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Reporting of Foreign Direct Investment Received by Regulated Entities in IFSC – July 1, 2026

The Reserve Bank of India (RBI), in consultation with the International Financial Services Centres Authority (IFSCA), has revised the FAQs on the Annual Return on Foreign Liabilities and Assets (FLA) under FEMA, 1999, to clarify the reporting framework for Foreign Direct Investment (FDI) received by regulated entities in the IFSC. While FDI norms do not apply to investments made in IFSC-Regulated Entities (REs), the RBI has clarified that data relating to such investments remains necessary for the compilation of India's Balance of Payments statistics. Accordingly, REs are no longer required to file the FLA Return with the RBI. Instead, IFSCA shall issue separate instructions to the REs for submission of necessary data for compilation of balance of payments data of India. Until such instructions are notified, regulated entities have been advised to await further directions from the IFSCA. To access the press release, click here.

Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2026 – July 1, 2026

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026, effective August 1, 2026, introducing significant changes to the buy-back framework under the SEBI (Buy-Back of Securities) Regulations, 2018. The amendments reintroduce the open market route for buy-backs, subject to a reduced cap of less than 15% of the company's paid-up capital and free reserves (based on both standalone and consolidated financial statements) and prohibit buy-backs that would result in a breach of the minimum public shareholding requirements. They also prescribe defined timelines requiring open market buy-back offers to commence within four working days of the public announcement and conclude within sixty-six working days of opening. Additionally, the amendments require the freezing of promoter and promoter group shareholdings at the ISIN level during the buy-back period, subject to specified exceptions, and make the appointment of a merchant banker optional, with regulatory responsibilities being allocated among the company, secretarial auditor, statutory auditor, stock exchanges, and compliance officer where no merchant banker is engaged. Collectively, these changes aim to strengthen investor protection, enhance regulatory certainty, and provide greater flexibility in the execution of buy-backs. To access the regulation, click here.

Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2026 – July 7, 2026

SEBI has notified the SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2026, introducing amendments to the SEBI (Foreign Portfolio Investors) Regulations, 2019, aimed at streamlining the regulatory framework governing Foreign Portfolio Investors (FPIs). The amendments replace various fee amounts denominated in US dollars with equivalent amounts in Indian Rupees, and the word "at the time of the submission of the form" shall be substituted with the word prior to the grant of the certificate of registration". To access the regulation, click here.

Consultation Paper for Issuing Circular on Foreign Currency Settlement System to International Banking Units in GIFT IFSC – July 7, 2026

IFSCA has issued a consultation paper seeking public comments on a proposed circular prescribing operational requirements for the Foreign Currency Settlement System (FCSS) for International Banking Units (IBUs) in GIFT IFSC. Introduced on October 7, 2025, the FCSS enables real-time USD fund transfers between member IBUs, with settlements currently being completed within 5–6 seconds, eliminating the need to route inter-IBU transactions through correspondent banks. The proposed circular requires member IBUs to settle interbank transactions with other member IBUs exclusively through FCSS, to promote the availability of real-time USD payment services to customers across digital and offline channels, and to provide customers with the option to initiate FCSS transactions through internet banking and other customer interfaces. It also requires recipient IBUs to credit customer accounts within one hour of receiving funds in their FCSS Settlement Ledger Account and advises IBUs that are yet to join the platform to expedite onboarding. To access the consultation paper, click here.

Securities and Exchange Board of India (Foreign Venture Capital Investors) (Amendment) Regulations, 2026 – July 10, 2026

SEBI has notified the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2026, which will come into force on the one hundred eightieth day from the date of their publication in the Official Gazette. The amendments revise the fee framework applicable to Foreign Venture Capital Investors (FVCIs) by replacing US dollar-denominated registration, renewal and other regulatory fees with their equivalent amounts in Indian Rupees payable in eligible foreign exchange. The amendments also modify the timing of payment of the initial registration fee, requiring it to be paid prior to the grant of the certificate of registration, and require designated depository participants to remit all fees collected from FVCIs to SEBI in Indian Rupees within five working days of registration or receipt of the relevant fees, together with prescribed reporting details. To access the regulation, click here.

Consultation Paper on The Regulatory Framework for Direct Listing of Specified Securities Without Public Offer – July 13, 2026

IFSCA has issued a consultation paper proposing a comprehensive regulatory framework for the direct listing of specified securities (equity shares and convertible securities) on recognised stock exchanges in IFSCs without a public offer. The proposal seeks to facilitate listings by companies that do not require fresh capital but wish to enhance visibility, improve corporate governance, enable price discovery, and provide liquidity to existing shareholders. Under the proposed framework, companies would be required to satisfy eligibility criteria broadly aligned with those applicable to traditional listings, including thresholds relating to operating revenue, profitability and market capitalisation, with a higher minimum market capitalisation of USD 50 million proposed for direct listings. The framework also envisages filing an information document supported by due diligence from an IFSCA-registered investment banker, maintaining a minimum public shareholding of ten per cent, permitting participation by all investor classes without restrictions, and adopting a transparent pricing mechanism based on an independent valuation and a pre-open price discovery session on the first day of listing. To access the consultation paper, click here.

Report of the Expert Committee on Development of REITs and InvITs in IFSC – July 15, 2026

IFSCA has released the Report of the Expert Committee on the Development of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) in IFSC, chaired by Shri Ananta Barua, former Whole Time Member, SEBI. The Report sets out a roadmap for positioning GIFT IFSC as a global hub for real estate and infrastructure financing. On the product side, the Committee has recommended the introduction of Mortgage REITs (mREITs) as an alternative channel for real estate financing and to support the development of securitisation markets, the extension of anti-greenwashing principles to ESG-labelled REITs and InvITs, and a calibrated approach to Small and Medium REITs. To provide immediate momentum to the ecosystem, the Committee has proposed enabling SEBI-registered REITs and InvITs to access IFSC exchanges through depository receipts and dual or secondary listings, which would require SEBI to put in place the necessary mechanism in consultation with IFSCA. The Report also recommends amendments to the IFSCA (Fund Management) Regulations, 2025, inter-regulatory measures including an exemption for investments by IFSC REITs and InvITs in Indian equities from sectoral caps and the three-year lock-in under the automatic route and relief for Indian sponsors from overseas portfolio investment limits, and taxation measures including parity with SEBI-registered REITs and InvITs by amending the definition of business trust, and exemption of certain foreign-sourced income in the hands of non-resident unitholders. IFSCA has stated that it will examine the recommendations with relevant stakeholders and consider appropriate policy, regulatory and legislative measures. To access the report, click here.

Consultation Paper on Proposal to Expand List of Jurisdictions for Distribution Activities – July 17, 2026

IFSCA has issued a Consultation Paper proposing to expand the list of foreign jurisdictions from which Registered Distributors in the IFSC may distribute capital market products and services to all categories of investors, including retail clients. Under the existing framework, such unrestricted distribution is permitted only for products originating from India, the IFSC, and certain identified jurisdictions, while products from other foreign jurisdictions may generally be distributed only to sophisticated investors. To enhance GIFT IFSC's competitiveness as a global investment hub and broaden investment opportunities, IFSCA has proposed adding the United Arab Emirates, Singapore, Australia, and the European Union (excluding Croatia) to the list of permitted jurisdictions under the Master Circular for Distributors in the IFSC. The proposal seeks to align the distribution framework with the existing Video Customer Identification Process regime, facilitate cross-border distribution of capital market products in a regulated and transparent manner, and support the growth of the IFSC's distribution ecosystem. Public comments on the consultation paper have been invited until August 7, 2026. To access the consultation paper, click here.

Operationalisation of Freezing of Holdings of Promoter and Promoter Group Including their Associates (promoter holdings) at the ISIN Level Under Regulation 24(i)(ea) of the SEBI (Buy-back of Securities) Regulations, 2018 – July 21, 2026

SEBI has issued a circular operationalising the newly introduced Regulation 24(i)(ea) of the SEBI (Buy-Back of Securities) Regulations, 2018, pursuant to the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026. The circular requires depositories to establish the necessary operational framework and system enhancements to implement the ISIN-level freeze on shares and other specified securities held by promoters, promoter group entities, and their associates from the date of board or shareholder approval of a buy-back, as applicable, until the closure of the buy-back offer. The framework will also prescribe procedures for freezing promoter holdings, permit tendering of shares in buy-backs undertaken through the tender offer route, and allow the invocation or release of encumbrances created before the commencement of the buy-back period, while ensuring that the freeze continues to apply to the relevant securities. Depositories have been directed to implement the framework before August 1, 2026, and listed companies, recognised stock exchanges, depositories, merchant bankers, registrars to an issue and share transfer agents, shall ensure compliance with this circular and the operational framework issued by the depositories. To access the circular, click here.

Draft - Foreign Exchange Management (Foreign Investment) Rules, 2026 – July 21, 2026

The Ministry of Finance has released the Draft Foreign Exchange Management (Foreign Investment) Rules, 2026, proposing to replace the existing Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 with a comprehensive framework governing foreign investment in India. The draft rules consolidate and rationalise the regulatory regime by introducing a unified framework for foreign investment in eligible investee entities, including companies, LLPs, investment vehicles, partnership firms and proprietary concerns. Among the key proposals are the adoption of a ten per cent threshold to distinguish FDI from FPI, recognition of indirect foreign investment through foreign-controlled entities, shifting onus of compliance on all parties instead only the resident entity, revised provisions on pricing, and transfer, and an enabling framework for the direct listing of Indian public companies on international stock exchanges. The draft also clarifies the respective roles of the Reserve Bank of India and the Department for Promotion of Industry and Internal Trade in administering the foreign investment regime, while expressly excluding investments in financial institutions established in an IFSC from its scope. To access the draft rules, click here.

Foreign Direct Investment Policy on E-commerce Sector – July 23, 2026

Government of India has revised the foreign direct investment rules to allow foreign-funded e-commerce companies to use inventory-based models solely for exporting goods manufactured or produced in India. Under the current framework, FDI is allowed in business-to-business e-commerce and the marketplace model, but not in business-to-consumer e-commerce or the inventory-based model, in which an e-commerce entity owns the inventory of goods and services and sells directly to consumers. The government has added a new provision under the FDI Policy allowing e-commerce entities to operate an inventory-based model exclusively for the export of goods and products manufactured or produced in India. To access the rules, click here.

Consultation Paper on Comprehensive Review of SEBI (Portfolio Managers) Regulations, 2020 – July 23, 2026

SEBI has issued a consultation paper proposing a comprehensive overhaul of the SEBI (Portfolio Managers) Regulations, 2020, with the objective of modernising the regulatory framework in line with the rapid growth of the portfolio management services (PMS) industry. Key proposals include expanding the permissible investment universe by allowing investments in "to-be-listed" securities, investment-grade unlisted debt securities (up to 10% of AUM under discretionary PMS), and specified foreign securities in compliance with FEMA. SEBI has also proposed the introduction of a Mutual Fund-only PMS (MF-PMS) framework with lower entry thresholds and simplified compliance requirements to cater to mass-affluent investors. In addition, the consultation paper proposes greater flexibility in the use of exchange-traded derivatives, several ease-of-compliance measures, such as simplified qualification norms, digital disclosures, streamlined reporting timelines, and clarification of operational requirements, and the consolidation and simplification of the existing regulatory provisions. To access the consultation paper, click here.

Ease of Doing Investment and Ease of Doing Business – Simplification and Standardisation of the Framework for Transmission of Securities – July 23, 2026

SEBI has issued a circular revising the framework for the transmission of securities, with the objective of enhancing ease of doing business and ease of investment by simplifying and standardising transmission procedures. The revised framework introduces a harmonised, standardised and risk-based process, including a new quick transmission processing mechanism for low-value claims where no nominee is registered, and only where the claimant is an immediate relative, revised monetary thresholds for simplified documentation, and streamlined documentation requirements. Key changes include the fact that probate of a Will is no longer mandatory; it continues to be an acceptable court-issued document where available, introducing a combined affidavit-cum-No Objection Certificate, permitting QR code-enabled death certificates as valid proof, and expanding the modes of verification for foreign-issued death certificates. The circular also requires processing entities, including listed companies, registrars and transfer agents, depositories, depository participants and asset management companies, to submit monthly reports to SEBI on transmission requests for an initial period of six months. The revised framework will come into effect 30 days from the date of the circular. To access the circular, click here.

'Green-Channel: AIF Rollout Upon Document Acknowledgement (GARUDA) Mechanism for Processing of Placement Memoranda of AIFs' issued by SEBI – July 30, 2026

SEBI has operationalised the Green-Channel: AIF Rollout Upon Document Acknowledgement (GARUDA) mechanism through a circular, significantly streamlining the launch process for AIF schemes. Under the revised framework, regular AIF schemes may now be launched within ten working days of the filing of the Private Placement Memorandum (PPM), as against the earlier thirty-day period, based on a merchant banker's due diligence certificate and prescribed declarations, unless otherwise advised by SEBI. The framework also exempts Accredited Investor Only Funds (AI Only Funds), Large Value Funds for Accredited Investors (LVFs), and angel funds from the merchant banker route, permitting AI Only Funds and LVFs to launch immediately upon filing the PPM and angel funds to circulate the PPM from the date of registration, subject to specified undertakings by the manager's Chief Executive Officer and compliance officer. To access the circular, click here.

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