

BEGUR BULLETIN

INVESTMENT FUNDS

FEBRUARY 2026

MONTHLY REGULATORY UPDATE



WELCOME TO THE BEGUR BULLETIN!

India's investment fund sector continues to demonstrate strong momentum, with the mutual fund industry's assets under management rising to ₹81.01 lakh crore as of January 31, 2026. Foreign Portfolio Investors (FPIs) recorded net equity outflows of ₹35,962 crore during January 2026. REITs and InvITs are also witnessing targeted regulatory attention in February 2026, with SEBI consulting on operational relaxations including revised SPV definitions, expanded greenfield exposure for private InvITs, and broader permitted end-uses for borrowings, while RBI has separately proposed permitting commercial banks to extend finance to REITs potentially opening a significant new funding channel for the sector. The International Financial Services Centre ("IFSC") in Gandhinagar, Gujarat, is also witnessing growing traction, with IFSCA operationalising the Unified Registration ("Master Key") framework to enable multi-activity intermediary registrations through a single window.

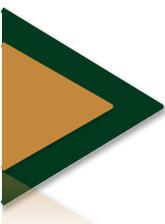
The month of February 2026 witnessed a wide-ranging wave of regulatory activity, with SEBI and IFSCA introducing significant reforms across alternative investment funds, mutual funds, REITs and InvITs, and capital market intermediaries. Key developments during the month included SEBI's consultation on AIF winding-up flexibility and the "inoperative fund" framework, the overhaul of mutual fund scheme categorisation, revised ETF price band norms, the introduction of the IFSCA "Master Key" unified registration framework, RBI's proposal to permit bank lending to REITs, and enhanced social media disclosure requirements for SEBI-regulated entities. Collectively, these developments reflect a concerted push toward transparency, operational efficiency, and investor protection across the investment funds ecosystem.

In this regulatory update, we explore these developments in the field of investment funds elaborating on their potential impact on stakeholders and discussing the efficacy of such developments.

We value your thoughts and suggestions. If there is feedback on how we can improve The Begur Bulletin, we'd love to hear from you on communications@begurs.com. Your input helps us keep this platform insightful.

Enjoy reading, here's to staying informed, compliant, and capital-ready.

— Team Begur



ALTERNATIVE INVESTMENT FUNDS (AIFs)**1. CONSULTATION PAPER ON FLEXIBILITY TO ALTERNATIVE INVESTMENT FUNDS (AIFs) IN WINDING UP THE SCHEME / SURRENDERING THE REGISTRATION**

SEBI, vide consultation paper dated February 05, 2026, has proposed measures aimed at streamlining the regulatory framework governing the winding up of Alternative Investment Fund (AIF) schemes and surrender of AIF registrations. The consultation seeks to provide operational clarity and reduce compliance burdens where funds have ceased active management but are unable to complete closure due to retained monies.

Key proposals include:

- a. **Retention Beyond Permissible Fund Life:** SEBI proposes to permit AIF schemes to retain liquidation proceeds beyond the permissible fund life in specified circumstances, subject to conditions such as demonstrable receipt of litigation or tax demand notice, investor consent (where applicable), and substantiation of operational expenses.
- b. **Treatment of Pending Litigation or Tax Demand:** Where retention is due to ongoing litigation or subsisting tax demands, AIFs may retain funds upon demonstrating receipt of a notice from the relevant authority. Such retained monies must comply with investment conditions under Regulation 15(f).
- c. **Anticipated Liabilities:** For retention based on anticipated litigation or tax liabilities, the proposal requires consent from at least 75% of investors by value if the AIF does not rely on giveback provisions.
- d. **Operational Expenses:** AIFs may retain funds for residual operational expenses provided the amounts are substantiated through invoices or comparable historical expenses. The retention period for such operational expenses shall not exceed three years.
- e. **Introduction of 'Inoperative Fund' Framework:** SEBI proposes to tag certain AIFs as "inoperative funds" where no active fund management activity is undertaken. For such funds: (i) Filing of PPM audit report, CTR report and quarterly reporting may be discontinued, (ii) Annual status report of retained money must be submitted to SEBI and investors, and (iii) Launch of new schemes and charging of management fees will be prohibited.
- f. **Eligibility for Inoperative Status Without Retained Funds:** The flexibility to obtain 'inoperative' status is also proposed to be extended to AIFs that have no retained monies but continue to exist for contingent reasons such as potential favourable litigation outcomes.
- g. **Surrender of Registration:** Even where tagged as inoperative, the AIF may apply for surrender of registration only after satisfying all liabilities and achieving a NIL bank balance.

B&P View: This consultation paper reflects SEBI's intent to introduce proportional compliance for AIFs that have effectively ceased operations but remain technically active due to residual liabilities. By proposing the "inoperative fund" category



and permitting conditional retention of funds beyond the permissible fund life, SEBI is seeking to reduce avoidable regulatory friction while preserving investor protection safeguards.

2. REPORTING OF VALUE OF UNITS OF ALTERNATIVE INVESTMENT FUNDS (AIFS) TO DEPOSITORIES

SEBI, vide circular dated February 06, 2026, mandated reporting of Net Asset Value (“NAV”) of Alternative Investment Fund (“AIF”) units to depositories to enhance transparency, strengthen dematerialised infrastructure and improve investor visibility into AIF holdings.

Key provisions include:

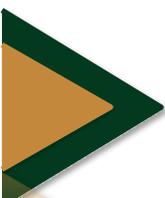
- a. **Mandatory NAV Upload:** AIFs, through their Registrars and Transfer Agents (RTAs), must upload the latest available NAV corresponding to each ISIN of AIF units in the depository system by May 01, 2026 or within 30 days from the valuation date, whichever is later.
- b. **Valuation Frequency Framework:** The circular reiterates existing requirements—Category I and II AIFs must undertake valuation at least once every six months (extendable to one year with investor approval), while Category III AIFs must compute NAV quarterly (closed-ended funds) or monthly (open-ended funds).
- c. **Valuation Date Standardisation:** For compliance purposes, the valuation date shall be (i) the date of the independent valuer’s report, or (ii) the date of internal documentation where valuation is internally conducted.

- d. **Manager Responsibility:** The AIF manager is expressly made responsible for ensuring timely, accurate and complete NAV uploads, thereby fixing accountability at the fund management level.
- e. **Depository Infrastructure Build-Out:** Depositories must create system capability to receive NAV data from RTAs and reflect the same in the depository ecosystem.
- f. **Mandatory Disclaimer:** Wherever NAV is displayed, depositories must include the prescribed disclaimer clarifying that NAV is based on the valuation methodology and accounting practices of the respective AIF.
- g. **Compliance Test Reporting:** Trustees/sponsors must ensure that the manager’s Compliance Test Report under Chapter 15 of the Master Circular on AIFs specifically captures compliance with this circular.

B&P View: By embedding NAV visibility within the depository architecture, SEBI is improving investor monitoring capability and operational standardisation across the private funds ecosystem.

3. REVIEW OF MINIMUM VALUE OF INVESTMENT BY INDIVIDUAL INVESTORS IN SOCIAL IMPACT FUND UNDER SEBI AIF REGULATIONS, 2012 AND REVIEW OF REQUIREMENTS RELATED TO REGISTRATION PERIOD OF NPOS AND MINIMUM SUBSCRIPTION UNDER SEBI ICDR REGULATIONS, 2018

SEBI vide consultation paper dated February 09, 2026 has proposed revisions to the framework governing Social Impact Funds (SIFs) and Not for Profit Organisations requirements on the



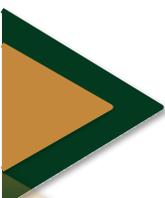


recommendations of the Social Stock Exchange Advisory Committee (SSEAC). SEBI has issued this paper to facilitate easier fund raising by Not-for-Profit Organizations (NPOs).

Key proposals includes:

- a. **Reduced minimum investment:** SEBI proposes to reduce the minimum investment by individual investors in Social Impact Funds from ₹2 lakh to ₹1,000 to align with the ZCZP in ICDR Regulations. The change is intended to enable small investors to participate in SIFs investing in NPO securities listed on the SSE.
- b. **Extended NPO registration window:** The validity of NPO registration on the SSE without fund raising is proposed to be extended from 2 years to 3 years (subject to SSE approval).
- c. **Reduction minimum subscription threshold:** For issuance of Zero Coupon Zero Principal (ZCZP) instruments, the minimum subscription requirement is proposed to be reduced from 75% to 50%, subject to following conditions: (i) 50% threshold applies only where project cost and outcomes can be proportionately allocated on a per-unit basis, and (ii) SSE must conduct appropriate due diligence before approval.
- d. **Disclosure on under-subscription:** NPOs must specify plans for arranging balance capital and the impact on social objectives if minimum subscription is not achieved.
- e. **Investor protection:** Funds must be refunded where the applicable minimum subscription threshold is not met.

B&P View: SEBI is clearly attempting to democratize the social investing ecosystem by sharply lowering the entry barrier for SIF investors while simultaneously easing fund-raising frictions for NPOs. This move could deepen participation on the Social Stock Exchange, though the reduced thresholds will place greater supervisory responsibility on SSEs to ensure project viability and investor protection.



1. CONSULTATION PAPER ON 'EXTENDING FACILITY OF STANDING INSTRUCTIONS FOR SYSTEMIC WITHDRAWAL PLAN (SWP)/SYSTEMIC TRANSFER PLAN (STP) FOR MUTUAL FUND UNITS HELD IN DEMAT FORM

SEBI vide consultation paper dated February 05, 2026 has proposed extending the facility of standing instructions for Systematic Withdrawal Plan (SWP) and Systematic Transfer Plan (STP) to mutual fund units held in demat form. The proposal, based on recommendations of a Working Group comprising Depositories, Stock Exchanges and RTAs and deliberations of SEBI's Secondary Market Advisory Committee (SMAC), aims to enhance ease of doing business and provide operational parity with SOA-mode investors.

Key proposals include:

- a. **Facility extension:** Standing SWP/STP instructions will be permitted for MF units held in demat form.
- b. **Investor convenience:** The move removes the need for repeated DIS/manual instructions for each transaction and addresses concerns around reduced investor control under Power Of Attorney based execution.
- c. **Phase I rollout:** One-time mandate registration via Depositories/Stock Exchanges enabling unit-based, specific-date SWP/STP transactions, with registrations and execution triggers maintained by these intermediaries.
- d. **Phase II expansion:** RTA-led framework (with Stock Exchange involvement) to support amount-based and advanced SWP/STP variants such as appreciation-based and swing STP,

with execution triggers capable of being controlled at the RTA/Exchange level.

- e. **Standardised ecosystem:** Proposal envisages uniform processes, field standardisation and defined data flow among Depositories, RTAs and Exchanges.
- f. **Phased implementation:** Phase I to be implemented first followed by Phase II based on stakeholder feedback.

B&P View: SEBI is removing a key operational gap for demat MF investors through an automation-driven approach. While Phase I should deliver quick efficiency gains with minimal system changes, the real impact will depend on seamless multi-intermediary coordination and successful rollout of the more flexible RTA-driven framework in Phase II.

2. CONSULTATION PAPER ON REVIEW OF PROVISIONS RELATED TO BASE PRICE AND PRICE BANDS FOR EXCHANGE TRADED FUNDS (ETFs)

SEBI vide consultation paper dated February 13, 2026 has proposed revisions to the framework governing base price determination and price bands for Exchange Traded Funds (ETFs) to ensure that ETF trading limits better reflect movements in the underlying assets and to remove risks created by the current T-2 NAV-based system, which involves a one-day lag and manual adjustments.

Key proposals include:

- a. **Revised Base Price Framework:** SEBI proposes to replace the current T-2 NAV reference with more up-to-date benchmarks (i) the ETF's T-1 closing price (last 30-minute weighted average), (ii) the average iNAV of the last 30 minutes of T-1, or (iii) the T-1 closing NAV where available. This is

intended to avoid reliance on outdated or potentially outlier values.

- b. **Lag Risk Mitigation:** By moving away from T-2 NAV, SEBI seeks to remove the built-in one-day lag and reduce the need for manual corporate action adjustments.
- c. **Equity/Debt ETF Bands:** The current fixed $\pm 20\%$ price band will be replaced with an initial $\pm 10\%$ band. If prices hit this limit, exchanges may widen the band in 5% steps (after cooling-off periods of 15 minutes, or 5 minutes near market close), up to a maximum of $\pm 20\%$ and only up to two times in a day.
- d. **Commodity ETF Bands:** Gold and Silver ETFs will move to a tighter initial $\pm 6\%$ band, which can be widened in 3% stages depending on market conditions and international price movement, subject to cooling-off requirements.
- e. **Flexing Safeguards:** Any widening of bands will be allowed only after specified cooling-off periods and minimum market participation conditions (such as minimum trades, unique clients and trading members).
- f. **Overnight ETFs:** The existing $\pm 5\%$ band for TREP-based overnight ETFs will continue unchanged.
- g. **Volatility Alignment:** SEBI's data shows that over 99.8% of equity/debt ETF movements stayed within $\pm 10\%$ and over 98% of commodity ETF movements within $\pm 9\%$, indicating that the current uniform $\pm 20\%$ band may be wider than necessary.
- h. **Market Stability Objective:** Overall, the revised framework is intended to keep ETF trading ranges closer to the actual movement of the underlying

assets. SEBI has also sought stakeholder feedback on whether the +20% cap for commodity ETFs should be removed and whether a separate pre-open session is needed for such ETFs.

B&P View: SEBI is moving toward a more risk-sensitive and dynamic price band framework for ETFs. By updating the base price methodology and tightening initial bands, the regulator aims to improve price discovery and reduce tracking gaps. If implemented effectively, the changes should particularly strengthen market integrity for commodity ETFs, where recent volatility exposed gaps in the existing fixed-band regime.

3. CATEGORIZATION AND RATIONALIZATION OF MUTUAL FUND SCHEMES

SEBI, vide circular dated February 26, 2026, has revised the framework relating to categorization and rationalization of Mutual Fund schemes. The circular supersedes Clause 2.6 of Chapter 2 of the Master Circular dated June 27, 2024, with the objective of aligning scheme classifications with evolving investment opportunities, improving uniformity in scheme nomenclature, and enhancing investor clarity.

Key provisions include:

- a. **Revised Broad Classification:** Mutual Fund schemes shall be broadly classified into Equity, Debt, Hybrid, Life Cycle Funds, and Other Schemes (including Fund of Funds and Passive Schemes).
- b. **Uniform Scheme Characteristics:** The circular prescribes detailed minimum investment thresholds and uniform descriptions for each category



of Equity, Debt, and Hybrid schemes to ensure schemes remain “true-to-label.”

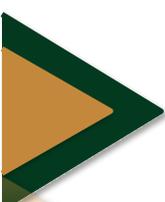
- c. **Portfolio Overlap Controls:** Value and Contra funds may both be offered subject to portfolio overlap not exceeding 50%. Sectoral/Thematic equity schemes must ensure portfolio overlap with other equity schemes does not exceed 50% (except large cap schemes), calculated quarterly using daily averages. Existing schemes must comply within three years, failing which mandatory merger provisions apply.
- d. **Residual Investment Flexibility:** Mutual Funds may invest the residual portion of schemes in permitted instruments such as money market instruments, gold and silver instruments, InvITs, ETCDs, Gold ETFs and Silver ETFs, subject to regulatory ceilings.
- e. **Debt Scheme Clarifications:** Detailed Macaulay duration bands have been prescribed for various debt categories. Medium Term and Medium to Long Term Funds may temporarily reduce duration in adverse interest-rate scenarios with proper justification and trustee oversight. Sectoral debt funds are exempted from general sector exposure limits, subject to adequate market availability of investment-grade paper.
- f. **Hybrid Scheme Framework:** The circular standardizes asset allocation ranges across Conservative Hybrid, Balanced Hybrid, Aggressive Hybrid, Dynamic Asset Allocation, Multi Asset Allocation, Arbitrage, and Equity Savings schemes.
- g. **Discontinuation of Solution-Oriented Schemes:** The solution-

oriented scheme category stands discontinued with immediate effect. Existing schemes must stop fresh subscriptions and be merged with similar schemes after obtaining SEBI approval.

- h. **Life Cycle Funds Introduction:** Open-ended target maturity funds with glide path allocation across equity, debt and other assets are permitted. Minimum tenure is 5 years and maximum 30 years, in multiples of 5 years. Exit load structure and asset allocation glide paths are prescribed in Annexure B.
- i. **FoF Standardisation:** A comprehensive framework is prescribed for categorisation, nomenclature, benchmarking, and number of permissible Fund of Fund schemes, including domestic, overseas, hybrid and commodity FoFs.
- j. **Naming and Disclosure Requirements:** Scheme names must match the prescribed category and avoid return-focused phrases. AMC's must publish category-wise portfolio overlap disclosures on their websites monthly. Existing schemes must align with the revised framework within six months.

B&P View: The circular significantly tightens scheme labelling discipline and portfolio overlap monitoring while introducing Life Cycle Funds and a granular FoF framework. AMC's will need to undertake portfolio realignment, nomenclature changes and enhanced disclosures within the prescribed timelines.

4. VALUATION OF PHYSICAL GOLD AND SILVER HELD BY MUTUAL FUND SCHEMES





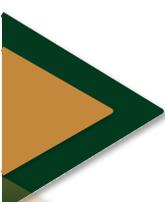
SEBI vide circular dated February 26, 2026, has prescribed a revised methodology for the valuation of physical Gold and Silver held by mutual fund schemes.

Key provisions include:

- a. **Shift to Domestic Spot Prices:** Mutual funds shall value physical Gold and Silver using polled spot prices published by recognised stock exchanges, which are used for settlement of physically delivered gold and silver derivatives contracts.
- b. **Earlier Valuation Method:** Previously, valuation was based on LBMA (London Bullion Market Association) AM fixing prices, adjusted for metric and currency conversion, transportation costs, customs duty, taxes and other levies, along with notional premium or discount to derive domestic valuations.
- c. **Alignment with Mutual Fund Regulations, 2026:** The revised valuation framework will come into effect from April 01, 2026, pursuant to Regulation 22(9) and Regulation 63(9) read with the Seventh Schedule of the SEBI (Mutual Funds) Regulations, 2026.
- d. **Spot Polling Mechanism:** The spot price determination mechanism adopted by stock exchanges must comply with SEBI's spot polling guidelines issued from time to time.
- e. **Uniform Industry Policy:** AMFI, in consultation with SEBI, will prescribe a uniform policy for the implementation of the revised valuation approach across mutual funds.

stock exchange spot prices. This is expected to enhance transparency and uniformity in valuation.

B&P View: The circular aligns valuation of precious metals held by mutual funds with domestic market prices by using regulated



REAL ESTATE INVESTMENT TRUSTS

1. CONSULTATION PAPER ON MEASURES TOWARDS EASE OF DOING BUSINESS FOR REITS AND INVITS

SEBI vide consultation paper dated February 05, 2026 has proposed measures towards ease of doing business for REITs and InvITs. The paper seeks public comments on specific amendments based on industry representations from the Indian REITs Association (IRA) and Bharat InvITs Association (BIA), and recommendations of the Hybrid Securities Advisory Committee (HYSAC).

Key proposals include:

- a. **SPV status post concession:** It is proposed to amend the definition of SPV to allow InvITs to continue holding entities where the concession agreement has ended or been terminated. The investment manager must either exit such entity or acquire a new infrastructure project within one year from the later of (i) end/termination of concession, (ii) conclusion of pending claims/litigations, or (iii) completion of defect liability period. Detailed InvIT-level and SPV-level disclosures will be required during the interim period.
- b. **Disclosure requirements:** Enhanced disclosures are proposed where concession periods have ended, including project status, vesting details, asset-liability position, contingent liabilities, outstanding debt, sufficiency of assets to meet liabilities, and a clear exit strategy and timeline at the SPV level.
- c. **Investment in liquid mutual funds:** REITs and InvITs may be permitted to invest in liquid mutual fund schemes with credit risk value (CRV) ≥ 10 (Class A-I or Class B-I), instead of the existing

CRV ≥ 12 requirement, to expand investment options while maintaining low-to-moderate credit risk.

- d. **Private InvIT greenfield exposure:** Privately listed InvITs may be allowed to invest up to 10% of asset value in under-construction (including pure greenfield) projects, aligning them with publicly listed InvITs.
- e. **Use of borrowings above 49% leverage:** It is proposed to expand the permitted end-use of borrowings (where net borrowings exceed 49% of asset value) by introducing an enabling provision to include specified additional purposes such as capital expenditure for asset performance enhancement, capacity augmentation, or meeting project/concession requirements.
- f. **Major maintenance funding:** Debt used for major maintenance of road projects being non-routine maintenance required under concession agreements is proposed to be expressly treated as a permitted use under Regulation 20(3)(b)(ii).
- g. **Refinancing permitted:** Refinancing of debt originally raised for permitted purposes by the InvIT, HoldCo or SPV may be allowed, subject to conditions that (i) there is no increase in the aggregate consolidated borrowings and deferred payments of the InvIT, holdco and the SPV(s), net of cash and cash equivalents, due to such refinancing; and (ii) only the principal portion of debt is refinanced.

B&P View: The consultation paper proposes targeted regulatory relaxations for REITs and InvITs while embedding safeguards through conditions, leverage controls and enhanced disclosures. If



implemented, the measures should improve operational flexibility for InvITs and REITs without materially diluting investor protection.

prudential limits and eligibility conditions to be prescribed in the forthcoming draft directions.

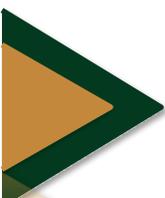
2. STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES

RBI vide Statement on Developmental and Regulatory Policies dated February 6, 2026, has proposed to permit commercial banks to extend finance to Real Estate Investment Trusts (REITs), subject to appropriate prudential safeguards. The proposal follows RBI's review of the regulatory and governance framework applicable to listed REITs.

Key proposals include:

- a. **Proposed bank financing to REITs:** RBI has indicated its intent to allow commercial banks to lend to REITs, whereas such lending was previously not permitted.
- b. **Prudential safeguards:** The proposed permission will be subject to appropriate risk management and prudential conditions, details of which will be specified separately.
- c. **Harmonisation with InvIT framework:** RBI will align the existing guidelines on bank lending to InvITs with the safeguards proposed for REIT lending.
- d. **Draft directions awaited:** RBI has stated that detailed draft directions will be issued shortly for public consultation.

B&P View: The proposal marks a significant policy shift by potentially opening a new financing channel for REITs through bank funding. However, the practical impact will depend on the



1. DIRECTIONS FOR OBTAINING INTERNATIONAL SECURITIES IDENTIFICATION NUMBERS (ISINS) FROM A RECOGNISED DEPOSITORY IN IFSC

IFSCA vide circular dated February 06, 2026 has directed all Units in IFSC to obtain International Securities Identification Numbers (ISINs) from a depository recognised by IFSCA, instead of domestic Indian depositories. The circular aims to strengthen the regulatory and supervisory ecosystem within IFSC.

Key Directions:

- a. **Mandatory ISIN from IFSC Depository:** All Units intending to dematerialise securities or permitted financial products must obtain ISINs from an IFSCA-recognised depository.
- b. **Transition Requirement:** Units that have already obtained ISINs from domestic depositories in India must obtain new ISINs from a recognised IFSC depository by August 31, 2026.
- c. **Role of Recognised Depository:** The IFSC depository must coordinate with domestic depositories for smooth transition, issue FAQs/guidance, and submit a compliance report to IFSCA by September 30, 2026 confirming completion of the transition process.
- d. **Clarification:** Issuers may continue to use International Central Securities Depositories for issuance and listing of debt securities as permitted under the International Financial Services Centres Authority (Listing) Regulations, 2024.
- e. **Regulatory Intent:** To consolidate depository-level supervision within

IFSC and promote ease of doing business.

B&P View: These circular impacts IFSC-based issuers, including investment funds issuing securities, by centralising ISIN issuance within the IFSC regulatory framework.

2. FORMAT OF NET WORTH CERTIFICATE AND CHECKLIST FOR CONDUCTING AUDIT OF GAPS

IFSCA, vide circular dated February 12, 2026, has prescribed the format of the Net Worth Certificate and an indicative audit checklist for Global Access Providers (GAPs) and broker dealers accessing global markets through GAPs in IFSC. The circular aims to standardise reporting and strengthen supervisory oversight under the IFSCA (Capital Market Intermediaries) Regulations, 2025.

Key provisions include:

- a. **Standard net worth certificate format:** IFSCA has specified a uniform format (Annexure I) for the net worth certificate to be submitted by GAPs and eligible broker dealers.
- b. **Annual certification requirement:** The net worth certificate must be certified by an independent member of ICAI and submitted annually to IFSCA by September 30 for the preceding financial year.
- c. **Mandatory annual audit of Global Access activities:** GAPs and Introducing Brokers must continue to undergo annual audit of their Global Access activities.
- d. **Peer-reviewed auditor requirement:** Such audits must be conducted by a



peer-reviewed member of ICAI, ICSI or ICMAI.

- e. **Indicative audit checklist prescribed:** Annexure II provides a detailed checklist covering key areas such as net worth maintenance, fit and proper compliance, agreements with foreign brokers and introducing brokers, fund routing through IFSC, risk management, AML/KYC compliance, data storage, quarterly reporting and fee payments.
- f. **Regulatory authority:** The circular is issued under Sections 12 and 13 of the IFSCA Act, 2019 read with Regulations 27 and 45 of the CMI Regulations.

B&P View: IFSCA is moving to standardise compliance for GAPs through a structured certification and audit framework. The prescribed formats and checklist should improve consistency in supervision and enhance regulatory visibility over global access activities in IFSC.

3. UNIFIED REGISTRATION FOR MULTIPLE CAPITAL MARKET ACTIVITIES UNDER THE IFSCA (CAPITAL MARKET INTERMEDIARIES) REGULATIONS, 2025 (MASTER KEY)

IFSCA vide circular dated February 13, 2026, operationalised the Unified Registration (“Master Key” or “MKY”) framework under the IFSCA (Capital Market Intermediaries) Regulations, 2025 to enable entities in IFSC to undertake multiple capital market activities through a single registration process.

Key provisions include:

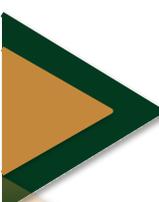
- a. **Unified Registration Concept:** Eligible IFSC units may obtain one consolidated registration to conduct

multiple permitted capital market intermediary activities.

- b. **Eligible Intermediaries:** The facility is available across a wide set of intermediaries including broker dealers, clearing members, credit rating agencies, custodians, debenture trustees, depository participants, distributors, ESG ratings providers, investment advisers, investment bankers and research entities.
- c. **Single Application Process:** Applicants are required to file only one application through the SWIT portal, while selecting the specific activities they intend to undertake.
- d. **Activity-Specific Certification:** The certificate of registration will expressly list the approved intermediary activities under the CMI Regulations.
- e. **Fee Structure:** While the application is unified, applicants must pay the prescribed application, registration and recurring fees separately for each activity undertaken.
- f. **Operational Efficiency Objective:** The framework is intended to simplify market entry and reduce procedural duplication for multi-service intermediaries in IFSC.

B&P View: The Master Key framework is a significant ease-of-doing-business reform for IFSC intermediaries. By permitting a single-window registration while retaining activity-wise regulatory oversight and fee discipline, IFSCA is moving toward a more integrated and globally competitive intermediary licensing regime.

4. DIRECTIONS ON SWIFT-RELATED OPERATIONAL REQUIREMENTS





IFSCA, vide circular dated February 26, 2026, has issued directions on SWIFT-related operational requirements for IFSC Banking Units (IBUs). The circular seeks to ensure uniform identification, efficient routing, and seamless processing of cross-border transactions routed through the SWIFT network and to address delays caused by remittances being incorrectly credited to onshore Nostro accounts instead of IBU accounts.

Key directions include:

- a. **Standard identification in SWIFT BIC:** IBUs are required to ensure that the name associated with their SWIFT Bank Identifier Code (BIC) clearly reflects their presence in GIFT IFSC by including the words "GIFT IFSC Banking Unit".
- b. **Routing configuration requirement:** IBUs must identify SWIFT messages being received by the BIC of their onshore India operations and configure systems with appropriate routing rules to automatically direct such messages to the correct IBU BIC.
- c. **Dissemination of BIC details:** IBUs are required to widely disseminate and make their SWIFT BIC codes easily accessible through websites, brochures, customer communications, and other public-facing materials.
- d. **Use of correct BIC by counterparties:** IBUs must advise correspondent banks and clients to use the correct BIC for cross-border transactions and appropriately populate optional SWIFT message fields to clearly indicate that transactions are intended for the IBU.

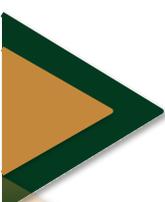
- e. **Quarterly SWIFT broadcast messaging:** IBUs are required to utilise SWIFT's message broadcast facility to disseminate BIC information once every quarter, starting from the quarter ending March 31, 2026, for a period of one year.
- f. **Applicability to new IBUs:** IBUs commencing operations after issuance of the circular must comply with these directions from the date of commencement of operations.
- g. **Compliance reporting requirement:** IBUs are required to report compliance with the circular to the Department of Banking Supervision by June 30, 2026.

B&P View: The directions aim to minimise transaction delays and operational inefficiencies in cross-border remittances by ensuring accurate identification and routing of SWIFT messages relating to IBUs operating in GIFT IFSC.

5. MODIFICATIONS UNDER THE INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (ANTI MONEY LAUNDERING, COUNTER-TERRORIST FINANCING AND KNOW YOUR CUSTOMER) GUIDELINES, 2022

IFSCA, vide circular dated February 26, 2026, has issued modifications to the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022. The circular introduces an additional mode of customer due diligence by incorporating OTP-based Aadhaar authentication under the existing KYC framework applicable to regulated entities in IFSC.

Key provisions include:





- a. **Modification to AML/CFT & KYC Guidelines:** The circular amends Clause 1.2.2 (Part-A of Annexure-II) of the principal Guidelines issued on October 28, 2022, as updated on January 02, 2026.
- b. **Inclusion of OTP-based Aadhaar e-KYC:** A new sub-point has been inserted permitting OTP-based Aadhaar e-KYC authentication as an additional method of customer identification and verification.
- c. **Regulatory authority:** The modification has been issued under Sections 12 and 13 of the IFSCA Act, 2019 read with Rule 9(14) of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

B&P View: The inclusion of OTP-based Aadhaar e-KYC expands digital onboarding options for regulated entities and strengthens efficiency in customer identification processes under the IFSC AML/CFT framework.

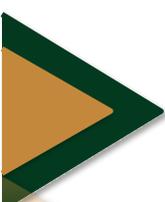
6. INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (ANTI MONEY LAUNDERING, COUNTER-TERRORIST FINANCING AND KNOW YOUR CUSTOMER) GUIDELINES, 2022

IFSCA has issued the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (Updated as on February 26, 2026) prescribing a comprehensive regulatory framework governing AML/CFT compliance, customer due diligence, monitoring, record keeping and reporting obligations for Regulated Entities operating in IFSCs. The Guidelines aim to strengthen prevention of money laundering and terrorist financing risks through a risk-

based compliance and monitoring framework.

Key provisions include:

- a. **Applicability to regulated entities:** The Guidelines apply to all entities licensed, recognised, registered or authorised by IFSCA, including financial groups, subject to specified exemptions.
- b. **Risk-based AML/CFT framework:** Regulated Entities are required to adopt a risk-based approach involving business risk assessment, customer risk assessment and ongoing monitoring aligned with ML/TF risk exposure.
- c. **Customer Due Diligence (CDD) obligations:** Entities must undertake identification, verification and periodic updation of customer information, with enhanced monitoring for high-risk customers and trigger-based review mechanisms.
- d. **Ongoing monitoring and sanctions screening:** Regulated Entities must continuously monitor transactions, review customer risk profiles and screen customers against United Nations Security Council and other applicable sanctions lists.
- e. **Record keeping requirements:** Entities are required to maintain CDD documents, transaction records, internal analyses and Suspicious Transaction Reports for a minimum period of six years and ensure accessibility to regulatory and law enforcement authorities.
- f. **Internal controls, audit and training:** Regulated Entities must establish

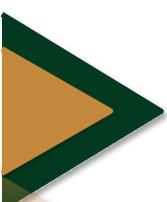




internal AML/CFT policies, appoint a Principal Officer, conduct periodic independent audits and provide regular AML/CFT training to employees.

- g. Identification and reporting of suspicious transactions:** A structured process involving detection of suspicious indicators, customer enquiry, record review and evaluation must be followed prior to reporting suspicious transactions to FIU-IND.
- h. Compliance with international and domestic reporting obligations:** Entities must comply with FATCA, CRS and CKYCR reporting requirements, including uploading KYC records and maintaining appropriate IT and audit systems.

B&P View: The updated Guidelines consolidate AML/CFT, KYC and monitoring obligations into a unified risk-based compliance framework, enhancing regulatory oversight and strengthening financial integrity within IFSC regulated entities.



1. SEBI BULLETIN – FEBRUARY 2026

SEBI's February 2026 Bulletin provides a consolidated overview of developments in the Indian capital markets covering resource mobilisation trends, secondary market performance, investor participation, fund management activities, global market developments and regulatory policy measures undertaken during January 2026. The bulletin presents statistical trends and policy updates relating to market performance and regulatory initiatives in the securities market.

Key Provisions:

- a. **Resource Mobilization Trends:** IPO activity moderated in January 2026 with 18 IPOs mobilising ₹5,533 crore, representing one of the lowest monthly issuances during FY26. Listing performance remained moderate with average listing-day gains of 12.6 per cent. Debt issuances during the month amounted to ₹55,304 crore, largely driven by private placements. Sectorally, financial services accounted for the highest share of mainboard IPO fundraising followed by consumer services and consumer durables.
- b. **Secondary Market Performance:** Indian equity markets witnessed a downturn during January 2026, with Nifty and Sensex declining by 3.1 per cent and 3.5 per cent, respectively. Among sectoral indices, Nifty Metal and Nifty PSU Bank recorded positive returns, while sectors such as Realty, FMCG and Consumer Durables declined. The combined Average Daily Turnover (ADT) across BSE and NSE stood at approximately ₹1.29 lakh crore, reflecting increased trading activity compared to the previous year.
- c. **Depository Account Trends:** Growth in investor participation continued with addition of 4.6 lakh demat accounts at NSDL and 31.6 lakh accounts at CDSL during January 2026. The total number of demat accounts reached 22 crore, comprising 4.4 crore accounts with NSDL and 17.6 crore with CDSL.
- d. **Foreign Portfolio Investor (FPI) Activity:** FPIs remained net sellers during January 2026, recording net outflows of ₹29,240 crore, primarily driven by equity market withdrawals of ₹35,962 crore. In contrast, the debt segment witnessed net inflows of ₹6,013 crore, largely through participation under the Fully Accessible Route (FAR). Domestic Institutional Investors continued to offset foreign outflows through sustained investments.
- e. **Fund Management Activities:** Assets under management of the mutual fund industry increased to ₹81.01 lakh crore as of January 31, 2026. During FY26 (up to January 2026), mutual funds recorded net inflows of ₹8.8 lakh crore. Gold ETFs registered higher monthly inflows compared to active equity schemes during the month. Portfolio Management Services industry AUM stood at ₹41.6 lakh crore in December 2025.
- f. **Performance Review – India and Global Markets:** India's economy is estimated to grow at 7.4 per cent as per advance estimates. Globally, IPO activity moderated in January 2026 following elevated year-end issuance levels. Emerging markets recorded stronger deal volumes, while developed markets witnessed fewer



but larger IPO issuances. Sectoral concentration of global IPO activity was observed in aerospace, defence, software and semiconductor industries.

- g. **Union Budget 2026–27 Measures Affecting Securities Markets:** Budget announcements focused on deepening corporate bond markets through introduction of market-making frameworks and Total Return Swaps, strengthening municipal bond issuance incentives, facilitating infrastructure financing through REIT structures, expanding foreign portfolio participation limits and revising taxation of buybacks. An increase in Securities Transaction Tax (STT) on derivatives was also announced to moderate speculative activity.
- h. **Policy Developments in Indian Securities Market:** During January 2026, SEBI introduced regulatory measures relating to amended Merchant Bankers Regulations, reporting formats for Specialized Investment Funds (SIFs), simplification of investor accreditation, framework for handling broker trading system glitches, introduction of the SWAGAT-FI framework, phased implementation of the Closing Auction Session (CAS), extension of the physical securities dematerialisation window, and digitisation initiatives for FPI Digital Signature Certificate functionality.
- i. **International Securities Market Developments:** Key global developments included proposals by the Monetary Authority of Singapore to facilitate dual listings, the UK Financial Conduct Authority's review on the impact of AI in retail financial services, and a cooperation agreement between Hong Kong's Securities and Futures

Commission and UAE authorities relating to supervision of digital asset entities.

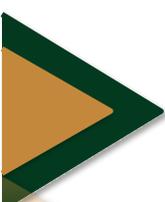
B&P View: The February 2026 SEBI Bulletin provides a comprehensive statistical and regulatory overview of domestic and global securities markets, highlighting moderation in primary market activity, continued domestic investor participation and ongoing regulatory initiatives aimed at improving market efficiency and investor access.

2. INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (FUND MANAGEMENT) (AMENDMENT) REGULATIONS, 2026

IFSCA vide notification dated February 02, 2026 has issued the International Financial Services Centres Authority (Fund Management) (Amendment) Regulations, 2026, amending the IFSCA (Fund Management) Regulations, 2025. The amendments strengthen eligibility norms for key managerial personnel (KMPs), introduce stricter corpus requirements, and streamline extension and winding-up provisions for Fund Management Entities (FMEs).

Key amendments include:

- a. **Revised Eligibility for KMPs:** Minimum 5 years' experience in securities markets or financial products in an eligible institution is required. For certain KMPs with professional qualifications, the requirement is reduced to 3 years. Individuals with 2–3 years' post-qualification experience in IFSC/India/foreign jurisdictions and valid certifications specified by IFSCA may also qualify. "Eligible institution" is broadly defined to include intermediaries, regulators, FMEs,





banks, insurance entities, advisory firms, and relevant finance/legal departments.

- b. **Extension for Corpus Shortfall:** If an FME fails to achieve the minimum corpus within the prescribed period, it may extend the placement memorandum validity in 6-month blocks by paying 25% of the fresh filing fee for the first extension and 50% for subsequent extensions.
- c. **Open-ended Schemes – Unlisted Investments:** Open-ended schemes can invest in unlisted securities only after achieving a minimum corpus of USD 3 million. Failure to meet this threshold allows similar 6-month extensions.
- d. **Winding Up of Schemes:** Schemes may be wound up where minimum corpus is not achieved within validity (and no extension is obtained), or where no investors or funds have been onboarded and the FME voluntarily opts to close the scheme.
- e. **Custodian Appointment:** Schemes required to appoint a custodian in IFSC are given a 24-month transition period. During this time, FMEs may appoint a regulated custodian in India or a foreign jurisdiction.

B&P View: The amendments reinforce IFSCA's push toward higher professional standards and stronger capital thresholds, improving credibility and investor confidence in the IFSC fund ecosystem.

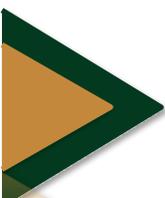
3. CONSULTATION PAPER ON PROPOSED AMENDMENTS TO SCHEDULE II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES)

REGULATIONS, 2008 – 'FIT AND PROPER PERSON' CRITERIA.

SEBI vide consultation paper dated February 04, 2026 has proposed amendments to Schedule II of the SEBI (Intermediaries) Regulations, 2008 relating to the 'Fit and Proper Person' criteria. The proposals aim to balance ease of compliance with the need to ensure that only persons with integrity and sound credentials operate in the securities market, while aligning the framework with IOSCO principles and other SEBI regulations.

Key proposals include:

- a. **Removal of pendency-based disqualification:** Clauses 3(b)(i) and 3(b)(ii) are proposed to be omitted, removing automatic disqualification based solely on pending FIRs/complaints or charge sheets. However, SEBI may still consider serious pending matters under the principle-based criteria in Clause 3(a).
- b. **Expanded conviction trigger:** Clause 3(b)(v) will include conviction for economic offences and offences under securities law, in addition to offences involving moral turpitude, aligning with SECC and DP Regulations.
- c. **Winding-up threshold aligned:** Clause 3(b)(vi) will apply only where a winding-up order is passed (not merely initiated), aligning with other SEBI regulations and the IBC framework.
- d. **New disclosure obligation:** Clause 3A will require intermediaries/applicants to inform SEBI within seven days of any disqualifying event concerning the applicant, KMPs or persons in control.





- e. **Opportunity of hearing codified:** Clause 3B clarifies that a person will be declared not 'fit and proper' only after a reasonable opportunity of being heard and SEBI's determination.
- f. **Default 5-year bar removed:** Clause 4 will remove the automatic five-year prohibition where SEBI's order is silent, allowing case-specific outcomes.
- g. **SCN impact narrowed:** Clause 5 will apply only to proceedings involving directions under section 11B(1) of the SEBI Act and the non-consideration period of registration upon issuance of SCN is reduced from one year to six months.
- h. **Divestment requirement eased:** Clause 6 will restrict voting rights of persons in control declared not fit and proper, without mandatory divestment of shareholding.

B&P View: The proposals move the 'fit and proper' framework from automatic disqualifications to a more principle-based assessment while retaining SEBI's supervisory discretion and due process safeguards.

4. REVISION OF ORDER-TO-TRADE RATIO (OTR) FRAMEWORK

SEBI, vide circular dated February 04, 2026, revised the Order-to-Trade Ratio ("OTR") framework applicable to algorithmic trading by trading members to refine penalty exemptions and improve market-making efficiency.

Key provisions include:

- a. **Equity Options Exemption:** Orders in equity options within $\pm 40\%$ of LTP (premium) or $\pm \text{INR } 20$ (whichever higher) are exempt from OTR penalty.

- b. **Market Maker Relief:** Algorithmic orders of Designated Market Makers for market-making activity are excluded from OTR computation.
- c. **General OTR Scope Retained:** OTR framework continues to apply across cash and derivatives segments, including order placed under liquidity enhancement schemes.

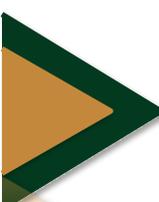
B&P View: By easing penalties for genuine market-making and far out-of-range options orders, SEBI is reducing unnecessary compliance friction while supporting smoother market functioning.

5. CALENDAR SPREAD MARGIN BENEFIT FOR SINGLE STOCK DERIVATIVES ON EXPIRY DAY

SEBI, vide circular dated February 05, 2026, has revised the calendar spread margin framework for single stock derivatives on expiry day. The change, based on deliberations with the Secondary Market Advisory Committee (SMAC), aims to mitigate margin risk and align the treatment of single stock derivatives with index derivatives.

Key provisions include:

- a. **Withdrawal of expiry-day benefit:** Calendar spread margin benefit will not be available on the day of expiry for single stock derivative contracts expiring on that day.
- b. **Other expiries unaffected:** It is clarified that the existing margin calculations for calendar spread positions shall remain unchanged for calendar spread positions involving all expiries other than the contracts expiring on a given day.





- c. **Illustrative application:** For example, on current month expiry, spreads involving the current-month leg will not receive the benefit, while spreads between next and far month contracts will continue to qualify.
- d. **Regulatory objective:** The change is intended to provide trading members and clients sufficient time to arrange margins or roll over positions and to avoid sudden margin spikes after one leg expires.
- e. **Implementation timeline:** The circular will come into effect three months from the date of issuance.
- f. **Exchange action required:** Stock exchanges and clearing corporations have been directed to update systems and amend relevant bye-laws, rules and regulations for implementation.

B&P View: SEBI has taken a risk-containment step by removing expiry-day margin relief for single stock calendar spreads. The move should reduce the likelihood of sudden margin shocks while bringing consistency between index and single stock derivative treatment.

6. CREATION/INVOCATION OF PLEDGE OF SECURITIES THROUGH DEPOSITORY SYSTEM

SEBI vide circular dated February 05, 2026, strengthened the pledge creation and invocation framework to ensure compliance with the Indian Contract Act, 1872 and enhance investor protection safeguards.

Key provisions include:

- a. **Mandatory undertaking in pledge forms:** Depositories must ensure that pledge request forms include an

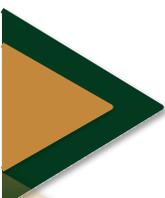
undertaking by the pledgee to provide reasonable notice to the pledger in compliance with Sections 176 and 177 of the Indian Contract Act, 1872.

- b. **Compliance confirmation by parties:** Both pledger and pledgee must undertake to comply with applicable laws, including the Indian Contract Act, Depositories Act, SEBI regulations, circulars and bye-laws.
- c. **Standardised pledge request format:** Depositories are required to maintain a standardised format for the Pledge Request Form.
- d. **Invocation intimation:** Upon invocation of pledge, depositories must notify both pledger and pledgee confirming invocation and recording of the pledgee as beneficial owner in terms of Regulation 79(8) of the DP Regulations.
- e. **Implementation actions:** Depositories must amend bye-laws, make necessary system changes, inform participants about the revised framework, and also to disseminate the same on their websites.

B&P View: The circular meaningfully plugs legal enforceability gaps in the pledge framework and reinforces borrower protection through statutory alignment and standardized processes.

7. OBLIGATIONS ON CRAS WHILE UNDERTAKING RATING OF FINANCIAL INSTRUMENTS FALLING UNDER THE PURVIEW OF ANY OTHER FINANCIAL SECTOR REGULATOR

SEBI vide circular dated February 10, 2026, has prescribed additional obligations for Credit Rating Agencies (CRAs) when rating financial instruments that fall under



the jurisdiction of other financial sector regulators (FSRs). The circular aims to ensure clear regulatory boundaries, investor awareness and proper disclosure where CRAs undertake such activities.

Key provisions include:

- a. **Separate grievance and disclosure channels:** CRAs must maintain distinct email IDs for grievances relating to SEBI-regulated activities and those relating to other FSR activities, along with separate website sections for related disclosures.
- b. **Minimum net worth safeguard:** CRAs must ensure that undertaking ratings for other FSR-regulated instruments does not dilute the minimum net worth required under SEBI's CRA Regulations. Any net worth requirement imposed by other regulators will be in addition to SEBI's requirement.
- c. **Enhanced website and marketing disclosures:** CRAs must disclose the list of activities and respective regulators on their website and ensure that marketing material for non-SEBI activities is clearly separated. They must also state that SEBI investor protection and grievance mechanisms will not apply to such activities falling under the purview of other FSRs.
- d. **Mandatory disclosure in rating outputs:** Rating reports and press releases must specify the relevant regulator and clearly state the non-availability of SEBI investor protection mechanisms. Where common reports are issued, clear segregation and labelling is required.
- e. **Client-level safeguards:** Before undertaking such ratings, CRAs must give upfront written disclosure to clients

and obtain written confirmation that clients understand the regulatory position and associated risks. Existing clients must also be informed and SEBI must be notified after completion.

- f. **Internal audit undertaking:** CRAs undertaking activities regulated by other FSRs must include a compliance undertaking in their half-yearly internal audit report, duly approved by the Board.
- g. **Implementation timeline:** Provisions relating to separate email IDs and intimation to existing clients will take effect after 12 months, while all other provisions will become effective after 60 days from the circular date.

B&P View: SEBI is drawing clearer boundaries where CRAs operate across multiple regulatory regimes. The enhanced disclosure and client-awareness requirements should improve transparency and reduce investor confusion without restricting business flexibility.

8. CAPACITY PLANNING AND REAL TIME PERFORMANCE MONITORING FRAMEWORK FOR COMMODITY DERIVATIVES SEGMENT OF MARKET INFRASTRUCTURE INSTITUTIONS (MIIS)

SEBI vide circular dated February 11, 2026, extended and customised the capacity planning and real-time performance monitoring framework for the commodity derivatives segment of Market Infrastructure Institutions ("MIIs"), reflecting SEBI's heightened focus on technology resilience and systemic robustness.

Key provisions include:

- a. **Framework Extension:** Core provisions of Clause 3 of the December

10, 2024 MII capacity circular now apply mutatis mutandis to stock exchanges and clearing corporations operating commodity derivatives segments.

- b. **Revised Capacity Benchmark:** Installed system capacity must be maintained at a minimum of 2x the projected peak load, replacing the earlier higher multiple applicable in other segments.
- c. **Real-Time Utilisation Threshold:** Where utilisation of any critical system component exceeds 75% of installed capacity, MIIs must immediately undertake corrective actions such as application fine-tuning or capacity augmentation.
- d. **SCOT Oversight:** The Standing Committee on Technology (SCOT) must oversee actions taken when utilisation breaches the threshold, embedding governance oversight.
- e. **Policy Formalisation:** MIIs must incorporate detailed handling procedures for high-capacity utilisation within their Capacity Planning and Real-Time Monitoring Policy.
- f. **Board-Approved Submission:** Exchanges and clearing corporations must submit the approved policy document to SEBI within three months of the circular after SCOT and Governing Board approval.
- g. **Supersession of Earlier Norm:** Clause 16.1.2 of the August 04, 2023 Master Circular for commodity derivatives stands superseded.

B&P View: The circular reflects SEBI's forward-looking stance on market infrastructure resilience amid rising

algorithmic and high-frequency participation in commodities. MIIs will need to strengthen capacity analytics, real-time monitoring tools and governance reporting to remain compliant.

9. CIRCULAR ON FORMS FOR REGISTRATION OF STOCK BROKERS AND CLEARING MEMBERS

SEBI, vide circular dated February 17, 2026, has specified the application forms and certificate format for registration of stock brokers and clearing members pursuant to the SEBI (Stock Brokers) Regulations, 2026. The circular directs recognised stock exchanges and clearing corporations to implement and disseminate the updated forms.

Key provisions include:

- a. **Updated Registration Forms:** SEBI has prescribed Form A for registration of stock brokers and Form B for registration of clearing members with SEBI, replacing the earlier forms under the repealed 1992 regulations.
- b. **Standardised Information Requirements:** Applicants must furnish detailed particulars including organisational structure, net worth, PAN, exchange membership details and experience of key personnel.
- c. **Supporting Documentation:** Applicants are required to submit constitutional documents (MoA/AoA or partnership deed) and, if the applicant intends to clear and settle its trades through a clearing member, the applicant is required to furnish the name and details of the clearing member along with a copy of MoU/ agreement/ contract with them for the same.



- d. **Fit and Proper Undertaking:** The forms require confirmation of compliance with the 'fit and proper person' criteria under the SEBI (Intermediaries) Regulations, 2008.
- e. **Exchange/Clearing Corporation Recommendation:** Registration applications must carry a recommendation from the relevant stock exchange or clearing corporation.
- f. **Certificate Format Prescribed:** Form C sets out the standard certificate of registration to be issued to stock brokers or clearing members.

B&P View: The circular is largely procedural but important from an implementation standpoint. By standardising the registration documentation under the 2026 regulatory framework, SEBI has brought clarity and uniformity to the onboarding process for stock brokers and clearing members. Market participants should review the revised forms carefully to ensure full compliance during fresh registrations or transitions.

10. Ease of Doing Investment (EoDI)- Disclosure of registered name and registration number by SEBI regulated entities and their agents on Social Media Platforms

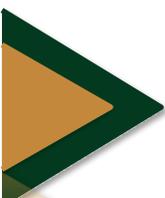
SEBI vide circular dated February 26, 2026, has mandated disclosure requirements for SEBI regulated entities and their agents posting securities market related content on social media platforms (SMPs).

Key provisions include:

- a. **Mandatory Disclosure in Social Media Content:** Regulated entities and their agents must prominently disclose

their registered name and SEBI registration number on the home page of their social media handles and at the beginning of each securities market related content or video.

- b. **Entities with Single Registration:** Where a regulated entity holds a single SEBI registration, the registered name and registration number must be displayed on the home page near the name of the social media handle and at the beginning of each content posted.
- c. **Entities with Multiple Registrations:** Where an entity holds multiple SEBI registrations, the home page must contain a web link directing users to a webpage listing all the SEBI registered names and registration numbers, while each content must disclose the relevant registered name and registration number under which the content is being posted.
- d. **Disclosure by Agents:** Agents such as mutual fund distributors or PMS distributors must disclose the registered name and registration number of the principal SEBI regulated entity, followed by their own registered name and registration number on the home page as well as in the beginning of the social media content.
- e. **Agents with Multiple Registrations:** Agents having multiple registrations must provide a web link on the home page listing all principal entities and their registration details, and the same shall be disclosed at the beginning of the post or video uploaded on SMP.
- f. **Effective Date:** The provisions of the circular shall apply to all social media content uploaded on or after May 01, 2026.





B&P View: The circular enhances transparency in securities market related social media content by requiring regulated entities and their agents to clearly disclose their SEBI registration details. This measure will help investors distinguish authorised intermediaries from unregistered persons, thereby strengthening investor protection in the digital environment.

11. Revised Norms for appointment of an independent third-party reviewer/certifier for green debt security

SEBI vide circular dated February 27, 2026, has revised the framework governing the appointment of independent third-party reviewers or certifiers for green debt securities.

Key provisions include:

- a. **Alignment with ESG Debt Framework:** SEBI has modified Chapter IX of the NCS Master Circular to align the requirements for green debt securities with the framework applicable to social bonds, sustainability bonds and sustainability-linked bonds, collectively termed ESG debt securities.
- b. **Mandatory Appointment of Independent Reviewer:** Issuers of green debt securities must appoint an independent third-party reviewer or certifier to confirm that the issuance complies with the definition and requirements for green debt securities under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- c. **Conditions for Independence and Expertise:** The reviewer must be independent of the issuer and its

management, must be remunerated in a manner that avoids conflict of interest, and must possess expertise in assessing ESG debt securities.

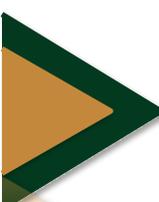
- d. **Scope of Review:** The scope of the independent review must be clearly specified in the offer document, including review of project evaluation and selection processes and eligible project categories.
- e. **Permitted Forms of Review:** The external review may take forms recommended by the International Capital Market Association (ICMA), including second party opinion, verification, certification, or scoring/rating.
- f. **Disclosure Requirements:** Issuers must disclose details of the independent third-party reviewer in the offer document for the issuance of green debt securities.

B&P View: The mandatory appointment of independent reviewers is expected to enhance credibility, transparency and investor confidence in ESG-linked debt issuances.

12. INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (REGISTRATION OF INSURANCE BUSINESS) REGULATIONS, 2021

The International Financial Services Centres Authority (Registration of Insurance Business) Regulations, 2021, as amended up to January 08, 2026, prescribe the framework for registration and operation of insurers and reinsurers in an International Financial Services Centre (IFSC) under the supervision of the IFSCA.

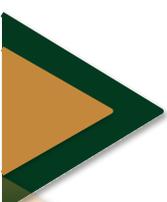
Key provisions include:





- a. **Mandatory Registration:** No entity can undertake insurance or reinsurance business in an IFSC without obtaining registration from the IFSCA. Where the Authority finds deficiencies in an application, it provides the applicant a 30-day window to rectify them before any refusal. Prior to refusing registration, the Authority must give the applicant an opportunity to make written submissions.
- b. **Eligible Applicants:** Entities eligible to apply include Indian insurers registered with IRDAI, foreign insurers or reinsurers, Lloyd's entities, Managing General Agents (MGAs), public companies, wholly owned subsidiaries of insurers, co-operative societies and certain foreign corporate bodies. Detailed provisions governing Lloyd's, Lloyd's IFSC, Service Companies and MGAs are set out in separate schedules to the regulations.
- c. **Eligibility Conditions:** Applicants must satisfy conditions such as regulatory approval in their home jurisdiction, a satisfactory compliance track record, required capital adequacy, and 'fit and proper' criteria for promoters and key management personnel. Foreign applicants must additionally hold a minimum credit rating from an internationally recognised agency for the preceding three years and be incorporated in a jurisdiction with which India has a Double Taxation Avoidance Agreement.
- d. **Permissible Business Activities:** Registered IIOs may conduct life insurance, general insurance, health insurance or reinsurance business, subject to approval of the Authority. IIOs conducting direct insurance business may operate within the IFSC, from other Special Economic Zones (SEZs), and from outside India. However, IIOs are restricted from writing business from the Domestic Tariff Area (DTA), except as permitted under Section 2CB of the Insurance Act, 1938.
- e. **Capital and Financial Requirements:** Entities must maintain a minimum assigned capital of USD 1.5 million (in freely convertible foreign currency), along with prescribed solvency margins and Net Owned Funds, at all times during the validity of their registration. Additional financial requirements may be specified by the Authority from time to time.
- f. **Operational and Compliance Requirements:** IIOs must commence business within 12 months of registration, extendable up to a maximum of 18 months with prior approval of the Authority. IIOs must comply with governance standards, appointment of key managerial personnel (including a Principal Officer, Chief Executive Officer, Chief Finance Officer and Chief Underwriting Officer, as applicable), reporting obligations in USD, KYC and AML norms, and such other regulatory requirements as may be prescribed by the Authority.

B&P View: The regulations establish a structured framework for insurance and reinsurance operations in IFSCs, enabling global insurers to participate in India's financial services ecosystem. By prescribing clear registration, capital and governance requirements, the framework aims to promote transparency, regulatory oversight and growth of the international insurance market within IFSCs.





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