

Regulatory Alert
IAs/RAs/MIs/MFs/DDPs/RTAs/AMCs/
January 2025 – Vol – I

1. Prior approval for change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control

SEBI has provided guidelines pertaining to the scenarios for the transfer/transmission of: a) shareholding in case of unlisted body corporate intermediary; b) shareholding in case of a proprietary firm type intermediary and; c) ownership interest in case of partnership firm type intermediary. For more details, [click here](#).

2. Allowing subscription to the issue of Non- Convertible Securities during trading window closure period

The SEBI has partially modified the guidelines regarding trading window restrictions under the SEBI (Prohibition of Insider Trading) Regulations, 2015. It states that in addition to the existing guidelines in this regard, the trading window restrictions will also not apply to subscription to the issue of non-convertible securities, carried out in accordance with the framework specified by the Board from time to time. For more details, [click here](#).

3. Introduction of a Mutual Funds Lite (MF Lite) framework for passively managed schemes of Mutual Funds

SEBI, has introduced the “Mutual Funds Lite (MF Lite) framework” only for passive Mutual fund schemes, with an intent to promote ease of entry, encourage new players, reduce compliance requirements, increase penetration, facilitate investment diversification, increase market liquidity and foster innovation. For more details, [click here](#).

4. Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

SEBI has introduced the Cybersecurity and Cyber Resilience Framework (CSCRF) for Regulated Entities (REs) to address evolving cyber threats and ensure robust cybersecurity measures. Compliance, initially effective from January 1, 2025, has been granted regulatory forbearance until March 31, 2025. Further, SEBI has provided extension of compliance dates for Regulated Entities (REs) viz., KYC Registration Agencies and Depository Participants. For more details, [click here](#).

5. Circular for implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities

SEBI has amended the Listing Obligations and Disclosure Requirements Regulations along with a SEBI Master Circular dated November 11, 2024. Some of the development include: a) introduction of integrated filing; b) guidelines for a secretarial auditor of the listed entity; c) guidelines for disclosure of employee benefit scheme related documents; d) single filing

system; e) system driven disclosure of certain filings and; f) changes to the master circular. For more details, [click here](#).

6. Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) – Timelines

SEBI has partially modified master circular CRAs SEBI/HO/DDHS/DDHSPD3/P/CIR/2024/47 dated May 16, 2024 regarding the timelines specified in Clause 9.2.2, Clause 9.3.3, Clause 11.3 and Clause 28.2.1. For more details, [click here](#).

7. Guidelines for Investment Advisers

SEBI has amended the Investment Advisors (IAs) Regulations, 2024 covering revised deposit requirements for IAs followed by revised eligibility criteria for a Research Analyst (RA) for grant of certificate of registration as IA. Further amendments are regarding the registration as part-time IA, designation as 'principal officer', appointment of an independent professional as Compliance Officer, clarity in activities that can be undertaken by IAs - scope of investment advice, use of Artificial Intelligence ('AI') tools in IA services, etc. For more details, [click here](#).

8. Guidelines for Research Analysts

SEBI has amended the Research Analysts (RA) Regulations, and, introduced new qualification requirements and deposit obligations, while allowing IAs to register as RAs under specific conditions. Further, SEBI has directed the Part-time RAs to meet full-time qualification standards, maintaining a clear separation from other activities, and disclose potential conflicts of interest. For more details, [click here](#).

9. Circular on Revise and Revamp Nomination Facilities in the Indian Securities Market

SEBI has revised and revamped the nomination norms for demat accounts and mutual fund folios to prevent unclaimed assets in the Indian securities market. The revised regulations outline compliance requirements for the regulated entities. For more details, [click here](#).

10. Disclosure of Risk adjusted Return - Information Ratio (IR) for Mutual Fund Schemes

In addition to the mandatory filing of periodic information regarding schemes' performance by Asset Management Companies, SEBI has mandated disclosure of the "Risk Adjusted Return" (RAR), to represent a more holistic measure of a scheme's performance. For more details, [click here](#).

11. Development of Web-based portal: iSPOT (Integrated SEBI Portal for Technical glitches) for reporting of technical glitches

SEBI has stipulated the Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of financial disincentive. 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-III-A: Securities Intermediaries Compliance (Non-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-VIII: Equity Derivatives Certification Examination
- NISM Series-IX: Merchant Banking Certification Examination
- NISM Series X-A: Investment Adviser (Level 1) Certification Examination
- NISM Series X-B: Investment Adviser (Level 1) Certification Examination
- NISM Series X-C: Investment Adviser Certification (Renewal)
- NISM Series XV: Research Analyst Certification Examination