

Regulatory Alert
IAS/RAs/MILs/MFs/DDPs/RTAs/AMCs/
April 2025 – Vol – I

1. Extension of timelines for submission of offsite inspection data

SEBI has extended the timeline for Mutual Funds (MFs) to submit offsite inspection data. Based on industry feedback, timeline has been extended to 15 calendar days from the end of the quarter instead of the previous 10 days. Registrars to an Issue and Share Transfer Agents (RTAs) will continue to submit the data on an ongoing basis. This change is effective immediately. For more details, [click here](#).

2. Extension of timelines for submission of offsite inspection data

SEBI issued the circular informing all portfolio managers about a change in the deadline for submitting their clients' offsite inspection data. Responding to industry feedback and aiming to ease business operations, SEBI has extended the quarterly submission timeline from 10 to 15 calendar days after the end of each quarter. Furthermore, the requirement to submit this data now applies to information starting from April 1, 2023, with these modifications taking effect immediately. For more details, [click here](#).

3. Intraday Monitoring of Position Limits for Index Derivatives

SEBI circular addresses the intraday monitoring of position limits for index derivatives, to be implemented w.e.f April 1, 2025. Stock Exchanges shall take at least four random position snapshots during the day and there shall be no penalties for breaching these intraday limits initially. Exchanges shall inform clients/trading members about any intraday breaches for risk management purposes. For more details, [click here](#).

4. Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

SEBI issued a circular extending the implementation timeline for the Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI-regulated entities (REs). Recognizing the complexities and requests for more time, SEBI has granted a three-month extension, moving the compliance date to June 30, 2025, for most entities under its purview, excluding key market infrastructure players. Stock Exchanges and Depositories are directed to inform their members. For more details, [click here](#).

5. Relaxation of provision of advance fee restrictions in case of Investment Advisers and Research Analysts

SEBI issued a circular, relaxing restriction on advance fees charged by Registered Investment Advisers (IAs) and Research Analysts (RAs). Previously, RAs could charge advance fees for a maximum of three months, and IAs for two quarters. The new regulation permits IAs and RAs to collect advance fees for a period not exceeding one year, if agreed upon with individual and Hindu Undivided Family (HUF) clients who are not accredited investors. For more details, [click here](#).

6. Recognition and operationalization of Past Risk and Return Verification Agency (PaRRVA)

SEBI has introduced a regulatory framework for the Recognition and Operationalization of a Past Risk and Return Verification Agency (PaRRVA). This initiative aims to enhance the credibility of performance-related claims made by Investment Advisers (IAs) and Research Analysts (RAs) by enabling them to present verified risk and return metrics. SEBI circular outlines the eligibility criteria for both PaRRVAs and PDCs, the recognition process, and their respective roles and responsibilities, including a pilot phase for operationalization. For more details, [click here](#).

7. Amendment to Circular for mandating additional disclosures by FPIs that fulfil certain objective criteria

SEBI vide a circular dated April 9, 2025 has raised the equity AUM threshold for additional disclosure by FPIs and ODI subscribers from INR 25,000 to INR 50,000 crores. Relevant sections of the FPI Master Circular stand amended accordingly. For more details, [click here](#).

8. Clarification on Regulatory framework for Specialized Investment Funds ('SIF')

SEBI issued a circular, clarifying the rules for Specialized Investment Funds (SIF) which stated that the rules about the maturity of securities in interval schemes do not apply to SIF's Interval Investment Strategies. The minimum investment required by an investor across all SIF strategies is now INR 10 lakh at the PAN level, with the exception for mandatory investments by AMCs for their designated employees. For more details, [click here](#).

9. Specialized Investment Funds ('SIF') – Application and Investment Strategy Information Document (ISID) formats

SEBI circular outlines the procedure for mutual funds to establish Specialized Investment Funds (SIFs), requiring that SIF strategies follow the same approval procedure as regular mutual fund schemes. It provides a standardized application format (Annexure I) for mutual funds seeking to launch SIFs and specifies the format for the Investment Strategy Information Document (ISID) (Annexure II). For more details, [click here](#).

10. Trading Window closure period of SEBI (Prohibition of Insider Trading) Regulations, 2015 – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results

SEBI has introduced a system to prevent insider trading by restricting trades by Designated Persons (DPs) and their immediate relatives during trading window closures, as per PIT Regulations. Stock exchanges and depositories must freeze the PAN of DPs at the security level during restricted periods. This aims to avoid inadvertent non-compliance and misuse of Unpublished Price Sensitive Information (UPSI). Implementation begins July 1, 2025, for the top 500 listed companies, and October 1, 2025, for all others. For more details, [click here](#).

11. Change in cut-off timings to determine applicable NAV with respect to repurchase/redemption of units in overnight schemes of Mutual Funds

SEBI has revised the cut-off timings with respect to repurchase of units in liquid fund and overnight fund schemes and plans. These changes shall be effective June 1, 2025. For more details, [click here](#).

12. Settlement of Corpus & Closure of NPS account in case NPS subscriber renounces Indian citizenship and does not hold OCI card-reg.

PFRDA issued a circular, regarding the settlement of NPS corpus for subscribers who have renounced their Indian citizenship and do not hold an Overseas Citizen of India (OCI) card. The said subscribers must inform the NPS Trust of the changes in the status. Further in this regard, PRAN/NPS account held by the subscriber shall be closed and the entire accumulated pension wealth may be transferred to a Non-Resident Ordinary (NRO) account only in accordance with FEMA guidelines issued by RBI. For more details, [click here](#).

13. Timelines for collection of Margins other than Upfront Margins – Alignment to settlement cycle

SEBI circular addresses the timelines for the collection of margins other than upfront margins for trading members (TMs) and clearing members (CMs) from their clients in the cash segment. TMs/CMs are required to mandatorily collect upfront VaR margins and ELM from their clients. TMs/CMs have time till 'settlement day' to collect margins (except VaR margins and ELM) from their clients. For more details, [click here](#).

The above Regulatory alerts may be relevant for the individuals with the following NISM Certifications:

- NISM Series II-A: Registrars and Transfer Agents (Corporate) Certification Examination
- NISM Series II B: Registrars and Transfer Agents (Mutual Fund) Certification Examination
- NISM Series V A: Mutual Fund Distributors Certification Examination
- NISM-Series-V-B: Mutual Fund Foundation Certification Examination
- NISM Series VI: Depository Operations Certification Examination
- NISM Series VII: Securities Operations and Risk Management Certification Examination
- NISM Series-X-A: Investment Adviser (Level 1) Certification Examination
- NISM Series-X-B: Investment Adviser (Level2) Certification Examination
- NISM Series-X-C: Investment Adviser (Renewal) Certification Examination
- NISM Series-XIII: Common Derivatives Certification Examination
- NISM Series- XV: Research Analyst Certification Examination
- NISM Series -XVII: Retirement Adviser Certification Examination

- NISM Series-XIX-A: Alternative Investment Funds (Category I and II) Distributor Certification Examination
- NISM Series XIX-B: Alternative Investment Funds (Category III) Distributors Certification Examination
- NISM Series XIX-C: Alternative Investment Fund Managers Certification Examination
- NISM Series XXI -B: Portfolio Managers Certification Examination