

THE SPOTLIGHT

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Specification of the Consequential Requirements with Respect to Amendment of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 – January 2, 2026

The Securities and Exchange Board of India (SEBI) has issued a circular specifying the consequential requirements with respect to the Securities and Exchange Board of India (Merchant Bankers) (Amendment) Regulations, 2025, which amend the SEBI (Merchant Bankers) Regulations, 1992. The circular elaborates detailed compliance and operational requirements for merchant bankers in light of the amended regulations. Key changes include the introduction of phased capital adequacy and new liquid net worth norms for Category I and Category II merchant bankers, with timelines for compliance through January 2028; a requirement for existing merchant bankers to re-categorise themselves and submit Chartered Accountant-certified net worth details; and a cap on underwriting obligations relative to liquid net worth to strengthen risk management. The circular also mandates professional NISM certifications for key employees and compliance officers, independent compliance functions, and a minimum experience threshold for principal officers. It further prohibits the outsourcing of core merchant banking activities beyond specified deadlines, sets minimum cumulative revenue thresholds from permitted activities, and introduces stricter governance, disclosure, and segregation requirements for non-SEBI-regulated functions to deepen financial resilience, transparency, and accountability in the merchant banking ecosystem. To access the circular, [click here](#).

Foreign Exchange Management (Guarantees) Regulations, 2026 – January 6, 2026

The Reserve Bank of India (RBI) has issued the Foreign Exchange Management (Guarantees) Regulations, 2026, under the Foreign Exchange Management Act (FEMA). These regulations replace the earlier FEMA 8/2000-RB framework and set out a comprehensive framework governing guarantees involving residents and non-residents. They define key terms such as guarantee, surety, principal debtor, and authorised dealer; prohibit guarantees involving a resident and a non-resident except as permitted under foreign exchange law; and provide specified exemptions (e.g., guarantees by authorised dealer banks or irrevocable payment commitments in certain circumstances). The regulations also establish conditions under which a person resident in India may act as surety or principal debtor for a guarantee involving non-residents, subject to compliance with other FEMA regulations on borrowing and lending, and set out reporting requirements for such guarantees, including issuance, changes, and invocation, through authorised dealer banks every quarter. A late submission fee is also prescribed for delayed reporting of guarantees, calculated on the basis of the amount involved and the period of delay. To access the regulations, [click here](#).

Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 – January 8, 2026

SEBI has issued SEBI (Stock Brokers) Regulations, 2026, to consolidate and modernise the regulatory framework governing Stock Brokers by replacing the earlier 1992 regulations to enhance regulatory clarity, investor protection, and ease of compliance. The regulations introduce a simplified registration structure, clearer categorisation of Stock Brokers and clearing members, and harmonised definitions aligned with current market infrastructure and trading practices. They strengthen governance and conduct obligations, including enhanced responsibilities toward clients, stricter compliance and risk-management requirements, and clearer accountability of key managerial personnel and compliance officers. The framework also rationalises net worth and capital adequacy norms, aligns operational requirements with technology-driven market mechanisms, and empowers SEBI to issue detailed circulars for procedural and operational matters. Transitional provisions allow existing registered brokers to migrate to the new framework within specified timelines. To access the regulations, [click here](#).

Foreign Exchange Management (Guarantees) Regulations, 2026 – January 12, 2026

RBI has issued Foreign Exchange Management (Guarantees) Regulations, 2026 under the FEMA, 1999. The regulations are principle-based, and the guarantees fulfilling the principles laid down in the regulation

are being permitted. Since the universe of guarantees enabled under automatic route is being expanded, a comprehensive reporting of all guarantees, issued, modified, or invoked, is being introduced. To access the circular, [click here](#).

IFSCA (Capital Market Intermediaries) (Amendment) Regulations, 2026 – January 13, 2026

The International Financial Services Centres Authority (IFSCA) has issued IFSCA (Capital Market Intermediaries) Amendment Regulations, 2026, amending the 2021 regulations to further strengthen the regulatory framework for capital market intermediaries operating in International Financial Services Centres. The amendments refine registration, net worth, and governance requirements, enhance the fit and proper criteria for intermediaries and key personnel, and provide clearer role definitions and compliance obligations aligned with international best practices. They also rationalise operational provisions to improve ease of doing business, while reinforcing risk management, disclosure, and supervisory oversight by IFSCA. Transitional provisions allow existing intermediaries time to align with the revised requirements. To access the regulations, [click here](#).

Securities and Exchange Board of India (Credit Rating Agencies) (Amendment) Regulations, 2026 – January 15, 2026

SEBI has issued the Securities and Exchange Board of India (Credit Rating Agencies) (Amendment) Regulations, 2026, to further amend the SEBI (Credit Rating Agencies) Regulations, 1999. The amendment revises the scope of activities that credit rating agencies (CRAs) may undertake. The key changes include substituting Regulation 9(f) to expressly allow CRAs to carry out any other activity as may be specified by SEBI and to rate financial instruments that fall under the regulatory purview of other financial sector regulators or authorities; replacing the existing explanation to clarify that such ratings must comply with the respective regulator's or authority's rating guidelines and remain under that regulator's supervisory jurisdiction; and omitting the earlier proviso that previously limited such activities. This amendment aims to enhance clarity, facilitate broader participation of CRAs across regulated financial segments, and avoid jurisdictional overlap. To access the regulations, [click here](#).

Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 – January 16, 2026

SEBI has issued SEBI (Mutual Funds) Regulations, 2026, comprehensively replacing the earlier 1996 framework to modernise and streamline the regulation of mutual funds in line with current market practices. The regulations consolidate dispersed provisions into a principle-based structure, strengthen governance and accountability of Asset Management Companies (AMCs), trustees, and key personnel, and enhance investor protection through clearer fiduciary duties, risk-management obligations, and disclosure standards. They rationalise eligibility, net worth, and operational requirements for AMCs, introduce clearer segregation of roles between sponsors, trustees, and fund managers, and align compliance, audit, and reporting norms with SEBI's broader intermediary framework. The regulations also provide flexibility for SEBI to issue operational circulars, include transition provisions for existing mutual funds and AMCs, and aim to improve ease of doing business while ensuring market integrity. Overall, the 2026 Regulations create a unified, contemporary, and resilient regulatory regime for India's mutual fund industry. To access the regulations, [click here](#).

Export and Import of Goods and Services – January 16, 2026

RBI has issued a Foreign Exchange Management (Export and Import of Goods and Services) Direction under the FEMA, 1999, which consolidates and replaces existing master directions and circulars governing export/import transactions and merchanting trade; it directs authorised dealers handling such foreign exchange transactions to ensure compliance with FEMA and the Foreign Trade Policy, to route all references to RBI through the PRAVAAH portal, and to report any doubtful transactions to the Directorate of Enforcement, with the new directions taking effect from 1 October 2026 and superseding earlier master directions and circulars listed in the annexure. To access the circular, [click here](#).

Consultation Paper on Circular under SEBI (Index Providers) Regulations, 2024 – January 19, 2026

SEBI has issued a consultation paper on SEBI (Index Providers) Regulation, 2024, proposing a draft circular to operationalise the concept of "Significant Indices", benchmarks whose governance and regulatory oversight will be strengthened, given their market importance. Under this proposal, a benchmark or index (including an index of indices) will be classified as "significant" if it is tracked or used

as a benchmark by domestic mutual fund schemes with cumulative Assets Under Management (AUM) exceeding INR twenty crore, measured on the daily average AUM over the past six months ending June 30 and December 31 each year; where a mutual fund tracks multiple indices, AUM will be attributed proportionately, and for indices of indices, AUM will be considered based on underlying weights. SEBI has also published an indicative list of significant indices based on mutual fund data (e.g., Nifty 50, Sensex, Nifty Bank, Nifty 100, Nifty 500, and others), reflecting benchmarks with broad investor reach. Providers of identified significant indices would be required to apply for registration as Index Providers within six months from the issuance of the final circular, except where all their significant indices are already regulated by the Reserve Bank of India. Additionally, the grievance redressal mechanism under the Index Providers Regulations would apply only to significant indices offered by SEBI-registered index providers, thereby giving users recourse under the new framework. SEBI has invited public comments on these proposals until February 10, 2026. To access the draft circular, [click here](#).

Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2026 – January 21, 2026

SEBI has issued SEBI (Issue and Listing of Non-Convertible Securities) Amendment Regulations, 2026, introducing targeted changes to the existing Non-Convertible Securities (NCS) framework to improve regulatory clarity, strengthen investor protection, and align disclosure and compliance requirements with recent market developments. The amendments rationalise provisions relating to issuance, listing, and post-listing obligations of non-convertible debt securities and non-convertible redeemable preference shares, including refinements in disclosure standards, timelines, and compliance responsibilities of issuers and intermediaries. They also align certain requirements with SEBI's updated master circulars and related regulatory changes, enabling smoother implementation and supervision. Overall, the amendments are intended to enhance transparency, reduce interpretational ambiguities, and ensure a more consistent and robust regulatory regime for the NCS market, while facilitating ease of doing business for compliant issuers. To access the regulations, [click here](#).

Ease of Doing Investment – Special Window for Transfer and Dematerialisation of Physical Securities – January 30, 2026

SEBI has issued a circular introducing a special window for transfer and dematerialisation of physical securities as an ease-of-doing-investment measure to address legacy investor holdings that could not be processed due to procedural or documentation gaps. The circular permits eligible investors to transfer or dematerialise physical securities during a specified one-time window, subject to verification and safeguards prescribed by SEBI, depositories, stock exchanges, Registrar and Transfer Agents (RTAs). It aims to resolve long-pending cases where securities remain in physical form despite the general prohibition on transfer of physical securities, while ensuring investor protection through enhanced due diligence, verification of title, and reporting requirements. Market infrastructure institutions are required to put in place necessary systems and standard operating procedures, and issuers/RTAs must facilitate processing within defined timelines. To access the circular, [click here](#).

Master Circular for Compliance with the Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Listed Entities – January 30, 2026

SEBI has issued the master circular to consolidate, streamline, and update all compliance requirements for listed entities under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by integrating applicable circulars, guidelines, and clarifications issued up to December 31, 2025. The master circular provides a single reference framework covering corporate governance norms, periodic and event-based disclosures, financial reporting, related party transactions, shareholder rights, investor grievance redressal, record maintenance, and compliance responsibilities of listed entities, stock exchanges, and intermediaries. It does not introduce new substantive obligations but harmonises and operationalises existing requirements, clarifies timelines, formats, and procedures, and rescinds superseded circulars to reduce regulatory fragmentation. To access the circular, [click here](#).



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