

**SEBI Tightens Custodian Norms: Enhanced Governance, Higher Net Worth, and Strict Operational Segregation Mandated – March 4, 2026**

Securities and Exchange Board of India (SEBI) released a circular, introducing a strengthened governance and risk management framework for custodians to safeguard investor interests. The new guidelines mandate the segregation of various financial service activities into separate business units with independent accounting and operational structures. The circular restricts outsourcing exclusively to non-core activities, explicitly barring custodians from outsourcing their primary business or compliance responsibilities. Entities are required to maintain high-specification storage vaults for physical securities and implement scalable technology systems to ensure data integrity and security. The framework introduces mandatory board-level oversight and an orderly wind-down mechanism to manage potential market vulnerabilities and business transitions. To access the circular, [click here](#).

**Consultation Paper on the Regulatory Framework for Rights Issues by Listed Entities in the IFSC – March 6, 2026**

International Financial Services Centres Authority (IFSCA) released a consultation paper proposing a new regulatory framework for rights issues to facilitate efficient capital raising by entities listed in the IFSC. The framework aims to provide a fast-track and streamlined process for issuers who have made their primary issuance in the IFSC, ensuring a quicker route to market. Key proposals include the electronic crediting of rights entitlements to demat accounts and allowing the renunciation and trading of these rights in the secondary market. The guidelines emphasize high standards of disclosure and fair treatment of shareholders. To access the consultation paper, [click here](#).

**Consultation Paper on IFSCA (Prohibition of Market Abuse in Securities Market) Regulations, 2026 – March 6, 2026**

IFSCA released a consultation paper proposing the "Prohibition of Market Abuse in Securities Markets Regulations, 2026" to safeguard the integrity of the IFSC capital markets. The proposed framework clearly defines and prohibits fraudulent activities such as insider trading, market manipulation, and the dissemination of false or misleading statements. The consultation paper focuses on regulatory obligations, disclosure norms, and monitoring mechanisms. The regulations empower the Authority with enhanced investigative and enforcement tools to effectively detect and penalize market misconduct. To access the consultation paper, [click here](#).

**Cabinet Approves Changes in Guidelines on Investments from Countries Sharing Land Border with India – March 10, 2026**

The Union Cabinet has approved amendments to India's foreign investment framework for countries sharing a land border with India. The changes revisit elements of the Press Note 3 (2020) regime and reflect an attempt to balance national security priorities with investment facilitation and ease of doing business. One of the most significant changes is the introduction of a definition of "beneficial owner", aligned with the Prevention of Money Laundering Rules, 2005. The revised framework also introduces a 60-day approval timeline for investments from land bordering countries in certain strategic manufacturing sectors, including capital goods, electronic components, polysilicon, and ingot-wafer manufacturing. In these cases, the majority ownership and control of the investee entity remain with resident Indian citizens or Indian-controlled entities. To access the press release, [click here](#).

**Companies (Accounting Standards) Amendment Rules 2026 – March 10, 2026**

Ministry of Corporate Affairs released a notification introducing the Companies (Accounting Standards) Amendment Rules, 2026, to integrate global tax reforms into domestic reporting. These rules amend Accounting Standard 22 to address income taxes arising from the OECD's Pillar Two model rules,

including qualified domestic minimum top-up taxes. A significant mandatory exception has been introduced, stipulating that enterprises should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Enterprises are now required to separately disclose current tax expenses and provide qualitative and quantitative information regarding their exposure in periods where legislation is enacted but not yet effective. Small and Medium-sized Companies are granted relief from these detailed exposure disclosure requirements to ease their compliance burden. While the deferred tax exception applies immediately and retrospectively, other disclosure provisions are effective for reporting periods beginning on or after April 1, 2025. To access the notification, [click here](#).

### **Consultation Paper on Ease of Investing - Simplification of Documentation Requirements for Transmission of Securities and Revision in Threshold Limits for Simplified Documentation – March 12, 2026**

SEBI released a consultation paper focused on simplifying the documentation requirements for the transmission of securities to make the process more investor-friendly for legal heirs. The proposal suggests increasing the threshold limits for simplified documentation from INR five lakh to ten lakh for physical securities and from INR fifteen lakh to thirty lakh for dematerialized holdings. It introduces a "straight-through processing" mechanism for very small claims, up to INR ten thousand for physical and thirty thousand for demat, to ensure that procedural costs do not exceed the asset value. The framework aims to standardize claim forms and procedures across all market intermediaries, including registrars and depositories, to eliminate inconsistent practices and reduce delays. Key revisions also include clarifying the specific authorities permitted to issue Legal Heirship Certificates and expanding the acceptable modes of death certification for overseas investors. To access the consultation paper, [click here](#).

### **Securities Contracts (Regulation) Amendment Rules, 2026 – March 13, 2026**

SEBI released a notification regarding the Securities Contracts (Regulation) Amendment Rules, 2026, to streamline the listing process for large-scale companies. The amendment introduces new valuation-based benchmarks, such as having post-issue capital of up to INR sixteen hundred crore and more than INR five lakh crore, to calculate the minimum percentage/ number of shares to be offered to the public during an IPO. Large issuers starting with a public shareholding below 15% are now required to increase their float to 15% within five years and 25% within ten years. A mandatory minimum allotment of 2.5% for every class of equity or convertible shares has been established to ensure broad-based public participation. These revisions aim to provide greater flexibility for mega-cap entities while maintaining the long-term goal of robust market liquidity and healthy public float. To access the notification, [click here](#).

### **Consultation paper on proposed Amendments in CMI Regulations and Master Circular with respect to Credit Rating Agencies – March 16, 2026**

IFSCA released a consultation paper proposing strategic amendments to the Capital Market Intermediaries (CMI) Regulations, 2024, and the Master Circular governing Credit Rating Agencies (CRAs). A core proposal involves transitioning to a principle-based approach for the withdrawal of ratings, allowing agencies greater flexibility in scenarios like mergers or liquidations. The new framework suggests that CRAs maintain exhaustive electronic records to ensure that the entire credit rating process and the factors influencing specific actions can be reconstructed for regulatory review. To respect client confidentiality, the paper proposes disclosing private ratings as non-mandatory in periodic public reports. The regulator aims to refine periodic disclosure requirements to include specific metrics such as default lists, default rate computations, and average rating transition rates. To access in the consultation paper, [click here](#).

### **Consultation Paper on Modified norms for Nomination in Demat accounts and Mutual Fund Folios – March 17, 2026**

SEBI released a consultation paper proposing modified norms for nomination in demat accounts and mutual fund folios to streamline the investor onboarding experience. The proposed framework suggests making nomination the default choice for all new single-holder accounts, requiring an explicit "opt-out" if an investor chooses not to nominate. To minimize entry hurdles, the regulator intends to make only the nominee's name and relationship mandatory, while other contact details and identity proofs would become optional. The maximum number of permitted nominees is set to be capped at four, a move designed to align the securities market with current banking sector standards. Furthermore, in instances where

specific percentage shares are not defined for multiple nominees, the assets will be distributed equally among them by default. The paper also clarifies that the Power of Attorney mechanism remains the preferred route for managing accounts of incapacitated investors to prevent legal ambiguity regarding a nominee's role during the holder's lifetime. To the consultation paper, [click here](#).

### **Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – March 21, 2026**

SEBI released a notification, amending the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to streamline the public issue process and enhance investor transparency. The amendment mandates the filing of a draft abridged prospectus alongside the draft offer document to provide a more concise and focused summary for potential investors at an earlier stage. To improve digital accessibility, issuers are now required to include a QR code on all application forms that directly links to the Red Herring Prospectus, abridged prospectus, and price band advertisements. The "Offer Document Summary" section has been removed from the main offer documents to eliminate data duplication, as the enhanced abridged prospectus now fulfils this informative role. The revised regulations introduce mandatory summary disclosures for contingent liabilities and related party transactions to provide a clearer picture of an issuer's financial obligations. A new provision also enables depositories to record pre-issue share capital as "non-transferable" when a traditional lock-in cannot be created, ensuring consistent regulatory compliance. To access the regulations, [click here](#).

### **The Corporate Laws (Amendment) Bill, 2026 – March 23, 2026**

The Corporate Laws (Amendment) Bill, 2026, was introduced in the Lok Sabha on March 23, 2026, to modernize corporate governance by decriminalizing several offences and imposing civil penalties. It focuses on easing the compliance burden for businesses by revising the definitions of "small companies" and increasing the threshold for mandatory Corporate Social Responsibility (CSR) activities. New provisions introduce the formal recognition of restricted stock units and establish the IBBI as the governing Valuation Authority. The framework also expands the oversight roles of the National Financial Reporting Authority and streamlines the procedures for share buy-backs. The Bill provides for the conversion of specified trusts into LLPs. This applies to trusts that:

- (i) have been established under the Indian Trusts Act, 1882 or any other central or state Act,
- (ii) are registered with SEBI or IFSC Authority, and
- (iii) are engaged in prescribed activities.

This comprehensive reform package has been referred to a Joint Parliamentary Committee for further scrutiny before its final enactment. To access the bill, [click here](#).

### **Consultation Paper on Introduction of Gift Card/ Gift PPI (Prepaid Payment Instrument) for Mutual Funds – March 24, 2026**

SEBI released a consultation paper, proposing the introduction of Gift Cards and Gift Prepaid Payment Instruments (PPIs) to facilitate mutual fund subscriptions. This initiative aims to enhance financial inclusion by leveraging India's gifting culture to onboard new and younger investors into the capital markets. Under the proposed framework, a purchaser can buy a non-reloadable Gift PPI capped at INR ten thousand and transfer it to a recipient who can then redeem the full value for mutual fund units. To ensure regulatory compliance and prevent money laundering, these instruments must be funded exclusively through electronic bank transfers or UPI from Indian bank accounts. The proposal includes a total annual investment limit of INR fifty thousand per investor across all prepaid and cash routes, with mandatory ownership verification to satisfy "no third-party payment" norms. Each gift card will have a one-year validity period, after which any unclaimed funds will be automatically refunded to the original purchaser's verified bank account. To access the consultation paper, [click here](#).

### **Consultation Paper on Framework of IT Resilience Index for Market Infrastructure Institutions – March 25, 2026**

SEBI released a consultation paper proposing a comprehensive framework for an IT Resilience Index (ITRI) designed for Market Infrastructure Institutions (MIIs). The primary objective of this index is to provide a quantitative measure of the health and robustness of critical IT systems across stock exchanges, clearing corporations, and depositories. This system-driven computation will utilize a uniform set of metrics and weights, enabling MIIs to identify specific areas for technical improvement and operational risk mitigation. By implementing this index, SEBI aims to empower management and oversight

committees with data-backed insights into system performance and reliability over time. The proposed ITRI will evaluate not only the core critical systems but also the interconnected feeding systems that are essential for uninterrupted market operations. This framework was developed following discussions with SEBI's Technical Advisory Committee to ensure it aligns with modern cybersecurity and technological standards. Public comments on this draft circular and the associated measurement parameters are invited until April 15, 2026. To access the consultation paper, [click here](#).



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