

Regulatory Updates

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Securities and Exchange Board of India			
1. Consultation paper on amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008			
May 04, 2026	-	Issuers of Securitised Debt Instruments and Security Receipts	<p>1. <u>Permitting Single Asset Securitisation</u> Currently, SEBI regulations restrict any single obligor from forming more than 25% of the securitisation pool, effectively disallowing single asset securitisation.</p> <p>Proposal: SEBI proposes exempting RBI-regulated entities from this cap, thereby allowing the listing of single asset securitisation transactions in line with the Reserve Bank of India framework.</p> <p>2. <u>Disclosure obligations of Servicer</u> Currently quarterly pool performance reports and auditor certifications were required to be furnished by the originator.</p> <p>Proposal: SEBI proposes shifting these disclosure obligations to the servicer, who handles collection and monitoring of receivables, even if the servicer is different from the originator. This aligns compliance responsibility with operational functions.</p> <p>3. <u>Constitution of Board of Trustees of SPDE</u> Currently, trustees associated with the sponsor or originator could constitute up to half of the SPDE board.</p> <p>Proposal: For RBI-regulated originators, only one representative may be appointed on the SPDE board, without veto rights, to ensure arm's length functioning and maintain SPDE independence from the originator.</p>

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			<p>4. <u>Group Relationship between Originator and SPDE</u> Currently, an SPDE could not acquire receivables from an originator belonging to the same group or under the same control as the trustee.</p> <p>Proposal: SEBI proposes exempting RBI-regulated entities from this restriction, thereby permitting securitisation transactions between originator and SPDE entities within the same group, subject to Reserve Bank of India conditions.</p> <p>5. <u>Winding Up of Securitisation Transactions</u> Currently, if a trustee's registration was suspended or cancelled, SEBI could direct winding up of the securitisation scheme, involving liquidation of the asset pool and repayment to investors.</p> <p>Proposal: Instead of winding up the scheme, SEBI proposes appointment of a new trustee to continue the securitisation transaction.</p>
2. Consultation Paper on Review and Rationalization of (Buy-Back of Securities) Regulations, 2018			
May 08, 2026	-	All equity listed companies	<p>SEBI has issued a consultation paper proposing the reintroduction of open market buy-backs through the stock exchange mechanism, along with few modifications and also proposed certain changes in all buyback methods. Such proposed changes are as follows:</p> <p>A. Changes in open-market buy-back through stock exchanges:</p> <p>1. Public Announcement [Reg. 16(iv)(b)]: Currently, after a board or postal ballot resolution, a public announcement must be made in newspapers within 2 working days and also placed on the websites of the stock exchange, merchant banker, and the company.</p>

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			<p>It is proposed that, in addition to these existing requirements, shareholders as on the date of the public announcement must also be informed electronically (including via email) within one working day of the announcement.</p> <p>2. Duration [Reg. 17(ii)]: It is proposed that open market buy-backs through the stock exchange route be completed within 66 working days from the date of opening of the offer.</p> <p>3. Trading window: It is proposed that open-market buy-back through stock exchange be conducted through the normal trading window instead of a separate trading window.</p> <p>B. Proposed changes in all buyback methods:</p> <p>4. Restriction on promoters or their associates [Reg. 24(i)(e)]: It is proposed to mandate, ISIN-level freeze on shares or specified securities of the company undergoing buy-back, held by promoters and their associates during the buy-back period. However, since promoters are permitted to participate in buy-backs under the tender offer mechanism, such freeze would not apply to the extent of shares tendered under that route.</p> <p>5. MPS Compliance: Buyback should not be announced in breach of MPS requirements.</p> <p>6. Interval between two Buy-Back offers [Reg. 4(vii)]: Currently, there is a lock-in requirement of 1 year from expiry of the buy-back period. However, it is proposed to provide the reference to Companies Act, 2013 instead of mentioning the lock-in provision explicitly.</p> <p>Appointment of Merchant Bankers (MBs): It is proposed to dispense with the requirement of mandatory appointment of MBs instead the functions of MBs to be carried out by listed entities, Stock exchanges and Secretarial auditor.</p>

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			<p>The comments can be provided by the public on the above-detailed proposals. The same should be submitted through the following mode latest by May 29, 2026. Preferably through an online web-based form.</p> <p>The comments may be submitted through the following link: https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes</p> <p>You may read our detailed article on this here</p>
3. Norms for sharing and usage of price data for educational purposes			
May 08, 2026	July 01, 2026	<ul style="list-style-type: none"> • Stock Exchanges • Clearing Corporations • Depositories • Registered Market Intermediaries 	<p>SEBI in erstwhile circular dated May 24, 2024, has prohibited sharing of real-time market data for orderly functioning of the securities market or for regulatory compliance except it permitted the use of market price data for investor education and awareness activities can share 1 day older price data.</p> <p>SEBI <i>vide</i> dated January 29 2025 further tightened the framework by stating that entities engaged solely in educational activities could use market price data only if it was at least three months old.</p> <p>Based on the feedback from various stakeholders, it has been decided to provide a uniform time period of 30 days for sharing and usage of price data for educational purposes. Exemption is provided to NISM for its simulation lab.</p>
4. Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection			
May 05, 2026	Effective immediately	<ul style="list-style-type: none"> • AIFs • Banker to the Issuer and Self-Certified Syndicate Banks 	<p>SEBI has constituted the <i>Cyber Suraksha.AI</i> Task Force (email id: project-cyber-suraksha.ai@sebi.gov.in) comprising representatives from MIIs, qualified RTAs, regulated entities, and other stakeholders. The Task Force aims to enhance cybersecurity preparedness and address emerging risks arising from AI-enabled cyber threats. In consultation with Task Force, the advisory has been issued by SEBI which is as follows:</p>

Date of Notification/ circular	Effective from	Companies on which applicable	Particulars
		<ul style="list-style-type: none"> • Clearing Corporations • Collective Investment Schemes • CRAs • Custodians • Debenture Trustees • Depositories • Depository Participants • Investment Advisors • Research Analysts • KYC Registration Agencies • Merchant Bankers • Mutual Funds/ Asset Management Companies • Portfolio Managers • RTAs • Stock Brokers 	<ul style="list-style-type: none"> • Updation of systems: All operating systems and applications shall be updated with the latest security patches on an immediate basis to mitigate identified vulnerabilities. In cases where security patches are unavailable, interim safeguards such as virtual patching should be implemented to protect systems and networks. • Vulnerability Assessment and Security Audits: RE shall conduct Vulnerability Assessment and security audits on regular and continuous basis using traditional as well as AI-based vulnerability assessment tools, wherever possible, in compliance with Cyber Security and Cyber Resilience Framework (CSCRF). • Third-party vendors: REs shall engage with their third-party vendors to ensure timely release and deployment of security patches. • Change of system: Any change to systems, including minor modifications, shall go through a robust change management process which should go through complete documentation, detailed impact analysis, structured review, rigorous testing, and secure deployment to ensure operational resilience and system stability. • API Security: <ul style="list-style-type: none"> ○ To maintain and regularly update, an inventory of all APIs and the applications utilizing them. ○ To ensure strong authentication and authorization controls to ensure secure verification of end-user and client identities, while restricting access to information, transfer to users or systems on a least-privilege basis. ○ Enable API rate limiting and throttling mechanisms to prevent, detect, and mitigate abuse. ○ Restrict API connectivity through a strict whitelist-based access approach. • SOC Monitoring and Incident Response: <ul style="list-style-type: none"> ○ Daily rigorous monitoring of systems and networks shall be carried out, including detailed examination of low-priority SOC alerts. ○ Implement enhanced Security Orchestration, Automation, and Response (SOAR) playbooks integrated with Security Information and Event Management (SIEM) solutions, subject to adequate testing wherever feasible.

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		<ul style="list-style-type: none"> • Stock Exchanges • Venture Capital Fund 	<ul style="list-style-type: none"> ○ The Market SOC (M-SOC), established by NSE and BSE, provides centralized 24x7 real-time monitoring and threat detection capabilities, all eligible REs not yet onboarded to M-SOC shall expedite the onboarding process. ○ MIIs to conduct awareness sessions, handholding initiatives and periodic workshops to facilitate smooth onboarding and integration with M-SOC. <ul style="list-style-type: none"> • Risk Assessment: In accordance with CSCRF, REs and their Third-Party Service Providers shall undertake periodic risk assessments to enhance visibility into their cybersecurity posture and enable accurate evaluation of cyber risks. Such assessments shall include comprehensive scenario-based testing covering both internal and external cybersecurity threats within the IT environment of REs. Risks arising from AI-based models and AI-enabled threat vectors should also be incorporated into the assessment process. • System Hardening: REs shall implement system hardening measures by adopting secure configurations, disabling unnecessary services and default accounts, and enforcing security controls such as least-privilege access and Zero Trust Network Access (ZTNA) to minimize the attack surface. • Asset Inventory and Software Bill of Materials: REs shall periodically update and maintain Asset Inventories and Software Bill of Materials records for all critical applications, including open-source stacks. • Long term strategy and additional measures: MIIs and other REs shall seek guidance from their respective IT Committees for mitigating risks associated with AI-driven vulnerability detection models. Further, all REs shall formulate a long-term strategy for the adoption of AI in threat detection and autonomous or agentic mitigation mechanisms. Additional measures shall include recalibration of cybersecurity risks arising from AI-accelerated threats, AI-enabled SOC transformation initiatives, and continuous vulnerability management through AI-based security tools.

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5. Master Circular on Surveillance of Securities Market			
May 15, 2026	Effective Immediately	<ul style="list-style-type: none"> • Listed entities • Recognised Stock Exchanges • Depositories • Registered Intermediaries • Fiduciaries as per PIT Regulations 	SEBI <i>vide</i> this Master Circular, has consolidated the earlier Master Circular dated September 23, 2024 and has updated the same with updated to include all relevant circulars that were issued May 15, 2026.
6. Consultation paper 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	NA	AIFs	<p>SEBI has come up with a Consultation Paper a “green-channel” style framework where scheme launches can happen with minimal upfront SEBI review and greater reliance on disclosures and undertakings.</p> <ol style="list-style-type: none"> 1. <u>Timeline for launch of Regular AIF Schemes-</u> Earlier, the PPM was required to be filed through a Merchant Banker at least 30 days before launch, and the scheme could be launched only after SEBI review and incorporation of SEBI comments. Proposal- To reduce the scheme launch timeline from 30 days to 10 working days, allowing AIFs to launch schemes after 10 working days from filing with SEBI For first schemes, launch may take place from the date of SEBI registration or after 10 working days from filing, whichever is later. 2. <u>Filing Requirements for AI-only Schemes-</u>

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			<p>Earlier, AI-only schemes were required to file PPMs through a Merchant Banker along with a mandatory Merchant Banker Due Diligence Certificate, and scheme launch was subject to prescribed review timelines.</p> <p>Proposal- AIF Managers may directly file PPMs with SEBI, with the Merchant Banker Due Diligence Certificate being replaced by an undertaking from the CEO/equivalent and Compliance Officer of the AIF Manager, enabling immediate launch upon filing.</p> <p>3. <u>Relaxation for Angel Funds</u></p> <p>Currently, Angel Funds are required to file PPMs through a Merchant Banker and could circulate the PPM to investors only after incorporation of SEBI comments.</p> <p>Proposal- Angel Funds may directly file PPMs with SEBI, replace the Merchant Banker due diligence certificate with internal undertakings, and immediately circulate the PPM to investors post registration.</p> <p>SEBI followed an upfront review-based approach involving detailed scrutiny of scheme documents prior to launch. However, there has been a shift to a reliance-based and post-facto supervisory framework, placing reliance on Merchant Bankers/AIF Managers with sample-based scrutiny undertaken subsequently based on risk assessment.</p>
E-Gazette			
7. Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2026			
May 2, 2026	Effective Immediately	Corporate Agents	The Ministry of Finance <i>vide</i> this notification amended the FEM (NDI) Rules, 2026 to provide effect to the amendments proposed in the DPIIT Press Note dated February 9, 2026 with the following key changes in line with the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2025 :

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			<ol style="list-style-type: none"> 1. Omission of requirement to have the majority of directors and KMPs as resident Indian citizens. The requirement of at least one among the Chairperson, MD & CEO to be resident Indian citizens remains. 2. No prior permission of IRDAI needed by an insurance intermediary for repatriating dividend. 3. No prohibition on insurance intermediary for making payments to the foreign group or promoter or subsidiary or interconnected or associate entities.
8. Companies (Registration Offices and Fees) Amendment Rules, 2026			
May 01, 2026	May 01, 2026	All Companies receiving FDI	<p>Central Govt. amended Rule 6 of FEMA (NDI) Rules, 2019 in pursuance of DPIIT Press note 2 dated March 15, 2026 to relax the FDI restrictions placed on PROI situated in Land Border Countries but registered in other countries.</p> <p>Rule 6 has been amended as under:</p> <p>Prior approval of government to be obtained in the following cases:</p> <ul style="list-style-type: none"> • FDI by entity or citizen of land border country • FDI by an entity incorporated or registered in other country but beneficial owner is a citizen of land border country • Beneficial ownership of investment is vested in land border country • Transfer of existing or future FDI to a beneficial owner of land border country • Citizen or entity incorporated in Pakistan <p>Citizens or entities incorporated in Pakistan shall not invest in Defence, atomic energy, other sectors or activities prohibited for foreign investment.</p>

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			<p>Any investment by Multilateral bank/fund with India as its member, shall not be treated as an entity of a particular entity nor shall any other country be treated as beneficial owner of such investments</p> <p>Proviso to this rule:</p> <p>Any investment in India from an investor entity, having direct/indirect beneficial ownership of citizen or entity of land border country and not requiring government approval, shall be subject to reporting requirement.</p> <p>“Beneficial owner” shall have the same meaning as assigned to it in clause (fa) of subsection (1) of section 2 of the Prevention of Money-laundering Act, 2002, and shall be determined as per the criteria specified under sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, made under the said Act.</p> <p>Beneficial ownership of the investment shall be construed to be vested in a country sharing land border with India if the citizen or entity incorporated or registered in Land Border country has the ability of hold right/entitlements in excess of threshold prescribed under PML rules or exercise control over the investor entity or ultimate control over the Indian entity, whether directly or indirectly, individually or cumulatively, independent or collectively, whether acting together or otherwise.</p>
NSE/BSE			
9. Compliance requirements for availing NSE Debt Liquidity Window Facility (LWF)			
May 04, 2026	Effective Immediately	<ul style="list-style-type: none"> • Issuers who have listed and/ or propose to list its 	NSE has issued compliances for availing the Liquidity Window Facility (“LWF”) as per Chapter XXVI of the SEBI NCS Master Circular , inter-alia covering:

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		non-convertible securities • Registrar and Transfer Agents	<ol style="list-style-type: none"> 1. Issuers to disclose additional details (<i>in addition to details provided in para 6.11 of said chapter</i>) ISIN wise in Information Document/ Offer Document: <ol style="list-style-type: none"> a. Name of the stock exchange(s) where the LWF will be available. b. Category of eligible investors. c. Methodology for placement of orders, acceptances / basis of allotment, and settlement of debt securities. d. confirmation of compliance with Para 6.1 of Chapter XXVI of the Master Circular (compliance w.r.t. LWF including prior Board approval and monitoring by SRC). 2. Issuers are required to provide prior notice/intimation to NSE for each LWF, at least 3 working days before opening of each window, under the subject "Liquidity Window Facility through Stock Exchange Mechanism", along with the list of all ISINs for whom LWF is available and the disclosures specified under Annexure I of this circular. The intimation is to be made on the NEAPS portal in the below path: NEAPS > COMPLIANCE > Announcements > Announcement-Debt>Create New Announcement 3. Issuers, listed on multiple stock exchanges, are required to designate one exchange as the Designated Stock Exchange ("DSE") and appoint RTA for allocation purpose and clearing members for settlement purpose. 4. Issuers opting for avail LWF on NSE are required to submit an application through the NEAPS portal, at least 2 working days prior to opening of the liquidity window, along with: <ul style="list-style-type: none"> o list of eligible investors (issuer to ensure holding of retail investor does not exceed Rs. 2 lakhs, on aggregate face value basis) o confirmations as prescribed in NSE Checklist in this regard; o CTC of Board resolution approving LWF; and o other documents specified in the NSE checklist.

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			<p>The application is to be filed on the NEAPS portal at the below path by selecting the respective Notice / Intimation:</p> <p>Path - NEAPS > Debt Application > Liquidity Window Facility > LWF Application.</p> <p>5. Issuers are required to upload the valuation report obtained from a SEBI registered credit rating agency and update the put price by 6:00 p.m. on T-1 (<i>T being the date of opening of LWF</i>) working day on the NEAPS portal in the manner prescribed under the said Master Circular and NSE LWF Operational Guidelines dated Feb 11, 2026 (“Operational Guidelines”).</p> <p>6. On closure of LWF, the bids will be shared to RTA who will as per the allocation methodology prescribed under the said Master Circular and Operational Guidelines will prepare an allocation file and share such file with DSE and share the allocation file with DSE.</p> <p>7. After confirmation by the DSE, the RTA is required to provide the allocation file, including TDS details, to the clearing corporations by 12:30 p.m. on T+3 working day.</p> <p>8. Allocation methodology:</p> <ol style="list-style-type: none"> a. Allocation shall be made only to eligible investors identified as on T-2 working day (“Specified Date”). b. Allocation will be on a full acceptance basis or on a proportionate basis (<i>in case of oversubscription</i>) c. No category-wise reservation is permitted. d. where the liquidity window is available only to retail investors, allocation will be made to retail investors. Further, final allocation will be capped at Rs. 2 lakhs per investor (based on outstanding face value). <p>9. NSE has also prescribed formats for disclosures to be submitted:</p> <ul style="list-style-type: none"> o Part II: within 3 working days from closure of the LWF. Format is provided in Annexure III of the Circular; and

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			<p>o Part III: within 3 working days from sale/extinguishment of debt securities tendered under the LWF. Format is provided in Annexure IV of the Circular.</p> <p>10. For the purpose of the operational guidelines, “working day” shall mean trading day for non-convertible securities</p>
10. Filing of disclosures in XBRL format under Regulation 7(2) and Regulation 7(3) of SEBI (Prohibition of Insider Trading) Regulations, 2015			
May 04, 2026	Effective Immediately	<ul style="list-style-type: none"> • All listed entities • REITs • InvITs 	<p>NSE has introduced XBRL utility, for reporting violations of the CoC under the SEBI (PIT) Regulations, 2015. Listed companies, intermediaries and fiduciaries are required to submit such reporting through NEAPS in XBRL format only.</p> <p>XBRL utility for such filing can be downloaded through: NEAPS → Compliance → Download XBRL Utilities.</p> <p>Such filings can be made through: NEAPS → Compliance → Common XBRL Upload → Violation of Code of Conduct under SEBI (PIT) Regulations, 2015.</p> <p>The disclosure pertaining to violations of the CoC shall not be disseminated on the Exchange website.</p> <p>Unlisted entities reporting in capacity of intermediaries or fiduciaries shall continue to submit disclosures through email at pit_coc@nse.co.in.</p>
11. Update of single filing system through API-based integration between Stock Exchanges			
NSE: May 04, 2026	May 05, 2026	Entities have equity listed or both equity and debt listed	The stock exchanges, vide their respective circulars, have extended the single filing system for XBRL filing pertaining to the following events of:

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BSE: May 04, 2026			<ol style="list-style-type: none"> 1. Initiation of Forensic Audit - (Regulation 30 of SEBI LODR read with sub-para 17 of Para A Part A Schedule III of SEBI LODR) 2. Prohibition of Insider Trading (Regulation 7(2) and 7(3) of SEBI PIT Regulations, 2015) (this is applicable even for companies who have listed its REITs and InVITs units with SE) <p>PDF filings for the above mentioned events have to be made to both the stock exchanges until further notice. Listed entities will be required to make submissions on all stock exchanges separately for events other than events specified above.</p>
Reserve Bank of India			
12. Draft - Reserve Bank of India (Prudential Norms on Specified Non-financial Assets (SNFA)) Directions, 2026			
May 5, 2026,	-	<ul style="list-style-type: none"> • All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks but excluding Payments Banks) • All Primary (Urban), State, Central Co-operative Banks 	<p>RBI, on May 5, 2026, came out with the draft directions on Specified Non-financial Assets (SNFA). These directions have been introduced with the intent of specifying the treatment of non-financial and non-banking assets, particularly immovable property, acquired by the lender in satisfaction of their claims on the borrower.</p> <p>RBI, on May 5, 2026, came out with the draft directions on Specified Non-financial Assets (SNFA). These directions have been introduced with the intent of specifying the treatment of non-financial and non-banking assets, particularly immovable property, acquired by the lender in satisfaction of their claims on the borrower.</p> <p>Key Highlights of the proposal are listed below:</p> <ol style="list-style-type: none"> 1. SNFA would include immovable assets which are acquired in satisfaction or part satisfaction of its claims on the borrower along with the non-banking assets as per Section 9 of the Banking Regulation Act, 1949. 2. The SNFA can only be acquired when: Regulated Entities ('RE') exposure to a borrower is classified as non-performing, and

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		<ul style="list-style-type: none"> • All All-India Financial Institutions • All Non-Banking Financial Companies (including Housing Finance Companies) 	<p style="text-align: center;">Where other means of recovery have been explored and deemed unviable.</p> <ol style="list-style-type: none"> 3. Acquisition will result in proportionate extinguishment of the exposure in lieu of which the SNFA is being acquired. Any part extinguishment of claims by the RE concerned would be deemed as restructuring. 4. Upon acquisition, the SNFA shall be recorded in the balance sheet at the lower of- <ul style="list-style-type: none"> The NBV of the extinguished exposure or The distress sale value of the SNFA arrived at by at least two independent external valuers. 5. Post-acquisition, the SNFA will be revalued at least once every 2 years on a distress sale basis. The reasons for failure to dispose of the asset earlier shall also be recorded. Valuation gains should be ignored and any diminution in value should be recognised in profit and loss statement immediately. 6. Any accrued interest or charges with respect to the exposure shall not be recognised till the SNFA is actually disposed off and such interest or charges are received by the RE. 7. Any expense/ income incurred for the SNFA should be recognised in the P/L account for the year in which the same is incurred/ earned. 8. Disposal of such SNFA shall be by way of a public auction following the SARFAESI procedures 9. SNFA cannot be sold back to the borrower or its Related Parties (as defined under the IBC, 2016) 10. In case of failure to dispose the SNFA within earlier of: <ul style="list-style-type: none"> 7 years from the date of acquisition or The carrying value becoming zero <p style="text-align: center;">the asset shall be deemed to have been employed for its own use by the RE and will be recorded as a fixed asset.</p> 11. Specific disclosure to be made as a part of the financial statements as per the format prescribed by RBI.

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13. Foreign Exchange Management (Authorised Persons) Regulations, 2026			
May 06, 2026	April 30, 2026	<ul style="list-style-type: none"> • Banks applying as Authorised Dealer (AD) Category I entities; • NBFCs, existing Full-Fledged Money Changers (FFMCs), and forex correspondents seeking authorisation as AD Category II entities; and • Entities proposing to offer innovative forex-related products/services under AD Category III. 	<p>The Reserve Bank of India has issued revised regulations under the Foreign Exchange Management Act, 1999 to streamline the framework governing entities dealing in foreign exchange, improve forex service delivery, promote innovation, and ease compliance requirements.</p> <p>A key change under the revised framework is that RBI will no longer grant fresh licences to Full-Fledged Money Changers (FFMCs). Entities proposing to undertake forex activities will instead be regulated under revised categories of Authorised Dealers (ADs).</p> <p>The changes introduced are as follows:</p> <p>1. <u>Revised Authorisation Structure</u></p> <p>The framework now classifies authorised entities into the following categories:</p> <ul style="list-style-type: none"> • AD Category I - Scheduled banks authorised to undertake the full range of forex transactions. • AD Category II - Eligible NBFCs, existing FFMCs, and forex correspondents which: <ul style="list-style-type: none"> • have been operational for at least 2 years; and • have achieved an average annual forex turnover of ₹50 crore during the preceding two financial years. • AD Category III - Entities intending to provide innovative forex-related products and services, including technology-driven offerings involving foreign exchange dealings. <p>2. <u>Discontinuation of Fresh FFMC Licences</u></p> <p>RBI has specifically clarified that fresh applications for authorisation as an FFMC will no longer be considered. This marks a shift from the earlier standalone money changer licensing regime towards a consolidated Authorised Dealer framework.</p>

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14. Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026			
May 08,2026	Immediately	Commercial Banks	<p>The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026, with immediate effect, amending Paragraph 12(x) of the Master Direction on Capital Adequacy dated November 28, 2025.</p> <p>The amendment revises the manner in which commercial banks may include current year profits in Common Equity Tier 1 (CET1) capital for CRAR computation on a quarterly basis.</p> <p>As per the amended provision:</p> <ul style="list-style-type: none"> • Banks may reckon profits for CRAR calculation on a quarterly basis subject to: <ul style="list-style-type: none"> ◦ quarterly financial statements being either audited or subjected to limited review; and • eligible profits being computed using the following formula: $EP_t = NP_t - 0.25 \times D \times t$ <p>Where:</p> <ul style="list-style-type: none"> • EP_t = Eligible profit up to quarter “t” of the current financial year; • NP_t = Net profit up to quarter “t”; • D = Average dividend paid during the last three financial years; and • t = Quarter number (1 to 4). <p>Further, cumulative net losses up to the relevant quarter-end are required to be fully deducted while calculating CET1 capital.</p>

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			The amendment seeks to standardise the treatment of interim profits and incorporate a prudential adjustment linked to historical dividend payouts while recognising quarterly profits for capital adequacy purposes.
15. Operating framework for facilitating Outward Remittance services by non-bank entities through Authorized Dealer (Category I) Banks in India			
May 13, 2026	Immediately	All Authorised Dealers	<p>RBI has issued an operating framework for facilitating outward remittance services through third-party/non-bank entities in partnership with AD Category-I banks.</p> <ul style="list-style-type: none"> • AD Category-I banks may facilitate outward remittance services through third-party/non-bank digital platforms. • AD banks remain solely responsible for FEMA compliance, KYC, AML and overall regulatory obligations. • Mandatory customer disclosures on third-party platforms regarding: <ul style="list-style-type: none"> ○ FX rates and validity, ○ charges and mark-ups, ○ beneficiary amount and timelines, ○ AD bank details, and ○ grievance redressal mechanism. • Detailed invoicing requirements for every remittance transaction. • Mandatory agreement between AD banks and third-party entities covering: <ul style="list-style-type: none"> ○ data privacy, ○ cybersecurity, ○ audit rights, ○ dispute resolution, ○ operational controls, and ○ FEMA compliance. • Customer funds cannot flow through third-party accounts in India. • Remittances must originate from and terminate into bank accounts only. • AD banks must ensure robust cybersecurity, data protection and operational resilience frameworks.

Date of Notification/ circular	Effective from	Companies on which applicable	Particulars
			<ul style="list-style-type: none">• Non-resident third-party facilitators must be appropriately licensed in their home jurisdiction, wherever applicable.• Enhanced due diligence required for transactions involving FATF high-risk jurisdictions.