



cyril amarchand mangaldas  
ahead of the curve



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It gives us immense pleasure to share with you the eleventh issue of the Financial Institutions Group (**FIG**) Bulletin, a quarterly newsletter produced by our FIG practice.

India's financial regulators introduced a series of significant measures aimed at strengthening governance, transparency, and resilience across the financial system. The Reserve Bank of India (**RBI**) issued directions for a simplified regulatory regime by consolidating existing circulars and directions into a consolidated, function-wise repository for each category of the regulated entity. This move has been intended to optimise the regulatory framework, reduce compliance costs, and improve clarity for regulated entities.

The Securities and Exchange Board of India (**SEBI**) took measures to clarify restrictions on contra trading for pledge transactions, strengthening governance of market infrastructure institutions and relaxing disclosure requirements for related party transactions to facilitate ease of doing business while maintaining transparency.

Meanwhile, the Insurance Regulatory and Development Authority of India (**IRDAI**) unveiled a new fraud monitoring framework, set to take effect in April 2026, replacing its decade-old guidelines. This framework adopts a risk-based approach to fraud prevention and governance, requiring insurers to strengthen internal controls.

The International Financial Services Centres Authority (**IFSCA**) focused on refining regulations to enhance GIFT City's competitiveness as a global hub. Amendments to fund management rules broadened the eligibility criteria for key managerial personnel, while listing regulations were tightened with higher penalties for non-compliance. These changes aim to improve governance standards and attract international players to India's IFSC ecosystem.

We hope you enjoy reading this newsletter. Please feel free to send your comments, feedback and suggestions to [cam.publications@cyrilshroff.com](mailto:cam.publications@cyrilshroff.com)

Regards,

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Managing Partner  
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## RBI Regulatory Updates

### 1. Issuance of Consolidated Master Directions, 2025<sup>1</sup>

The RBI, on November 28, 2025, released 244 consolidated Master Directions (**MDs**), marking a paradigm shift in the structure of regulatory instructions. This issuance follows the release of draft MDs on October 10, 2025, and subsequent stakeholder consultations inviting over 770 comments. The initiative aims to rationalise the regulatory landscape by consolidating instructions contained in over 9,000 existing circulars and guidelines issued over several decades into a single, function-wise repository for each category of regulated entities (**REs**).

#### Key Aspects:

- i. The consolidated MDs are categorised specifically for 11 (eleven) types of REs, including commercial banks, small finance banks, non-banking financial companies (**NBFCs**), asset reconstruction companies (**ARCs**) and credit information companies (**CICs**).
- ii. Concurrently, the RBI has withdrawn 9,445 circulars. The new MDs now serve as the sole library of valid regulations administered by the Department of Regulation, although a specific list of notifications has been retained as standalone.
- iii. While the consolidation is primarily on an “as-is” basis regarding the legal position, the new MDs integrate relevant FAQs and illustrations directly into the main text to eliminate ambiguity and cross-referencing.

This establishes a RE-wise regime for regulatory compliance, significantly enhancing the ease of doing business by removing the need to track fragmented legacy circulars. REs must urgently undertake a mapping exercise to align their internal compliance manuals, standard operating procedures, and risk

management frameworks with the new MDs, ensuring that references to repealed circulars are removed from their internal governance documents.

### 2. Reserve Bank – Integrated Ombudsman Scheme, 2021: Amendments<sup>2</sup>

The RBI, on October 7, 2025, introduced amendments to the Integrated Ombudsman Scheme, effectively classifying state co-operative banks and central co-operative banks as regulated entities REs under the Integrated Ombudsman Scheme, 2021, effective November 1, 2025.

#### Key Aspects

The *Ombudsman Scheme* will now cover an even broader range of financial entities, including:

- i. All commercial banks, regional rural banks, state co-operative banks, central co-operative banks, scheduled primary (urban) co-operative banks, and non-scheduled primary (urban) co-operative banks with deposit size of INR 50 crore and above as on the date of the audited balance sheet of the previous financial year.
- ii. All NBFC that (a) are authorised to accept deposits or (b) have customer interface, with an asset size of INR 100 crore and above as on the date of the audited balance sheet of the previous financial year.
- iii. All system participants as defined under the Scheme.
- iv. All CICs.

Customers of these co-operative banks will now gain access to the RBI’s unified grievance redressal mechanism, ensuring consistency in complaint resolution across a wider spectrum of financial institutions.

<sup>1</sup> [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=61705](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=61705)  
<sup>2</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12911&Mode=0>  
<sup>3</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12923&Mode=0>

### 3. FEMA (Export of Goods and Services) (Second Amendment) Regulations, 2025<sup>3</sup>

The RBI, on November 13, 2025, issued amendments to the *FEMA (Export of Goods and Services) Regulation* for extensions to timelines governing export proceeds and related obligations.

#### Key Aspects

- i. Regulation 9 has been amended to extend the period for realisation of export proceeds from 9 (nine) months to 15 (fifteen) months, giving exporters additional flexibility in managing international trade settlements.
- ii. Regulation 15 has been revised to extend the permissible period for shipment of the goods post receipt of the advanced payment from 1 (one) year to 3 (three) years.

Exporters will now have more time and greater flexibility to meet their obligations.

### 4. Amendments to Directions - Compounding of Contraventions under FEMA, 1999<sup>4</sup>

The RBI, on November 24, 2025, revised the account details for receiving both the compounding application fee and the compounding amount through electronic payment modes such as NEFT and RTGS.

#### Key Aspects

- i. Annexure I of the Master Directions has been updated to ensure all payments related to compounding are streamlined under the new account framework.
- ii. Authorised Persons may communicate these updated guidelines to their constituents.

The amendment streamlines the payment mechanism through updated account details and mandates the communication of these changes to constituents.

### 5. Clarification on Compliance with Know Your Customer (KYC) Norms<sup>5</sup>

The RBI, in pursuance of the KYC directions issued, released a clarification on November 28, 2025, updating the framework on KYC compliance. This update follows the substitution of the earlier *Master Direction – KYC, 2016*, with regulatory instructions now tailored separately for each type of entity regulated by the RBI.

#### Key Aspects

Regulatory instructions will now apply separately to each type of entity regulated by the Department of Regulation, RBI.

- i. Authorised Persons regulated by the department will follow their respective KYC directions.
- ii. Authorised Persons not regulated by the department will adhere to the RBI (NBFCs–KYC) Directions, 2025.<sup>6</sup>
- iii. Authorised Persons must ensure compliance not only within their own operations but also across their agents, sub-agents, and franchisees.

The KYC framework has been strengthened by aligning compliance obligations with the regulatory status of Authorised Persons.

### 6. Reserve Bank of India (Credit Information Reporting) Amendment Directions, 2025<sup>7</sup>

The RBI had earlier, on November 28, 2025, issued the *Credit Information Reporting Directions, 2025*, to strengthen the efficiency of credit information reporting in India. Following a review of the existing framework, RBI has now introduced amendments to further streamline reporting processes and enhance data accuracy.

These amendments were notified on December 4, 2025, and will come into force from July 1, 2026. These directions apply to commercial banks, small finance

<sup>4</sup> <https://website.rbi.org.in/web/rbi/-/notifications/amendments-to-directions-compounding-of-contraventions-under-fema-1999-2>

<sup>5</sup> <https://website.rbi.org.in/web/rbi/-/notifications/compliance-with-know-your-customer-kyc-norms>

<sup>6</sup> <https://rbisdocs.rbi.org.in/rbicos/notification/PDFs/218MD.PDF>

<sup>7</sup> <https://website.rbi.org.in/web/rbi/-/notifications/reserve-bank-of-india-commercial-banks-credit-information-reporting-amendment-directions-2025>



banks, payment banks, and local area banks, regional rural banks, rural co-operative banks, urban co-operative banks, All India Financial Institutions, NBFCs, asset reconstruction companies (**ARCs**), CICs and the State Bank of India.

### Key Aspects

- i. Credit institutions (**CIs**) must now submit credit information to CICs on the 9th, 16th, 23rd, and last day of each month. Incremental account data must be submitted within 4 (four) calendar days of these reference dates, while a full file of all active and closed accounts must be submitted by the fifth of the following month.
- ii. CIs are required to report the Central KYC (**CKYC**) number of borrowers to CICs wherever available, ensuring better integration of KYC data with credit reporting.
- iii. Any data rejected by CICs must be corrected and re-submitted before or along with the next reporting cycle, ensuring timely accuracy in records.
- iv. CICs must report non-compliance by CIs with submission timelines to RBI's Department of

Supervision through the DAKSH portal on a half-yearly basis.

These measures are expected to improve transparency, enhance borrower profiling, and strengthen the reliability of credit reporting.

### 7. Reserve Bank of India– Know Your Customer Amendment Directions, 2025<sup>8</sup>

The RBI has issued amendments to the *Reserve Bank of India (Know Your Customer) Directions, 2025*, dated November 28, 2025, to consolidate instructions contained in the existing directions, circulars, and guidelines, in compliance of the provisions of the Prevention of Money Laundering Act, 2002 (PML Act), and the Rules made thereunder.

The RBI notified these amendments on December 29, 2025. These directions, which came into force with immediate effect, apply to commercial banks, small finance banks, payment banks, and local area banks, regional rural banks, rural co-operative banks, urban co-operative banks, All India Financial Institutions, NBFCs, and ARCs.

<sup>8</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13237&Mode=0>

### Key Aspects:

- i. **The RE** that last uploaded or updated customer KYC records in Central KYC Records Registry (**CKYCR**) will be responsible for customer identity/address verification.
- ii. Banks downloading and relying on CKYCR records need not re-verify identity/address, provided records are current and compliant with PML Act and PML Rules.
- iii. Banks will continue to be responsible for all other aspects of Customer Due Diligence (**CDD**).

The Amendment Directions strengthen accountability in KYC processes by clearly defining the obligations of uploading and downloading entities. This streamlining reduces duplication, enhances efficiency in CKYCR usage, and ensures compliance with anti-money laundering requirements.

## 8. Investment in Corporate Debt Securities by Persons Resident Outside India through Special Rupee Vostro Accounts (Reserve Bank of India)<sup>9</sup>

The RBI, on October 3, 2025, issued a circular expanding the investment options available to persons resident outside India who maintain a Special Rupee Vostro Account (**SRVA**) for international trade settlement in Indian rupees.

### Key Aspects

The Master Direction updates include the following:

- i. The term “Government Securities” has been replaced with “eligible instruments,” broadening the scope of permissible investments.
- ii. Investments in non-convertible debentures (**NCDs**), bonds, and commercial papers through SRVAs will be reckoned under the corporate debt securities investment limit under the General Route.
- iii. Certain stipulations applicable to foreign portfolio investor (**FPI**) investments, such as minimum

residual maturity and issue-wise limits, will not apply to investments made under the SRVA route.

- iv. AD Category-I banks must facilitate the opening of separate demat accounts for SRVA holders to manage these investments and report transactions to SEBI-registered depositories for monitoring compliance.
- v. The responsibility for adhering to applicable investment limits rests with SRVA holders and the AD Category-I banks maintaining these accounts.

Previously, surplus balances in SRVAs could be invested only in Central Government Securities (including Treasury Bills). With the latest amendment, these balances can now also be invested in NCDs, bonds, and commercial papers issued by Indian companies.

## 9. Reserve Bank of India – Responsible Business Conduct Amendment Directions, 2025 (BSBD Account Refresh via RBC Directions)<sup>10</sup>

The RBI, on December 4, 2025, issued an amendment to the *Responsible Business Conduct Directions, 2025*, introducing the basic savings bank deposit (**BSBD**) account to promote financial inclusion by offering essential banking facilities free of charge. The draft directions were introduced on October 1, 2025, for public consultation and were later notified on November 28, 2025.

These directions apply to commercial banks, excluding small finance banks, payments banks, and local area banks.

### Key Aspects:

The amendment establishes the BSBD Account framework, outlining the following essential features:

- i. Banks must provide BSBD account holders with free facilities including unlimited deposits, ATM/debit cards without annual fees, cheque books (minimum 25 leaves per year), internet/mobile banking, passbooks or monthly statements, and at least 4

<sup>9</sup> <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12909&Mode=0>

<sup>10</sup> <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=13173&Mode=0>



(four) free withdrawals per month. Digital payment transactions (NEFT, RTGS, UPI, IMPS, etc.) will not be counted as withdrawals.

- ii. Customers may request ATM cards, internet/mobile banking, or cheque books at account opening or later. Banks cannot mandate these facilities.
- iii. New free facilities must be extended to existing BSBD account holders upon request, through both physical and digital channels.
- iv. Banks may offer extra facilities transparently, with or without charges, but cannot impose minimum balance requirements.
- v. BSBD accounts remain subject to RBI's KYC/AML directions, including specific provisions for minors.
- vi. Banks cannot require an initial deposit to open BSBD accounts
- vii. *Conversion Option*: Customers may convert existing savings accounts into BSBD accounts within 7 (seven) days of request, including via digital channels.
- viii. Customers cannot hold more than one BSBD account across banks. Banks must obtain a declaration before opening or converting accounts.

The Amendment Directions strengthen the BSBD framework by mandating free core facilities, ensuring customer choice, and eliminating hidden barriers such as minimum balance or deposit requirements.

## 10. Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) (Amendment) Directions, 2025<sup>11</sup>

The RBI, on December 5, 2025, issued the *Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) (Amendment) Directions, 2025*, following a draft circular released on October 4, 2024, which proposed revised norms for forms of business and



prudential regulations. These amendments modify the recently consolidated *Master Direction – Undertaking of Financial Services*, issued on November 28, 2025, incorporating stakeholder feedback to refine the regulatory perimeter for banks and their group entities.

### Key Aspects:

- i. There is now a specific definition for “group entity” as a subsidiary, joint venture, or associate as per Accounting Standards. Significantly, entities held under a non-operative financial holding company (**NOFHC**) structure are no longer treated as group entities.
- ii. Banks are permitted to undertake lending through NBFC subsidiaries if there is a recorded business rationale, such as market specialisation, approved by the Board.
- iii. To reduce regulatory arbitrage, all NBFC group entities must now comply with Scale-Based Regulations applicable to the NBFC-Upper Layer, excluding the mandatory listing requirement. Banking restrictions on advances, such as prohibitions on lending against the parent bank's shares, lending to directors, or financing promoter contributions, now extend to these NBFC group entities.

<sup>11</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13209&Mode=0>

iv. Investments in Category I/II alternative investment funds (**AIFs**) are capped at 10 per cent of the corpus per scheme. Prior RBI approval is required for a bank group to make an aggregate equity investment of 20 per cent or more in any entity. For permissible non-financial services companies, investments up to 30 per cent are allowed, subject to a time-bound dilution plan.

v. *Services and Distribution:*

- a) **Agency Business:** Banks or its group entities restricted to acting as agents for regulated financial products only, without risk participation.
  - b) **Referral Services:** Banks may refer customers to third parties but must ensure the bank's name does not appear on product documents. Processes cannot be integrated; only redirect links are permitted.
  - c) **Portfolio Management Services (PMS):** Banks are prohibited from offering PMS departmentally; such services must be housed in a separate group entity.
- vi. Any new business by overseas branches or IFSC units requires a no-objection certificate (**NOC**) from the RBI and must adhere to the more stringent of home or host country regulations.
- vii. Banks are now permitted to act as professional clearing members (**PCM**) for the equity derivatives segment of SEBI-recognised stock exchanges.
- viii. Banks must cease non-conforming new business by April 1, 2026, and achieve full investment compliance by March 31, 2028.

These amendments bring necessary clarity to the scope of “bank groups,” ensuring that parallel entities under a common shareholder are not inadvertently captured. While the directions provide operational flexibility for

banks to utilise subsidiaries for specialised lending, they simultaneously raise the compliance bar by mandating Upper Layer standards for group NBFCs. The rigorous guardrails established for agency and referral services will likely necessitate a structural review of existing third-party distribution models to ensure strict brand separation and consumer protection.

## 11. FEMA (Foreign Currency Accounts by a Person Resident in India) (Seventh Amendment) Regulations, 2025<sup>12</sup>

The RBI issued the seventh amendment to the *FEMA (Foreign Currency Accounts by a Person Resident in India) Regulations* on October 6, 2025. These provisions remain subject to compliance with the *Foreign Exchange Management (Export of Goods and Services) Regulations, 2015*.

### Key Aspects

- i. The revised sub-regulation (**CA**) of *Regulation 5* permits exporters to open, hold, and maintain foreign currency accounts (**FCAs**) with banks outside India for realising export proceeds and advance remittances.
- ii. The funds in these accounts can either be used to pay for imports into India or must be repatriated within specified timelines, i.e., 3 (three) months, for accounts maintained in International Financial Services Centres (**IFSCs**) or by the end of the next month in all other jurisdictions.
- iii. FCAs permitted to be opened “outside India/abroad” may also be established in IFSCs.

Indian exporters will now have greater flexibility in managing FCAs. The explicit recognition of IFSCs as valid jurisdictions for such accounts provides them with more options for managing international trade transactions.

<sup>12</sup> <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12916&Mode=0>

## SEBI Regulatory Updates

### 1. SEBI Clarification on Contra Trade Restrictions for Pledge Transactions

#### Background

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), require companies' codes of conduct to specify a minimum six-month period within which designated persons shall not execute "contra trades". This raised concerns whether pledge, revocation of pledge, and subsequent sale of unpledged shares would constitute "trading" and attract contra trade restrictions.

On December 31, 2024, SEBI's "Comprehensive FAQs on PIT Regulations" clarified that "trading" includes dealing in securities and encompasses pledging, invocation, and revocation of pledge to curb activities based on unpublished price sensitive information (UPS). This led compliance officers to adopt conservative interpretations, restricting genuine transactions where lenders released pledges to enable borrowers to sell shares for debt repayment.

#### Key Aspects

- i. Pledge and revocation exempt from contra trade restrictions

Pledging and revocation are "opposite trades", but beneficial ownership remains unchanged in pledge creation/revocation. Therefore, revocation of pledge within six months of creation shall not trigger contra trade restrictions under the PIT Regulations.

- ii. ESOP share sales after pledge revocation

Sale of shares allotted through employee stock ownership plans (ESOPs) immediately after revocation of pledge shall not attract contra trade restrictions, provided the designated person proves the transaction is bona fide and obtains pre-clearance from the compliance officer.

- iii. Continuation of other restrictions

Restrictions such as prohibition on trading during trading window closure periods shall continue to apply to all transactions.

#### Conclusion

SEBI's Informal Guidance provides much-needed clarity for industry participants, particularly insiders exercising ESOPs funded through pledged loans. It permits structured exits from pledges and subsequent sales for loan repayment without automatic contra trade implications, provided compliance protocols including pre-clearance requirements are followed. Compliance officers should update internal policies to reflect this clarification whilst ensuring adherence to trading window restrictions and other applicable provisions under the PIT Regulations.

### 2. Provisions Relating to Strengthening Governance of Market Infrastructure Institutions (MIIs)

#### Background

The phenomenal growth in the securities market has amplified the role of MIIs (Stock Exchanges, Clearing Corporations, and Depositories) to act primarily in public interest. Based on stakeholder feedback and SMAC recommendations, the SEBI Board approved amendments to SECC Regulations, 2018, and SEBI (Depositories and Participants) Regulations, 2018, regarding the roles and responsibilities of managing directors, executive directors (Eds), and key management personnel.

#### Key Aspects

- i. EDs of Vertical 1 (critical operations) and Vertical 2 (regulatory, compliance, risk management, and investor grievances) shall be members on the Governing Board.
- ii. EDs shall report quarterly to the Governing Board and may bring matters directly to SEBI's attention when necessary.
- iii. Technology audits (system audit and cyber security audit) shall be handled by the chief risk officer.



## Conclusion

Implementation follows a glide path: first ED within 6 (six) months and second ED within 9 (nine) months from December 20, 2025. The strengthened governance framework enhances accountability through clear reporting structures, independent performance assessments, and direct board representation for critical functions.

## 3. Amendments to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

### Background

Following recommendations from the Takeover Regulations Advisory Committee (TRAC) and public consultation, SEBI has introduced amendments to the Takeover Regulations, 2011, to address specific issues relating to competing offers, disclosure requirements, and procedural aspects of open offers.

### Key Aspects

- i. Enhanced disclosure requirements for competing offers
- ii. Clarification on withdrawal of competing offers

Regulation 22 has been amended to clarify that withdrawal provisions shall not apply to competing offers made under Regulation 20, thereby preventing tactical withdrawals and providing certainty to shareholders.

- iii. Streamlined timeline for Letter of Offer

Regulation 16 has been amended to require filing of the draft letter of offer with SEBI within 21 (twenty-one) working days from the date of the detailed public statement.

## Conclusion

These amendments came into force on October 21, 2025. The enhanced disclosure requirements and withdrawal clarifications strengthen transparency in takeover processes and protect shareholder interests by preventing opportunistic behaviour during competing offer situations.

## 4. Relaxation in Minimum Information to be Provided to the Audit Committee and Shareholders for Approval of Related Party Transactions

### Background

Following representations from the Industry Standards Forum (ISF) and recommendations from SEBI's Advisory Committee on Listing Obligations and Disclosures (ACLOD), SEBI has introduced relaxations in disclosure requirements for related party transactions (RPTs) to facilitate ease of doing business while maintaining transparency.

### Key Aspects

- i. *Tiered disclosure framework*: For RPTs not exceeding 1 per cent of annual consolidated turnover or INR 10 crore (whichever is lower), listed entities shall provide simplified information as specified in Annexure-13A.
- ii. *Complete exemption for small value transactions*: Disclosure requirements shall not apply to RPTs not exceeding INR 1 crore, providing significant relief for routine, low-value transactions.
- iii. *Simplified information requirements*: For transactions within the relaxation threshold, simplified disclosure formats have been prescribed for both Audit Committee and shareholder approvals, covering essential information including transaction particulars, related party details, value, justification, and specific requirements for loans and investments.

## Conclusion

This circular balances regulatory compliance with operational efficiency. Listed entities should review their RPT approval processes and update internal policies to align with the revised framework. Audit Committees must implement systems to track and aggregate RPTs to determine applicable disclosure requirements based on prescribed thresholds.

## IRDAI Regulatory Updates

### 1. Insurance Regulatory and Development Authority of India (Insurance Fraud Monitoring Framework) Guidelines, 2025

The Insurance Regulatory and Development Authority of India (**IRDAI**) issued comprehensive Insurance Fraud Monitoring Framework Guidelines on October 9, 2025 (**Guidelines**), requiring insurers and distribution channels to adopt measures to address and manage risks emanating from fraud. The Guidelines, effective from April 1, 2026, establish a comprehensive framework to deter, prevent, detect, report, and remedy fraud risks across the insurance industry. The Guidelines aim to enhance the sector's resilience against fraud, foster a culture of integrity, protect policyholders' interests, safeguard financial stability, and maintain public trust. Key provisions include:

- a) **Categories of Fraud:** Insurers shall establish appropriate systems and processes across all functions to deter, prevent, detect, report, and remedy frauds, according to following categories:
  - i. *Internal fraud* involves internal staff, including employees and/or senior management.
  - ii. *Distribution channel fraud* involves distribution channels.
  - iii. *Policyholder fraud and/or claims fraud* involves any person(s) in obtaining coverage or payment during the purchase, servicing, or claim of an insurance policy.
  - iv. *External fraud* involves external parties/service providers/vendors etc.
  - v. *Affinity fraud* or complex fraud involves collusion among one or more fraud perpetrators in the preceding categories.
- b) **Fraud Risk Management Framework:** Insurers shall adopt a zero-tolerance approach to fraud and implement fraud risk management (**FRM**) aligned to their business profile, size, risk profile, overall

business strategy, products, distributions channels, technology infrastructure and shall include:

- i. **Risk Management Committee (RMC):** Oversight and accountability for implementation of FRM framework shall rest with insurer's RMC.
- ii. **Anti-Fraud Policy:** A Board-approved Anti-Fraud policy must be in place, reviewed at least annually, and cover elements such as red flag indicators, end-to-end procedures to deter, prevent, detect, report, and remedy fraud, defined roles and delegations, a documented investigation and reporting process (including timelines and designated officers), actions for non-compliance and against perpetrators, and due diligence for recruitment/vendor engagement.
- iii. **Fraud Monitoring Committee (FMC):** Insurers shall establish FMC to operationalise the FRM framework and oversee fraud prevention and control measures supported by an independent fraud monitoring unit (FMU). The FMC is expected to drive timely response, maintain fraud records, and coordinate with relevant bodies, where required. The FMC shall submit quarterly reports to the RMC and submit an Annual Comprehensive Fraud Risk Assessment before the Board through the RMC, with internal frauds additionally reported to the Audit Committee.
- iv. **Red Flag Indicators (RFIs):** Insurers must identify fraud-related-RFIs relevant to their products, business lines, and operating experience; embed these RFIs into day-to-day processes for fraud detection; and review them periodically to ensure they remain relevant and effective in detecting emerging fraud patterns.
- v. **Mitigation and Monitoring of Frauds:** Insurers shall implement appropriate control measures for effective mitigation and monitoring of each category of fraud risk, including maintenance of



Incident Database of persons convicted of or attempting fraud, fraud-sensitive audits, tracking of business trends from distribution channels, monitoring vendor activities regularly, and analysing customer grievances and complaints to detect and prevent fraud.

vi. *Cyber or New-Age Fraud*: Such frauds as carried out using digital or new-age technologies. Insurers shall establish robust cybersecurity framework, utilise a team to manage cyber fraud risks across insurance business lines, and continuously monitor and strengthen systems and processes for FRM, such as incident databases, customer verification, and access control.

vii. *Insurance Information Bureau (IIB)*: Insurers shall participate in the Fraud Monitoring Technology Framework, as applicable to their businesses, made available by IIB. They must also share relevant fraud intelligence / data, including blacklisted entities, to enable industry-wide detection, information sharing, and prevention of insurance fraud. The IIB shall, through the industry-wide database, facilitate timely threat intelligence sharing on attempted, suspected, and reported fraudulent activities within the insurance industry, by adopting a suitable

mechanism for identifying policyholders irrespective of insurer, such as a unique identifier.

viii. *Framework for Reinsurance Business and Distribution Channels*: The Guidelines apply mutatis mutandis to reinsurance businesses. Foreign reinsurance businesses shall implement the framework prescribed by the host jurisdiction of their parent entity or the framework, whichever is more comprehensive. Distribution channels shall also establish a comprehensive FRM framework commensurate with their business size and risk profile.

ix. *Intermediary and Insurance Intermediary (Except for Individuals)*: Intermediaries and insurance intermediaries shall implement a proportionate FRM framework, as the Board / senior management deems appropriate and adequate. It should include internal policies, procedures, and controls to prevent / detect / report, and remedy frauds, relevant RFIs, a mechanism to inform the insurer concerned upon suspicion of fraud.

x. *Training, Education, and Awareness*: Intermediaries and insurance intermediaries shall conduct regular fraud awareness

programmes to educate policyholders. They should also organise periodic training programmes for their employees and senior management, including board members, and for distribution channels on FRM.

- xi. *Reporting:* Insurers shall report incidents of fraud to Law Enforcement Agencies and/or other relevant agencies, subject to applicable laws. They must also file annual returns with Authority in forms FMR-1 within 30 days of close of the financial year. In the event of fraud committed by IRDAI-registered distribution channels, the insurers must escalate and report to IRDAI without delay.

## 2. Circular on Cessation of Practice Allowing Additional Line of Business/Department to Surveyors and Loss Assessors

The IRDAI, *vide* its circular dated October 10, 2025, discontinued the earlier practice permitting individual surveyors and loss assessors (**SLAs**) to hold an individual SLA licence across multiple lines of business (**LOBs**) based on the categorisation letter. It noted that this approach was no longer appropriate given advancements in technology and evolving requirements for fair and accurate loss assessment.

Consequently, the circular dated February 4, 2020 (Ref: IRDA/SUR/CIR/MISC/042/02/2020), stands repealed with immediate effect.

Individual surveyors may continue to be eligible for renewal/continuation of their licence, subject to compliance with the eligibility criteria under Regulation 3 of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 (as amended from time to time). Any addition of LOB in an individual surveyor licence must be undertaken in accordance with the proviso to Regulation 27 of these Regulations.

## 3. Circular Permitting Insurers' Investments in AT1 Bonds and Tier 2 Capital of RBI-Regulated All India Financial Institutions

Following the IRDAI circular dated December 19, 2025, insurers now have permission to invest in (i) AT1 bonds and (ii) Debt Capital Instruments and Preference Share Capital Instruments (except Perpetual Cumulative Preference shares) forming Tier 2 Capital issued by All India Financial Institutions regulated by the RBI. Such investments must comply with the provisions applicable to the insurers' investments in banks under Para 1.6(b) and (d) of Chapter 3 of Master Circular on Actuarial, Finance, and Investment Functions of Insurers dated May 17, 2024.

## IFSCA Regulatory Updates

### 1. Constitution of Payments Regulatory Board of IFSCA

- i. The IFSCA constituted the Payments Regulatory Board (**PRB**) on October 1, 2025, under the Payment and Settlement Systems Act, 2007 (**PSS Act**), following the amendments brought into effect on May 9, 2025, by the Department of Financial Services, Government of India. Consequently, the PRB has replaced the former Board for Regulation and Supervision of Payment and Settlement Systems (**BPSS**) as the body through which the IFSCA shall exercise the powers, perform the functions, and discharge the duties conferred on it under the PSS Act.
- ii. The IFSCA chairperson chairs the PRB with five other members including a Whole-Time Member of IFSCA, the Head of Department for Banking Regulation and Development at the IFSCA, a representative from the Department of Financial Services (Joint Secretary / Economic Advisor in Cyber Security and Fintech), the CEO of the Unique Identification Authority of India (**UIDAI**), and the MD & CEO of the National Payments Corporation of India (**NPCI**).

### 2. Circular on Foreign Currency Settlement System – Instructions for IFSC Banking Units (IBUs)

- i. The IFSCA has launched the Foreign Currency Settlement System (**FCSS**) and authorised CCIL IFSC Limited to operate it, with Standard Chartered Bank's IBU acting as the Settlement Bank.
- ii. *Key highlights include:*
  - a) The FCSS shall settle transactions undertaken in foreign currency, starting with USD.
  - b) Payment obligations and settlement instructions among FCSS participants shall be determined in accordance with the gross settlement procedure.
  - c) The system is compatible with ISO 20022 messaging standards.

d) IBUs are eligible to be members, subject to satisfaction of access criteria and must apply to CIL as per the procedure outlined in the BRR.

- iii. This marks a significant step towards strengthening the payment infrastructure in IFSC, enabling efficient foreign currency settlements with global standards.

### 3. Circular on Import of Gold or Silver by Qualified Jewellers and TRQ Holders Through IIBX – Consolidation and Amendment

- i. The IFSCA, on October 10, 2025, issued a circular on the import of gold or silver by Qualified Jewellers and valid India-UAE CEPA Tariff Rate Quota (**TRQ**) holders through the India International Bullion Exchange (**IIBX**) (**Circular**). This Circular also updates the eligibility criteria, expanding the range of entities permitted to access the bullion exchange in the IFSC to import gold and silver. The revision is based on multiple representations from stakeholders seeking a review of the eligibility criteria stipulated in prior IFSCA circulars, as notified periodically.

### 4. Requirements for Appointment of Governing Board Director of Market Infrastructure Institutions (MIIs)

- i. The IFSCA has specified requirements for the appointment of directors to the Governing Board of MIIs and the standard for the performance review of Public Interest Directors (**PIDs**) under Chapter III of the MII Regulations, 2021.
- ii. *Key specifications include:*
  - a) The Governing Board shall consist of directors with requisite qualifications in capital markets, finance and accountancy, legal and regulatory practice, technology, risk management, or administration, with at least one PID in each specified area.



- b) MII shall frame the performance review policy for PIDs with criteria including prior responsibilities, domain expertise, skillset mix, and general competencies.
- c) MII shall organise training programmes and provide adequate annual training to all PIDs.

## 5. IFSCA (Listing) (Amendment) Regulations, 2025

- i. The IFSCA, *vide* gazette notification dated October 16, 2025, issued the IFSCA (Listing) (Amendment) Regulations, 2025 (**Amended Regulations**), which amends the IFSCA (Listing) Regulations, 2024 (**Regulations**), dated August 20, 2024.
- ii. *The amendments include:*
  - a) Regulation 16(8) (Disclosures in Offer Document) has been substituted to state that the financial information provided in the offer document shall not be older than 180 days, which was 135 days previously.
  - b) Regulation 25(2) (Allotment) has been substituted to state that the issuer and lead manager(s) shall ensure that the specified securities are allotted, and the payments and refunds are completed within to 8 (eight) working days from the date of closing of the issue, which was 5 (five) working days previously.
  - c) Regulations 52(3) (Application and Allotment) has been substituted to state that the issuer and lead manager(s) shall ensure that the specified securities are allotted, and the payments and refunds are completed 8 (eight) working days from the date of closing of the issue, which was 5 (five) working days previously.
  - d) Regulation. 96(2) (Financial Statements) and Regulation 107(2) (Financial statements) have been substituted to state that the listed entity shall disclose its financial statements for first half of the financial year to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than

45 days after the end of first half year. The listed entity was previously required to disclose the financial statements for each of the first three quarters of its financial year to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than 45 days after the end of each quarter.

- iii. The Amended Regulations reflect the IFSCA's intent to provide greater operational flexibility to issuers and intermediaries, while rationalising disclosure timelines and procedural requirements to facilitate smoother and more efficient listing and post-listing compliance in the IFSC.

## 6. Framework on Stewardship Code in IFSC

- i. The IFSCA *vide* circular dated October 23, 2025, notified a Framework on Stewardship Code in IFSC (**Framework**), encouraging all Fund Management Entities (**FMEs**) and Institutional Investors (**IIs**), including AIFs and Retail Funds (**RFs**) in the IFSC (**Regulated Entities**) to adopt a stewardship code undertake the Framework and actively participate in building a more responsible and resilient investment ecosystem at the IFSC.
- ii. The Regulated Entities undertaking investment activities may adopt the stewardship code, as stipulated in Annexure – A of the Framework, or may adopt a stewardship code specified or published by:
  - a) a financial sector regulator in their home jurisdiction; or
  - b) a financial sector regulator in India such as SEBI, IRDAI, PFRDA; or
  - c) a statutory professional body such as the Institute of Company Secretaries of India (**ICSI**), provided such stewardship code, as adopted, must substantially reflect the core principles enumerated under the Framework.
- iii. The core principles under the Framework are policy formation, monitoring investee company,



intervention in investee companies and escalation when necessary, policy on dealing with conflict of interest, voting by investors, collaborations with other investors, and disclosure and reporting.

## 7. Modifications under the International Financial Services Centres Authority (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (AML, CFT Guidelines)

- i. The IFSCA vide circular dated October 31, 2025 (**Circular**), modified the International Financial Services Centres Authority (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (**AML, CFT, KYC Guidelines**).
- ii. *The key modifications under the Circular include:*
  - a) The definition of Video-based Customer Identification Process (**V-CIP**) in the AML, CFT, KYC Guidelines has been modified to mean an alternate method of customer identification incorporating facial recognition and customer due diligence, which may be conducted by: (i) an authorised official of the Regulated Entity (**RE**); (ii) a financial group entity in India supervised by

a financial regulator; or (iii) a KYC registration agency.

- b) **V-CIP Infrastructure:** (i) The RE shall comply with the minimum baseline cyber security and resilience framework as per IFSCA Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs dated March 10, 2025. (ii) The technology infrastructure for V-CIP shall be housed within the premises and operated by the RE or its Financial Group supervised by a financial regulator or a KYC Registration Agency (**V-CIP Procedure**). (iii) It should be capable of preventing connections from spoofed Internet Protocol (**IP**) addresses, using Virtual Private Networks (**VPNs**) or proxy servers. (iv) For resident Indian customers, the IP address shall emanate from India, and for Non-Resident Indian customers, the IP address shall emanate from India or from specified jurisdictions. (v) Video recordings shall contain live global positioning system (**GPS**) coordinates (i.e., geo-tagging) of the customer undertaking the V-CIP and date-time stamps using tamper-proof technology.
- c) **V-CIP Procedure:** (i) The V-CIP shall be conducted under an agreement with specific terms and conditions ensuring customer secrecy and data

protection, with the RE remaining ultimately responsible for customer due diligence. (ii) The sequence and/or type of questions, including those indicating the liveness of the interaction during video interactions, shall be varied and randomised to establish that the interactions are real-time and not pre-recorded or generated by artificial intelligence (AI) deep fake technology. (iii) The RE must capture a clear image of the customer's Permanent Account Number (PAN) card during the process, unless the customer provides an e-PAN, which should be verified online via the issuing authority or Digilocker. Printed e-documents such as e-PAN are not valid for V-CIP. If the customer does not have a PAN, the relevant form must be obtained.

## 8. Reporting of Transactions for India's External Account Statistics – Additional Directions to IFSC Banking Units

- i. The IFSCA, *vide* circular dated November 11, 2025 (**Circular**), issued additional directions to IBUs to expand their fortnightly reporting obligations under the Banking Asset Liability (**BAL**) statement on the Balance of Payments (**BoP**) portal. These expanded obligations now include Vostro accounts (foreign currency accounts of overseas banks maintained with the IBU), which were previously not captured in the existing reporting framework that covered only Nostro accounts and other investments.
- ii. Effective from the second fortnight of November 2025, IBUs must report either the net credit or net debit balance position in these Vostro current accounts using the revised format set forth in the Annexure to the Circular.
- iii. These instructions are in addition to those specified by the IFSCA in the original circular and operational instructions issued by the RBI for such reporting from time to time. Failure by IBUs to furnish the mandated information accurately and in a timely manner shall be viewed seriously by the IFSCA.

## 9. Requirement of Certification on AML/CFT for Designated Director and Principal Officer under IFSCA (AML/CTF/KYC) Guidelines, 2022

- i. The IFSCA, *vide* Circular dated November 17, 2025, has issued directions to the Designated Director (**DD**) and Principal Officer (**PO**) of all the Regulated Entities (**REs**) to undergo a mandatory certification course namely, NISM-IFSCA-01: Certification Course on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) in the IFSC (**the Course**), developed by the National Institute of Securities Markets (NISM) in collaboration with the IFSCA Academy.
- ii. The course, aligned with the IFSCA (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, was launched on November 18, 2025. The DDs and POs of all the REs must complete the course within 4 (four) months from the date of launch, or from the date of their appointment as DD or PO, as the case may be.

## 10. Disclosure under Clause 39 of the GAP Circular

- i. The IFSCA has specified key risks and disclaimers to be displayed by Global Access Providers (**GAPs**) and Introducing Brokers (**IBs**) at every client login under Clause 39 of the Regulatory Framework for Global Access in the IFSC.
- ii. *Key specifications include:*
  - a) Investors must understand that trades in foreign products are subject to various risks including but not limited to market risk, currency risk, settlement risk, default risk, technology risk, custody risk, and liquidity risk.
  - b) Currency risk should highlight that adverse exchange-rate movements may affect gains at conversion to base currency.
  - c) Custody risk should emphasise that insolvency or operational failure of foreign brokers or custodians could lead to loss of assets and funds.

- d) Regulatory and legal risk should clarify that investor protection, dispute resolution, and supervisory frameworks of foreign jurisdictions may apply.
- e) Taxation risk should underscore that investors shall be responsible for their own tax compliance and maintaining adequate documentation.

## 11. Amendments to Module No. 16 (Providing Credit) of the IFSCA Banking Handbook –COB Directions v6.0

- i. The IFSCA, on December 8, 2025, issued a circular to modify the restrictions on the grant of loans or advances by IFSC IBUs as outlined in Module 16 (Providing Credit) of the IFSCA Banking Handbook: Conduct of Business (**COB**) Directions v6.0 (**Banking Handbook**).
- ii. *The modifications include:*
  - a) Paragraph 4(i)(b) has been substituted to clarify that restrictions on loans or advances under Sub-section (1) of Section 20 (*Restrictions on loans and advances*) of the Banking Regulation Act, 1949 (**Act**), shall not apply to the IBUs of a foreign bank, and such loans or advances shall be subject to the conditions specified under Paragraph 4(ii) of the Module.
  - b) Paragraph 4(ii)(b) (*Loans or Advances to Directors or Related Party*) has been substituted.
- iii. IBUs must also inform the Department of Banking Supervision (**DOBS**) of the IFSCA, within 15 (fifteen) working days of the transaction date, regarding any loans granted to related parties.

## 12. Internet Banking Services to Clients of IBUs –Review

- i. The IFSCA, on December 29, 2025, issued a revised circular to review and enhance internet banking services to clients of IFSC IBUs (**Circular**), building upon the IFSCA's earlier circular dated April 22, 2024.

### ii. Key highlights include:

- a) IBUs not offering liability products to customers are exempt from implementing requirements for interactive information exchange service and transactional service.
- b) New IBUs commencing operations after December 29, 2025, must comply with the applicable requirements before offering liability products to customers. Existing IBUs must comply with the applicable requirements by June 30, 2026. Failure to comply will result in cessation of onboarding new customers for liability products from July 1, 2026.
- c) IBUs must obtain explicit consent from customers for the registration or de-registration of internet banking services, and such consent must be duly recorded and documented.
- d) IBUs must provide a unified digital banking dashboard with real-time balances across all linked accounts, live market rates for currency conversions including applicable spreads, account statements in machine-readable formats (CSV, JSON, XML).
- iii. The revised Circular demonstrates IFSCA's focus on strengthening digital banking standards in the IFSC by enhancing customer protection, transparency, and operational resilience, while ensuring that IBUs offer secure, comprehensive, and globally competitive internet banking services within clearly defined compliance timelines.

## 13. Computation of Liquid Net Worth under IFSCA (Capital Market Intermediaries) Regulations, 2025 –Clarifications

- i. The IFSCA, on December 30, 2025, issued important clarifications on the computation of liquid net worth under the IFSCA (Capital Market Intermediaries) Regulations, 2025 (**Circular**).





ii. *The Circular's clarifications include:*

- a) The base minimum capital and interest-free deposits maintained by registered broker dealers and clearing members with recognised stock exchanges and clearing corporations shall be considered part of the liquid net worth.
- b) Margins maintained by registered broker dealers and clearing members in relation to their trading activities in the IFSC or Global Access shall also form part of the liquid net worth. Notably, when computing net worth, liabilities must be excluded in accordance with the definition set forth in the CMI Regulations. Accordingly, any such liability must be excluded for the purposes of computing liquid net worth.

## 14. Amendments Approved in the 26th IFSCA Authority Meeting

- i. The IFSCA, on December 22, 2025, held its 26th Authority meeting and approved several key regulatory updates aimed at enhancing ease of doing business, protecting investors interest, and positioning GIFT-IFSC as a world-class financial centre.

ii. *Key amendments include:*

**a) Amendments to IFSCA (Fund Management) Regulations, 2025**

- i. Eligibility norms for KMP appointments have been relaxed with a certification-based alternative requiring reduced work experience. Eligible work experience has been expanded to include consulting / advisory firms/private or public companies.
- ii. One-time extension restriction has been removed. FMEs may now seek multiple six-month extensions for Venture Capital Schemes and Restricted Schemes. One-time three-month extension window has been provided for venture capital schemes and restricted schemes where the Placement Memorandum (PPM) has expired. This also includes open-ended schemes that have started investment activities with USD 1 Million but failed to meet the regulatory requirement of USD 3 Million within the one-year period.
- iii. FMEs have been granted a 24-month migration window to appoint custodian based in IFSC, subject to conditions.



**(b) Amendments to IFSCA (Global In-House Centre) Regulations, 2025 (GIC Regulation)**

- i. Financial Institutions Groups may set up GIC unit either directly or via third-party service providers.
- ii. GIC Units have been permitted to provide services to group entities in India up to 10 per cent of total revenue in a financial year.
- iii. Offshore Financial Institutions Groups may establish GICs in GIFT-IFSC to service their Indian group entities.
- iv. Relaxation on the transfer of employees to GIFT-IFSC has been capped at 20 per cent.

**c) IFSCA (Bookkeeping, Accounting, Taxation, and Financial Crime Compliance Services) (Amendment) Regulations, 2024**

Sub-regulation (12) mandating a minimum carpet area of 60 sq.ft per employee for a BATF Service Provider operating from GIFT-IFSC has been deleted.

**d) Amendment to IFSCA (Capital Market Intermediaries) Amendment Regulations, 2025 (CMI Regulations)**

- i. Post-graduate degrees in fintech, science, technology, engineering, mathematics have been included as qualification eligibility for principal and compliance officers. The

minimum experience requirement for graduates has also been reduced from 10 (ten) years to 5 (five) years.

- ii. The same person may act as principal officer for a capital market intermediary with multiple registrations, provided it has a separate vertical head for its distribution-related business activities.
- iii. The base minimum capital along with the interest-free deposits placed by broker-dealers and clearing members with Stock Exchanges and Clearing Corporations, respectively, as well as margins maintained with respect to activities on IFSC/Global Access exchanges shall be recognised as part of their liquid net worth. Liabilities are excluded from the computation of liquid net worth.

**(e) Amendment to IFSCA (Registration of Business) Regulations, 2021**

The definition of “Lloyd’s Service Company” has been expanded to include service companies promoted by group entities of Managing Agents or Members of Lloyd’s, widening the operational scope.

- iii. These reforms are expected to consolidate cross-border financial services, attract global players, generate employment, and reinforce India’s vision of Viksit Bharat @2047.

## Consultation Papers /Public Comments

### 1. Consultation Paper on Master Circulars for Stock Exchanges and Clearing Corporations in the IFSC

- i. The IFSCA issued a Consultation Paper on October 1, 2025, seeking public comments on the Proposed Draft Master Circular for Stock Exchanges and Clearing Corporations in IFSC (**Draft Master Circular**). This Draft Master Circular is intended to supersede all circulars and guidelines issued by the Securities and Exchange Board of India (**SEBI**) and the IFSCA, with respect to Stock Exchanges and Clearing Corporations recognised by the IFSCA. This is in accordance with Regulation 73(5) of the IFSCA (Market Infrastructure Institutions) Regulations, 2021, as amended (**MII Regulations**). The regulation provides that circulars and guidelines issued by SEBI and applicable to a market infrastructure institution in an IFSC, shall continue to remain in force, unless superseded by any IFSCA-issued regulations, circulars, or guidelines.

#### ii. Key highlights of the Draft Master Circular include:

- a) Applications for recognition or renewal of recognition as a Stock Exchange or Clearing Corporation in an IFSC shall be submitted to the IFSCA in the prescribed form.
- b) The period of recognition granted to a Stock Exchange or Clearing Corporation shall be permanent or for such period of not less than 1 (one) year, as may be specified by the IFSCA.
- c) All Stock Exchanges shall, in order to maintain safety and integrity in the market, implement security-specific decisions taken by any Stock Exchange (such as transferring scrips from rolling settlement to trade-for-trade segment and vice-versa, imposition of margins, suspension of trading, etc.) in cases where such securities are also listed and traded on those Stock Exchanges.
- d) The Stock Exchange may introduce liquidity enhancement schemes for selected securities or products, subject to prior approval of the

governing board of the Stock Exchange. Such schemes shall be valid for 1 (one) year and may be renewed annually.

- e) Clearing Corporations shall clear and settle trades on a sequential basis, with pay-in and pay-out of each settlement to be completed before commencement of subsequent settlements. Clearing Corporations shall follow a strict time schedule to ensure settlements are completed on the same day, with Auto Delivery Out facility to be executed for all settlements collectively.
- f) The trading hours for all product categories shall be determined by the Stock Exchanges based on cost-benefit analysis, provided that such hours do not exceed 23 hours and 30 minutes in a day. Settlement shall be conducted at least once per day.
- g) Stock Exchanges, as primary regulators, must implement real-time online surveillance systems to monitor positions, prices, volumes, and prevent market manipulation. Such systems shall generate automated alerts for unusual activity, track key metrics across derivative and cash markets, capture client details, build comprehensive trade databases, identify trading patterns, compare trades across markets, and oversee large transactions, call-put ratios, and exercise trends.

### 2. Public Consultation on Amendment to IFSCA Banking Handbook: COB Directions on Restrictions by the Authority on Providing credit

- i. The IFSCA, on October 16, 2025, issued a consultation paper seeking public comments on proposed amendments to modify the restrictions it had placed on providing credit with respect to Advances to Directors and Restrictions on Credit to Companies for Buy-back of their Securities, as outlined in Module 16 (Providing Credit) of the IFSCA Banking Handbook: Conduct of Business (COB) Directions (**Consultation Paper**).



ii. The proposed amendments to Para 4(ii) of Module 16 include:

- a) Clause (b), Advances to Director, has been proposed to be amended and align with Basel norms, that while granting loans to a director of the banking company (parent bank) or to any related party of such Director, IBUs shall establish and implement a policy on loans to related parties, to ensure that such loans are granted free of conflicts of interest.
  - b) Clause (d), Restrictions on Credit to Companies for Buy-back of their Securities, has been proposed to be amended to state that IBUs shall provide loans to companies for buy-back of their securities, provided use of such loans for buy-back of securities is permitted under the applicable law in the jurisdiction where such company is incorporated.
- iii. The proposed amendments align IBU lending practices with Basel standards by imposing stringent governance requirements on loans to directors and related parties. Simultaneously, credit has been liberalised for share buy-backs, wherever permitted under the borrowing company's home jurisdiction law. This balances enhanced prudential oversight with increased flexibility for cross-border corporate finance transactions in IFSCs.

### 3. Consultation Paper on Regulatory Framework for Differential Distribution in Restricted Schemes and Venture Capital Schemes to Facilitate Blended Finance and other Fund Structures

- i. The IFSCA, on October 22, 2025, issued a consultation paper seeking public comments on proposals to facilitate blended finance and other fund structures in IFSC. The proposals would permit differential distribution mechanisms in Venture Capital Schemes and Restricted Schemes (**Consultation Paper**) under Part A and Part B, respectively, of Chapter III of the IFSCA (Fund Management) Regulations, 2025 (**FM Regulations**).
- ii. The Consultation Paper proposes a comprehensive framework (**Proposed Framework**) that would enable fund managers to structure and manage schemes with differentiated distribution mechanisms.
- iii. *Key highlights of the Proposed Framework include:*
  - a) Venture Capital Schemes and Restricted Schemes under the FM Regulations may issue multiple classes of units with different distribution rights, including Senior units (with superior rights) and Junior/Subordinate units (with inferior rights, including mezzanine units).

- b) The Junior/Subordinate classes of units in Eligible Schemes with differential distributions may carry returns lower than, or bear losses higher than, their proportionate entitlement in the scheme's investments.
- c) The PPM must adequately and prominently disclose comprehensive details regarding the multiple classes of units and their respective distribution rights.
- d) The conditions to be complied with by FMEs of Eligible Schemes include: (A) The minimum investment for any investor subscribing to Junior/Subordinate classes of units in eligible schemes shall be USD 2 million. However, the minimum investment shall be USD 1 million if the investor qualifies as an accredited investor under Clauses 1(c), 1(d), 1(e), and 1(f) of the IFSCA Circular dated January 25, 2024, on "Accredited Investors in IFSC". (ii) The FME must ensure that amounts invested by the scheme are not utilised by any investee company, directly or indirectly, to discharge obligations or liabilities towards the scheme's investors or their associates.

#### 4. Consultation Paper on Regulatory Framework for Dematerialisation of Securities by Entities in the IFSC jurisdiction

- i. The IFSCA issued a Consultation Paper on October 27, 2025, seeking public comments on the Proposed Draft Circular for Dematerialisation of Securities by Entities in IFSC Jurisdiction (**Draft Circular**), proposing that IFSC entities must obtain International Securities Identification Numbers (**ISINs**) from a depository registered with the IFSCA, instead of domestic depositories, for the purpose of dematerialisation of securities and other permitted financial products issued by them.
- ii. *Key highlights include:*
  - a) IFSC Entities that have already dematerialised their securities with domestic depositories in India must migrate such securities to an IFSC depository by March 31, 2026. While the mandate

requires shifting ISIN issuance from domestic depositories to IFSC depositories, issuers may continue to use International Central Securities Depositories (**ICSDs**) for issuance and listing of securities as permitted under the IFSCA (Listing) Regulations, 2024.

- b) IFSC entities must comply within the timeline, and depositories must submit a compliance report to the IFSCA by April 30, 2026.

iii. For IFSC entities, this transition necessitates immediate operational planning to ensure compliance within the tight timeline, including coordination with IFSC depositories for account opening, ISIN migration, and investor communication, while the requirement for depositories to facilitate seamless migration and comprehensive disclosures underscores the regulatory emphasis on minimising disruption.

#### 5. Consultation Paper on Amendments to the IFSCA (Capital Market Intermediaries) Regulations, 2025

- i. The IFSCA, on November 3, 2025, issued a Consultation Paper seeking comments on Proposed Amendments (**Draft Amendments**) to the IFSCA (Capital Market Intermediaries) Regulations, 2025 (**CMI Regulations**). Based on representations received from stakeholders, the Draft Amendments propose to extend the timeline for the appointment of the principal officer and the compliance officer, and the infusion of additional capital to meet the revised net worth requirements to December 31, 2025, instead of October 1, 2025, as specified in the CMI Regulations.
- ii. *Key highlights include:*
  - a) Regulation 9(2)(a) of the CMI Regulations proposes: (i) Adding post-graduate degree in fintech, science, technology, engineering, and mathematics (STEM). as a valid qualification to act as principal officer or compliance officer of a capital market intermediary. (ii) Reducing the minimum number of years of experience required

for a graduate to act as principal officer or compliance officer of a capital market intermediary from 10 years to 5 years.

- b) Regulation 9(8) of the CMI Regulations, 2025, proposes permitting entities having registrations as broker dealers, clearing members, depository participants, custodians, and registered distributors to have the same person as principal officer. However, for distribution activities, the entity may be required to appoint a separate official with adequate experience in the financial services market as a vertical head for its distribution business activities.
- c) As per Regulation 3(1)(cc) of the CMI Regulations, the following may be clarified in terms of net worth: (i) Base minimum capital and interest-free deposits deposited by broker dealers and clearing members with Stock Exchanges and Clearing Corporations shall not be considered part of liquid assets. (ii) Margins deposited with clearing members and clearing corporations by broker dealers and clearing members, respectively, shall be considered part of liquid assets.
- d) The net worth requirement for custodians specifications include: (i) For custodians registered with the IFSCA, a minimum net worth requirement of USD 1 million may be specified. In the case of a branch, the net worth may be maintained at the parent-entity level, with the specified amount duly earmarked for its branch in the IFSC, in accordance with Regulation 7(2) of the CMI Regulations. (ii) Existing custodians required to infuse or earmark additional funds may be provided time until January 31, 2026, to comply with the revised net worth criteria.

## 6. Consultation Paper on the Proposed IFSCA (Pension Fund) Regulations, 2025

- i. The IFSCA, on November 4, 2025, issued a Consultation Paper seeking comments on the

IFSCA (Pension Fund) Regulations 2025 (**Draft Regulations**) to establish a robust framework for long-term retirement savings, promote a secure and transparent environment for subscribers, and position the IFSC as a global pension fund hub by developing an inclusive foreign exchange pension framework specifically targeting 15 million Non-Resident Indians (**NRIs**), 19 million Persons of Indian Origin (**PIOs**), and foreign expatriates. These Draft Regulations follow from the Government of India's notifications designating pension schemes as financial products under the IFSCA Act, 2019 (via gazette notification dated December 5, 2024), and exempting Section 25 of the PFRDA Act 2013 for financial products and services in the IFSC (via gazette notification dated October 1, 2025).

### ii. Key highlights include:

- a) The Draft Regulations provide the regulatory framework for registration, regulation, and supervision of pension fund managers in the IFSC and shall apply to: (i) all Pension Fund Managers (**PfMs**) registered with the IFSCA for offering and managing voluntary pension schemes from IFSC; (ii) all voluntary pension schemes offered from IFSC targeting NRIs and foreign citizens; (iii) all subscribers of such voluntary pension schemes; and (iv) all other entities involved in the ecosystem of such voluntary pension schemes, including Custodians, Trustees, and Annuity Service Providers, to the extent specified herein.
- b) Applicant entities seeking to undertake pension fund management business in an IFSC must (i) establish a presence as a company or branch; (ii) have at least 10 years of relevant experience through themselves, their parent, or an associate; and (iii) obtain a certificate of registration from the IFSCA before commencing operations.
- c) Participation in pension schemes shall be voluntary for NRIs and foreign citizens over 18 years of age. Subscribers may choose



contribution amounts and frequency within prescribed minimums. PFMs shall provide Active investment options (where subscribers self-select asset allocation) or Auto investment options (Life Cycle Fund) as the default, where asset allocation changes automatically based on the subscriber's age, gradually shifting from aggressive towards conservative as they approach retirement.

- d) PFM investments shall align with long-term pension liabilities, diversify across asset classes, sectors, and geographies, maintain adequate liquidity for withdrawals, and operate within a robust risk management framework. Diversification across global regions is encouraged to minimise concentration risks.
- e) Every PFM shall establish and maintain a comprehensive, enterprise-wide risk management framework approved by its Board to identify, measure, monitor, and mitigate all material risks. PFMs shall regularly conduct stress tests and scenario analyses to evaluate portfolio resilience under adverse market conditions.
- f) PFMs must maintain secure electronic records of all transactions while submitting regular operational, financial, and compliance reports to the IFSCA, and provide transparent disclosure of investment risks, fees, and charges to subscribers through Scheme Information Documents and other communications. Robust governance structures are mandated, requiring PFMs to establish clear grievance redressal procedures with designated officers and escalation mechanisms. Pension scheme assets must be held by the IFSCA-licensed independent Custodians and each scheme established as a trust with independent registered Trustees.

## 7. Consultation Paper on Regulatory Framework for Implementation Services by Investment Advisers in IFSC

- i. The IFSCA, on November 13, 2025, issued a consultation paper seeking public comments on a Proposed Framework for Implementation Services by Investment Advisers (**IAs**) registered with the IFSCA (**Draft Framework**).
- ii. The provision of implementation services by the Investment Advisors as proposed by the Draft Framework are:
  - a) IAs to route implementation services for foreign-listed products through Global Access Providers registered with the IFSCA, and for IFSC-listed securities through the IFSCA-registered broker dealers.
  - b) For other investment products and/or securities other than financial products listed on stock exchange in foreign jurisdictions, IAs must formalise arrangements with platforms or asset managers regulated in foreign jurisdictions with any financial regulator.
  - c) IAs must also ensure that the implementation services remain optional for clients, i.e., its advisory clients shall not be under any obligation to avail implementation services offered by the IAs as required under Regulation 34(13) of the CMI Regulations.

## 8. Seeking Comments/Suggestions of the Public and Market Participants on the Existing IFSCA (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022

- i. The IFSCA, on November 14, 2025, issued a public notice seeking comments and suggestions from the

public and market participants (**Consultation Paper**) on the existing IFSCA (Setting Up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 (**Regulations**).

- ii. In recent years, the IFSC has attracted strong interest from leading foreign universities seeking to establish campuses in India, supported by government policy reforms and a supportive regulatory environment created by the IFSCA. Based on feedback from existing institutions and discussions with universities from the United States, United Kingdom, and Australia, IFSCA is conducting this consultation to amend the Regulations to better reflect international best practices. The Consultation Paper marks the IFSCA's commitment to creating a world-class regulatory environment for international education in GIFT-City.

## 9. Consultation Paper on Proposed Amendment to IFSCA (Registration of Insurance Business) (Amendment) Regulations, 2025

- i. The IFSCA, on November 19, 2025, issued a consultation paper seeking public comments on the proposed IFSCA (Registration of Insurance Business) (Amendment) Regulations, 2025 (**IIO Amendment Regulations**), which proposes to modify the definition of "Service Companies of Lloyd's IFSC" or "Service Companies" specified in Sub-clause (i) of Clause 1 of the Second Schedule of IFSC (Registration of Insurance Business) Regulations, 2021.
- ii. The IIO Amendment Regulations propose to expand the definition by permitting group entities of Managing Agents, Members of Lloyd's Syndicates, whether body corporates or Indian persons, and qualifying Indian companies to promote such service companies, in addition to the currently permitted managing agents of Lloyd's or Indian Companies.

## 10. Consultation Paper on Guidelines on Cyber Security and Cyber Resilience for the Market Infrastructure Institutions (MIIs) in IFSC

- i. The IFSCA issued a consultation paper on November 25, 2025, seeking stakeholder comments on the draft Guidelines on Cyber Security and Cyber Resilience for the Market Infrastructure Institutions (**MIIs**) in IFSC (**Consultation Paper**). The Consultation Paper requires MIIs to formulate a comprehensive Cyber Security and Cyber Resilience Policy (**Policy**) as part of their operational risk management framework, which must be approved by the governing board and reviewed at least annually.
- ii. The Policy must establish a structured framework comprising key processes to:
  - a) identify critical IT assets and risks;
  - b) protect assets by deploying suitable controls;
  - c) detect incidents and anomalies through monitoring;
  - d) respond by taking immediate steps after identification of incidents; and
  - e) recover through incident management and business continuity frameworks.
- iii. The proposed Guidelines establish a robust cyber security and cyber resilience framework for Market Infrastructure Institutions in IFSC, mandating comprehensive risk management policies, dedicated leadership through a CISO reporting to the MD/CEO, and continuous monitoring capabilities via a 24x7x365 Cyber Security Operation Centre to safeguard critical infrastructure against evolving cyber threats.

## 11. Consultation Paper on Proposed IFSCA Good Delivery Guidelines 2025

- i. The IFSCA, on November 28, 2025, released a consultation paper on the Proposed IFSCA Good

- Delivery Guidelines 2025. The guidelines aim to permit gold refined by any Indian or global refinery to be delivered on the India International Bullion Exchange (**IIBX**), provided such refineries adhere to best practices and are audited by leading specialists on responsible sourcing.
- ii. The proposed guidelines apply to all accredited refiners certified by the reviewing organisation, whether established within India (including commercial Special Economic Zones and IFSCs) or located overseas.
  - iii. Accredited refiners must ensure ethical, legal, and sustainable sourcing of bullion by:
    - a) establishing a Risk-Focused Regulatory Compliance Framework (**RFRC Framework**) and Risk-Based Operational Excellence Framework (**RBOE Framework**);
    - b) conducting Client/Customer/Counterparty Due Diligence (**CDD**) and Enhanced Due Diligence (**EDD**) where sourcing involves Conflict-Affected and High-Risk Areas (**CAHRAs**); and
    - c) adhering to the five-step framework established under the OECD Due Diligence Guidance.

## 12. Consultation Paper on Master Circular for Broker Dealers and Clearing Members

- i. The IFSCA, on November 29, 2025, released a consultation paper seeking public comments on the Draft Master Circular for Broker Dealers and Clearing Members in IFSC (**Master Circular**), which will supersede all previous circulars and guidelines issued by SEBI (prior to October 01, 2020) and the IFSCA with respect to broker dealers and clearing members.
- ii. *The key provisions under the proposed Master Circular include:*
  - a) The Master Circular establishes comprehensive requirements for the registration of broker

dealers and clearing members, including application procedures, eligibility criteria, and documentation requirements.

- b) Broker Dealers and Clearing Members receive perpetual certificates of registration from the IFSCA unless suspended or cancelled and must maintain both a valid certificate of registration under the CMI Regulations and a Letter of Approval (**LoA**) under the Special Economic Zones Act, 2005.
- c) Stock exchanges and clearing corporations are required to formulate policies for inspection of their broker dealer and clearing member participants and follow-up actions thereon, covering various kinds of risks posed to investors and the market at large.
- d) Broker Dealers must assign unique client codes to all clients and maintain strict segregation between client and proprietary funds, ensuring client accounts are not used for the broker's principal transactions.
- e) Broker dealers and clearing members are required to have robust cyber security and cyber resilience frameworks and comply with the guidelines specified under the circular titled "Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs" dated March 10, 2025.
- f) The Master Circular establishes a framework to address technical glitches in broker dealers' electronic trading systems and has specifically defined technical glitch.
- g) The Master Circular establishes requirements for change in control scenarios, whereby changes in control of branch operations require intimation to the IFSCA, while changes in control at the entity level require prior approval from the IFSCA.



## Market Updates

### 1. Emirates NBD to acquire RBL Bank

Emirates NBD Bank PJSC (**Emirates NBD**), the UAE's second-largest lender, is acquiring a majority stake in RBL Bank Limited (**RBL Bank**) for a proposed investment of USD 3 billion (approx. INR 26,580 crore), marking the largest investment by an overseas entity in mainstream Indian lending. The equity infusion will nearly triple RBL Bank Limited's net worth to over USD 4.59 billion (approx. INR 42,000 crore), improve its credit rating, and provide access to new business opportunities including NRI remittances and India-UAE trade finance.

### 2. MUFG Bank to acquire 20% of Shriram Finance

MUFG Bank, a subsidiary of Mitsubishi UFJ Financial Group, has agreed to acquire a 20% strategic stake in Shriram Finance Limited (**Shriram Finance**) for an aggregate consideration of USD 4.4 billion (approx. 39,785 crore). The investment enhances balance sheet resilience for Shriram Finance, a retail-focused NBFC specialising in commercial vehicle finance, MSME lending, two-wheeler finance, and affordable credit in semi-urban and rural markets.

### 3. Blackstone to acquire 9.99% of Federal Bank

Blackstone Inc.'s (**Blackstone**) investment into Federal Bank Limited (**Federal Bank**), through its affiliate, Asia II Topco XIII Pte Ltd, has been approved by the Competition Commission of India in December 2025. Blackstone will invest around USD 705 million (approx. INR 6,197 crore) for a 9.99% ownership via preferential equity shares and warrants. This would include the right to nominate a non-executive director to the board of the bank.

### 4. Avenir to invest in Sammaan Capital

Avenir Investment RSC (**Avenir**), an Abu Dhabi-based affiliate of International Holding Company, to invest USD 1 billion (approx. USD 9038 crore) in Sammaan Capital Limited (**Sammaan Capital**), formerly Indiabulls Housing Finance to acquire a 43.46% stake. Sammaan Capital is an NBFC focused on mortgage-led financial services.

## 5. Blackstone acquires Ace Insurance Brokers

Blackstone acquired a majority stake of 70% in Ace Insurance Brokers (**Ace Insurance**) for approximately USD 400 million (approx. INR 1,700 crore). This represents Blackstone's first investment in India's insurance brokerage market in India. Ace Insurance is based out of New Delhi and provides for insurance and reinsurance services across corporate and retail segments.

## 6. Mahindra and Manulife to form a 50:50 life insurance joint venture

Mahindra & Mahindra Ltd. (**Mahindra**) and Canada-based Manulife Financial Corporation (**Manulife**) announced they have entered into an agreement to establish a 50:50 joint venture in India's life insurance market, combining Mahindra's distribution reach with Manulife's global insurance expertise. Each party to hold an equal stake and a capital commitment capped at USD 434 million (approx. INR 3600 crores) over 10 years and both firms plan to invest USD 150 million (approx. INR 1250 crores) each in the first 5 years.

## 7. Coinbase investment in CoinDCX approved by the CCI

CCI approved Coinbase Global Inc.'s (**Coinbase**) strategic minority investment in DCX Global Limited (**CoinDCX**), in a transaction that values the Indian crypto platform at approximately USD 2.45 billion (approx. INR 22,221 crore). CoinDCX, a digital asset exchange incorporated in Mauritius, owns the technology, brand, and intellectual property of the 'CoinDCX' crypto-exchange business in India, serving over 20 million registered users with a product suite spanning spot trading, custody, and institutional services.

## 8. Mizuho Securities to acquire Avendus Capital

Mizuho Securities Co. Ltd. (**Mizuho Securities**), a subsidiary of Mizuho Financial Group, has entered into

an agreement to acquire a controlling shareholding exceeding 60% in Avendus Capital Private Limited (**Avendus Capital**), following which Avendus will become a consolidated subsidiary of Mizuho Securities, subject to regulatory approvals. Avendus offers services in institutional equities, wealth management, and asset management, providing a comprehensive suite of capabilities to serve clients throughout their financial journey.

## 9. UGRO Capital acquires Profectus Capital

UGRO Capital Limited (**UGRO Capital**) completed an all-cash acquisition of Profectus Capital Private Limited (**Profectus Capital**) for USD 155 million (approx. INR 1,400 crore), making it a wholly-owned subsidiary, with the transaction funded through equity raises. The acquisition is expected to boost UGRO's assets under management by 29%, expand its presence into school financing, and integrate Profectus's secured loan book for enhanced profitability, with plans to merge the entities subject to board and shareholder approvals.

## 10. DWS Group to acquire 40% of Nippon Life

DWS Group, the asset management arm of Deutsche Bank, is expected to acquire a 40% stake in a Nippon Life India AIF Management (**Nippon Life**) focused on alternatives, aiming to jointly develop and scale alternative investment fund offerings in India and across markets. The partnership is part of DWS's strategy to broaden its Asia footprint by leveraging Nippon Life's established presence in India's growing asset management sector.

## 11. IRDAI Approves DSP Asset Managers' acquisition of Niva Bupa

The IRDAI approved the proposed acquisition of up to 11.53 crore equity shares of Niva Bupa Health Insurance Company Limited (**Niva Bupa**) by investment entities of DSP Asset Managers Private Limited (**DSP Asset Manager**). Niva Bupa is a private health insurer with its registered office in New Delhi. The approval was granted





under Section 6A of the Insurance Act, 1938, and the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024.

## 12. Fibe (EarlySalary) raises USD 35 million led by IFC

Social Worth Technologies Private Limited (**Fibe**), a Pune-based consumer lending fintech operating the 'Fibe' application has secured USD 35 million (approx. INR 320 crore) in Series F funding led by the International Finance Corporation (**IFC**), a member of the World Bank Group. The capital will support the expansion of its product suite across borrowing, saving, investing, and payments, whilst maintaining focus on responsible credit for underserved middle-income households.

## 13. Snapmint raises USD 125 million led by General Atlantic

Snapmint Credit Advisory Private Limited (**Snapmint**), a Mumbai-based EMI payments platform, raised USD 125 million (approx. INR 1130 crore) in a funding round led by General Atlantic. Prudent Investment Managers, Kae Capital, Elev8 Venture Partners, and existing angel investors also participated in the funding. The capital

will be deployed to expand the company's Equated Monthly Instalments on UPI offering, enhance technology and expand its merchant base.

## 14. Balancehero (TrueBalance app) obtains funding from CIM

Balancehero India Private Limited (**Balancehero**), the parent company of True Credits Private Limited (RBI-licensed NBFC operating through the TrueBalance fintech app), has secured USD 75 million (approx. INR 677 crore) in debt financing from Community Investment Management (**CIM**), a US-based institutional impact investment manager, in a cross-border transaction.

## 15. Guild Capital exited Easebuzz

Guild India Fintech I LLC (**Guild Capital**) transferred its entire shareholding in Easebuzz Private Limited (**Easebuzz**), a technology and payment processing services company, to Bessemer Venture Partners, 8i Ventures and Varanium Capital for USD 18 million (approx. INR 164 crore). The transaction required analysis of RBI's change-in-control approval triggers, including for increase in consolidated shareholding and alteration of board composition.

## 16. PowerUp Money raised USD 12 million in funding round led by Peak XV

Peak XV Partners Investment VIII (**Peak XV**) participated in Series A investment of PowerUp Money Technologies Private Limited (**PowerUp Money**), which is a Bengaluru-based wealth-tech startup. PowerUp Money raised USD 12 million (approx. INR 110 crore) in the funding round led by Peak XV. The investment was also participated by existing investors including, Accel India VIII (Mauritius) Ltd, Blume Venture Investment Manager LLP, and Beacon Trusteeship Limited - Kae Capital Fund III. Peak XV contributed approximately USD 7 million (approx. INR 64 crore) and the remainder was from existing investors.

## 17. Zaggie to acquire Rio Money

Zaggie Prepaid Ocean Services Limited (**Zaggie**) has entered into definitive agreements for 100% acquisition of Rivpe Technology Private Limited (**Rio Money**) for INR 22 crore (approx. USD 2.5 million). Rio Money is a fintech startup specialising in consumer credit cards and UPI-based payment solutions. Zaggie will also invest up to INR 75 crores (approx. USD 9 million) in Rio Money in one or more tranches.

## 18. Protean to acquire 4.95% of NPBL

Protean eGov Technologies Ltd. (**Protean**) announced its board approval to acquire a 4.95% equity stake in NSDL Payments Bank Ltd. (**NPBL**), a wholly owned subsidiary of National Securities Depository Limited (**NSDL**). The transaction would include the acquisition for 93,74,014 equity shares for an investment of USD 3.64 million (approx. INR 30.2 crore) and is slated to be completed within 60 days of execution.

## 19. India and Bahrain partner for real-time cross-border payments via UPI and Fawri+

NPCI International Payments Limited, the global arm of the National Payments Corporation of India, has signed a partnership with BENEFIT, Bahrain's leading fintech

and electronic financial transactions company, to facilitate instant and secure cross-border remittances. The collaboration will connect India's UPI with Bahrain's Electronic Fund Transfer System, specifically the Fawri+ service.

## 20. Fino Payments Bank receives approval to convert to a small finance bank

The RBI has granted 'in-principle' approval to Fino Payments Bank Limited (**Fino Payments Bank**) for conversion into a small finance bank. With this approval, the Bank becomes the first Payments Bank to receive an 'in-principle' approval to become a small finance bank.

## 21. Pine Labs receives authorisation for payment aggregator (PA)

Pine Labs Limited (**Pine Labs**) obtained all three PA licences from the RBI for offline payments, online merchant payments, and cross-border transactions. Pine Labs served as an offline payment processor for large merchants and added a fintech infrastructure layer to the business through the acquisition of Bengaluru-based Setu.

## 22. Paytm Payments receives authorisation for offline and cross-border PA

One97 Communications Limited (**Paytm**) announced that its subsidiary, Paytm Payments Services Limited (**Paytm Payments**), has secured the RBI's authorisation to act as a PA for both offline payments as well as cross-border transactions. With this approval, PPSL now possesses PA licences covering all major segments, including online, offline, and cross-border payments.

## 23. Razorpay receives authorisation for cross-border PA

The RBI granted Razorpay Payments Private Limited (**Razorpay**) final approval to operate as a PA for cross



border transactions. Established as fintech company in 2014, this authorisation now strengthens its regulated infrastructure for global transactions, enabling Indian businesses and international companies to operate in India through a single platform.

#### **24. PayU receives authorisation for online, offline and cross-border PA**

The RBI granted PayU Payments Private Limited (**PayU**) authorisation to operate as a PA across online, offline, and cross-border transactions, which permits PayU to offer a unified suite of payment acceptance, settlement and international transaction capabilities. With the final approval granted, PayU can now fully onboard merchants and expand payments operations in India.

#### **25. Payoneer receives authorisation for cross-border PA**

Payoneer India Private Limited (**Payoneer**), a subsidiary of Payoneer Global Inc., the global financial technology company powering business growth across borders, was granted in-principle authorisation from the RBI to operate as a cross border (PA) for facilitating inward and outward transactions.

#### **26. Artha Bharat Investment Managers IFSC LLP (Artha Bharat) receives IFSCA approval to operate as third-party fund manager in GIFT City**

Artha Bharat, a fund management firm, received approval from the IFSCA to operate as a third-party fund management entity from GIFT City. The approval enables Artha Bharat to provide regulatory infrastructure, fund administration, and risk and compliance oversight to third-party clients, whilst investment management decisions remain with such third parties utilising Artha's platform and services.

#### **27. Korean Reinsurance Company (Korean Re) receives approval to establish branch in GIFT City**

Korean Re, a Seoul-based insurer, received IFSCA approval to establish a branch in GIFT City on November 14, 2025, and also obtained authorisation to operate as an IFSC Insurance Office on November 6, 2025. The branch is expected to commence operations in April 2026 and will support India-focused reinsurance transactions and selected emerging-market exposures. The move aligns with Korean Re's international expansion strategy and positions the company to access India's high-growth insurance market, now the world's tenth largest.

## **28. Berkley Insurance Company receives approval from IFSCA to establish branch office in GIFT City**

Berkley Insurance Company's IFSC Branch, part of Berkley Insurance Asia, received approval from IFSCA in December 2024 to establish its office in GIFT City, becoming the first property and casualty insurer in the jurisdiction to hold both insurance and reinsurance licences. The licence permits the branch to write direct insurance as well as reinsurance business within IFSC. Under the current framework, the branch may issue policies where the underlying insured is located in GIFT City or in a special economic zone (**SEZ**), in addition to participating in reinsurance placements for Indian and cross-border risks. The initial focus is on specialty and facultative reinsurance lines, including financial lines (directors & officers, crime), cyber, casualty, professional indemnity, specie, and marine insurance.

## **29. IA Fintech IFSC Private Limited (IA Fintech) received in-principle authorisation from IFSCA to act as a Payment Service Provider (PSP)**

IA Fintech, a wholly owned subsidiary of Infibeam, received in-principle approval from the IFSCA to act as a PSP in GIFT City -IFSC. IA Fintech would provide digital

payment and cross-border financial services to businesses within GIFT-IFSC and international markets. The services offered by IA Fintech would include escrow account operations, facilitation of cross-border money transfer and merchant acquisition.

## **30. Indian Overseas Bank Gets RBI Nod to set up IFSC Banking Unit at GIFT City**

The Reserve Bank of India has granted Indian Overseas Bank authorisation to open a banking unit at the International Financial Services Centre located in Gujarat International Finance Tec-City (GIFT City). This regulatory permission was formally conveyed via an RBI communication dated 29 December 2025, representing an important milestone for the public sector lender as it extends its presence in India's leading international finance centre. The authorisation enables Indian Overseas Bank to establish specialist banking services operating under the IFSC regulatory framework at GIFT City. This strategic expansion allows the bank to leverage emerging prospects in the international financial services sector whilst strengthening its capacity to provide services to international clientele through India's principal financial gateway.



1. FIG Paper No 49: IFSC, GIFT City: A New Legal Frontier for Cross-Border Payments by Ketaki Mehta, Jinisha Motwani and Sakshi Nathani, accessible [here](#)
2. FIG Paper No. 50: Recent SEBI Changes – Implications for Intermediaries by Anu Tiwari, Shatrajit Banerji, Kush Wadehra, Karthik Narayan and Naman Lodha, accessible [here](#)
3. Blog FIG Paper No. [51] (VDA Series 7): Stablecoins: Recent Indian and Global Regulatory

4. FIG Paper (No. 52): RBI Directions on Lending Against Gold and Silver Collateral: A Harmonised Regulatory Framework, accessible [here](#)
5. FIG Paper No. 53: FIG Paper No. 53 (VDA Series 8) FIU-IND's Annual Report 2024-25: Trends and Takeaways for India's Digital Assets Industry, accessible [here](#)



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