

Amendments to the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2026 – May 1, 2026

The Ministry of Finance has notified the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026, introducing significant changes to India's foreign investment framework, particularly in relation to investments involving entities or beneficial owners connected with countries sharing a land border with India. The amendments align the concept of "beneficial ownership" under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, with the thresholds prescribed under the Prevention of Money-laundering Act, 2002 and the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, while also clarifying circumstances in which beneficial ownership is deemed to vest in such jurisdictions. The revised framework further introduces reporting obligations for certain foreign investments having direct or indirect ownership links with land-border countries, even where prior government approval may not be required. To access the rules, [click here](#).

Consultation Paper on Amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 – May 4, 2026

The Securities and Exchange Board of India (SEBI) released a consultation paper proposing amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, with the objective of aligning the listed securitisation framework with the Reserve Bank of India's 2021 Securitisation of Standard Assets Directions. To facilitate greater flexibility for RBI-regulated entities, SEBI has proposed permitting single-asset securitisation by relaxing existing concentration limits and allowing securitisation transactions between originators and Special Purpose Distinct Entities (SPDEs) belonging to the same group, subject to regulatory safeguards. The regulator has also suggested shifting periodic disclosure and reporting obligations from originators to servicers, revising SPDE board composition norms by limiting originator representation and removing veto rights, and replacing the mandatory winding-up of schemes upon trustee cancellation with the appointment of a new trustee. To access the consultation paper, [click here](#).

Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection – May 5, 2026

SEBI issued an advisory addressing the emerging cybersecurity risks posed by advanced Artificial Intelligence (AI) tools that can identify and exploit system vulnerabilities at scale. Recognising the potential impact of such technologies on data confidentiality, application integrity, and market infrastructure resilience, SEBI has constituted a dedicated task force, "cyber-suraksha.ai", comprising Market Infrastructure Institutions, QRTAs, all QREs, and other related stakeholders to assess evolving AI-related threats, facilitate intelligence sharing, and develop coordinated mitigation strategies. The advisory directs regulated entities to strengthen cybersecurity frameworks through timely patch management, regular vulnerability assessments, enhanced API security, continuous Market Security Operations Centre (M-SOC) monitoring, robust change management practices, and comprehensive risk assessments. SEBI has also encouraged the adoption of AI-assisted security tools and closer oversight of third-party service providers to improve cyber resilience across the securities market ecosystem. To access the advisory, [click here](#).

Consultation paper on Modification in the Regulatory Framework for Online Bond Platform Providers – May 5, 2026

SEBI released a consultation paper proposing modifications to the regulatory framework governing Online Bond Platform Providers (OBPPs), with a focus on promoting ease of doing business while strengthening the retail bond market ecosystem. The consultation paper proposes permitting OBPPs to offer products and securities regulated by the International Financial Services Centres Authority (IFSCA), subject to compliance with applicable foreign exchange regulations, and allowing the distribution of tax-saving bonds

issued under the Income-tax Act with appropriate investor disclosures and grievance redressal disclaimers. SEBI has also suggested aligning the compliance officer eligibility requirements for OBPPs with those applicable to stock brokers by removing the mandatory requirement that such officers be qualified Company Secretaries. To access the consultation paper, [click here](#).

International Financial Services Centres Authority (TechFin and Ancillary Services) (Amendment) Regulations, 2026 – May 5, 2026

IFSCA has introduced the IFSCA (TechFin and Ancillary Services) (Amendment) Regulations, 2026, to establish a regulatory framework for Trust and Company Service Providers (TCSPs) undertaking leasing-related activities in the International Financial Services Centre (IFSC). The framework mandates prior registration with IFSCA, prescribes eligibility criteria, governance and control standards, fit and proper requirements, professional indemnity insurance, conflict management policies, and robust AML/CFT compliance mechanisms. TCSPs would be permitted to provide services such as establishing trusts, companies and LLPs, acting as trustees, nominee shareholders, directors or partners, and providing registered office and administrative support services for leasing structures. It further requires TCSPs to maintain arm's length segregation from other business activities, appoint dedicated principals and compliance officers based in the IFSC, and maintain detailed records relating to legal entities and arrangements administered by them. To access the amendment, [click here](#).

Consumer Charter by Regulated Entities in the International Financial Services Centre – May 8, 2026

The International Financial Services Centres Authority (IFSCA) issued a circular encouraging all regulated entities operating within the IFSC to adopt and publicly disclose a Consumer Charter aimed at strengthening customer protection, transparency, and service accountability. The framework requires regulated entities to clearly communicate key service standards, customer rights, grievance redressal mechanisms, and commitments relating to fair treatment, confidentiality, and responsible conduct. To ensure uniformity across the IFSC ecosystem, the circular requires the Consumer Charter to contain vision, mission, rights and responsibilities, dos and don'ts for consumers, and other consumer-centric provisions based on the business/operational model. Regulated entities are also encouraged to prominently display the Consumer Charter on their websites and at relevant customer interaction points. To access the circular, [click here](#).

Consultation on 'Green-Channel: AIF Rollout Upon Document Acknowledgement' (GARUDA) Mechanism for Processing of Placement Memorandum of Alternative Investment Funds (AIFs) filed with SEBI – May 11, 2026

SEBI released a consultation paper proposing the introduction of the "GARUDA" (Green Channel for AIF Rollout upon Document Acknowledgement) mechanism to streamline and expedite the processing of placement memoranda filed by Alternative Investment Funds (AIFs). The proposed framework seeks to enable eligible AIF schemes to launch operations immediately upon acknowledgement of filing, without awaiting prior regulatory observations from SEBI, subject to compliance with prescribed eligibility conditions and standardised disclosure requirements. To support faster fund launches while maintaining regulatory oversight, SEBI has proposed enhanced accountability for managers, trustees, and merchant bankers through certifications relating to regulatory compliance, disclosure standards, and adherence to investment restrictions. To access the consultation paper, [click here](#).

Implementation Services by Investment Advisers in the IFSC – May 12, 2026

IFSCA issued a circular clarifying the regulatory framework governing "implementation services" provided by Investment Advisers operating in the IFSC. Recognising the need for operational clarity under the IFSCA (Capital Market Intermediaries) Regulations, 2025, the circular defines implementation services as activities undertaken to execute or give effect to investment advice rendered to clients. The framework specifies that implementation services relating to securities listed on foreign stock exchanges must be provided through Global Access Providers or Introducing Brokers in the IFSC, while services involving securities listed on recognised IFSC exchanges must be routed through registered exchange members. For unlisted financial products, Investment Advisers are required to enter into formal arrangements with regulated platforms or asset management entities in foreign jurisdictions. To access the circular, [click here](#).

Status of SPVs Post Conclusion or Termination of Concession Agreement – May 15, 2026

SEBI issued a circular clarifying the regulatory status of Special Purpose Vehicles (SPVs) held by Infrastructure Investment Trusts (InvITs) upon the conclusion or termination of concession agreements or similar infrastructure arrangements. Recognising that such SPVs often continue to exist for the purpose of fulfilling residual legal, contractual, tax, or operational obligations, SEBI has provided that the termination or expiry of a concession agreement shall not, by itself, affect the SPV's status under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. The framework allows such SPVs to retain their regulatory status for a prescribed period, enabling InvITs to either divest the SPV or undertake reinvestment activities within the stipulated timeline. To strengthen transparency and investor protection, SEBI has also mandated enhanced disclosures relating to the status of concession agreements, pending obligations, and proposed utilisation or exit plans. To access the circular, [click here](#).

Permitted Use of Fresh Borrowings for InvITs where Net Borrowings Exceeds Forty-Nine Percent of the Value of InvIT Assets – May 15, 2026

SEBI issued a circular clarifying the permitted utilisation of fresh borrowings by InvITs where net borrowings exceed forty-nine percent of the value of InvIT assets. Expanding the flexibility available under the amended regulatory framework, SEBI has permitted such borrowings to be used for capital expenditure aimed at enhancing asset performance or augmenting infrastructure capacity, major maintenance expenses relating to road projects in accordance with concession agreement obligations, and refinancing of eligible existing debt. In the case of refinancing, the circular restricts the use of fresh borrowings to the principal component of the original debt and excludes accumulated interest, charges, or fees. These measures are intended to provide InvITs with greater financial and operational flexibility while ensuring prudent leverage management and maintaining investor protection safeguards within the infrastructure investment ecosystem. To access the circular, [click here](#).



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