Regulatory Alert

IAs/RAs/MIIs/MFs/EDs/RTAs

August 2026 – Vol – 1

1. **'Green-Channel: AIF Rollout Upon Document Acknowledgement' (GARUDA) Mechanism for Processing of Placement Memorandum of Alternative Investment Funds (AIFs) filed with SEBI**
   SEBI has introduced the GARUDA mechanism to expedite the launch of AIF schemes. Under the new framework, Regular AIF schemes can be launched after 10 working days of filing the PPM with SEBI, supported by due diligence from an independent Merchant Banker. Accredited Investors-onlys funds (AI Only Funds - AIOFs), Large Value Funds (LVFs), and Angel Funds are exempt from Merchant Banker filing requirements and can launch immediately upon filing their PPM with SEBI (first schemes can be launched from the date of SEBI registration). Additionally, AIOFs and LVFs must include the identifiers "AIOF/AI Only Fund" and "LVF" respectively in their scheme names. For more details, click here.

2. **Framework for Calculation of Net Distributable Cash Flows for InvITs**
   SEBI has revised the NDCF framework for InvITs to allow add-back of major maintenance expenses for road projects funded through external debt at both Trust and SPV/HoldCo levels. The add-back is subject to conditions, including prior unitholder approval, statutory auditor certification, and prescribed disclosures regarding the borrowing and maintenance expenses. For more details, click here.

3. **Modification in the regulatory framework for Online Bond Platform Providers (OBPPs) including measures for promoting ease of doing business**
   SEBI modifies the regulatory framework for Online Bond Platform Providers (OBPPs) to promote ease of doing business. OBPPs may now offer products/securities/services regulated by IFSCA and 54EC bonds (including those under Section 85 of the Income-tax Act, 2025), subject to specified conditions, disclosures and grievance redressal requirements. For IFSCA-regulated products, OBPPs must follow the requirements applicable to SEBI-registered stock brokers operating in GIFT-IFSC, comply with FEMA requirements, and clearly label such instruments as international/overseas. The circular also updates the Compliance Officer requirements, requiring OBPPs to appoint a Compliance Officer in accordance with the SEBI (Stock Brokers) Regulations, 2026 and ensure that the officer complies with the prescribed certification requirement, namely the **NISM-Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination**. For more details, click here.

4. **Extension of timeline for enrolment with PaRRVA as specified in SEBI Circular No. HO/38/14/(4)2026-MIRSD-POD/I/10557/2026 dated April 29, 2026**
   SEBI has extended the timeline for enrolment with the Past Risk and Return Verification Agency (PaRRVA) from August 3, 2026 to September 3, 2026. The enrolment requirement applies to Investment Advisers (IAs) and Research Analysts (RAs) who wish to communicate certified past performance data to existing or prospective clients. For more details, click here.

5. **Enabling sharing of information by KYC Registration Agencies (KRAs) with entities regulated by International Financial Services Centres Authority**
   SEBI has specified IFSCA under Regulation 16A(1) of the SEBI KRA Regulations, enabling entities regulated by IFSCA to access the systems of SEBI-registered KYC Registration Agencies (KRAs) for undertaking KYC of their clients. This facilitates interoperability and information sharing between KRAs and IFSCA-regulated entities. For clients registered as Foreign Portfolio Investors (FPIs), they must also follow SEBI's prescribed data security guidelines. For more details, click here.

6. **Acceptance of digitally signed Power of Attorney from FPIs**
   SEBI has permitted FPIs to submit a digitally signed Power of Attorney (PoA) to Custodians, in accordance with the provisions of the Information Technology Act, 2000. This removes the earlier requirement for notarisation, apostillisation or consularisation of the PoA, thereby streamlining the FPI on-boarding process, reducing processing time and promoting ease of doing business. For more details, click here.

7. **Same-Day Investment of NPS Contributions Received by Trustee Bank up to 1:30 PM**
   PFRDA has extended the cut-off time for receipt of NPS contributions by the Trustee Bank for same-day investment from 11:00 AM to 1:30 PM on a Business Settlement Day. Contributions received by 1:30 PM and successfully matched and booked will be invested on the same day, with units allotted based on the applicable closing NAV. For more details, click here.

8. **Permitting the Point of Presence (PoP) for engagement of 'other persons' as Pension Agents for distribution of Pension Schemes under Regulation 2(1)(j)(iv) of PFRDA (Point of Presence) Regulations, 2018**
   PFRDA permits Point of Presence (PoPs) to engage additional categories of entities as Pension Agents for distribution of pension schemes under the NPS framework. The newly permitted entities include Cluster-Based Business Organisations (CBBOs) and Co-operative Societies/Unions/Federations. Such engagement is subject to prescribed conditions, including enhanced due diligence by PoPs for co-operative entities. For more details, click here.

9. **Modifications under the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022**
   IFSCA modifies the AML/CFT/KYC Guidelines, 2022 to strengthen reporting requirements to the Financial Intelligence Unit–India (FIU-IND). The amendments include the introduction of Cross Border Wire Transfer Reports (CBWTRs), apart from the existing Suspicious Transaction Reports (STRs) and Non-Profit Organisation Transaction Reports (NTRs), and require Regulated Entities to file reports online through the FIN gate 2.0 portal. For more details, click here.

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

- 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-X-A: Investment Adviser (Level 1) Certification Examination
- NISM Series-X-B: Investment Adviser (Level 2) Certification Examination
- NISM-Series-XV: Research Analyst Certification Examination
- NISM Series-IX: Merchant Banking Certification Examination
- NISM Series-III-A: Securities Intermediaries Compliance (Non-Fund) Certification Examination
- NISM-Series-VI: Depository Operations Certification Examination
- NISM-Series-XVII: Retirement Adviser Certification Examination
- NISM-IFSCA-01: Certification Course on Anti-Money Laundering and Counter Terrorist Financing in the IFSC