

## **Regulatory Alert**

### **IAs/RAs/MIs/MFs/AIFs**

**March 2026 – Vol – 1**

#### **1. Categorization and Rationalization of Mutual Fund Schemes**

SEBI broadly classified the mutual fund schemes into equity scheme, debt scheme, hybrid scheme, life cycle funds and other schemes like fund of fund schemes & passive schemes. Existing sectoral/thematic schemes shall ensure compliance with regard to portfolio overlap limits within 3 years from the date of this circular. Schemes unable to meet the portfolio overlap criteria after 3 years shall be mandatorily merged with other schemes as per applicable provisions. Solutions oriented scheme category is being discontinued w.e.f the date of the circular. Existing schemes in this category shall stop all subscriptions with immediate effect. Such schemes shall be merged with any other scheme having similar asset allocation and risk profile with prior approval from SEBI. Foreign securities will not be treated as a separate asset class. For more details, [click here](#).

#### **2. Valuation of physical Gold and Silver held by mutual fund schemes**

Effective April 1, 2026, SEBI has changed the valuation method the mutual funds follow for the physical gold and silver held in their schemes. Instead of using AM fixing prices of London Bullion Market Association (LBMA), the mutual funds shall value physical Gold and Silver by using the polled spot prices published by the recognized stock exchanges which are used for settlement of physically delivered Gold and Silver derivatives contracts. For more details, [click here](#).

#### **3. Ease of Doing Investment (EoDI) - Disclosure of registered name and registration number by SEBI regulated entities and their agents on Social Media Platforms (SMPs)**

SEBI has directed all regulated entities and their agents to disclose their registered name and SEBI registration number on social media platforms when posting content related to the securities market. Entities must display this information on the home page of their social media handles and at the beginning of each relevant post or video. If an entity or agent has multiple SEBI registrations, they must provide a web link listing all registration details on the home page, while only the relevant registration details must be disclosed in the specific content. The provisions of this circular shall come into effect from May 1, 2026 for all contents uploaded on/after the effective date. For more details, [click here](#).

#### **4. Guidelines for Custodians**

The segregation of activities relating to rendering of financial services that can be carried out by a Custodian, in terms of the certificate granted under the Custodian Regulations shall be specified through the Custodians and DDPs Standards Setting Forum (CDSSF), in consultation with SEBI. Custodian shall undertake financial services activities falling under the purview of SEBI and those outside the purview of SEBI through separate Strategic Business Units (SBU) respectively. CDSSF shall work out and adopt a list of core / non-core activities categorization, in consultation and with due approval from SEBI for a harmonious interpretation and consistent approach amongst industry participants. If the Custodian is not holding any physical securities, there shall be no requirement of vaults. These guidelines will come into effect from March 24, 2026. For more details, [click here](#).

**5. Regulatory Reporting by Alternative Investment Funds (AIFs)**

SEBI has directed the AIFs to submit a comprehensive Annual Activity Report at the end of March of each financial year. The Annual Activity Report shall be submitted by all AIFs online on the SEBI Intermediary Portal (SI Portal) within 30 calendar days from the end of March of every financial year. A limited Quarterly Activity Report shall be submitted by all AIFs online on the SI Portal in a revised format within 15 calendar days from the end of each such quarter. No separate submission of Quarterly Activity Report shall be required for quarter ending March of every year. Indian Venture and Alternate Capital Association (IVCA) shall assist all AIFs in understanding the reporting requirements and in clarifying or resolving any issues that may arise in connection with reporting to ensure accurate and timely reporting. For more details, [click here](#).

**6. Introduction of Voluntary Lock-in / Debit freeze facility to Mutual Fund folios**

SEBI decided that a voluntary debit freeze facility be introduced for Mutual Fund investors across demat and non-demat (i.e., Statement of Account) folios to ensure that no units shall be debited from such folios till the time they are unlocked in order to promote digital security of units of Mutual Fund investors, in consultation with AMFI. For more details, [click here](#).

**7. Ease of Doing Business – Relaxation in certification requirement for Persons Associated with Research Services (PARS) – Sales and other non-core services**

SEBI has decided to introduce a lighter NISM certification module for PARS, such as sales staff, relationship managers and other staff, who perform sales and other non-core services, have client contact but are not directly associated or involved in research related aspects. Such personnel shall obtain certification by passing the “NISM Series-XXV-A: Persons Associated with Research Services (Sales and Other Non-Core Services) Certification Examination”. PARS who have already obtained NISM Series-XV: Research Analyst Certification Examination, as on the date of this circular, shall not be required to undertake NISM Series-XXV-A certification at this stage. Such PARS shall obtain NISM Series-XXV-A certification only after expiry of the validity of their NISM Series-XV Certification. PARS, other than those who perform sales and other non-core services, shall continue to obtain certification from NISM by passing the NISM Series-XV Certification. For more details, [click here](#).

**8. Borrowing by Mutual Funds**

SEBI decided that the policy for use of intraday borrowing facility shall be approved by Board of AMC and Board of Trustees and shall be uploaded on the website of AMC. Such borrowing shall be used only for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders. The amount of intraday borrowings shall not exceed the guaranteed receivables due on the same day from Government of India, Reserve Bank of India and Clearing Corporation of India Limited.

The conditions shall be applicable for intraday borrowings by mutual funds with effect from July 15, 2026. For more details, [click here](#).

**9. Review of Coverage of Settlement Guarantee Fund for Commodity Derivatives Segment**

SEBI has decided that exemptions or relaxations may be granted from the strict enforcement of provisions relating to the Settlement Guarantee Fund (SGF) in the commodity derivatives

segment, on a case to case basis. Such exemptions may be considered after considering the prevailing market conditions, the adequacy of applicable risk management framework and keeping in view the overall objective of investor protection. Clearing Corporations shall calculate the credit exposure due to simultaneous default of at least 3 clearing members (and their associates) causing highest credit exposure. For more details, [click here](#).

**10. Ease of doing business measures - Relaxations in certain reporting requirements for certain Stock Brokers and doing away with the requirement of reporting of demat account**

SEBI revised the norms for enhancing the supervision of stock brokers/depository participants by prescribing the ways for naming/tagging of bank and demat accounts by stock broker and reporting of bank maintained by stock broker. Uniform nomenclature to be followed by stock brokers for Naming/Tagging of bank and demat Accounts and the reporting of such bank accounts to the Stock Exchanges. Stock broker which is also bank or primary dealer, shall be required to report only those bank accounts to the stock exchanges that are used for their stock broking activities. The provisions of this circular shall come into force with effect from April 17, 2026. For more details, [click here](#).

**11. Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Investment Advisers (IAs)**

SEBI clarified that the IA is required to conduct an annual audit in respect of compliance with the IA Regulations and circulars issued thereunder from a member of the Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India within six months from the end of each financial year. The IA shall maintain on record an annual certificate from a member of ICAI/ ICSI/ ICMAI or from an auditor confirming compliance with the client level segregation requirements. For more details, [click here](#).

**12. Clarification regarding eligibility of members of the Institute of Cost Accountants of India to conduct annual audit of Research Analysts (RAs)**

SEBI clarified that the RA or research entity shall conduct annual audit in respect of compliance with RA regulations and circulars issued thereunder from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India within six months from the end of each financial year. For more details, [click here](#).

**13. Charge structure of Point of Presence (PoP) for Common Schemes under NPS for Legal Entities (other than Government)**

PFRDA decided that the Annual Charges for the employees/members under Legal Entities (other than Government) is 0.20% p.a. of the AUM to be adjusted through NAV and payable to PoP on quarterly basis, in accounts other than Dormant accounts. This shall be applicable to all existing NPS accounts as well. For more details, [click here](#).

**14. Charge structure of Point of Presence (PoP) for Common Schemes under NPS (All Citizen) including NPS Vatsalya and NPS Lite**

PFRDA revised the applicable charges for PoPs for Common Schemes under NPS (All Citizen) including NPS Vatsalya and NPS Lite in accordance with the PoP Regulations. One Time Onboarding charge is ₹200/- per new account (equivalent of ₹ 50/- on quarterly basis will be deducted through cancellation of units by CRA/s and payable to PoP in the month subsequent

to the quarter in which on-boarding is completed). The Annual charge is 0.20% p.a. of the AUM to be adjusted through NAV and payable to PoP on quarterly basis, in accounts other than Dormant accounts. This shall be applicable to all existing NPS accounts as well. For more details, [click here](#).

**15. Reclassification of existing Corporates under NPS into Government Entities and Legal Entities (other than Government)**

PFRDA has proposed to reclassify the existing “Corporates” under NPS into: (i) Legal Entities (other than Government), and (ii) Government Entities. For this purpose, a “Government Entity” shall include statutory body or a Government Company or anybody Corporate or any other entity under the ownership and control of either Central or any State Government (including Central Public Sector Enterprises (CPSEs) and State Public Sector Enterprises (SPSEs)). For more details, [click here](#).

**16. Investment Management Fee (IMF) and Annual Fee for Pension Funds w.e.f. 01 April 2026 (for a period of five years)**

PFRDA decided that there shall be no change in the IMF applicable to Government sector subscribers under composite schemes. Further, Government sector subscribers who have opted for individual investment choices, namely Auto Choice or Active Choice (with 100% allocation to Government securities), shall be charged the same IMF as applicable to those Subscribers who are under composite schemes. The revised IMF structure continues to have slab-based differentiated rates for Government and Non-Government sector subscribers. The IMF for the period of 5 years will be effective from April 01, 2026. For more details, [click here](#).

**17. Permitting the Points of Presence for Engagement of Other Persons as Pension Agents dated 20.03.2026**

PFRDA permitted “any other person permitted by the authority” as a pension agent as per the regulation. The authority hereby permits Primary Agricultural Credit Societies (PACS), MSME Associations, CA, CS, CMA, CFA, CFP etc. as pension agents with the given conditions for facilitating distribution of pension schemes under the PFRDA Act. Such engagement shall be subject to the approval of the Board of the respective Point of Presence (PoP), and compliance with the applicable regulations, circulars, guidelines, and terms and conditions prescribed by their respective regulators. For more details, [click here](#).

**18. IFSCA (AML, CFT and KYC) Guidelines, 2022**

IFSCA has updated the AML/CFT/KYC Guidelines, 2022 by substituting and inserting clauses across relevant sections. These amendments address confidentiality of the risk categorization of a customer, requirement of Officially Valid Document (OVD), identification and verification of identity of natural person appointed to act on behalf of customer, parameters to identify and verify the identity of beneficial owners, enhanced due diligence, third party reliance, wire transfers, reporting of suspicious transactions, sharing of KYC information etc. 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
- NISM-Series-II-B: Registrars to an Issue and Share Transfer Agents - Mutual Fund

- NISM-Series-V-A: Mutual Fund Distributors Certification Examination (English)
- NISM-Series-V-A: Mutual Fund Distributors Certification Examination (Hindi)
- NISM-Series-V-B: Mutual Fund Foundation Certification Examination
- NISM-Series-VI: Depository Operations Certification Examination
- NISM-Series-X-A: Investment Adviser (Level 1)
- NISM-Series-X-B: Investment Adviser (Level 2)
- NISM-Series-X-C: Investment Adviser Certification (Renewal)
- NISM-Series-XV: Research Analyst Certification Examination
- NISM-Series-XV-B: Research Analyst Certification (Renewal)
- NISM-Series-XVI: Commodity Derivatives Certification Examination
- NISM-Series-XVII: Retirement Adviser Certification Examination
- NISM Series XIX-A: Alternative Investment Funds (Category I and II) Distributors
- NISM Series XIX-B: Alternative Investment Funds (Category III) Distributors
- NISM Series XIX-C: Alternative Investment Fund Managers
- 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-XXI-A: Portfolio Management Services (PMS) Distributors
- NISM-Series-XXI-B: Portfolio Managers
- NISM-Series-XXV-A: Persons Associated with Research Services (Sales and Other Non-Core Services) Certification Examination
- NISM-IFSCA-01: Certification Course on Anti Money Laundering and Counter Terrorist Financing in the IFSC