भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

प्रेस विज्ञप्ति
PRESS RELEASE

संपर्क प्रभाग, सेबी भवन, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051
Communications Division, SEBI Bhavan, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
दूरभाष / Tel: +91-22-26449000 ईमेल / email:press@sebi.gov.in वेबसाइट /website: www.sebi.gov.in

PR No.59/2026

Key decisions taken in the SEBI Board Meeting dated 24th September, 2026

The 215th meeting of the SEBI Board was held in Mumbai today.

The SEBI Board, *inter-alia*, approved the following:

1. Comprehensive review of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

1.1 The Board approved the proposal to introduce Securities and Exchange Board of India (Portfolio Managers) Regulations, 2026 in supersession of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, with the following objectives:

(a) Development of the Portfolio Management Services (PMS) industry

(b) Ease of compliance

(c) Consolidation of regulatory provisions and simplification of language, and

(d) Removal of redundant provisions.

1.2 Some of the key measures being introduced in the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2026 are:

1.2.1 **Developmental measures**

1.2.1.1 Permitting investment in IPOs and primary market issuance in debt market.

1.2.1.2 Enabling investment upto 10% of client Asset Under Management (AUM) in investment-grade, non-convertible, unlisted debt securities under Discretionary Portfolio Management Services (DPMS) with client consent.

1.2.1.3 Permitting greater flexibility for investment in Exchange traded Derivatives up to 1.25 times of client's AUM.

1.2.1.4 Enabling investment in Foreign Securities under DPMS and Non-Discretionary Portfolio Management Services (NDPMS). Permissible instruments for investment in foreign securities include listed equity, debt, REITs, overseas mutual funds, Exchange Traded Funds (ETFs), Index Funds and foreign government debt, governed under Foreign Exchange Management Act, 1999 and Liberalized Remittance Scheme (LRS) of RBI.

1.2.1.5 Introduction of Portfolio Managers Route for Investing in Mutual Fund units (PRIM) for enabling portfolio managers to invest clients' funds in direct plans of mutual funds including ETFs, Index Funds and Specialized Investment Funds (SIFs) of Indian Asset Management Companies (AMCs):

1.2.1.5.1 An existing portfolio manager will be able to offer PRIM through a separate investment approach while accepting minimum ticket size of INR 25 Lakh.

1.2.1.5.2 An applicant intending to operate strictly within the permissible securities of the PRIM may obtain a new registration. Given the specific nature of the services, the following guidelines will be applicable to PRIM:

i. Minimum Ticket Size INR 25 lakh.
ii. Net Worth INR 2 crore.
iii. Graduation/CFA/CA with two years of experience in securities market and a simplified NISM certification for Principal Officer.
iv. Waiver of Exit Load Provisions.
v. Prudential cap of 25% on investments in schemes of affiliated/group/ associate AMCs.
vi. Fixed management fee capped at a maximum of 1% of the client's AUM. The model of performance based fee is also permitted.
vii. Segregation of activities and clients between Mutual Fund Distributor (MFD) and PRIM for all clients except accredited investors.

1.2.1.6 Permitted Eligible Fund Managers (EFM) to manage and advise investment of eligible investment fund in overseas securities. In case eligible investment fund invests in Indian securities, then the investment limit would remain aligned with prevailing FPI framework.

1.2.1.7 Introduction of the concept of Independent Fund Managers (IFM**)** who will manage and operate the portfolio of clients in association with a registered portfolio manager. The following investor protection measures would be enforced:

1.2.1.7.1 Registered Portfolio Manager will have full responsibility and liability for all activities of IFM.

1.2.1.7.2 IFM will have same qualifications, experience and certifications as a Principal Officer.

1.2.1.7.3 Fees will be paid directly to the registered portfolio manager.

1.2.1.7.4 Orders generated by IFMs will flow through PMs infrastructure

1.2.1.7.5 One Portfolio Manager may affiliate with several IFMs while one IFM would only be able to operate under one PM at a time.

1.2.1.7.6 Mandatory exit option for clients if an IFM leaves or terminated.

1.2.1.7.7 A central database of all active IFMs will be maintained and updated by APMI.

1.2.2 **Ease of compliance measures**

1.2.2.1 The new regulatory framework aims at rationalizing the compliance requirements including the following:

1.2.2.1.1 Relaxed educational qualifications for principal officer. Now, even graduate will be eligible to function as Principal Officer.

1.2.2.1.2 Relaxed dealing room requirement for portfolio managers with AUM less than INR 100 Crores. (48% of PMs registered as on date would be covered)

1.2.2.1.3 A standardized Investment Management Agreement (IMA) for ease of understanding of client.

1.2.2.1.4 Authority to operate demat/ trading account embedded in the standard IMA. Power of Attorney (POA) requirement for bank account as mandated by RBI would continue.

1.2.2.1.5 Harmonization of timelines for various material and non-material reporting.

1.2.2.1.6 Promoting transition to digital communication through digital disclosure document.

1.2.2.1.7 Excluding statutory levies from the current operating expenses of 0.5% p.a.

1.2.3 **Consolidation of regulatory provisions and simplification of language.**

The Regulation has been reorganized with emphasis on clearer structure and simplified language. Various related provisions such as for registration, co-investments etc. which were spread across the Regulation have been consolidated under relevant heads. General obligations have been organized with clear anchors for benchmarking, valuations, etc.

1.2.4 **Modification of grandfather provisions/deletion of redundant, replicative and transitory clauses:** Various grandfather clauses and transitory provisions have been removed or modified with clear expirations.

1.2.5 **Impact of review:**

The exercise has resulted in a 53% reduction in the size of the regulations from 70 pages to 33 pages. The word count has been reduced by approximately 42%, from 19,486 words (including footnotes) in the current regulations to 11,308 words in the new draft. Further, the number of provisos have been reduced from 47 to 4 and all 'notwithstanding' clauses have been eliminated, except for its limited use under the 'Repeal and savings' provision, thereby making the Regulation lucid and easier to comprehend and comply with.

1.3 SEBI conducted a stakeholder survey through the Association of Portfolio Managers in India (APMI) to identify regulatory provisions requiring review. Based on industry feedback and internal analysis, SEBI issued a consultation paper including draft Securities and Exchange Board of India (Portfolio Managers) Regulations on July 23, 2026 for public comments. The feedback received was duly examined, and relevant changes were incorporated and placed before the Board for consideration.

2. Review of Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018

2.1 The Board approved the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2026 ("Settlement Regulations, 2026"), which will replace the SEBI (Settlement Proceedings) Regulations, 2018. The Settlement Regulations, 2026, shall come into force the day succeeding the 30^{th} day from the date of notification of the regulations.

2.2 Some of the key features of the Settlement Regulations, 2026 are as follows:

A. Settlement Terms

Settlement Terms will now comprise Settlement Amount, disgorgement of wrongful gains, if applicable, and Remedial and Regulatory Terms (RRT) (earlier known as Non-Monetary Terms), if applicable.

B. New formula for computation of settlement amount

Settlement Amount = Base Amount × (S + R + G + A - M) + Legal Costs

Base Amount (BA) linked to minimum penalty provided for the violation under securities laws, with multipliers based on type of applicant,

'**S**' represents the stage of proceedings,

'**R**' the regulatory action factor,

'**G**' the gravity factor based on the nature of the default,

'**A**' the aggravating factors and '**M**' the mitigating factors.

C. Separate treatment of wrongful gains

Wrongful gains, loss avoided or loss caused to investors will not be considered while determining the Base Amount. Such amounts, where quantified, will be disgorged separately. This removes the existing double counting of such amounts in computation of settlement terms.

D. Expanded access to settlement

i. Settlement notice before show cause notice (Wells Notice)

Before issuance of a show cause notice, SEBI will issue a settlement notice giving 60 days to file a settlement application. Such notice will not be issued where initiation of prosecution or passing of an interim order is contemplated.

ii. Longer limitation for filing settlement application

The period for filing a settlement application after service of a show cause notice increased from 60 days to 90 days.

iii. Fast-track settlement

A monetary threshold (settlement amount does not exceed ₹10 lakh) and violation (disclosure violations etc.) based fast-track settlement route introduced. Monetary threshold based fast track cases will proceed from Internal Committee directly to Panel of Whole Time Members. For violation based fast track settlements, SEBI will issue a notice calling upon an entity against which enforcement proceedings are being proposed, to settle the matter by paying the amount stated in the Notice. The Settlement Order in such cases will be passed by the Panel of Members on payment of the settlement amount by such Noticees.

iv. One-time opportunity under the new Regulations

One-time window of 90 days from commencement of the Settlement Regulations, 2026 available to entities who either did not apply earlier or whose applications were rejected, withdrawn or returned under the 2018 Regulations. This is limited to specified proceedings that are still pending before the Board and will be subject to payment of an additional 20% settlement amount.

v. Wider access to settlement

Applications that were earlier rejected may still be considered at appellate stage provided the grounds for rejection no longer apply. An additional 20% settlement amount will be applicable in such cases.

E. Settlement of adjudication and other specified proceedings

i. Adjudication proceedings

RRT will ordinarily not be imposed while settling adjudication proceedings as such proceedings only contemplates imposition of monetary penalties for which there is settlement amount. However, where wrongful gains, loss avoided or loss caused to investors are quantified in the SEBI report/SCN/Order, such amounts shall be disgorged. Further, appropriate disclosures may be required in disclosure-related violations.

ii. Misrepresentation of financial statements and diversion or siphoning of funds

The Regulations provide for settlement of cases involving misrepresentation of financial statements or diversion of funds, subject to appropriate RRT, including disclosures and bringing back diverted funds.

F. Interest on disgorgement

Interest on the disgorgement amount will now be charged at 9% per annum from the date of the violation till the date of filing of the settlement application for proceedings pending before the Board. For other matters, the interest will be charged at 9% per annum from the date of the violation till the date of final order and at 12% per annum thereafter till the filing of the settlement application. Further, no interest will be charged on interest.

2.3 The Settlement Regulations, 2026 are expected to make the settlement framework simpler, less discretionary, easier to understand, more predictable and also fast track less serious matters while ensuring that settlement continues to serve as an effective resolution mechanism with an appropriate deterrent against violators of securities laws.

3. Review of regulatory requirement for maintenance of call records of institutional clients by Research Analysts or Research Entities –

3.1 The Board considered and approved the proposal of amending the SEBI (Research Analyst) Regulations 2014, to relax the requirement of maintaining call recordings of communications with clients which are institutional investors for Research Analysts and Research Entities.

3.2 The approved measure is expected to facilitate ease of doing business and reduce compliance obligations towards maintenance of records for Research Analysts and Research Entities.

3.3 The above proposal was placed before to the Board, after considering the feedback received through the public consultation undertaken vide consultation paper issued on May 18, 2026.

4. Common Advertisement Code for Specified SEBI Regulated Entities

4.1 As part of Ease of Doing Business initiative, the Board approved a Common Advertisement Code ("CAC") applicable to regulated entities i.e. Stock Brokers, Depository Participants, Investment Advisers, Research Analysts, Online Bond Platform Providers, Portfolio Managers, and Mutual Funds/Asset Management Companies. CAC replaces the existing entity-specific advertisement frameworks individually prescribed under respective SEBI regulations/master circulars and/or through circulars issued by recognised stock exchanges/respective supervisory bodies.

4.2 Key proposals, inter-alia, include the following:

4.2.1 Use of celebrities for brand-level/entity-level promotion has been permitted for regulated entities, subject to prior approval and safeguards.

4.2.2 Obtaining mandatory prior approval (except for advertisements containing celebrity endorsements) has been done away with. However, post-issuance reporting will be required within three (3) working days.

4.2.3 Regulated entities have been permitted to advertise ratings and rankings assigned by Past Risk and Return Verification Agency.

4.2.4 Recognising the need to distinguish routine, factual and investor-service communications from promotional content, the framework provides an illustrative list of communications that will not be considered advertisements.

4.3 The aforementioned framework was deliberated with the Industry Standards Forum of concerned regulated entities, supervisory bodies such as Stock Exchanges and industry bodies like Association of Mutual Funds in India and has factored in the feedback received on the consultation paper issued on June 23, 2026.

5. FPI Participation in Exchange Traded Commodity Derivatives (ETCDs)

5.1 With the objective of deepening liquidity in the commodity derivatives market, it has been decided by the Board to permit participation of FPIs in the following contracts:

5.1.1 Non-agricultural index derivatives contracts, irrespective of the underlying being cash-settled or not.

5.1.2 Non-cash settled non-agricultural commodity derivatives contracts.

5.2 FPI participation in non-cash based non-agricultural commodity derivatives contracts would be contingent upon ensuring that they exit the commodity derivatives contracts before the delivery obligation arises.

5.3 In this regard, a safeguard mechanism is proposed to ensure that FPIs exit their positions before entering the Tender Period, i.e. three (3) days before the expiry of the contract; so that they exit before the possibility of delivery obligation arises. As an additional safeguard, FPIs shall not be permitted to increase their positions from T-3 day.

5.4 In terms of the safeguard mechanism, the FPI shall enter into an agreement with the TM/TCM, before the FPI is enabled to trade at exchanges. Such agreement shall inter alia provide for the manner in which the positions of the FPI shall be handled, including the squaring off of the FPI positions or an arrangement where the residual open positions of the FPI, before beginning of the Tender Period, shall be devolved upon the TM/TCM at the Closing Price/Daily Settlement Price, as declared by the Exchange on the day of devolvement of the position.

5.5 The devolvement of the open position from the FPI to the TM/TCM would be considered as a trade with applicable statutory levies.

6. Amendments to Securities and Exchange Board of India (Vault Managers) Regulations, 2021

6.1 The Board has approved amendments to the SEBI (Vault Managers) Regulations, 2021, with a view to expanding and harmonising the regulatory framework governing Vault Managers and vaulting services for bullion underlying SEBI specified bullion related instruments.

6.2 The SEBI (Vault Managers) Regulations, 2021 were introduced to establish a regulatory framework for Vault Managers providing vaulting services in respect of gold underlying Electronic Gold Receipts (EGRs). The

Regulations provide, inter alia, for registration and eligibility of Vault Managers, custody and safekeeping of gold, quality and purity requirements, record keeping and reconciliation, insurance, among others.

6.3 As the Indian bullion market continues to evolve with the growth of bullion related instruments such as Gold and Silver Exchange Traded Funds (ETFs) and derivatives on bullion, a need was felt to review the existing framework and establish a common and harmonised regulatory framework for vaulting services across all SEBI specified bullion related instruments having bullion as underlying. The review was also aimed at strengthening extant norms including storage and safekeeping of bullion, segregation, reconciliation, security, insurance, governance etc.

6.4 Some of the major amendments are as under:

6.4.1 **Expansion of the scope of the SEBI (Vault Managers) Regulations, 2021**:

6.4.1.1 The scope of the Vault Managers Regulations shall be expanded beyond EGRs to cover vaulting services in respect of bullion underlying SEBI specified bullion related instruments, including bullion underlying ETFs and derivatives on bullion.

6.4.1.2 Definitions such as “Bullion” and “Bullion related instruments” shall be inserted.

6.4.1.3 EGR specific chapter shall be replaced with a product neutral chapter for all “Bullion related instruments”, thereby specifying the provisions for applicability of the Regulations and manner and procedures for providing vaulting services for such bullion related instruments.

6.4.2 **Bullion Delivery Standards**: The term “Gold Standards”, which was EGR specific, shall be replaced with the term “Bullion Delivery Standards” thereby expanding the requirements of delivery standards to be followed for bullion underlying all SEBI specified bullion related instruments.

6.4.3 **Networth requirements**: The networth requirements for Vault Managers shall be enhanced from Rs.50 crore to Rs.75 crore.

6.4.4 **Security Policy related requirements**: Security requirements shall be strengthened to address risks including theft, burglary, fire, fraud, terrorism and cyber-attacks. Further, the risks covered under the requirement for having a security policy and procedure for dealing with losses shall be aligned.

6.4.5 **Segregation of Activities:**

6.4.5.1 Provision pertaining to business-wise segregation of activities shall be expanded to cover vaulting services being provided for all SEBI specified bullion related instruments.

6.4.5.2 Additional provisions shall be inserted in relation to instrument-wise and entity-wise segregation of bullion stored by Vault Managers under these regulations.

6.4.6 **Compliance Officer:** Provision shall be inserted for appointment of a Compliance Officer by the Vault Manager, along with specifying the broad duties of such Compliance Officer.

6.5 **Consequent circular**

A consequential circular will be issued to operationalise the amended regulatory framework, including requirements relating to storage and safekeeping, quality standards, reconciliation, inspection, audit, insurance, security and infrastructure requirements, risk management and grievance redressal for Vault Managers providing vaulting services for EGRs and other SEBI specified bullion related instruments.

6.6 **Impact of the review**

6.6.1 The review will establish a harmonised and scalable regulatory framework for vaulting services across different SEBI specified bullion related instruments, reducing regulatory fragmentation and providing consistent standards for the custody and safekeeping of bullion.

6.6.2 The strengthened framework is expected to enhance investor protection and confidence in SEBI specified bullion related instruments through improved safeguards relating to storage and safekeeping of bullion, security, segregation, traceability and reconciliation of bullion, enhanced financial and insurance safeguards, and stronger governance and risk-management requirements. The framework will also facilitate the orderly development of the bullion market and support the growth of bullion related instruments while ensuring robust regulatory oversight of the bullion underlying such instruments.

6.7 The aforementioned proposals were deliberated in the Commodity Derivatives Advisory Committee and have factored in the feedback received on the public consultation undertaken in August 2026.

7. Issuance of Depository Receipts on units of REITs and InvITs

7.1 The Board considered and approved the proposal of amending SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014 to provide an enabling provision for issuance of Depository Receipts ("DRs") on units of REITs and InvITs. This will facilitate attracting foreign capital in REITs and InvITs via DRs.

7.2 The detailed framework in this regard will be specified separately via Circular after notification of amendments. The framework envisages issuance and listing of DRs on units of REITs and InvITs in the International Financial Services Centre (IFSC) in India to begin with. Further, all foreign investors (including NRIs) can invest in such DRs.

7.3 The above proposals to the Board were made based on the recommendations of the Hybrid Securities Advisory Committee of SEBI and after public consultation undertaken vide consultation paper issued on August 04, 2026.

8. Ease of Doing Business measures for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)

To promote ease of doing business for InvITs and REITs, the Board considered and approved amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014 for the following matters:

8.1 **Threshold for unitholder approval for certain matters**

8.1.1 Certain matters under the InvIT/REIT Regulations currently require unitholder approval by 75% of all outstanding units irrespective of how many unitholders have voted. Securing approval of 75% of all units has become challenging due to diverse ownership of units and absence of voting by some unitholders.

8.1.2 To address this challenge, the basis of threshold has been changed to 75% of total votes cast instead of 75% of all units. This is in alignment with Companies Act, 2013 where thresholds are based on total votes cast for the resolution.

8.2 **Framework for exit offer in case of change in sponsor**

8.2.1 The existing regulatory framework for REITs and InvITs contain provisions for (i) change in sponsor by virtue of entry and/or exit of a sponsor (ii) change in control of existing sponsor, and (iii) conversion to Self-Sponsored Investment Manager. These provisions require approval of unitholders. If such approval is not received, exit offer has to be provided to dissenting unitholders. This framework has been reviewed to specify the following for clarity and operational flexibility:

8.2.1.1 Exit offer in case of exit of one of the sponsors in a InvIT/REIT

Currently some REITs and InvITs have multiple sponsors and it is possible that one such sponsor may exit and other sponsors may continue. In case of such exit of one sponsor, it has been specified that the exit offer can be provided by either 'the outgoing sponsor or its group entities' or 'the continuing sponsor or its group entities'.

8.2.1.2 Change in Definition of 'Dissenting Unitholders'

Presently, 'dissenting unitholders' include all unitholders who have not voted in favour of the resolution. As a result, unitholders not voting are also getting counted as dissenting.

Based on industry feedback and public comments, it has been specified that dissenting unitholders shall mean unitholders who have voted against such resolution. Further, for benefit of unitholders, unitholders notice shall contain explicit disclaimer specifying that exit option, if any, shall be offered only to unitholders voting against the resolution.

8.2.1.3 Maintenance of minimum public unitholding (MPU) post exit offer

Presently, the number of units tendered in exit offer are accepted on proportionate basis in order to maintain MPU post exit offer. This puts limitation on the number of tendered units that can be accepted and may not facilitate complete exit for a dissenting unitholder.

Accordingly, it has been specified that all units tendered must be accepted. Further, if MPU falls below the minimum threshold due to exit offer, the compliance with MPU norms shall be achieved within one year from completion of exit offer. This will facilitate complete exit of dissenting unitholders and will also provide specific timelines to achieve MPU compliance after the exit offer. This proposal is in alignment with SEBI (Substantial Acquisition and Takeover) Regulations, 2011 read with Securities Contracts (Regulations) Rules, 1957.

8.3 **Recognition of remote common infrastructure as real estate**

8.3.1 A REIT can invest in common infrastructure whether the same is co-located or not. However, definition of "real estate" contained the word common infrastructure for 'composite' real estate projects. As a result, remote common infrastructure was not getting qualified as real estate.

8.3.2 To promote environmental sustainability for REITs, the definition of real estate/property has been amended to include remote common infrastructure in real estate.

8.4 The above proposals to the Board were made based on the recommendations of the Hybrid Securities Advisory Committee of SEBI and after public consultation undertaken vide consultation paper issued on August 06, 2026.

9. Review of provisions related to mandatory listing of outstanding unlisted debt securities under Regulation 62A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

9.1 The Board approved the amendment to Regulation 62A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") to do away with the requirement for mandatory listing of all outstanding unlisted non-convertible debt securities ("NCD") by an issuer who proposes to list its NCD for the first time.

9.2 Currently, an entity that proposes to list its NCD on the stock exchange(s) is required to list all its outstanding unlisted NCDs, issued on or after January 1, 2024, within three months from the date of listing of the proposed NCD. Listing of outstanding issues adds operational challenges (viz. ISIN limits, covenant monitoring system, etc.) and cost to issuers towards the mandatory listing of already subscribed issues, while the information disclosed is common. Further, continuous disclosures under the listing agreement are common for various series of debt. The amendment provides that an entity shall be required to list only prospective issuances of non-convertible debt securities. This will encourage listing of debt securities by new issuers.

9.3 The proposal to the Board was made after public consultation undertaken vide consultation paper issued on August 10, 2026, and based on the recommendations of the Corporate Bonds and Securitization Advisory Committee of SEBI.

10. Amendment to SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 ("CAPSM Regulations")

10.1 The Board considered and approved amendments to the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007. The changes aim to improve regulatory clarity, ease of doing business and provide greater flexibility for market professionals. Key regulatory changes include:

10.1.1 Relaxation in the "cut-off date" for age and experience based exemption, from the date of notification to the date of appearing in exam or date of obtaining Continuing Professional Education (CPE).

10.1.2 Introduction of courses and programmes, the completion of which shall be considered as grant of certification.

10.1.3 The Regulations is renamed as SEBI (Certification of Specified Persons in the Securities Markets) Regulations, 2007.

10.2 The proposals were placed before the Board after conducting a public consultation and the feedback received thereon.

11. Amendments to SEBI (Alternative Investment Funds) Regulations, 2012 with the objective of extending the protection available to investors of AIFs (constituted as Trust) to investors of all forms of AIFs.

11.1 The Board considered and approved the proposal to amend SEBI (Alternative Investment Funds) Regulations, 2012 to extend the protection currently available to investors of AIFs set up as a Trust to investors of all forms of AIFs.

11.2 If an AIF is currently set up as a trust, the Fund Manager or its officers cannot use the trust's assets to pay for their own losses, damages, or expenses including costs of resolving investor disputes. The amendment now extends the said protection to all forms of AIF irrespective of the form in which they are set up and has been done with the objective of enhancing investor protection.

11.3 The above proposal was placed before the Board, after considering the feedback received through the public consultation undertaken vide consultation paper issued on July 23, 2026.

12. Review of Accredited Investor (AccI) framework to facilitate participation by sophisticated investors in capital formulation

12.1 The Board approved following amendments to the Accredited Investor (AccI) framework with the objective of simplifying the process of accreditation, and expanding the pool of eligible investors.

12.2 The key decisions are as follows:

12.2.1 **Manager led accreditation:** As an additional and optional route, Managers of Alternative Investment Funds (AIFs), AMCs offering Specialized Investment Funds (SIFs) and Portfolio Managers (SEBI registered PMS) will be permitted to accredit investors. The existing route through Accreditation Agencies will continue.

12.2.2 **Introduction of securities market exposure as an eligibility criterion:** Investors will be permitted to qualify for accreditation based on securities market exposure of at least Rs. 5 crore for individuals, HUFs, family trusts and sole proprietorships, and Rs. 20 crore for body corporates and other trusts. This will provide a digitally verifiable additional eligibility criterion.

12.2.3 **Deemed accreditation for non-residents:** Persons Resident Outside India, as defined under the Foreign Exchange Management Act, 1999, including Foreign Portfolio Investors, will be deemed to be Accredited Investors. This will enable sophisticated investors based outside India ease of access to eligible Indian securities market products and also facilitate inflow of foreign capital.

12.2.4 **Accreditation of Limited Liability Partnerships (LLPs):** LLPs will be eligible for accreditation where each partner is an AccI, in line with the existing framework for partnership firms.

12.3 The manager led accreditation framework will eliminate duplication in the verification process and reduce the time and cost associated with accreditation. Accreditation under both the manager led and Accreditation Agency routes will be valid for three years. Manager led accreditation will be portable across AIF, SIF and PMS products within the same group, subject to appropriate safeguards.

12.4 The proposal to the Board was made after public consultation under vide consultation paper issued on August 13, 2026 and based on the recommendations of the Alternative Investment Policy Advisory Committee (AIPAC).

12.5 These measures are expected to simplify the accreditation process, expand the eligible investor base and facilitate greater mobilisation of capital from sophisticated investors into alternative investment products.

13. Settlement Scheme, 2026 – In matters dealing with trading activities of certain entities in Illiquid Stock Options (ISOs)

13.1 Securities and Exchange Board of India (SEBI) has decided to introduce a fourth (4th) Settlement Scheme, (hereinafter referred to as "the Scheme"), under Section 15JB of the SEBI Act, 1992 read with Regulation 26 of the SEBI (Settlement Proceedings) Regulations, 2018, for dealing with the matter of trading activities of certain entities in ISOs on Bombay Stock Exchange (BSE). Earlier, three (3) schemes were introduced during 2020, 2022 and 2024 respectively, wherein a large number of the concerned entities settled the proceedings initiated against them.

13.2 The Scheme was approved by the Competent Authority at SEBI, following the recommendations made by the High Power Advisory Committee (HPAC), in terms of Regulation 26 of Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018; and was placed before the Board for information.

13.3 The Scheme will provide a settlement opportunity to eligible entities in respect of their non-genuine trades executed in the stock options segment of BSE during the period from April 01, 2014 to September 30, 2015, where the related enforcement proceedings are pending before any authority/forum viz. Adjudicating Officer/Hon'ble SAT/Hon'ble Courts /Recovery Officer.

13.4 The Settlement Amount under the Scheme would be as follows:

Sl. No.	***Number of Contracts***	***Settlement Amount (₹)***
1.	*01-05*	*₹ 1,44,000*
2.	*06-50*	*₹ 2,88,000*
3.	*51 and above*	*₹ 7,20,000 + ₹ 14,400 per contract* *E.g. for 51 contracts, the SA would be ₹14,54,400 (₹ 7,20,000+51* ₹14,400)*

13.5 Modalities for making the application under the Scheme will be informed in due course.

Mumbai
September 24, 2026