

**Regulatory Alert**  
**IAs/RAs/MIIIs/MFs/EDs/RTAs**

**December 2025 – Vol – 1**

**1. Additional incentives to distributors for On boarding new individual investors from B-30 cities and women investors**

SEBI introduced additional commission to distributors for Onboarding new investors from B-30 cities at mutual fund industry level, as well as new women individual investors for both T-30 and B-30 cities would be eligible for the same. The incentive will be provided through two modes – Lump sum and Systematic Investment Plan, respectively. Implementation would be processed within 30 days from issuance of this circular. For more details, [click here](#).

**2. Reclassification of Real Estate Investment Trusts (REITs) as equity related instruments for facilitating enhanced participation by Mutual Funds and Specialized Investment Funds (SIFs)**

SEBI has facilitated enhanced participation by Mutual Funds and Specialized Investment Funds (SIFs) in Real Estate Investment Trusts (REITs), by treating REITs as investments in equity-related instruments. However, investments in InvITs will continue to be classified as hybrid instruments for Mutual Funds and SIFs. Existing investments in REITs held by debt schemes of Mutual Funds and investment strategies of SIFs as on December 31, 2025, shall be exempted (grandfathered). For more details, [click here](#).

**3. Modalities for migration to AI only schemes and relaxations to Large Value Funds for Accredited Investors under SEBI (Alternative Investment Funds) Regulations, 2012**

With the objective of enhancing Ease of Doing Business for Alternative Investment Fund (AIF) schemes, SEBI has introduced a separate category of AIF schemes exclusively for Accredited Investors (AIs). These schemes will be subject to reduced investor-protection related compliance requirements, while Large Value Funds (LVFs) for AIs will be provided additional regulatory and operational flexibilities. For more details, [click here](#).

**4. Relaxation on geo-tagging requirement in India for NRIs while undertaking re-KYC**

SEBI has decided to modify the existing provisions under Master Circular on KYC dated October 12, 2023 to ease re-KYC process for NRIs. In this respect, the requirement of physical location being in India shall be relaxed for NRI clients to undertake due diligence through digital mode. For more details, [click here](#).

**5. Provisions relating to Strengthening Governance of Market Infrastructure Institutions (MIIs)**

SEBI has approved amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations, 2018) and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (D&P Regulations, 2018). Additionally, SEBI has outlined roles and responsibilities of the Executive Director (ED), Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) of the MIIs. For more details, [click here](#).

**6. Modification in the conditions specified for reduction in denomination of debt securities**

SEBI has permitted for reduction in denomination of debt securities and non-convertible redeemable preference shares subject to certain conditions. The said circular provided for reduced face value of Rs. 10,000 for debt security or non-convertible redeemable preference

share without any structured obligation subject to certain conditions. One of such conditions is that the securities shall be interest/dividend bearing. However, SEBI has clarified that stipulation excludes those debt securities, which carry zero coupon. For more details, [click here](#).

**7. Enhancement of Investment Choice Options under NPS & UPS for Central Government Subscribers**

PFRDA notifies about expansion of the existing Investment Choice Options under NPS and UPS for Central Government Employees. Two additional Auto Investment Choice options have been introduced which are- Auto Choice - Life Cycle 75 - High (15E/55Y) and Auto choice - Life Cycle - Aggressive (35E/55Y) respectively, thereby increasing the total number of available choices to six. For more details, [click here](#).

**8. Amendment to Master Circular - Guidelines on Know Your Customer / Anti Money Laundering/Combating the Financing of Terrorism (KYC/AML/CFT)**

PFRDA outlines digital Onboarding for the NRI/OCI subscribers, the requirement of capturing a live photograph of the subscribers, a digital copy of an officially valid document (OVD) and geo-coordinates of the captured location, all recorded electronically by an authorized official shall be applicable. For this purpose, the requirement of physical location of subscriber being in India, during digital Onboarding, shall be relaxed for KYC for the subscriber. To ensure security, high-risk monitoring and strict attestation requirements for overseas documents are mandatory to comply with anti-money laundering regulations. For more details, [click here](#).

**9. Incentive structure to PoPs for NPS enrolment facilitated through Farmer Producer Organizations (FPOs).**

To promote and encourage initial adoption, PFRDA introduces an incentive of ₹100 per subscriber is proposed to be paid to PoPs for each NPS enrolment facilitated through Farmer Producer Organizations (FPOs). This incentive, in addition to the existing PoPs charge structure, is intended to compensate for higher outreach costs and motivate PoPs to actively engage with FPOs in expanding NPS coverage in Agriculture and allied sector, especially in rural areas. For more details, [click here](#).

**The above Regulatory alerts may be relevant for the individuals with the following NISM Certification Examinations:**

- NISM-Series-II-A: Registrars to an Issue and Share Transfer Agents – Corporate Certification Examination.
- NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents - Mutual Fund Certification Examination.
- NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination.
- NISM-Series-V-A: Mutual Fund Distributors – English Certification Examination.
- NISM-Series-V-A: Mutual Fund Distributors – Hindi Certification Examination.
- NISM-Series-V-B: Mutual Fund Foundation Certification Examination.
- NISM-Series-VII: Securities Operations and Risk Management Certification Examination.

- NISM-Series-XIX-A: Alternative Investment Funds (Category I and II) Distributors 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-XIX-D: Category I and II Alternative Investment Fund Managers Certification Examination.
- NISM-Series-XIX-E: Category III Alternative Investment Fund Managers Certification Examination.
- NISM Series -XVII: Retirement Adviser Certification Examination Certification Examination.
- NISM-Series-XXIV: AML and CFT Provisions in Securities Markets Certification Examination.