SEBI

Monthly Bulletin
February 2026

2025-26

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

SECURITIES AND EXCHANGE BOARD OF INDIA

EDITORIAL COMMITTEE

- **Mr. Prabhas Rath**
- **Mr. Sahil Malik**
- **Ms. Deepthi L S**
- **Mr. Jitendra Kumar**
- **Dr. Deepali Dixit**
- **Mr. Laltu Pore**

The SEBI Monthly Bulletin is issued by the Department of Economic and Policy Analysis, Securities and Exchange Board of India under the direction of the Editorial Committee. SEBI is not responsible for accuracy of data/information/ interpretations and opinions expressed in the case of signed articles/speeches as authors are responsible for their personal views. SEBI has no objection to the material published herein being reproduced, provided an acknowledgement of the same is made.

The soft copy of SEBI Bulletin in PDF and Excel formats can be freely downloaded from the publications link under Reports and Statistics section in SEBI website (https://www.sebi.gov.in/reports-and-statistics.html)

Any comments and suggestions on any of the features/sections may be sent to the email id: *bulletin@sebi.gov.in*.

Contents

CAPITAL MARKET REVIEW*

I. Trends in Resource Mobilisation by Corporates (*Annexure Tables 3 to 14*)

- IPO activity moderated in January 2026 following a period of elevated issuance in the preceding months. 18 **IPOs** mobilised **₹5,533 core**, marking the third lowest monthly issuance count in FY26 so far. The aggregate amount raised was also the second lowest during the period (after April 2025).
- **Listing Day Performance:** The overall IPO listing performance remained **moderate** with ten issues debuting at or above their issue price. On the listing day, total offer value of ₹5,533 crore translated into a listed market capitalisation of ₹6,233 crore, implying an **average listing-day gain of 12.6 per cent.**

Table 1: Fund Mobilization by Corporates (₹ crore)

Particulars	2025-26 (up to Jan-26)	Jan-26
I. Equity Issues	**4,23,522**	**40,833**
a. IPOs (i+ii)	**1,75,460**	**5,533**
i. Main Board	*1,64,965*	*4,765*
ii. SME Platform	*10,495*	*768*
b. FPOs	88	-
c. Equity Rights Issues	44,452	561
d. QIPs/IPPs	67,641	4,150
e. Preferential Allotments	1,35,881	30,589
II. Debt Issues	**7,38,652**	**55,304**
a. Debt Public Issues	8,685	1601
b. Private Placement of Debt	7,29,967	53,703
III. REITs/InvITs	**20,543**	**1,900**
a. REITs	9,300	0
b. InvITs	11,243	1,900
Total Funds Mobilised (I+II+III)	**11,82,717**	**98,037**

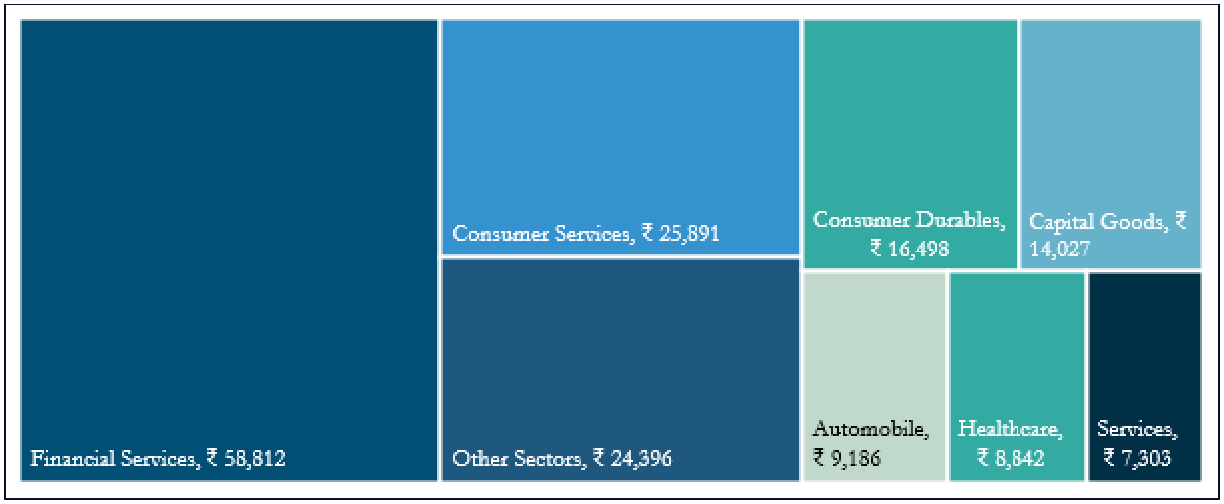
Source: SEBI, BSE and NSE

- **Mainboard IPO Sectoral Analysis:** In FY26 (up to January 2026), Mainboard IPOs were led by **financial services** sector**,** which accounted for **36 per cent** of the total funds mobilised, reflecting sustained capital demand from NBFCs and other financial intermediaries. This was followed by **Consumer Services** (*16 per cent*) and **Consumer Durables** (*10 per cent*), indicating investor appetite for consumer-oriented businesses. Capital intensive sectors such as **Capital Goods** (*9 per cent*) and **Automobiles** (*6 per cent*) also witnessed significant fund raising, aligning with the ongoing domestic manufacturing expansion and infrastructure push.

**The views expressed herein are those of the author(s) and do not necessarily reflect the views of SEBI.*

- Overall, the sectoral composition of IPO fundraising indicates that companies linked to credit growth and domestic consumption are driving the primary market, with additional support from capital intensive sectors. The emerging pattern underscores that capital markets are betting on India spending more, borrowing more and building more.

Chart 1: Mainboard IPO Sectoral Trends FY 2025-26 (up to January 2026)

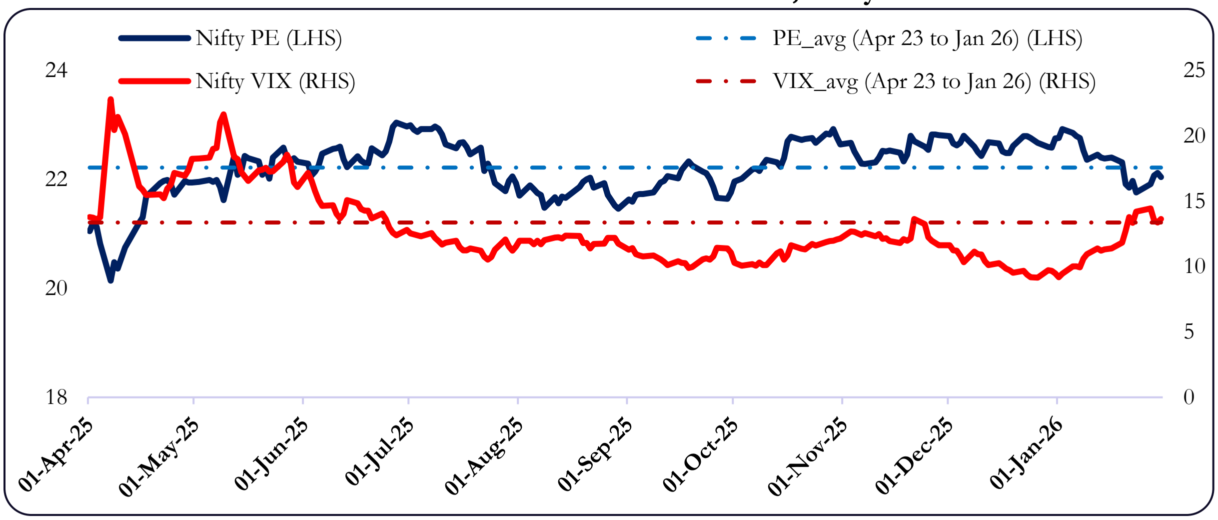


Source: BSE and NSE

- In January 2026, **Debt issuances** amounted to **₹55,304 crore**, reflecting **moderation from the elevated levels** observed earlier in the year, largely driven by **private issuances**. However, it may be noted that since FY24, debt issuances in the month of January has typically remained below the average monthly mobilisation recorded during April-December of the respective fiscal year, indicating towards a seasonal pattern.
- **Offers closed under SEBI (SAST) Regulations:** During the month, twelve offers worth ₹637 crore were closed under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. These transactions were undertaken with the objective of change in control/management.
- **Interplay between Secondary Market Indicators and Primary Market Activity:** An IPO represents forward looking capital formation; however, its pricing and investor sentiment are closely influenced by conditions in the secondary market. As illustrated in Chart 2, in April 2025, elevated volatility (VIX) and relatively softer valuations coincided with the absence of mainboard IPOs. Between May and July 2025, the Price-to-Earnings (P/E) ratio exhibited an upward trend, indicating valuation expansion in the secondary market, while VIX moderated. This combination of rising valuations and relatively stable volatility created a conducive environment for primary market listings, reflected in the simultaneous increase in both the number of issues and funds mobilised rising during the period.

- The peak issuance phase occurred between August and October 2025, when P/E remained elevated and volatility was subdued, with October 2025 recording the highest mainboard fund mobilization of FY26 so far. Towards the end of December 2025, early signs of valuation moderation, alongside intermittent volatility, pointed to a more cautious market environment. This shift was followed by a sharp decline in IPO activity in January 2026.
- Hence it may be said that the moderation in primary market activity in January 2026 could be a phase of valuation normalization following a strong issuance cycle, rather than indicating any structural weakening in primary market fundamentals.

Chart 2: Historical PE and VIX, Nifty 50



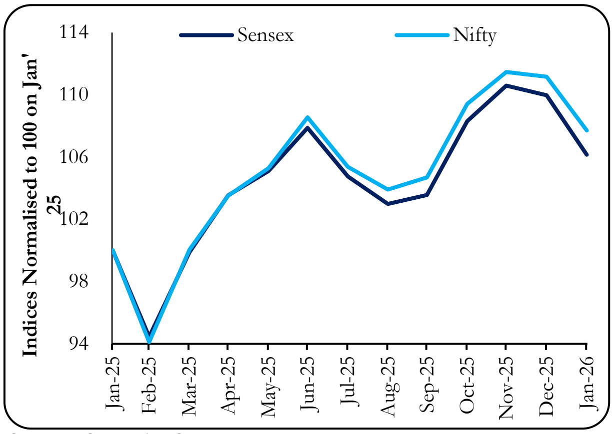
Source: NSE;
Nifty 50 has been selected as the primary benchmark for the Indian equity market because it is widely tracked and encompasses approximately 55 per cent free-float market capitalization of the NSE Universe as on June 25. In addition, unlike other broad-based indices, its VIX (Volatility Index) is available.

II. Trends in Secondary Market *(Annexure Tables 1, 15 to 17, 30, 31, 37 to 39, 47, 61 to 66)*

- **Broad Market Indices:** During January 2026, the Indian equity markets experienced a notable downturn, driven primarily by renewed global trade tensions and persistent FPI selling. The benchmark indices Nifty and Sensex declined by 3.1per cent and 3.5 per cent respectively during the month. The correction was broad-based with Nifty Midcap 50 and Smallcap 100 indices declining by 3.3 per cent and 4.7 per cent respectively during the month.
- **Sectoral Indices:** Nifty Metal index (at 5.9 per cent) continued to be the top performer, reflecting strong earnings expectations amid firm global metal prices. Nifty PSU Bank followed with 5.7 per cent returns (M-o-M). Nifty IT registered marginal gains while rest of the sectors under consideration lagged during the month.

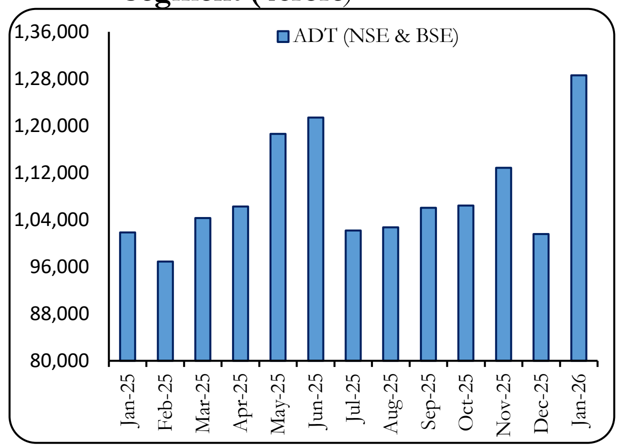
- **Market Turnover**: The total turnover in the equity cash segment rose by 15 per cent during the month to ₹25.7 lakh crore. The combined Average Daily Turnover (ADT) at BSE and NSE for the month was ₹1.29 lakh crore, 26.2 per cent more than the ADT during January 2025.

Chart 3: Movement of Sensex & Nifty 50



Source: BSE and NSE

Chart 4: Trends in ADT in Equity Cash Segment (₹crore)



Source: BSE and NSE

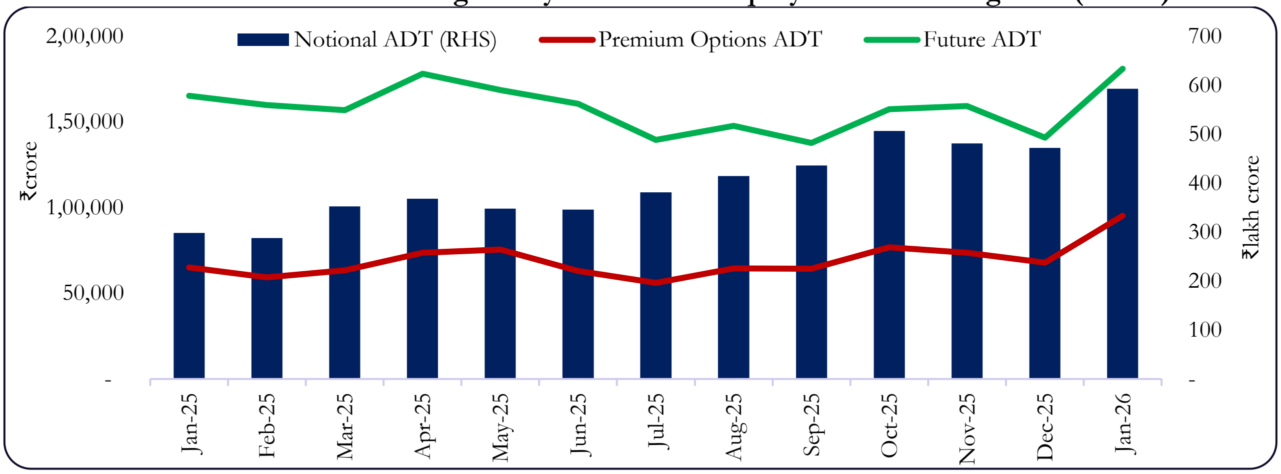
Table 2: Trends of BSE and NSE Sectoral Indices during January 2026 (per cent)

Sectoral Indices	Monthly Return	Annualized Volatility
NIFTY Metal	5.9	32.4
NIFTY PSU Bank	5.7	20.3
BSE Commodities	1.4	20.8
NIFTY IT	0.4	19.7
NIFTY Bank	0.0	10.6
BSE Capital Goods	-0.7	26.8
NIFTY Financial Services	-1.0	11.0
BSE Power	-1.7	25.1
BSE Industrials	-2.3	21.7
BSE Utilities	-2.4	23.9
BSE Energy	-2.5	21.3
NIFTY Oil & Gas	-3.6	20.5
NIFTY Media	-4.1	21.4
NIFTY Pharma	-4.4	14.5
NIFTY Healthcare	-5.1	14.3
NIFTY Auto	-5.1	14.1
NIFTY Consumer Durables	-6.4	16.8
NIFTY FMCG	-7.7	15.9
NIFTY Realty	-10.8	27.3

Source: NSE & BSE

- **Equity Derivatives:** The average daily notional turnover (ADNT) in the equity F&O market across NSE and BSE increased by 25 per cent month-on-month, reaching a fiscal-year high of ₹592 lakh crore in January 2026. Despite this monthly spike, the cumulative performance for FY26 (up to January 2026) remained broadly stable at ₹434 lakh crore, closely aligned with ₹425 lakh crore recorded in FY25.

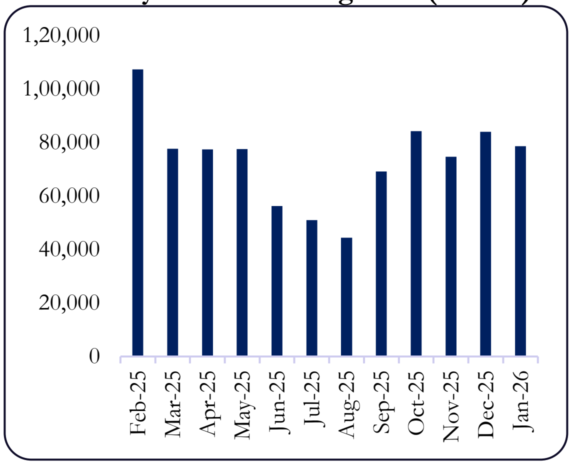
Chart 5: Trends in Average Daily Turnover in Equity Derivatives Segment (₹crore)



Source: BSE and NSE

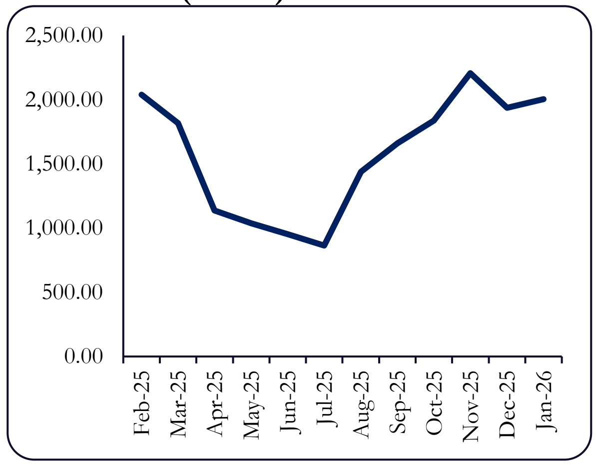
- **Currency Derivatives:** The notional turnover in currency derivatives segment declined to ₹78,580 crore during January 2026, a 6 per cent fall as compared to previous month. On a year-to-date basis, this segment experienced a significant fall in trading activity, with the notional ADT halving to ₹3,418 crore from ₹6,793 crore observed in FY25, largely attributable to the continued impact of underlying exposure norms.
- **Interest Rate Derivatives:** Interest Rate Futures (IRF) turnover recorded a marginal month-on-month uptick of 3.5 per cent, reaching ₹2,004 crore in January 2026. This marks the second-highest monthly turnover of the current financial year, trailing only the ₹2,207 crore peak touched in November 2025.

Chart 6: Trends in Notional Turnover in Currency Derivatives Segment (₹crore)



Source: BSE, NSE and MSEI

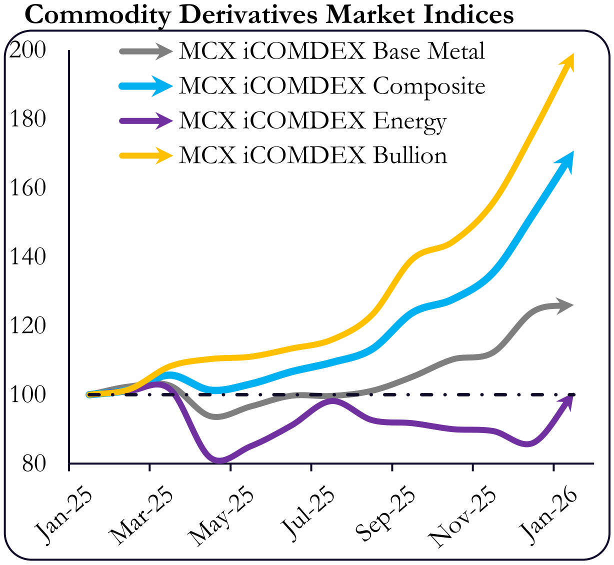
Chart 7: Trends in Turnover in Interest Rate Derivatives (₹crore)



Source: NSE

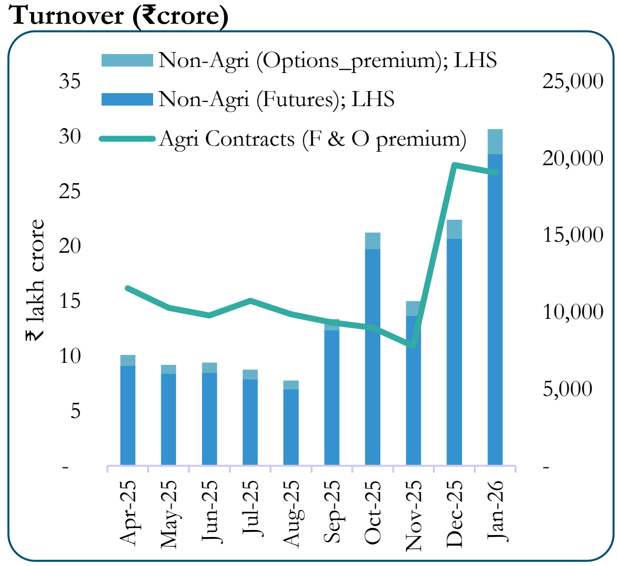
- **Commodity Derivatives:** In January 2026, the MCX iCOMDEX Composite index gained 12 per cent M-o-M. This growth was fuelled by the Energy and Bullion sub-indices, which rose by 17 per cent and 13 per cent, respectively, while the Metal index saw a more modest uptick of 1.5 per cent.
- On a year-on-year basis, the composite index, MCX iCOMDEX, surged by 70.8 per cent compared to January 2025 end. This expansion was driven primarily by a stellar 99.2% rally in the Bullion index and a 26% increase in Metals, whereas the Energy index remained largely flat over the same period.

Chart 8: Movement of Domestic Commodity Derivatives Market Indices



Source: MCX; all indices are normalized to 100 from Sep-24

Chart 9: Trends in Commodity Derivatives Turnover (₹crore)

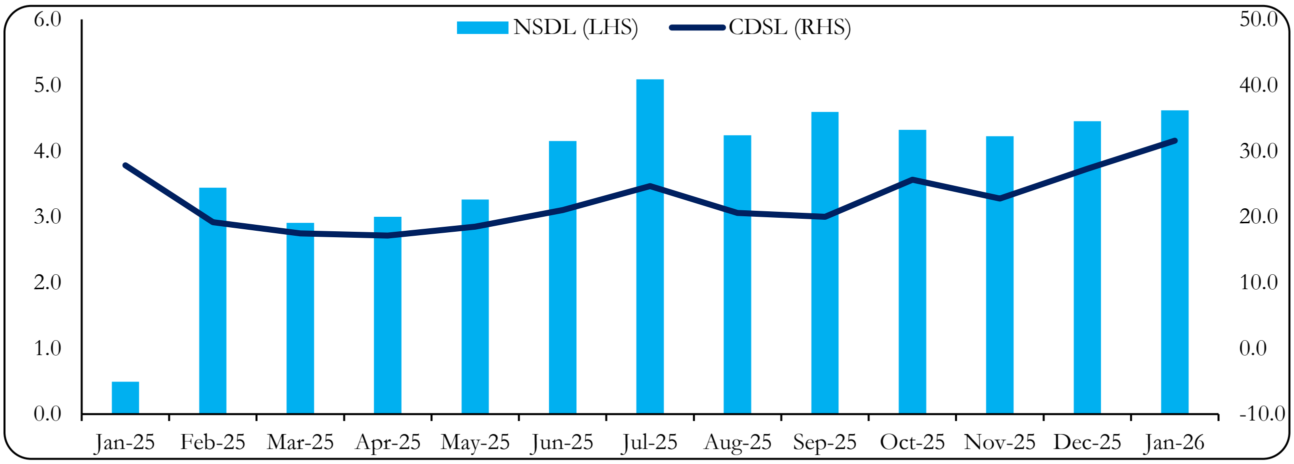


Source: MCX and NCDEX

III. Trends in Depository Accounts *(Annexure Tables 56 to 58)*

- **Increase in Demat accounts**: In January 2026, 4.6 lakh net demat accounts were added with NSDL, registering an M-o-M growth of 1.1 per cent in total demat accounts. 31.6 lakh net accounts were added with CDSL during the month, registering an increase of 1.8 per cent in total demat accounts over December 2025. At the end of January 2026, overall tally of demat accounts stood at 22.0 crore with 4.4 crore demat accounts at NSDL and 17.6 crore accounts at CDSL.

Chart 10: Monthly New Demat Accounts Added (lakh)



Source: CDSL and NSDL

IV. Foreign Portfolio Investors[1] (FPIs) *(Annexure Table No. 49)*

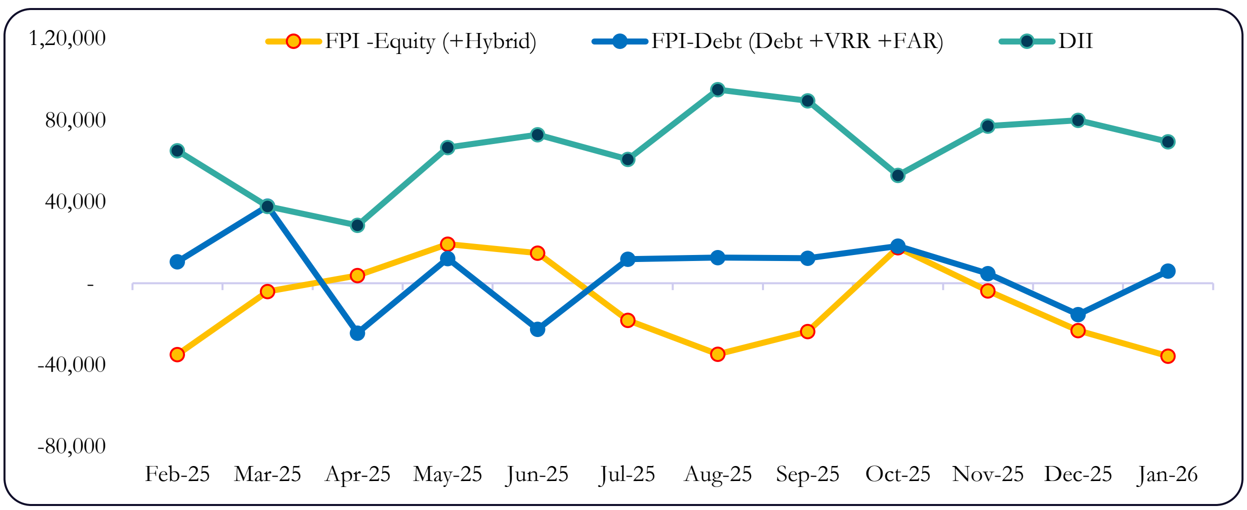
- The persistent selling trend by FPIs, observed throughout CY2025 extended into the beginning of CY2026. In January 2026, foreign investors offloaded a net ₹29,240 crore from the Indian market across asset classes, reflecting continued cautious sentiment towards emerging markets.
- The equity segment witnessed significant pressure, reregistering its highest monthly FPI outflow in the past five months (since August 2025), with withdrawals of ₹35,962 crore in January 2026. The sustained selling was majorly driven by a confluence of headwinds, including tepid corporate earnings, a weakening rupee and heightened global trade tensions surrounding potential U.S. tariff measures.
- In contrast, the debt segment attracted positive investor interest. FPIs turned net buyers in January 2026, with total net inflows of ₹6,013 crore. This positive momentum was driven

[1] *FPIs' net investment included investments in mutual funds starting from September 2024.*

primarily by robust participation under the Fully Accessible Route (FAR), which attracted ₹13,261 crore. However, the debt-general limit category recorded net outflows of ₹7,308 crore, partially offsetting the gains in the FAR segment.

- Amid sustained FPI outflows, domestic institutional investors (DIIs)[2] continued to act as a resilient market pillar, counteracting persistent FPI selling with monthly net inflows of ₹69,301 crore during January 2026. This robust participation, driven by record SIP flows, has resulted in a cumulative net inflow of ₹6.9 lakh crore during the first ten months of FY26, significantly cushioning the impact of foreign divestment.
- As a result, the share of DIIs in total market capitalization of NSE listed companies climbed to a record 18.4 per cent at end of December 2025, anchored by domestic mutual funds, whose ownership touched an all-time high of 11.1 per cent ownership during the same period. While, the FPI ownership in NSE listed companies declined further to a 15.5-year low of 16.7 per cent at the end of December 2025.
- Notably, DIIs continued to outpace FPIs across the NSE listed universe, Nifty 50 and Nifty 500 this year- a position last seen in 2003, reflecting a significant shift in market ownership in favour of DIIs.

Chart 11: Trends in FPIs' Investments (₹crore)



Source: NSDL, NSE and BSE

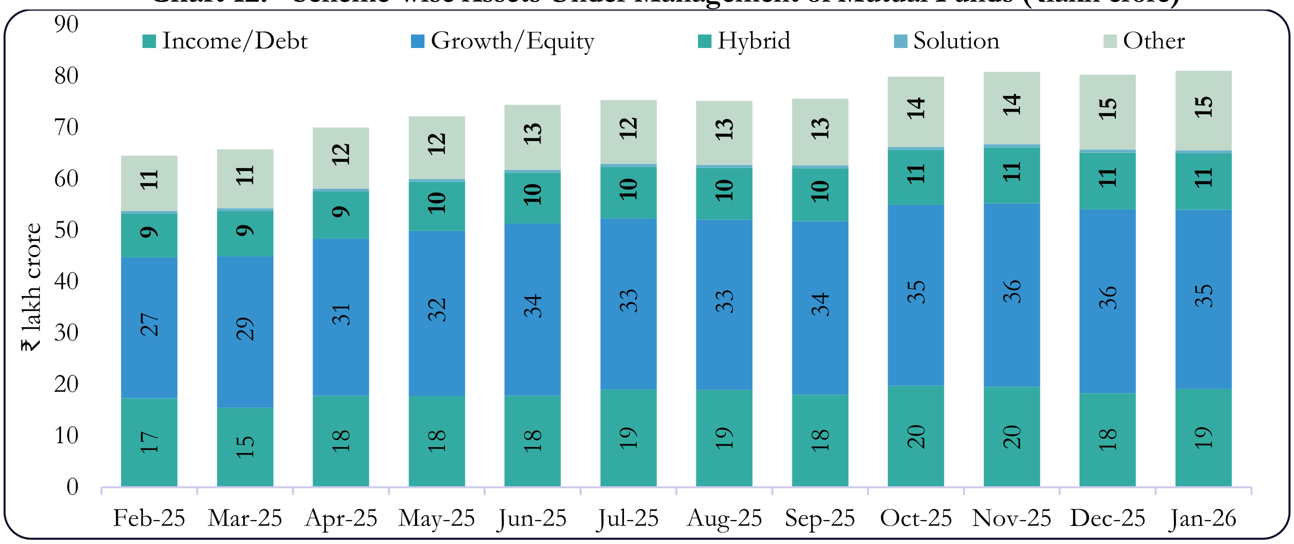
[2] *Includes Domestic Mutual Funds, Banks, Financial Institutions, Insurance and Corporates*

V. Fund Management Activities

A. Mutual Funds (*Annexure Tables Nos. 53 to 54*)

- As of January 31, 2026, assets under management (AUM) for the Indian mutual fund industry rose to ₹81.01 lakh crore, a 20.5 per cent increase compared to the end of January 2025.
- During 2025-26 (up to January 2026), gross funds mobilized by mutual funds reached ₹128.3 lakh crore against redemption/repurchase of ₹119.5 lakh crore, resulting in a net inflow of ₹8.8 lakh crore.

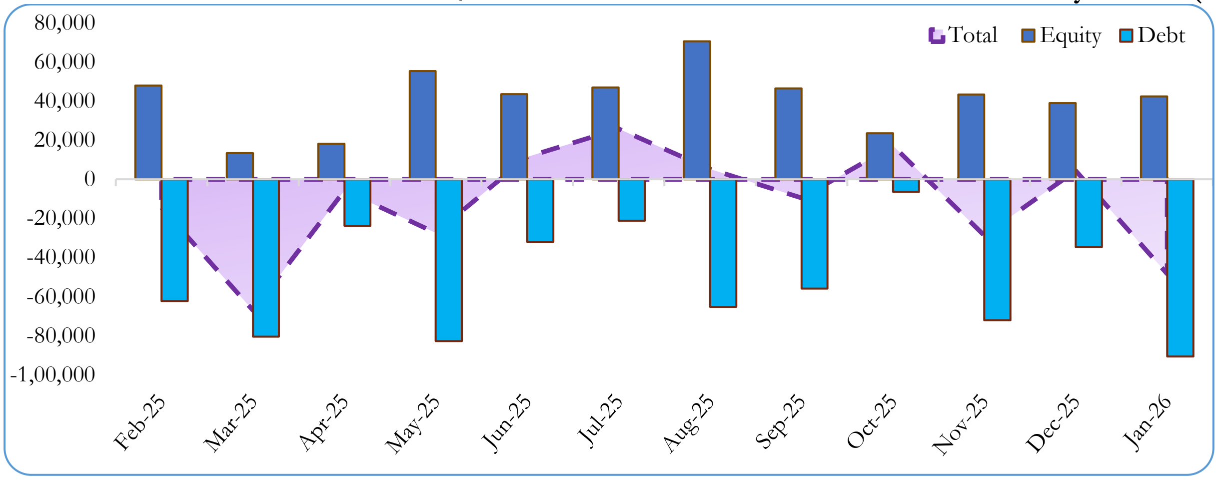
Chart 12: Scheme-wise Assets Under Management of Mutual Funds (₹lakh crore)



Source: SEBI

- During January 2026, all broad scheme categories recorded positive net inflows. However, active equity/growth oriented schemes experienced continued moderation in flows, recording net inflows of ₹24,029 crore. In a historic first, Gold ETFs surpassed active equity funds in monthly net inflows, receiving ₹24,040 crore during January 2026.
- Silver and Gold ETFs combined added a net of 27.8 lakh folios (15.7 lakh for silver and 12.1 lakh for gold), accounting for roughly 55 per cent of the net folio additions of 50.6 lakh during the month. On the other hand, equity schemes added only 10.6 lakh folios.
- In secondary market, the mutual funds purchased equities worth ₹42,355 crore net during January 2026, while being net sellers in debt securities for the 21st consecutive month, selling ₹90,807 crore net during the month.

Chart 13: Trends in Net Purchase/Sales of Mutual Funds Transactions in Secondary Market (₹crore)

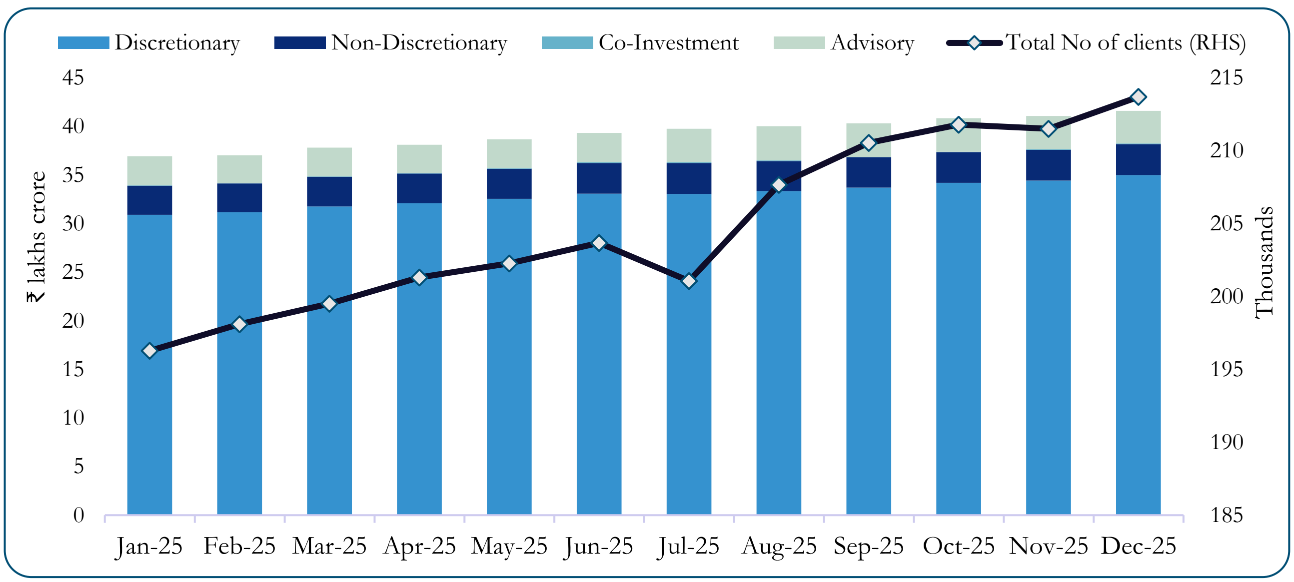


Source: SEBI

B. Portfolio Management Services (*Annexure Table No 55*)

- The total assets under management (AUM) in the portfolio manager industry stood at ₹41.6 lakh crore in December 2025.

Chart 14: Number of Clients and AUM (₹crore) of Portfolio Managers

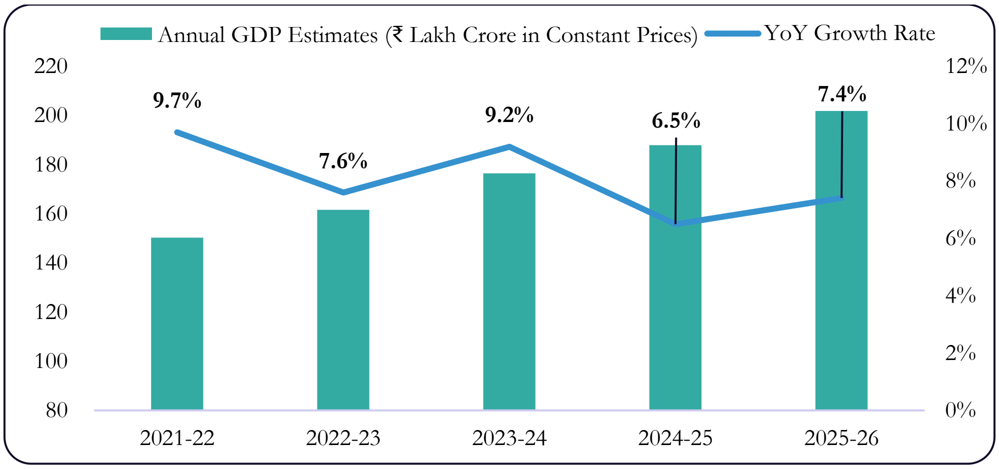


Source: SEBI

PERFORMANCE REVIEW: INDIA AND GLOBAL MARKETS

- **Economy to expand at 7.4 per cent:** As per first advanced estimates released by MoSPI, India's economy is estimated to grow at 7.4 per cent making it world's fastest growing major economy. It marks an improvement over 6.5 per cent expansion recorded in the previous fiscal. In nominal terms, GDP is expected is grow at 8.0 percent.

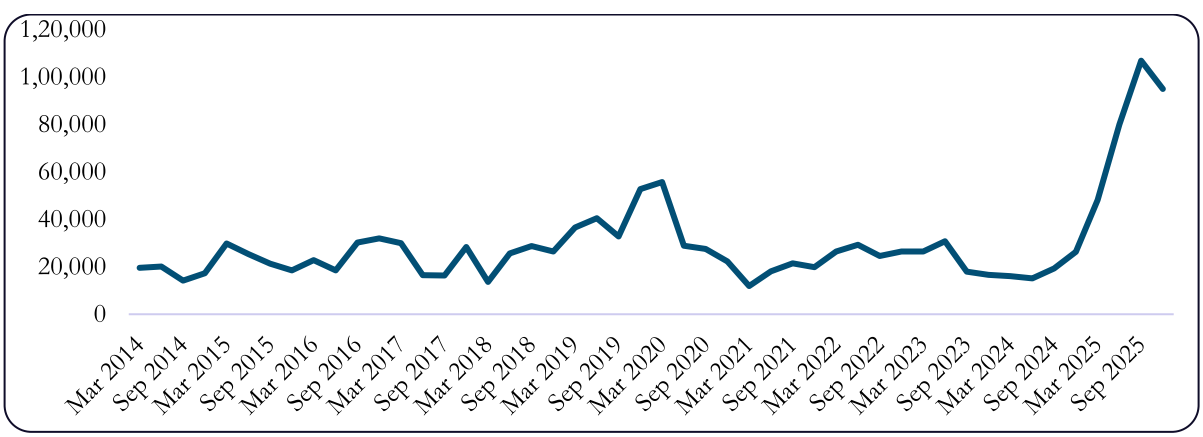
Chart 15: Annual GDP Estimates along with Y-o-Y Growth Rates at Constant Prices



Source: MoSPI

- **Heightened Uncertainty:** The World Uncertainty Index (WUI) captures periods of elevated geopolitical tensions, financial stress, policy unpredictability and global shocks. The recent sharp uptick in the index signals a renewed phase of global instability, which may dampen investor confidence, amplify market volatility and delay capital market activities, including cross border investments and fund mobilisation. Historically, sustained periods of elevated uncertainty have been associated with increased risk aversion, tighter financial conditions and more cautious corporate financing decisions, potentially moderating both equity and debt issuance activity.

Chart 16: World Uncertainty Index

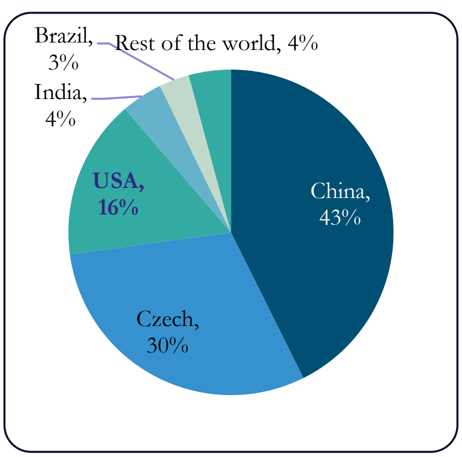


Source: www.policyuncertainty.com

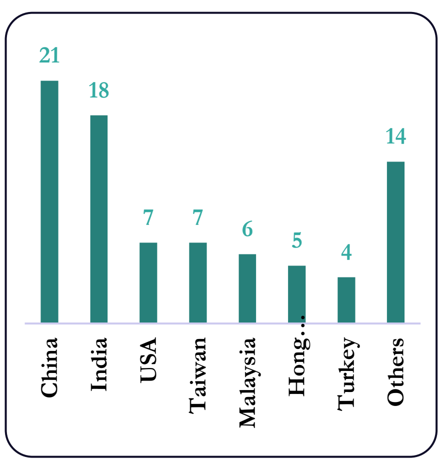
- **Moderated Global IPO Activity:** In January 2026, Global IPO activity moderated compared to the elevated levels observed in December 2025, with **both deal volume and fund mobilization declining** significantly. This indicates a post year-end normalization in primary market worldwide.
- Prague based ***CSG NV's*** IPO of USD 4.4 billion was the largest offering of January 2026, touted as the world's largest defense IPO till date. In the backdrop of rising geopolitical tensions in Europe and the region's increasing emphasis to become more military self-reliant, CSG debuted on Euronext with a strong performance, listing at a premium of 30 per cent.
- **China recorded highest the number of listings (21), raising USD 6.3 billon**. The United States witnessed moderate activity with seven IPOs raising USD 2.4 billion, ranking third globally in terms of capital raised. India ranked second in deal volume, with 18 IPOs mobilizing USD 607 million, reflecting relatively smaller average deal sizes.
- **Volume Driven v/s Value Driven Markets:** Emerging markets, particularly across Asia, demonstrated stronger deal activity in terms of volume, indicating sustained risk appetite and robust domestic capital market depth.
- In contrast, **developed markets recorded fewer listings but larger average deal sizes**, reflecting the presence of mature institutional investor base. Europe, however, displayed relatively subdued activity, barring the Czech Republic's large defence IPO, contribution from other markets were minimal, indicating concentrated and selective investor appetite across the region.

Chart 17: Global IPO amount raised, Volume and top Domicile cities of the IPO Firms

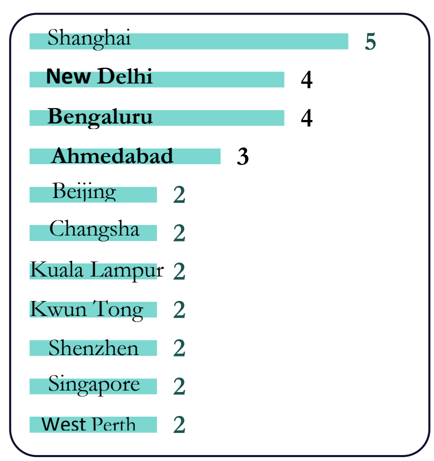
a) Amount raised



b) Number of IPOs



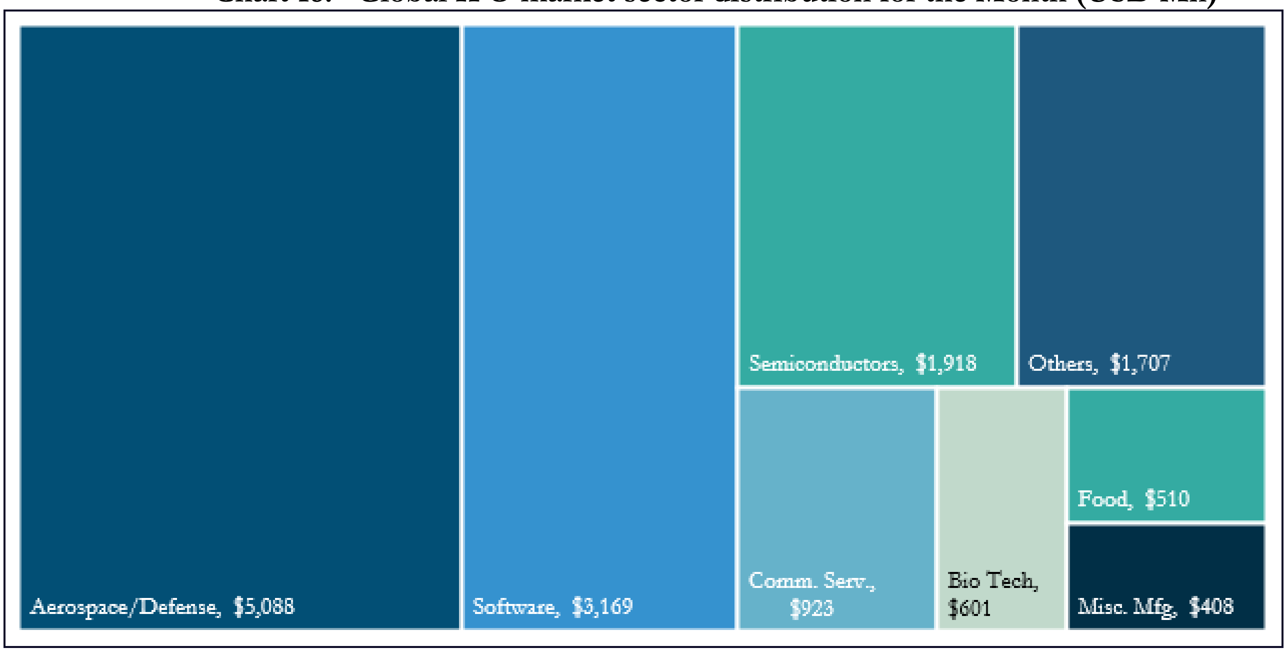
c) Domicile Cities of IPO Firms



Source: Bloomberg

- The sectoral analysis of IPO activity in January 2026 indicates a clear concentration of capital in strategic and technology-driven industries. **Aerospace/ Defense** emerged as the leading sector, followed by **Software** and **Semiconductors**. Together, these sectors accounted for 69 per cent of total capital raised during the month, reflecting a strong investor preference for innovation-led, high growth, and strategically aligned industries.
- In contrast, mid-sized and traditional sectors such as Commercial Services, Biotechnology and Food recorded moderate capital mobilization. Cyclical industries like Mining, Chemicals, Machinery, Coal, Transportation and Auto parts saw minimal IPO issuance.
- Overall, the global sectoral distribution suggests that **primary activity in the month of January was concentrated and theme driven, rather than broad based across industrial segments**.

Chart 18: Global IPO market sector distribution for the Month (USD Mn)

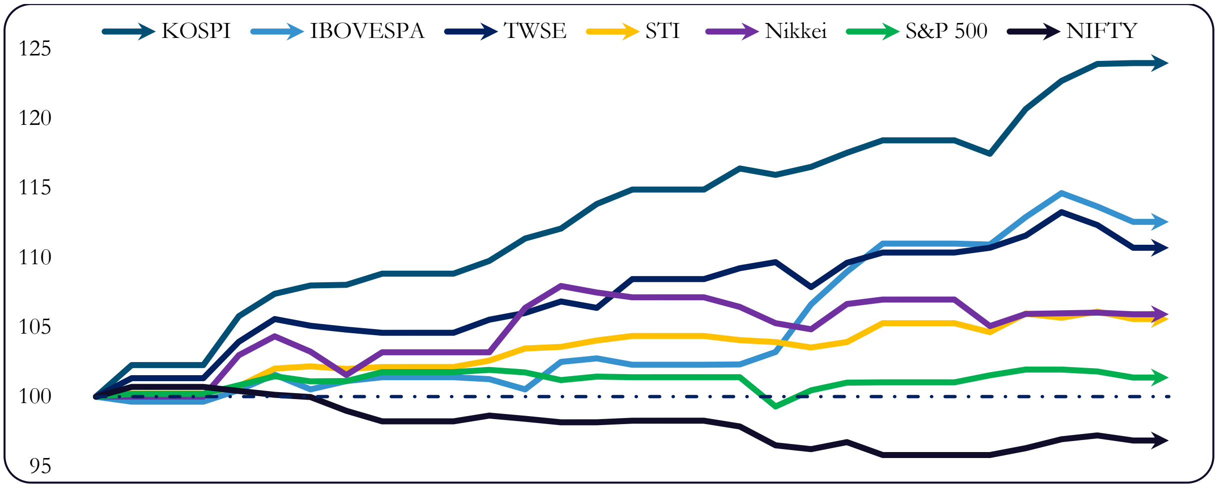


Source: Bloomberg, Industry group and sector classification as per Bloomberg

- **Weaker Dollar and Capital Inflows to High-Beta Emerging Asia:** In January 2026, the US Dollar Index declined by 1.35 per cent, easing global liquidity conditions and supporting capital flows into emerging markets. This shift was reflected in strong monthly absolute returns across several high-beta markets, including Korea's KOSPI (*24 per cent*), Brazil's IBOVESPA (*13 per cent*) and Taiwan's TWSE (*11 per cent*).
- Asian Equity markets rallied despite rising government bond yields, indicating that investors were pricing in improved growth expectations rather than heightened financial stress. In

contrast, India's rising bond yields and a weaker Rupee exerted pressure on domestic equity valuations.

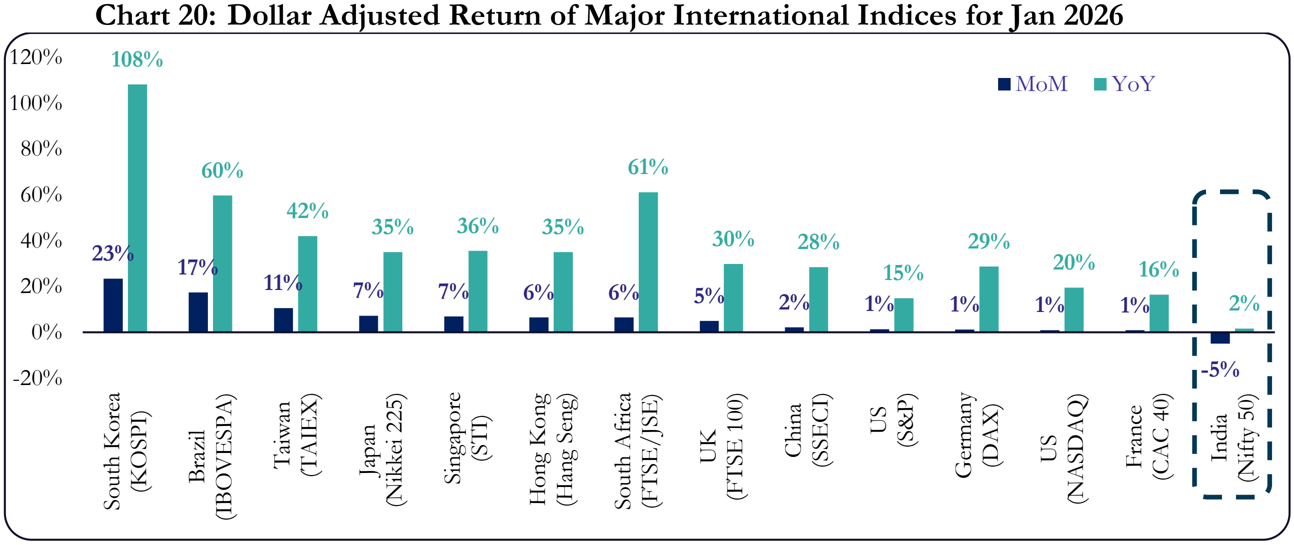
Chart 19: Absolute Monthly Return of Selected Indices (Index on Jan 01 rebased to 100)



Source: Bloomberg

- When returns were assessed in USD adjusted terms, emerging markets posted robust gains in January 2026. While, developed markets such as USA, Germany and France posted comparatively modest gains, indicating relatively subdued momentum. On a year-on-year basis, emerging markets continued to exhibit strong performance, whereas developed markets showed comparatively moderate performance. India remained a relative laggard, registering negative monthly returns and broadly flat performance on a yearly basis.

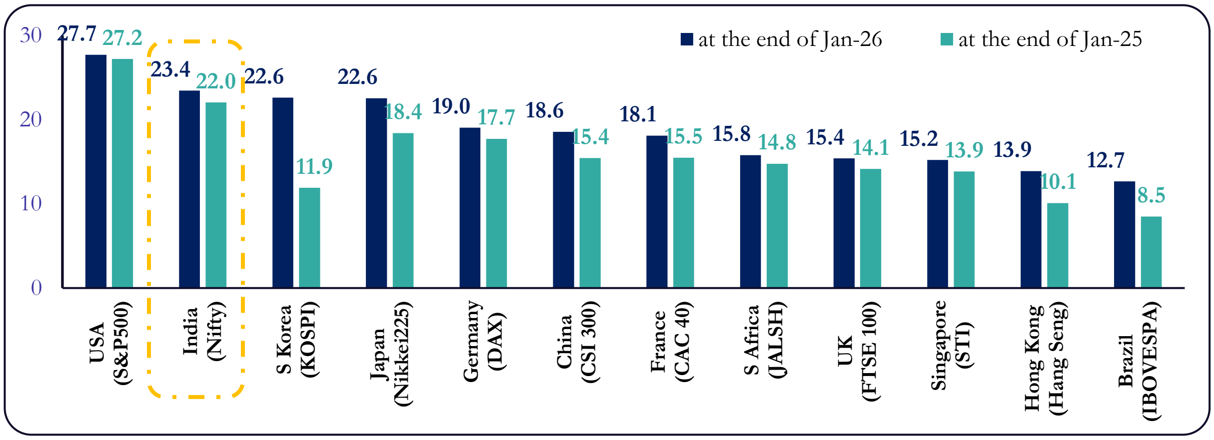
Chart 20: Dollar Adjusted Return of Major International Indices for Jan 2026



Source: Bloomberg

- As of January 2026 end, USA remained the most expensive major market at 27.7 followed by India trading at premium of 23.4. European markets witnessed gradual valuation expansion.

Chart 21: Trailing Price Earnings Ratio of Select Countries



Source: Bloomberg

- As on end of January 2026, 10-year bond yields showed mixed global trends. The US and UK edged higher month on month, while Japan and Korea recorded a sharper increase indicating tightening measure. Meanwhile, China and Singapore saw relatively softer yield movements, reflecting subdued growth expectations. India's yield inched-up during the month but its Y-o-Y return remains same indicating relative macroeconomic stability.
- As indicated by Dollar Index, US Dollar weakened, against major currencies such as Euro, GBP, JPY and Franc. Emerging market currencies displayed mixed but firm performance with modest appreciation in Renminbi and Singapore Dollar, while Rupee and Won lost value against USD.

Table 3: 10-year Government Bond Yield

Country	*Yield on Jan-26*	*Jan 26 - Dec-25*	*Jan 26 - Jan-25*
USA	4.24	-0.07	0.30
UK	4.52	-0.04	0.02
France	3.43	0.14	-0.22
Germany	2.84	0.01	-0.38
Japan	2.24	-0.19	-1.01
China	1.81	0.04	-0.18
S Korea	3.61	-0.23	-0.75
India	6.70	-0.11	0.00
Singapore	2.06	0.05	0.85
Brazil	13.59	0.15	1.22
Mexico	8.86	0.24	1.22

Table 4: Movement in Currencies over USD

Country	*Rate as on Jan 26*	*MoM in %*	*YoY in %*
Dollar Index	96.99	-1.4	-10.5
Pound	0.7307	-1.5	-9.4
Euro	0.8438	-0.9	-12.6
Yen	154.78	-1.2	-0.3
Hon Kong $	7.81	0.4	0.3
Remnibi	6.96	-0.4	-4.0
Won	1,441	0.1	-0.9
Rupee	91.99	2.4	6.2
Singapore $	1.27	-1.2	-6.4
Rand	16.15	-2.5	-13.5
Swiss Franc	0.7730	-2.5	-15.1

Note: All currency rates are against USD;
Negative sign indicates appreciation of the currency against USD

Union Budget 2026–27- Measures to Deepen India's Securities Market

The Union Budget 2026-27 placed strong emphasis on deepening domestic debt markets, strengthening municipal finance, encouraging calibrated foreign participation and curbing speculative excesses. Highlights from the Budget 2026-27 and their expected outcome in capital market are mentioned below.

Corporate Bond Market Deepening

Introduction of a market-making framework for corporate bonds. In addition, access to derivatives on corporate bond indices and introduction of Total Return Swaps (TRS) on corporate bonds were announced.

➡ *This is expected to strengthen secondary market liquidity, improve price discovery, facilitate risk management, & attract greater institutional participation, thereby supporting the long-term development of India's corporate bond market.*

Municipal Bond Market Strengthening

₹100 crore incentive for cities issuing **municipal bonds** above ₹1,000 crore and continues AMRUT-based incentives for smaller issuances (up to ₹200 crore).

➡ *Since June 2027, 19 Municipal corporations with 26 issues have raised mere ₹3,784 crore. In fact, the maximum issue size so far has been ₹200 crore. The enhanced incentives are expected to encourage greater participation by urban local bodies, thereby diversifying urban financing sources and inculcate credit discipline at the municipal level.*

Infrastructure Financing & Asset Monetization:

Accelerated recycling of significant real estate assets of CPSEs through the setting up of dedicated REITs.

➡ *This initiative is expected to expand long-term investment vehicles, deepen retail participation and improve the efficiency of public asset utilization.*

Foreign Portfolio Participation:

Individual Persons Resident Outside India (PROI) are now permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme. The investment limit is increased from 5 per cent to 10 per cent for individuals and overall limit for all individual PROIs is raised to 24 per cent (from 10 per cent).

➡ *These changes are expected to broaden the foreign investor base, enhance capital access for listed companies and improve secondary market liquidity.*

Equity Market Tax Rationalization:

Buyback taxation shifted to capital gains regime, resulting in higher effective tax for promoters.

➡ *This reform enhances transparency and protects minority shareholders' interests.*

Moderating speculative excess STT increased on F&O segment (Futures: 0.02 per cent to 0.05 per cent; Options to 0.15 per cent).

Overall, the measures proposed in Union Budget 2026-27 reflect a strategic push towards market deepening, diversifying funding channels, enhancing liquidity and improving governance- reinforcing the role of securities markets in supporting sustainable economic growth.

POLICY DEVELOPMENTS IN INDIAN SECURITIES MARKET

In January 2026, SEBI undertook a range of regulatory measures aimed at enhancing ease of doing investment and business, strengthening market efficiency and integrity, streamlining compliance and onboarding processes, thereby improving the resilience and accessibility of the securities market ecosystem

The brief on these policy initiatives are outlined below:

1. **Specification of the consequential requirements with respect to Amendment of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992**

   To strengthen the financial soundness, governance and accountability of merchant bankers, the requirements pertaining to capital adequacy and liquid net worth and conditions for compliance in respect of underwriting obligations, reporting and certification etc. were specified. The specific timelines for the implementation of important regulatory provisions, including underwriting obligations and the appointment of a Compliance Officer and a Principal Officer were also prescribed.

   HO/49/11/11(106)2025-CFD-RAC-DIL3/I/1796/2026 *dated Jan 02, 2026*

2. **Compliance reporting formats for Specialized Investment Funds (SIFs)**

   Following the introduction of SIFs in February 2025, the regulatory framework governing SIFs were specified. To ensure uniformity and clarity in compliance reporting, the reporting requirements applicable to mutual funds under the SEBI (Mutual Funds) Regulations, along with any circulars or guidelines issued thereunder, shall henceforth be applicable to SIFs.

   HO/24/13/12(4)2025-IMD-POD-1/I/2062/2026 *dated Jan 08, 2026*

3. **Simplification of requirements for grant of accreditation to investors**

   Given the high ticket size of AIFs, investors were earlier mandatorily required to obtain an accreditation certificate from an accreditation agency, which included detailed information such as a breakdown of the investor's net worth. Based on market representations, this requirement has been dispensed with, and henceforth, a detailed net worth breakdown is no longer required. Instead, the accreditation agency may simply certify whether the investor meets the specified threshold criteria.

   HO/19/34/11(9)2025-AFD-POD1/I/2286/2026 *dated Jan 09, 2026*

4. **Review of Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems**

SEBI had earlier put in place a comprehensive framework to address technical glitches in stock brokers' electronic trading systems. Based on representations received from stakeholders and industry forums, a revised framework has been issued, which provides a detailed definition of technical glitches and introduces key provisions such as exclusion of smaller-sized stock brokers, rationalization of technical requirements based on broker size and redefinition of the disincentive structure.

HO/38/44/12(1)2026-MIRSD-TPD1 *dated Jan 09, 2026*

5. **Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs**

Under the SWAGAT-FI framework, a unified registration process to simplify, expedite and streamline registration and compliance for Foreign Portfolio Investors (FPIs) and Foreign Venture Capital Investors (FVCIs) has been introduced. This initiative provides a single, low-friction registration mechanism with a long-term validity of 10 years for qualified, "trusted," low-risk foreign entities.

HO/19/34/14(5)2025-AFD-POD2/I/199/2025 *dated Jan 16, 2026*

6. **Introduction of Closing Auction Session (CAS) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session)**

Currently closing price of stocks is determined based on the Volume Weighted Average Price (VWAP) of trades executed during the last thirty minutes of the trading session. In contrast, most major global exchanges determine the closing price through a Closing Auction Session (CAS). To align with global practices and to provide fair, equal and transparent access to all categories of investors, the framework for Closing Auction Session (CAS) has been made applicable in a phased manner in the equity cash segment of the stock exchanges, starting August 2026, under which the closing price will be discovered through a dedicated 20-minute auction session, similar to the mechanism used for price discovery in the pre-open session.

HO/47/11/11(3)2025-MRD-POD2/I/2765/2026 *dated Jan 16, 2026*

7. **Special Window for Transfer and Dematerialisation of Physical Securities**

The transfer of securities in physical mode was discontinued with effect from April 1, 2019; however, a special six-month window was provided for re-lodgement of transfer deeds of physical securities. This special window has been extended by a further one year to enable investors to obtain rightful access to their securities.

HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 *dated Jan 30, 2026*

8. **Doing away with requirement of issuance of Letter of Confirmation and to effect direct credit of securities in dematerialisation account of the investor**

Earlier, investors were mandatorily required to obtain a Letter of Confirmation for the issuance of duplicate securities certificates. This requirement has since been dispensed with and SEBI has mandated that Depositories, after necessary due diligence by RTAs and listed companies, directly credit the securities to the investor's demat account.

HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 *dated Jan 30, 2026*

9. **SEBI Facilitates Seamless Digital Signature Certificate Functionality for FPIs**

Earlier, SEBI had permitted FPIs to use digital signatures for execution of the Common Application Form (CAF) and other registration-related documents. To further digitise the FPI on-boarding process, a Digital Signature Certificate (DSC) functionality has now been developed that integrates the FPI registration application and DSC application into a single, unified process, enabling applicants to apply for a DSC directly while submitting the CAF on the portal.

Press Release: 03/2026 dated Jan 08, 2026

(Note: Circulars related to extension of timelines or those of procedural nature have not been included.)

HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET

- **Monetary Authority of Singapore (MAS), Singapore**
  - **MAS Proposes Legislative and Regulatory Changes to Facilitate Dual Listings on Global Listing Board:** MAS has sought feedback to facilitate dual listings on the Global Listing Board (GLB), which will enable companies to list concurrently on SGX and Nasdaq. The proposal aims to reduce friction by allowing the use of a single prospectus aligned with U.S. disclosure requirements, shortening Singapore's IPO registration timeline to match the U.S., and introducing safe harbour provisions for forward-looking statements, share buybacks and pre-determined trades. MAS has also proposed broader changes to permit earlier engagement with retail investors during IPOs and to retain flexibility to extend similar streamlined frameworks to other comparable jurisdictions in future. MAS and SGX will continue to oversee listings and enforce disclosure and market conduct requirements.

    Press Release: 09 January 2026

- **Financial Conduct Authority (FCA), The United Kingdom**
  - **Mills Review to consider how AI will reshape retail financial services:** FCA has launched a forward-looking review to examine the long-term implications of advanced AI for consumers, retail financial markets and regulators. Building on its existing AI initiatives, the review will assess how evolving technologies such as generative and agentic AI could reshape competition, market structures, consumer behavior and regulatory approaches through to 2030 and beyond. FCA has sought feedback on four key themes: future AI developments, impacts on firms and markets, effects on consumers, and how regulation may need to adapt.

    Press Releases: January 27, 2026

- **Securities and Futures Commission (SFC), Hong Kong**
  - **SFC and UAE's Capital Market Authority sign milestone MoU to strengthen cross-border digital asset collaboration:** SFC and UAE's Capital Market Authority (CMA) have signed a MoU to strengthen cross-border supervisory cooperation on regulated digital asset entities, marking SFC's first such agreement focused specifically on digital assets. The MoU establishes a framework for consultation and information exchange to support oversight, responsible innovation, market integrity and investor protection, in line with the SFC's ASPIRe Roadmap.

    Media Release: January 27, 2026

****