



## BULLETIN – AUGUST 2025



## SEBI

### SEBI (Research Analysts) (Amendment) Regulations, 2025

- ❑ SEBI has notified the SEBI (Research Analysts) (Amendment) Regulations, 2025, which shall take effect from the date of their publication in the Official Gazette.
- ❑ Through this amendment, changes have been introduced to Regulation 8 of the SEBI (Research Analysts) Regulations, 2014, specifically relating to the provisions on deposits.
- ❑ It has been stipulated that such deposits must be marked under lien in favour of a body or body corporate recognized by SEBI for administering and supervising research analysts.
- ❑ Further, the deposit may be utilized in cases where the research analyst fails to discharge dues arising from arbitration or conciliation proceedings under the Online Dispute Resolution Mechanism, or any other mechanism as may be specified by SEBI.

### SEBI (Investment Advisers) (Amendment) Regulations, 2025

- ❑ SEBI has notified the SEBI (Investment Advisers) (Amendment) Regulations, 2025, which shall come into effect from the date of their publication in the Official Gazette.
- ❑ This amendment introduces changes to Regulation 8 of the SEBI (Investment Advisers) Regulations, 2013, concerning the provisions on deposits.
- ❑ It has been specified that such deposits must be marked under lien in favour of a body or body corporate recognized by SEBI for the purpose of administering and supervising Investment Advisers.
- ❑ Furthermore, the deposit may be utilized where an Investment Adviser fails to discharge dues arising from arbitration or conciliation proceedings under the Online Dispute Resolution Mechanism, or any other mechanism as may be specified by SEBI.

### Extension of timelines and Update of reporting authority for Investment Advisers (IAs) and Research Analyst (RAs)

- ❑ SEBI has extended the timelines and updated the reporting authority for Investment Advisers (IAs) and Research Analysts (RAs) with respect to compliance under the Digital Accessibility Circular issued pursuant to the Rights of Persons with Disabilities (RPwD) Act, 2016 and related rules.
- ❑ The circular mandates all SEBI-regulated entities to ensure accessibility of their digital platforms for people with disabilities, in line with statutory requirements.

### Technical Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

Acknowledging the critical importance of strengthening cybersecurity safeguards and ensuring the protection of data and IT infrastructure, SEBI has issued the Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs). Following subsequent deliberations, SEBI has released detailed technical clarifications to the Framework, structured under the following parts:

- **Part A** – Principles for REs operating under the purview of multiple regulators
- **Part B** – Technical clarifications
- **Part C** – Re-categorisation of Portfolio Managers and Merchant Bankers

- **Part D** – Cybersecurity Audit Policy Guidelines issued by CERT-In

- ❑ A key part of the new circular is the introduction of the “Principle of Exclusivity” and “Principle of Equivalence” for entities that are regulated by multiple bodies, such as the SEBI and the Reserve Bank of India.
- ❑ These principles aim to streamline compliance by limiting the scope of the CSCRF to systems exclusively used for SEBI-related activities and by accepting equivalent cybersecurity measures followed under another regulator’s framework.
- ❑ The circular also provides specific technical clarifications, including a revised definition of critical systems, clarifying that mobile application security guidelines are now only recommended, and specifying that audit reports should be submitted in a summary format.
- ❑ Additionally, it updates the categorization thresholds for Portfolio Managers and Merchant Bankers.

## RBI

### New RBI KYC Directions Ensure No Rejection for Persons with Disabilities

- ❑ The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025, which updates its 2016 Master Direction on KYC.
- ❑ These new directions, effective immediately, are intended to further streamline and clarify KYC procedures for regulated entities.
- ❑ The amendments introduce new provisions to ensure that no application for onboarding or KYC updation is rejected for persons with disabilities, mandating that reasons for rejection must be officially recorded.
- ❑ The directions also clarify that KYC verification is required for occasional international money transfers or any related transactions amounting to Rs. 50,000 or more.
- ❑ Furthermore, the amendments officially recognize Aadhaar Face Authentication as a valid method for customer identification.
- ❑ Liveness checks, which are part of the digital verification process, are also required to be non-exclusionary for individuals with special needs.
- ❑ This amendment aims to promote greater financial inclusion and operational clarity while strengthening anti-money laundering measures.

### RBI asks banks to clear cheques within hours starting October 4

- ❑ Effective October 4, 2025, the Reserve Bank of India (RBI) will implement a new cheque clearing system that will enable settlement within a few hours—significantly faster than the existing timeline of up to two working days. Under this framework, cheques will be scanned, processed, and settled on a continuous basis during business hours, replacing the current batch-clearing mechanism. Consequently, the prevailing T+1 clearing cycle (where “T” refers to the day of deposit) will be shortened to just a few hours.
- ❑ Presently, the Cheque Truncation System (CTS) processes cheques in one to two working days, depending on the time of deposit. This initiative is aimed at enhancing customer convenience and mitigating settlement risk by transitioning towards near real-time cheque clearance.

## Reserve Bank of India (Co-Lending Arrangements) Directions, 2025

- ❑ On August 6, 2025, the Reserve Bank of India (RBI) issued the Reserve Bank of India (Co-Lending Arrangements) Directions, 2025, establishing a comprehensive regulatory framework for co-lending between regulated entities (REs), including commercial banks (excluding SFBs, RRBs, and LABs), All-India Financial Institutions, and NBFCs (including Housing Finance Companies).
- ❑ Effective January 1, 2026 (or earlier if adopted under internal policy), these directions supersede the earlier guidelines that were limited to priority sector lending.
- ❑ The framework defines co-lending as formal arrangements between an originating RE and a partner RE to jointly finance loan portfolios, with clearly structured risk- and revenue-sharing mechanisms.
- ❑ **Key provisions include:**
  - A minimum 10% loan share to be retained by each RE.
  - Clear disclosure of roles/responsibilities in loan agreements.
  - Strict adherence to KYC norms and use of a mandatory escrow mechanism for fund flows.
  - Separate account maintenance, compliance with audit, grievance redressal, and fair practices norms.
  - Borrower-level asset classification parity, ensuring defaults are recognized simultaneously in both REs' books.
  - Applicability of RBI's Digital Lending Directions where co-lending involves digital channels.
  - Permissible Default Loss Guarantee (DLG) arrangements up to 5%, subject to specified conditions.
  - NBFCs to follow accounting norms for unrealized profits.
  - Operational requirements such as real-time information sharing, timelines for loan transfers, reporting to credit information companies, and business continuity planning.
  - Mandatory disclosures on co-lending partnerships and performance data in financial statements and on REs' websites.
- ❑ These directions seek to strengthen transparency, accountability, risk-sharing, and regulatory compliance in India's rapidly evolving co-lending ecosystem.

## MCA

### Advisory W.R.T. FORM MGT-7 certification under MCA V3 Portal

- ❑ The Ministry of Corporate Affairs (MCA) has recently deployed the annual filing forms on the MCA 21 V3 portal. In line with the Companies (Management and Administration) Amendment Rules, 2025, the certification in Form MGT-8 has now been integrated with E-form MGT-7 on the V3 portal, with the certification details being captured in a static field.
- ❑ It is, however, advised that compliance certification under Form MGT-8 should continue to be provided on the letterhead of a peer-reviewed practice unit, with a UDIN generated as per the guidelines issued by the Institute, and attached as an optional document to Form MGT-7, until further clarification or rules are issued by the MCA in this regard.

## The Companies (Incorporation) Second Amendment Rules, 2025 (August 26, 2025)

The Ministry of Corporate Affairs (MCA), vide Notification No. G.S.R. 579(E) dated August 26, 2025, has notified the Companies (Incorporation) Second Amendment Rules, 2025, which shall come into force with effect from September 15, 2025. Pursuant to the said amendment, Form No. RD-1 {Form for filing application to the Central Government (Regional Director)} has been substituted.

## The Companies (Indian Accounting Standards) Second Amendment Rules, 2025

The Ministry of Corporate Affairs (MCA), vide Notification No. G.S.R. 549(E) dated August 13, 2025, has notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, which have come into effect from the date of their publication in the Official Gazette. The amendment introduces modifications to various Indian Accounting Standards, primarily aimed at providing greater clarity and incorporating new disclosure requirements.

## IFSCA

### IFSC Banking Units Can Open Foreign Currency Accounts

- ❑ The International Financial Services Centres Authority (IFSCA), through its circular dated August 13, 2025, has clarified that Banking Units operating in an IFSC are permitted to open foreign currency accounts for persons resident in India.
- ❑ The clarification provides that the term "foreign currency account with a bank outside India" under the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015 shall also include accounts maintained with an IFSC Banking Unit (IBU).
- ❑ Accordingly, residents of India can now open such accounts with IBUs without obtaining prior approval from the IFSCA. This directive, issued under the IFSCA Act, 2019, has come into effect immediately.

### Strengthened Regulatory Framework to Enhance Global Access in IFSC

- ❑ The International Financial Services Centres Authority (IFSCA) has issued a new circular to establish a regulatory framework for entities providing access to global financial markets from within the IFSC.
- ❑ This framework aims to develop the IFSC as a hub for cross-border capital flows. The rules apply to "Global Access Providers" (GAPs) and "Introducing Brokers," defining their obligations, including the need for authorization from the IFSCA.
- ❑ The circular specifies minimum net worth requirements, fit and proper criteria for key personnel, and rules for client onboarding, including for Indian residents under the Liberalised Remittance Scheme (LRS).
- ❑ It also outlines the types of financial products GAPs can offer, prohibiting access to certain derivatives and crypto-assets. Additionally, the circular details responsibilities for GAPs, such as maintaining segregated client funds, ensuring proper risk management, and making clear disclosures to clients.
- ❑ The document also sets out rules for fees, periodic reporting, and compliance with KYC, AML, and CFT norms, underscoring the authority's goal of ensuring investor protection and market integrity.