation in the Cheque Truncation System (CTS). Starting October 4, 2025 (Phase 1) and expanding on January 3, 2026 (Phase 2), cheques will now be processed and settled on a real-time basis rather than in batches. This move aims to enhance clearing efficiency, reduce float times, and ensure quicker fund availability for customers. Banks must ensure system readiness and inform customers about the new cheque processing method.

[RBI Circular on Supreme Court Order Compliance \(August 14, 2025\)](#)

The Reserve Bank of India issued a directive on August 14, 2025, mandating all banks, NBFCs, financial institutions, and payment system participants to comply with the Supreme Court's order dated April 30, 2025. The order pertains to two landmark cases: *Pragya Prasun & Ors. vs Union of India* and *Amar Jain vs Union of India & Ors.* RBI emphasizes that regulated entities must implement appropriate measures to adhere to the Court's directions, ensuring legal conformity and institutional accountability in the financial ecosystem.

[Draft Guidelines on FEMA Guarantee Regulations \(August 14, 2025\)](#)

The Reserve Bank of India released a draft proposing new regulations for guarantees under the Foreign Exchange Management Act (FEMA), 1999, to enhance ease of doing business. Key proposals include a principle-based framework allowing most cross-border guarantees under the automatic route, provided no FEMA violations occur. The scope of guarantees eligible under this route is expanded, and detailed reporting requirements are proposed for both issued and invoked guarantees. Feedback on the draft is invited by September 4, 2025, through RBI's 'Connect 2 Regulate' portal or via email.

[RBI Updates KYC Directions to Enhance Accessibility and Clarity \(Aug 14, 2025\)](#)

On August 14, 2025, the Reserve Bank of India (RBI) issued the second amendment to its 2016 KYC Directions. The updates introduce Aadhaar Face Authentication, clarify KYC for persons with disabilities (PwDs), and ensure no KYC application is rejected without valid reasoning. Transactions over ₹50,000 and international transfers now explicitly require KYC checks. The changes aim to

improve inclusion and transparency, and they take immediate effect under various financial legislation, including FEMA, PMLA, and the Banking Regulation Act.

SEBI Consultation Paper

[Amendment to the Definition of Strategic Investor – SEBI Consultation Paper \(Aug 01, 2025\)](#)

This consultation paper, issued by SEBI's Department of Debt and Hybrid Securities, proposes changes to expand the definition of "Strategic Investor" under the REIT and InvIT regulations. It aims to align this definition with the broader "Qualified Institutional Buyer" (QIB) category to attract more capital and promote ease of doing business

Discussion Points:

- **Expansion of Definition:** Proposal to include entities classified as QIBs under the SEBI (ICDR) Regulations, 2018 as Strategic Investors under REIT and InvIT frameworks.
- **Exclusion Criteria for FPIs:** Clarification that Foreign Portfolio Investors who are individuals, corporate bodies, or family offices will not be considered Strategic Investors.
- **Alignment with Regulatory Mandates:** Ensuring consistency between REIT/InvIT and ICDR regulations, which could enable broader participation by regulated institutional investors such as pension and provident funds.
- **Investor Confidence and Lock-in:** Emphasis on lock-in period and advance commitments from Strategic Investors to instill market confidence.

Deadline For Comments: Aug 22, 2025

[Revised Norms for Appointment of Third-Party Reviewer for Green Debt Securities – SEBI Draft Circular \(Aug 01, 2025\)](#)

This SEBI draft circular proposes aligning the norms for appointing independent third-party reviewers for green debt securities with the norms already defined for social and sustainability bonds. The update ensures consistent ESG certification practices across all ESG debt categories

Discussion Points:

- **Alignment with ESG Norms:** The proposal seeks to harmonize the requirements for green debt securities with the more detailed norms already applicable to social and sustainability bonds (June 05, 2025 circular).
- **Eligibility and Independence of Reviewer:** The reviewer must be independent from the issuer, have expertise in ESG, and not have any conflict of interest; ESG rating agencies are also eligible to be reviewers.
- **Disclosure and Review Scope:** Issuers must clearly disclose the reviewer's details and the scope of their evaluation in offer documents; acceptable review formats include second-party opinion, verification, certification, and ESG scoring.
- **Regulatory Consistency:** The updated framework will be inserted into Chapter IX of the NCS Master Circular, ensuring regulatory uniformity.

Deadline For Comments: Aug 21, 2025

📌 [Modification in Denomination Rules for Zero Coupon Debt Instruments – SEBI Draft Circular \(Aug 01, 2025\)](#)

SEBI proposes a revision to allow issuance of zero interest/dividend debt securities and non-convertible redeemable preference shares (NCRPS) at a reduced face value of ₹10,000, aligning regulatory flexibility with market feedback.

Discussion Points:

- **Expansion of Eligibility:** The key modification removes the earlier restriction that only interest/dividend-bearing instruments could be issued at reduced denominations. Zero coupon/zero-dividend instruments will now also be allowed.
- **Investor Inclusivity:** This move addresses market feedback, especially from non-institutional investors who prefer zero-coupon bonds issued at a discount with no interim payouts and compounded returns at maturity.
- **Conditions Maintained:** Instruments must still have fixed maturity and no structured obligations, maintaining investor protection despite increased flexibility.
- **Regulatory Update:** The change modifies Clause 3.2 of the July 2024 circular and will reflect in Chapter V of the NCS Master Circular; all other provisions remain unchanged.

Deadline For Comments: Aug 21, 2025

📌 [SEBI Consultation Paper: Ease of Doing Business – RPT Amendments \(Aug 04, 2025\)](#)

The SEBI consultation paper proposes amendments to the SEBI (LODR) Regulations, 2015 to streamline compliance requirements for Related Party Transactions (RPTs). It focuses on updating thresholds, relaxing disclosure norms, and providing regulatory clarity

Discussion Points:

- **Scale-Based Materiality Thresholds:**
 - Replaces flat ₹1,000 Cr or 10% turnover rule with turnover-based slabs.
 - Up to ₹20,000 Cr: 10% of turnover
 - ₹20,001–40,000 Cr: ₹2,000 Cr + 5% of excess
 - Above ₹40,000 Cr: ₹3,000 Cr + 2.5% of excess, capped at ₹5,000 Cr
- **Subsidiary RPT Approvals**
 - Audit committee approval required if RPT > ₹1 Cr and:
 - Exceeds either 10% of standalone turnover or
 - Materiality threshold of parent company
 - For new subsidiaries with no audited financials, 10% of net worth (or paid-up capital & premium if net worth negative) is used.
- **Relaxation in Disclosures**
 - RPTs ≤ 1% of turnover or ₹10 Cr (whichever lower) need lesser disclosures, replacing earlier flat ₹1 Cr exemption.
 - Improves practicality for high-turnover firms.
- **Omnibus Approval Validity**
 - Omnibus approvals in AGMs valid until next AGM or 15 months max.
 - Approvals in other meetings valid up to 1 year.

Deadline For Comments: Aug 25, 2025

📌 [Consultation Paper: Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents \(Aug 07, 2025\)](#)

SEBI proposes a comprehensive overhaul of the 1993 RTA Regulations to align with current market practices and digitalization. The paper invites public comments on key changes aimed at improving regulatory clarity, operational efficiency, and investor protection.

Discussion Points:

- **Activity-Based Regulation:** Separate oversight for services to listed (SEBI) and unlisted companies (MCA), with ring-fenced SBUs for the latter.
- **Unified RTA Category:** Elimination of Category I and II distinctions; common definition with uniform ₹50 lakh net-worth requirement.
- **Institutional Mechanism:** Mandatory internal controls, surveillance, and whistleblower systems to detect/prevent fraud in RTA operations.

Deadline for Comments: Aug 28, 2025

📌 [Consultation Paper – Ease of Doing Business for Investment Advisers and Research Analysts \(Aug 07, 2025\)](#)

SEBI seeks public comments on regulatory proposals aimed at simplifying the compliance burden for Investment Advisers (IAs) and Research Analysts (RAs). The goal is to align regulations with digital practices and reduce entry and operational barriers. Discussion Points:

Discussion Points:

- **Past Performance Disclosure:** Permitting one-on-one sharing of pre-PaRRVA verified performance data with proper certification and disclaimers.
- **Second Opinion Fees:** Allowing IAs to charge AUA-based fees for advising on already distributed assets upon client consent.
- **Simplified Registration:** Removing requirements for address proofs, infrastructure details, CIBIL reports, and net worth for IA/RA registration.

Deadline For Comments: Aug 28, 2025

📌 [Consultation Paper on Introduction of Separate Type of AIF Scheme for Only Accredited Investors \(Aug 08, 2025\)](#)

SEBI proposes a new class of Alternative Investment Fund (AIF) schemes exclusively for Accredited Investors, with a lighter regulatory framework than regular AIFs. The paper seeks stakeholder feedback on transitioning from a minimum investment threshold to accreditation-based eligibility.

Discussion Points:

- **Regulatory shift metric** – Moving from a minimum commitment threshold to accreditation status as the primary measure of investor sophistication.
- **Proposed relaxations** – Flexibilities for AI-only schemes, including exemption from pari-passu rights, extended tenure, NISM certification waiver, removal of investor caps, and shifting trustee responsibilities to managers.

- **Parallel framework** – Allowing both current and AI-only schemes to co-exist in the interim, encouraging gradual adoption.

Deadline For Comments: Aug 29, 2025

 [Consultation Paper on Proposals to Facilitate Participation by Resident Indians in Foreign Portfolio Investors \(FPIs\) \(Aug 08, 2025\)](#)

SEBI is seeking feedback on measures to allow greater participation of resident Indians—especially non-individual entities and mutual funds—in FPIs, aligning FPI rules with IFSC regulations. The proposals include expanding eligibility, adjusting contribution limits, and permitting Indian mutual funds as FPI constituents.

Discussion Points:

- **Eligibility expansion** – Allow retail schemes in IFSCs with resident Indian non-individual sponsors/managers to register as FPIs.
- **Regulatory alignment** – Harmonize contribution limits and sponsor definitions under FPI Regulations with IFSCA Fund Management Regulations, setting a 10% cap.
- **Mutual fund participation** – Permit Indian mutual funds to be constituents of overseas MFs/UTs registering as FPIs, subject to conditions.

Deadline For Comments: Aug 29, 2025

 [Consultation Paper on Introduction of “Single Window Automatic & Generalised Access for Trusted Foreign Investors \(SWAGAT-FI\)” Framework for FPIs and FVCIs \(Aug 08, 2025\)](#)

SEBI proposes the SWAGAT-FI framework to simplify onboarding and compliance for low-risk foreign investors such as government-owned funds and regulated public retail funds. The initiative aims to offer unified registration across FPI and FVCI routes with extended compliance cycles and operational flexibilities.

Discussion Points:

- **Eligibility & scope** – Defining SWAGAT-FI as including government-related investors and regulated public retail funds, enabling unified registration and relaxed compliance.
- **Operational flexibilities** – Optional FVCI registration, 10-year KYC/registration cycle, removal of NRI/OCI/RI investment caps, and optional single demat account usage.
- **Market impact** – Expected benefits include stable capital inflows, reduced compliance burden, enhanced liquidity, and better alignment with global best practices.

Deadline For Comments: Aug 29, 2025

 [Consultation Paper on Providing Flexibilities to Large Value Funds for Accredited Investors \(LVFs\) under SEBI \(AIF\) Regulations \(Aug 08, 2025\)](#)

SEBI proposes reducing the minimum investment threshold for LVFs and granting multiple regulatory relaxations to attract more sophisticated investors while maintaining market integrity. The paper also suggests allowing existing eligible AIF schemes to convert into LVFs with investor consent.

Discussion Points:

- **Threshold reduction & conversion option** – Lowering the LVF minimum investment from ₹70 crore to ₹25 crore and permitting eligible existing AIFs to convert into LVFs.
- **Regulatory exemptions** – Waivers for NISM certification, PPM standard format & audit, investment committee liability, and investor number caps.
- **Investor sophistication & market growth** – Broadening the accredited investor base without compromising due diligence, aiming to boost fund-raising and participation.

Deadline For Comments: Aug 29, 2025

📌 [SEBI Proposes Standard Code for Transmission of Securities from Nominee to Legal Heir \(Aug 12, 2025\)](#)

SEBI has released a draft circular to streamline reporting of securities transmission from nominees (acting as trustees) to legal heirs, avoiding incorrect capital gains taxation. The proposal introduces a standard “TLH” code for such transactions when reported to the CBDT.

Discussion Points:

- **Tax Clarity:** TLH code ensures nominee-to-heir transfers are not treated as taxable sales under the Income Tax Act.
- **Operational Standardization:** RTAs, depositories, and issuers to use TLH code in all relevant CBDT reports.
- **Implementation:** System changes must be completed within three months of final circular issuance.

Deadline For Comments: Sept 02, 2025

📌 [Addendum to SEBI Consultation on RTA Regulations – Fee Structure Revision \(Aug 12, 2025\)](#)

SEBI has issued an addendum to its August 7, 2025 consultation paper on RTA regulations, proposing a uniform fee structure by removing the Category-I and Category-II distinction. All RTAs would pay fees as per the current Category-I rate.

Discussion Points:

- **Uniform Fees:** All RTAs to be charged as per existing Category-I fee structure.
- **Transition Option:** Existing Category-II RTAs may continue under current fees until block expiry or opt for full activities by paying pro-rata differential fees.
- **Operational Flexibility:** Category-II RTAs can upgrade to perform all RTA functions under the new framework after meeting requirements.

Deadline For Comments: Aug 28, 2025

📌 [Consultation Paper on Delisting Framework for Equity Shares of Listed Investment Holding Companies – SEBI \(Aug 13, 2025\)](#)

SEBI's consultation paper, dated August 8, 2025, proposes a streamlined framework to enable voluntary delisting of equity shares of listed investment holding companies. The initiative aims to reduce regulatory arbitrage and enhance market efficiency.

Discussion Points:

- **Eligibility Criteria:** Whether to limit delisting to investment holding companies with no operating business and listed solely due to past restructuring.
- **Valuation Mechanism:** Proposals for a fair and rational price discovery process given the unique nature of holding companies.
- **Investor Protection:** Ensuring transparency and fairness to public shareholders during the delisting process.

Deadline For Comments: Aug 31, 2025

IFSCA Consultation Paper

 [Consultation Paper – Framework on Stewardship Code in IFSC \(Aug 06, 2025\)](#)

IFSCA proposes a voluntary Stewardship Code for institutional investors in the IFSC to enhance governance, ESG engagement, and investor protection. It outlines seven core principles covering monitoring, voting, collaboration, conflict management, and disclosures.

Discussion Points:

- **Mandatory Stewardship Policy:** Entities must publicly disclose their stewardship practices and periodically review them.
- **Active Engagement and Escalation:** Clear mechanisms for monitoring, intervention, and escalation with investee companies.
- **Conflict and Voting Policies:** Establish robust conflict-of-interest and voting frameworks with detailed reporting and transparency.

Deadline For Comments: Aug 27, 2025