



*Your Growth, Our Business*

**BULLETIN – JULY 2025**



## SEBI

### Ease of Doing Investment – Special Window for Relodgement of Transfer request of Physical shares

- ❑ To enhance investor convenience and safeguard their rights regarding securities purchased, SEBI has introduced a special window for a six-month period — from July 07, 2025, to January 06, 2026 — specifically for the re-lodgement of transfer deeds that were submitted prior to April 01, 2019, but were rejected, returned, or left unprocessed due to document deficiencies or other procedural issues.
- ❑ During this period, all such re-lodged securities (including pending requests with listed companies or RTAs as of the current date) will be transferred only in dematerialized form.
- ❑ All relevant procedures must be duly followed for these transfer-cum-demat requests.
- ❑ Additionally, listed companies, RTAs, and stock exchanges are required to widely publicize the availability of this special window every two months through multiple channels including print and social media throughout the six-month duration.

### Master Circular for listing obligations and disclosure requirements for Non-Convertible Securities, Securitized Debt Instruments and/or Commercial Paper

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 outline the continuous disclosure requirements for issuers of listed Non-Convertible Securities, Securitized Debt Instruments, and Commercial Paper. To ensure easy access for stakeholders, SEBI has consolidated the provisions of all relevant circulars issued up to June 30, 2025, into a single Master Circular.

### Master Circular for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

To ensure effective regulation of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), SEBI has issued several circulars over time. For the convenience of stakeholders and to provide easy access to all applicable circulars in one place, SEBI has consolidated the provisions of all circulars issued up to July 11, 2025, into this Master Circular for REITs and InvITs.

### SEBI mandates Digital Accessibility for persons with disabilities

- ❑ SEBI has issued circular mandating that all its regulated entities (REs), including stock exchanges, depositories and various intermediaries, ensure their digital platforms are accessible to persons with disabilities.
- ❑ This directive, which comes in response to a Supreme Court judgement, aims to uphold the rights of people with disabilities to access the securities market.
- ❑ The circular requires REs to comply with specific sections of the Right of persons with Disabilities Act, 2016 and related rules.

- ❑ To ensure compliance, REs must submit a list of their digital platforms, appoint an IAAP – certified accessibility professional as an auditor within 45 days, and conduct a full accessibility audit within three months.

- ❑ Any identified issues must be remedied within six months.

### SEBI Modifies SIF Minimum Investment Monitoring

SEBI has issued a circular revising the monitoring mechanism for minimum investment thresholds in Specialized Investment Funds (SIFs), further building on its February and April 2025 directives.

#### Key highlights include:

- ❑ An active breach is defined as an investor's total investment in SIFs falling below INR 10 lakh due to investor-initiated transactions.
- ❑ In case of such a breach, all units held by the investor across SIF strategies will be frozen for debit.
- ❑ The investor will be given a 30-calendar-day notice to restore the minimum investment threshold.
- ❑ If the investor rebalances within the notice period, the units will be unfrozen.
- ❑ Failure to do so will result in automatic redemption of the frozen units at the NAV of the next business day following the end of the notice period.
- ❑ AMCs, RTAs, and Depositories must implement the necessary systems.

The provisions are effective from July 29, 2025.

## RBI

### Reserve Bank of India (Investment in AIF) Directions, 2025

The Reserve Bank of India (RBI) has issued the RBI (Investment in AIF) Directions, 2025, effective from January 1, 2026, replacing earlier circulars from December 2023 and March 2024. The revised guidelines follow industry consultation and align with SEBI's regulatory framework on Alternative Investment Funds (AIFs).

#### Key highlights include:

- ❑ Applicable to regulated entities (REs) such as commercial banks, cooperative banks, All-India Financial Institutions, and NBFCs.
- ❑ Investment limits:
  - ❖ A single RE cannot invest more than 10% of an AIF Scheme's corpus.
  - ❖ The aggregate investment by all REs in an AIF Scheme is capped at 20%.

- ❑ If an RE invests more than 5% in an AIF Scheme that makes downstream investments (excluding equity) in a company that is also a debtor to the RE, a 100% provision must be made for the RE's exposure to that company.
- ❑ Investments in subordinated units of an AIF must be fully deducted from the RE's capital funds.

These directions are intended to strengthen prudential norms and promote financial stability in REs' participation in the AIF ecosystem.

### **RBI (Pre-payment Charges on Loans) Directions, 2025**

The Reserve Bank of India (RBI), on July 2, 2025, issued new directions on pre-payment charges, effective January 1, 2026, to ensure uniformity and borrower-friendly practices across regulated entities.

#### **Key Highlights:**

- ❑ No pre-payment charges on floating rate loans extended to individuals for non-business purposes.
- ❑ Floating rate loans granted to individuals and MSEs for business purposes cannot attract pre-payment charges if offered by:
  - ❖ Commercial Banks
  - ❖ Certain Urban Co-operative Banks
  - ❖ NBFCs
  - ❖ All India Financial Institutions
- ❑ Small Finance Banks and Regional Rural Banks are barred from charging pre-payment fees on business loans up to ₹50 lakh.
- ❑ The restrictions apply irrespective of the source of funds used for pre-payment and without any lock-in period.
- ❑ For other loan categories, pre-payment charges must:
  - ❖ Be in line with the RE's Board-approved policy, and
  - ❖ Be clearly disclosed in the loan documentation.

These directions aim to enhance borrower mobility, promote fair lending practices, and facilitate competition among lenders.

### **MCA**

#### **The Companies (Restriction on number of layers) Amendment Rules, 2025**

The Ministry of Corporate Affairs (MCA) has notified "The Companies (Restriction on Number of Layers) Amendment Rules, 2025," which shall come into effect from July 14, 2025. As per the amendment, Form CRL-1 (Return on the number of layers) has been substituted with a revised version.

#### **The Companies (Incorporation) Amendment Rules, 2025**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Incorporation) Amendment Rules, 2025, which shall come into force on July 14, 2025. Pursuant to this amendment, Form INC-22A (ACTIVE – Active Company Tagging Identities and Verification) has been updated and replaced with a revised format.

#### **The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025**

MCA has notified "the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025" which shall come into force with effect from 14th day of July 2025. According to the amendment e-Form CSR – 1 (Registration of Entities for undertaking CSR Activities) has been substituted.

### **IFSCA**

#### **IFSCA (Fund Management) (Amendment) Regulations, 2025**

The International Financial Services Centres Authority (IFSCA) has amended the Fund Management Regulations, 2025, to introduce a framework for Third-Party Fund Management Services. The amendment allows Registered Fund Management Entities (FMEs) to launch and manage schemes on behalf of third-party fund managers, subject to IFSCA authorization and compliance with specified conditions.

#### **Key provisions include:**

- ❑ Additional net worth requirement of USD 500,000.
- ❑ Appointment of a dedicated Principal Officer for each third-party managed scheme.
- ❑ Implementation of a robust risk management framework.
- ❑ The FME remains fully liable for all obligations under the arrangement, regardless of indemnities.
- ❑ Eligibility norms for third-party fund managers, including foreign regulatory registration and "fit and proper" criteria.
- ❑ Mandatory disclosures to investors about the third-party arrangement, conflicts of interest, and role segregation.
- ❑ The FME must ensure ongoing monitoring and regulatory compliance by the third party.

#### **IFSCA Issues Transition Guidelines for TAS Regulations**

The International Financial Services Centres Authority (IFSCA) has issued Circular No. IFSCA-GIC/1/2024-CM dated July 31, 2025, detailing the transition framework to the newly notified IFSCA (TechFin and Ancillary Services) Regulations, 2025 ("TAS Regulations"), effective from July 8, 2025.

#### **Key highlights include:**

- ❑ New applicants must apply via email in the prescribed format, with fees specified in Annexure-II. Existing fee circulars remain applicable.

- ❑ Pending applications under previous Ancillary Services or FinTech frameworks will transition under the TAS Regulations without additional processing fees.
- ❑ Entities with in-principle approvals must obtain a Certificate of Registration (CoR) within 12 months of the TAS notification date, or the approval will lapse unless extended.
- ❑ Existing entities under previous frameworks may continue operations for up to 12 months post-notification or until CoR is granted under the new regulations, whichever is earlier.

The circular is issued under the IFSCA Act, 2019 and relevant TAS Regulations, and is effective immediately. Stakeholders are advised to review and ensure timely compliance.

## IFSCA (TechFin and Ancillary Services) Regulations, 2025

The International Financial Services Centres Authority (IFSCA) has notified the IFSCA (TechFin and Ancillary Services) Regulations, 2025, effective July 8, 2025, establishing a regulatory framework for TechFin and Ancillary Services Providers operating in International Financial Services Centres (IFSCs).

### Key Highlights:

- ❑ Applicable to entities providing services that support financial activities listed under Section 3(1)(e) of the IFSCA Act, 2019.
- ❑ Mandatory registration with IFSCA required for new entities; existing entities have 12 months (extendable to 24 months) to comply.
- ❑ Eligibility Criteria: Must be a company/LLP incorporated in an IFSC or its branch; promoters/partners must not be from FATF high-risk jurisdictions.
- ❑ Application process through the Single Window IT System (SWIT) with potential in-principle approval followed by certificate issuance.
- ❑ Entities and key personnel must satisfy “fit and proper” criteria—no record of economic offenses or financial unsoundness.
- ❑ Principal Officer and Compliance Officer must be full-time employees based in the IFSC.
- ❑ Services may generally be provided to non-residents, excluding those from FATF high-risk jurisdictions. Residents are permitted only under specific conditions (e.g., setting up IFSC/overseas offices).
- ❑ Operations to be conducted primarily in Specified Foreign Currencies, with INR accounts allowed for administrative expenses.
- ❑ Entities must adhere to a Code of Conduct and comply with reporting obligations, including USD-based financial reporting.
- ❑ The IFSCA retains powers for enforcement, relaxation, inspection, and oversight.

The regulations repeal earlier circulars on ancillary and FinTech services, with a 24-month transition period for compliance and continuity.

Monthly Updates – July 2025

## TAX

### CBDT Relaxes TDS/TCS for PAN-Aadhaar Linking

The Central Board of Direct Taxes (CBDT) has issued Circular No. 9/2025 dated July 21, 2025, partially modifying Circular No. 3 of 2023 concerning the implications of inoperative PANs due to non-linkage with Aadhaar.

### Key highlights:

- ❑ Previously, higher TDS/TCS rates under Sections 206AA/206CC were applied when transactions involved inoperative PANs, leading to demands for short-deduction/collection.
- ❑ As a relief measure, for transactions between April 1, 2024, and July 31, 2025, no higher TDS/TCS liability will apply if the PAN is made operative by September 30, 2025.
- ❑ For amounts paid/credited on or after August 1, 2025, relief applies if the PAN is made operative within two months from the end of the month of payment/credit.
- ❑ In such cases, regular TDS/TCS rates (as per other applicable provisions of the Income-tax Act) will be applicable instead of penal rates.

This clarification aims to resolve grievances of deductors/collectors and ensure fair compliance treatment.