

SEBI Board Meeting – 12th September, 2025

1. Amendments to Securities Contracts (Regulation) Rules, 1957 relating to Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers with the objective to enhance ease of doing business.

- SEBI has recommended to the Ministry of Finance on changes to the Securities Contracts (Regulation) Rules, 1957 to ease MPO and MPS requirements for very large issuers.
- The aim is to encourage Indian listings, reduce immediate dilution pressure, and allow gradual achievement of 25% MPS.
- Large issuers face challenges in diluting significant stakes at once, leading to market absorption issues and price overhang.
- Revised rules allow lower initial float with extended timelines, while ensuring sufficient liquidity.
- Extended timelines will also apply to existing listed companies not yet compliant with MPS, though fines already levied will continue until new rules are notified.
- Stock exchanges will monitor liquidity and trading through their surveillance systems.
- Proposals were deliberated by the Primary Markets Advisory Committee and incorporate feedback from the August 2025 public consultation.

Post issue market cap	Existing Provision	Proposed Provision
MCap ≤ ₹1,600 Cr	Minimum public offer of 25%	Same as existing provision
₹1,600 Cr < MCap ≤ ₹4,000 Cr	Minimum public offer of ₹400 Cr; MPS of 25% to be achieved within 3 years from date of listing	Same as existing provision
₹4,000 Cr < MCap ≤ ₹50,000 Cr	Minimum public offer of 10%; MPS of 25% to be achieved within 3 years from date of listing	Same as existing provision
₹50,000 Cr < MCap ≤ ₹100,000 Cr	MPS of 25% to be achieved within 3 years from date of listing	Minimum public offer of ₹1,000 Cr and at least 8% of the post issue market cap. MPS of 25% to be achieved within 5 years from date of listing
₹1,00,000 Cr < MCap ≤ ₹5,00,000 Cr	Minimum public offer of ₹5,000 Cr and at least 5% of the post issue market cap; MPS of 10% to be achieved within 2 years and 25% within 5 years from date of listing	Minimum public offer of ₹6,250 Cr and at least 2.75% of the post issue market cap. In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5

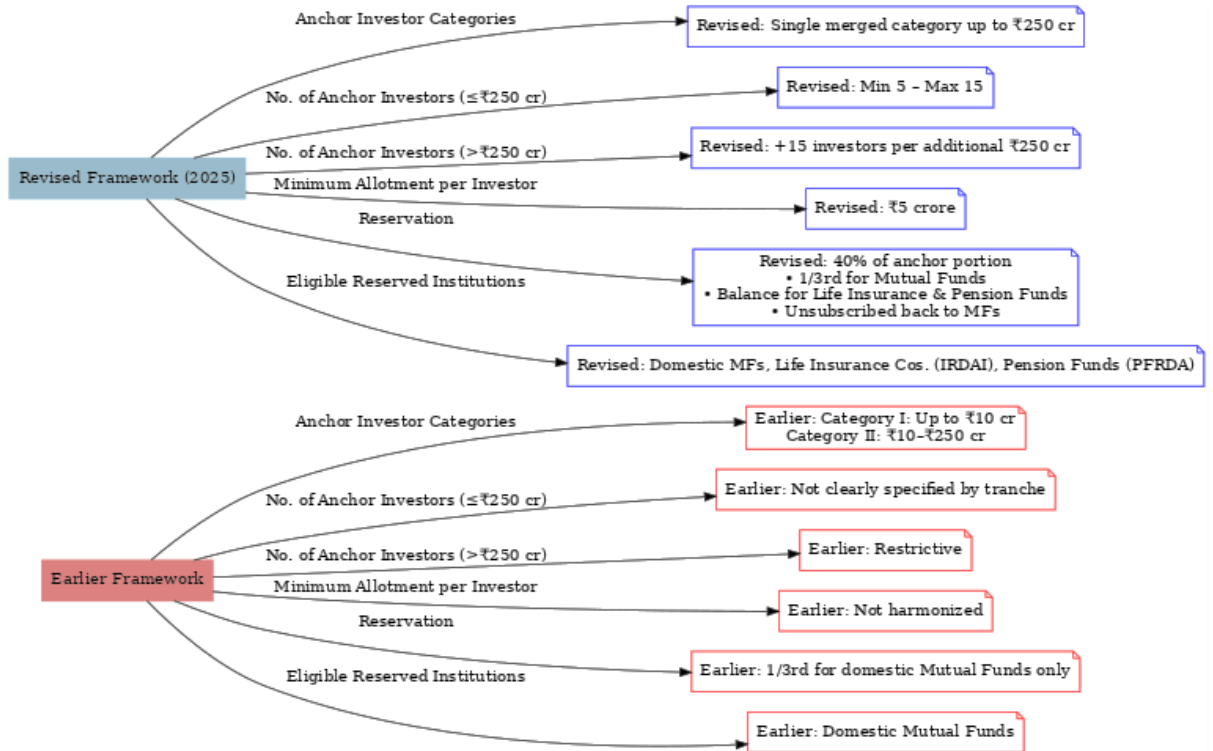
		<p>years and 25% within 10 years from date of listing.</p> <p>In case public shareholding is 15% or above as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.</p>
MCap > ₹5,00,000 Cr		<p>Minimum public offer of ₹15,000 Cr and at least 1% of the post issue market cap, subject to a minimum dilution of 2.5%.</p> <p>In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5 years and 25% within 10 years from date of listing.</p> <p>In case public shareholding is 15% or above as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.</p>

Essence: Smaller initial dilution for mega issuers, longer timelines to achieve 25% MPS, consistent treatment for both new and existing companies, with safeguards for liquidity and investor protection.

2. Amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 with the objective of facilitating Ease of Doing Business and enhancing inclusive participation of institutional investors in the IPO process.

- Amendment to the ICDR Regulations to enhance flexibility and inclusivity in anchor investor allocations.
- The earlier split between Category I (up to ₹10 crore) and Category II (₹10–₹250 crore) has been merged into a single bucket up to ₹250 crore.
- For allocations up to ₹250 crore, there must be a minimum of 5 and a maximum of 15 anchor investors, with at least ₹5 crore per allottee.
- For every additional ₹250 crore (or part thereof), another 15 anchor investors are allowed, subject to the same ₹5 crore minimum allotment.
- Life Insurance Companies (IRDAI-registered) and Pension Funds (PFRDA-registered) have been added to the reserved category, along with domestic Mutual Funds.
- The anchor portion reservation has been raised from one-third to 40%, with one-third earmarked for mutual funds and the balance for life insurers and pension funds (with reallocation flexibility if undersubscribed).
- No reduction is proposed in retail investor allocation nor increase in QIB reservation.
- These amendments aim to broaden anchor participation, facilitate multiple FPI fund participation, diversify anchor books, and align with global best practices.

- Proposals were deliberated in PMAC and incorporate feedback from SEBI's August 2025 public consultation.



3. Amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars thereunder with the objective of facilitating Ease of Doing Business relating to Related Party Transactions ("RPT").

- Objective** – Amendments to SEBI LODR aim to remove ambiguities, ease compliance for companies, and balance investor protection with ease of doing business in RPTs.
- Scale-based thresholds introduced** – Material RPTs for shareholder approval will depend on the annual consolidated turnover of the listed entity (instead of a uniform rule).
- Audit Committee thresholds revised** – Clear criteria laid down for subsidiaries (with and without audited financials) to align with materiality tests.
- Simplified disclosures** – Small-value RPTs ($\leq 1\%$ of consolidated turnover or ₹10 crore) will have reduced disclosure requirements.
- Omnibus approval streamlined** – Shareholder omnibus approval validity provisions from the Master Circular to be formally included in LODR.
- Exemption clarified** – Retail purchases by Directors/KMPs/relatives from listed entity/subsidiary allowed if on uniform employee terms, without separate "business relationship."
- Definition clarity** – "Holding company" under Regulation 23(5)(b) clarified to always mean listed holding company.
- Consultation process** – Proposals were discussed in Advisory Committee on Listing Obligations and Disclosures, issued for public consultation on August 4, 2025, and revised based on stakeholder feedback.

Scale-based Thresholds for Material RPTs (Shareholder Approval)		Revised Audit Committee Thresholds for Subsidiary RPTs		Other Key Amendments	
Annual Consolidated Turnover of Listed Entity	Materiality Threshold for RPTs	Case	Threshold for Prior Audit Committee Approval		
Up to ₹20,000 crore	10% of consolidated turnover	Subsidiary with audited financial statements	10% of standalone turnover of subsidiary OR scale-based threshold of parent (whichever is lower)	Small RPT disclosures	Relaxation: Only minimum info required for RPTs ≤ 1% of consolidated turnover or ₹10 crore
More than ₹20,001 crore – ₹40,000 crore	₹2,000 crore + 5% of turnover above ₹20,000 crore	Subsidiary without audited financials (less than 1 year old)	10% of paid-up share capital + securities premium of subsidiary OR scale-based threshold of parent (whichever is lower)	Omnibus approvals	Validity period provisions (earlier in Master Circular) shifted into Regulation 23(4) for consistency
More than ₹40,000 crore	₹3,000 crore + 2.5% of turnover above ₹40,000 crore OR ₹5,000 crore (whichever is lower)			Retail purchase exemption	Clarification: Directors/KMPs/relatives can make retail purchases (on employee terms) without being treated as RPT
				Holding company definition	Clarified: "Holding company" = listed holding company (always deemed so)

Impact – These changes simplify compliance, reduce unnecessary approvals for smaller transactions, bring proportionality via turnover-linked thresholds, and ensure investor protection while supporting ease of business.

4. Amendments to SEBI (Foreign Portfolio Investors) Regulations, 2019 to facilitate ease of doing business for Foreign Portfolio Investors (FPIs) based in International Financial Services Centres (IFSCs).

- The amendments are aimed at enhancing ease of doing business for FPIs operating from International Financial Services Centres (IFSCs).
- Retail schemes in IFSCs with a resident Indian sponsor or manager will now be permitted to register as FPIs. Earlier, only Alternative Investment Funds (AIFs) in IFSCs with resident Indian sponsors/managers were eligible.
- Sponsor contribution limits by resident Indian non-individuals have been aligned with IFSCA norms. A uniform cap of 10% of the fund's corpus (or 10% of AUM in case of retail schemes) has been prescribed, eliminating earlier inconsistencies between SEBI and IFSCA regulations.
- To operationalise overseas investments by Indian mutual funds, overseas Mutual Funds or Unit Trusts (MFs/UTs) registering as FPIs will now be permitted to include Indian mutual funds as their constituents, subject to compliance with SEBI's circular dated November 4, 2024.

Impact: These changes will bring regulatory clarity, consistency, and inclusivity, enabling wider fund participation, ensuring compliance ease, and supporting structured overseas investment opportunities for Indian mutual funds.

5. Proposals to give regulatory fillip to Accredited Investors to AIFs to facilitate ease of doing business.

- AI-only AIF schemes introduced with reduced compliance and regulatory flexibilities for accredited investors.
- Large Value Funds (LVFs) get additional relaxations and reduced minimum investment threshold from ₹70 crore to ₹25 crore.
- Existing AIFs can opt into AI-only or LVF status to access benefits.
- Accreditation replaces minimum commitment as a robust measure of investor sophistication.
- AI-only schemes have no investor cap; regular schemes retain limits for non-AIs.
- Initiatives aim to attract sophisticated capital, simplify compliance, and enhance funding for entrepreneurs.

6. Proposal to introduce the "Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI)" framework for FPIs and FVCIs.

- SEBI introduced SWAGAT-FI to simplify access and unify registration for low-risk FPIs & FVCIs.
- Eligible investors include sovereign/government entities and regulated public retail funds (mutual funds, insurance cos., pension funds).
- Key relaxations: dual FPI/FVCI registration, exemption from 66% unlisted asset rule, 10-year validity (vs. 3 years), exemption from 50% NRI/OCI cap, single demat account use.
- Framework reduces compliance/documentation, enhances investor ease, and strengthens India's attractiveness.
- Implementation timeline: 6 months for system/process rollout.

7. Launch of 'India Market Access' Website for FPIs.

- SEBI launched 'India Market Access' (www.indiamarketaccess.in), a single-window digital platform for current and prospective FPIs.
- The portal addresses FPIs' concerns about navigating India's regulatory landscape, consolidating information previously spread across multiple regulations and institutions.

- The website provides a 360° gateway for seamless entry and compliance in India's securities markets.
- Developed jointly by India's MIIs (NSE, BSE, Indian Clearing Corp., NSE Clearing, CDSL, NSDL) under SEBI guidance.

Features include: step-by-step FPI registration guidance, documentation advisory, SEBI/RBI regulations, taxation and repatriation guidance, and roles of key market participants.

8. Facilitating enhanced participation of Mutual Funds in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

- SEBI approved amendments to Mutual Fund Regulations to reclassify REITs as "equity" and retain InvITs as "hybrid" for investment purposes.
- REITs were reclassified considering their equity-like characteristics, higher liquidity, and alignment with global practices; InvITs retain hybrid classification due to stable cash flows and lower liquidity.
- Post reclassification, Mutual Fund investments in REITs will count within equity allocation limits and allow inclusion in equity indices, enabling enhanced participation.
- Investment limits previously applicable to both REITs and InvITs will now apply exclusively to InvITs, supporting growth in the infrastructure investment segment.
- Proposals were based on public consultation feedback in April, 2025, and discussions with MFAC, industry associations, and stakeholders.

9. Facilitating enhanced investor protection and financial inclusion in the Mutual Fund space.

- SEBI approved the proposals for measures to enhance investor protection and promote financial inclusion in the Mutual Fund (MF) space.
- Maximum exit load for MF schemes reduced from 5% to 3%, aligning regulation with prevailing industry practice while maintaining flexibility for less liquid schemes.
- Revised distributor incentives for inflows from B-30 cities: applicable only for new individual investors (new PAN), capped at 1% of investment or INR 2,000 per investor.
- New incentives for onboarding women investors: distributors receive additional commission for investments from new women investors (new PAN), structured similarly to the B-30 incentive.
- Proposals were deliberated by Mutual Fund Advisory Committee (Jan 2023), consulted publicly (May 2023), and further discussed with industry stakeholders (July 2025) before final approval.

10. Measures for Ease of Doing Business for entities having listed non-convertible securities - Review of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- SEBI considered and approved the proposals for amendments to LODR Regulations, 2015 for entities with listed non-convertible securities (NCS) to facilitate ease of doing business.
- Entities can now share the web-link of the annual report with NCS holders who have not registered their email IDs instead of sending hard copies; a QR code may optionally be included.
- This measure reduces costs, improves operational efficiency, and aligns NCS requirements with those for entities having listed specified securities.
- Timelines for sending annual reports to NCS holders, stock exchanges, and debenture trustees will follow the Companies Act, 2013 or relevant statutes, currently requiring documents at least 21 days before the AGM.
- Proposals were placed for public comments and reviewed by the Corporate Bonds and Securitization Advisory Committee, which supported the measures to enhance ease of doing business.

11. Expanding the scope of “Strategic Investor” for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) to facilitate wider investor participation.

- SEBI considered and approved amendments to InvIT Regulations, 2014 and REIT Regulations, 2014 to widen the Strategic Investor category in public issues of InvIT/REIT units.
- The amendment aims to attract capital from a broader set of investors and promote ease of doing business.
- Previously, many regulated institutional investors (e.g., public financial institutions, insurance funds, provident funds, pension funds) were ineligible as Strategic Investors.

Post-amendment, Strategic Investors will additionally include:

- All Qualified Institutional Buyers (QIBs), including public financial institutions, provident funds, PFRDA-registered pension funds (minimum corpus Rs. 25 crore), alternative investment funds, and state industrial development corporations.
- Family trusts and intermediaries registered with SEBI with net worth > Rs. 500 crore.
- Middle, upper, and top-layer NBFCs registered with RBI.
- The proposal was based on public consultation on August 1, 2025, and recommendations from the Hybrid Securities Advisory Committee, incorporating public feedback.

12. Improving regulatory outreach and regulatory response of SEBI by establishing adequate physical local presence at various State Capitals / Cities in India.

- SEBI decided to enhance its physical presence across India by establishing Local Offices at State Capitals and major cities in a phased manner.
- Phase 1 cities include Chandigarh, Jaipur, Lucknow, Guwahati, Bhubaneswar, Vijayawada, Hyderabad, and Bengaluru; other cities will be considered in subsequent phases.
- The initiative is aimed at strengthening investor engagement, regulatory oversight, and market intelligence, particularly for SMEs, startups, REITs, and Social Stock Exchange participants.
- Currently, SEBI has its Head Office in Mumbai, regional offices in Ahmedabad, New Delhi, Kolkata, Chennai, and a local office in Indore.
- This move complements existing Investor Service Centers (ISCs) and digital outreach, enabling deeper, on-ground regulatory support and developmental engagement.

13. Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents.

- SEBI approved the proposal for review of the regulatory framework for Registrars to an Issue and Share Transfer Agents (RTAs) and introduced the SEBI (RTAs) Regulations, 2025, replacing the 1993 regulations.

Key reforms include:

- Activity-based regulation: Only services provided to listed companies fall under SEBI’s purview; RTAs serving unlisted companies may do so via a separate business unit with a disclaimer that this is not a SEBI Regulated entity.
- Simplification: Removal of RTA categorization; introduction of a common definition, updated net-worth requirements, and revised fee structure.
- Net-worth computation: Securities premium will now be included in the net-worth calculation for RTAs to ease compliance.
- Institutional mechanisms: RTAs must implement senior management oversight, surveillance systems, escalation/reporting protocols, and a whistleblower policy to prevent and detect fraud.
- The changes aim to modernize the regulatory framework in line with the evolving RTA business and enhance operational efficiency.

- The proposals were discussed in the Intermediary Advisory Committee and incorporated feedback from the public consultation in August, 2025.

14. Proposals for Ease of Doing Business (EoDB) for Investment Advisers and Research Analysts.

- SEBI approved the proposal for amended IA/RA rules to ease compliance and promote growth.
- Certified past performance can be shared with clients for 2 years post-PaRRVA launch.
- Second opinion allowed with capped AUA fee (2.5% p.a.) and client consent.
- Transition for corporatization eased; new clients/fees allowed beyond ₹3 cr.
- Eligibility relaxed – any graduate with NISM certification can apply.
- Proof of address, CIBIL/net worth/infrastructure submissions not required; only declarations needed.
- Aim: reduce burden, improve entry, and support profession development.

15. Review of provisions relating to strengthening Governance of Market Infrastructure Institutions (MIIs) in order to instil a culture that prioritizes regulatory and operational excellence in public interest at both the Governing Board and operating levels of MIIs.

- SEBI reviewed the measures to strengthen governance of MIIs to prioritize public interest over business.
- Two independent EDs to head Vertical 1 (Critical Operations) and Vertical 2 (Regulatory, Compliance, Risk, Investor Grievances); both will be KMPs and Governing Board members.
- EDs to report to MD; NRC to appraise with MD/committee inputs; appointment/removal same as MD.
- Roles/responsibilities of MD, EDs, CTO & CISO clearly defined.
- New norms set for MD/ED directorships in other companies.
- Aim: close leadership gaps, enhance succession planning, ensure MIIs focus on regulatory, tech, risk & compliance functions as first-line regulators.
- Based on June 2025 consultation paper and public feedback.