The Monthly Messenger

Edition #07.26 July 2026

S N Dhawan & CO LLP
Chartered Accountants

The Monthly messenger

India | Regulatory News

Companies (Registered Valuers and Valuation) Amendment Rules, 2026- 5 June 2026

The Ministry of Corporate Affairs (MCA) has notified the Companies (Registered Valuers and Valuation) Amendment Rules, 2026, introducing a minimum paid up share capital requirement for Registered Valuer Organisations (RVOs).

Rule 12 of the Companies (Registered Valuers and Valuation) Rules, 2017 has been amended to provide that a Registered Valuer Organisation, being a Section 8 company (or Section 25 company under the erstwhile Companies Act, 1956), shall have a **minimum paid-up share capital of ₹25 lakh** for recognition as an RVO. Existing RVOs that do not satisfy the prescribed requirement have been provided a transition period up to **31 March 2028** to achieve compliance.

The amendments shall come into force from the date of their publication in the Official Gazette, i.e., **5 June 2026**.

For more information, **click here**

RBI invites comments on the draft “Reserve Bank of India (Interest Rate on Deposits) Amendment Directions, 2026- 5 June 2026

The Reserve Bank of India (RBI) has released draft **Reserve Bank of India (Interest Rate on Deposits) Amendment Directions, 2026** for public consultation**.**

The proposed amendments seek to provide banks with greater flexibility in determining interest rates on bulk deposits by allowing differential pricing based on factors such as deposit size, tenor and liquidity characteristics. The draft directions also aim to enhance transparency by requiring banks to disclose applicable deposit interest rates in advance.

RBI has invited comments and suggestions from the public and other stakeholders on the draft directions on or before **20 June 2026**.

For more information, **click here**

Foreign Exchange Management (Export of Goods and Services) (First Amendment) Regulations, 2026- 5 June 2026

The Reserve Bank of India (RBI) has notified the **Foreign Exchange Management (Export of Goods and Services) (First Amendment) Regulations, 2026**, amending Regulation 9 of the **Foreign Exchange Management (Export of Goods and Services) Regulations, 2015**.

The amendment reduces the time limit for **realisation and repatriation of export proceeds** from **fifteen months to nine months** from the date of export. Consequently, exporters are now required to realise and repatriate export proceeds within nine months, unless otherwise permitted by the RBI.

The amendments have come into force from the date of their publication in the Official Gazette, i.e., **5 June 2026**.

For more information, **click here**

Foreign Exchange Management (Cross Border Merger) (Amendment) Regulations, 2026- 5 June 2026

The Reserve Bank of India (RBI) has notified the **Foreign Exchange Management (Cross Border Merger) (Amendment) Regulations, 2026**, amending the **Foreign Exchange Management (Cross Border Merger) Regulations, 2018**.

The amendment introduces the term **"Competent Authority"**, defined as any authority empowered under the Companies Act, 2013 or the rules made thereunder to approve a scheme of merger or amalgamation. Consequently, references to the **National Company Law Tribunal (NCLT)** in Regulations 4, 5, 7 and 9 of the principal regulations have been replaced with the term **"Competent Authority."**

The amendments have come into force from the date of their publication in the Official Gazette, i.e., 5 June 2026.

For more information, **click here**

RBI Issues Final Amendment Directions on Lending to REITs and InvITs - 10 June 2026

The Reserve Bank of India (RBI) has issued final amendment directions permitting regulated lenders to extend financing to Real Estate Investment Trusts (REITs) and revising the existing framework for Infrastructure Investment Trusts (InvITs) lending. The final framework incorporates stakeholder feedback received on the draft directions issued in February 2026 and is aimed at improving access to institutional credit while maintaining prudential safeguards. The amendments permit commercial banks to extend credit facilities to REITs, subject to prescribed prudential norms and exposure limits. Additionally, the existing framework for lending to InvITs has been aligned with the revised requirements to ensure regulatory consistency.

To implement these changes, RBI has issued the following Amendment Directions to operationalize these changes:

- Reserve Bank of India (Commercial Banks – Credit Facilities) Third Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Concentration Risk Management) Third Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Eighth Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks – Credit Facilities) Second Amendment Directions, 2026
- Reserve Bank of India (All India Financial Institutions – Credit Facilities) Amendment Directions, 2026

These Directions shall come into force from 1 October 2026, or earlier if adopted by banks in entirety.

For more information, **click here**

Foreign Exchange Management (Mode of Payment and Reporting of Non-debt Instruments (Amendment) Regulations, 2026- 13 June 2026

The Reserve Bank of India (RBI) has amended the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to align the payment, remittance and reporting framework with the recent amendments made to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. The amendments primarily facilitate investments by "individual persons resident outside India" under Schedule III and prescribe corresponding reporting requirements.

Under the revised framework, investments by individual persons resident outside India in equity instruments of listed Indian companies on a repatriation basis are required to be made through designated repatriable rupee accounts and other permitted banking channels. The regulations also clarify the mode of payment and remittance applicable to subscriptions under the National Pension System (NPS) and transactions in equity shares of Indian companies listed on International Exchanges.

The amendment introduces a new reporting requirement whereby designated Authorised Dealer Category-I banks are required to report purchases and transfers of equity instruments by individual foreign investors to the RBI through **Form LEC (IFI)**. This reporting mechanism has been introduced to facilitate monitoring of investments made under the revised Schedule III framework.

These Regulations shall come into force from the date of their publication in the Official Gazette i.e 13 June 2026.

For more information, **click here**

Reserve Bank of India Amendment Directions – 10 June 2026

The Reserve Bank of India (RBI) has issued a series of amendment directions revising the regulatory framework applicable to commercial banks, small finance banks and All India Financial Institutions for **lending to Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)**. The amendments primarily relate to **credit facilities, prudential norms on capital adequacy and concentration risk management**, and are aimed at strengthening regulatory consistency and aligning existing directions with evolving supervisory requirements.

The Directions shall become effective from 1 October 2026, or an earlier date when adopted in entirety.

For more information, **click here**

RBI Issues Amendment Directions on ‘Advertising, Marketing and Sale of Financial Products and Services by Regulated Entities’-15 June 2026

The Reserve Bank of India (RBI) has issued amendment directions applicable to banks, All India Financial Institutions and NBFCs (including Housing Finance Companies), revising the framework governing the advertising, marketing and sale of financial products and services (including third-party products and services). The amendments introduce targeted measures to strengthen consumer protection, prevent mis-selling and enhance transparency and accountability in the distribution of financial products and services.

The Amendment Directions shall come into effect from **1 January 2027**.

For more information, **click here**

Liberalisation of Foreign Portfolio Investment under Schedule III of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019- 15 June 2026

The Reserve Bank of India (RBI) has issued a circular operationalising the amendments to Schedule III of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, introduced through the Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026.

The revised framework liberalises the Foreign Portfolio Investment (FPI) regime by expanding the class of eligible investors from only Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) to all individuals resident outside India.

The revised framework also enhances the investment limits for eligible investors and permits Authorised Dealer Category-I (AD Category-I) banks to open repatriable Indian Rupee (INR) accounts to facilitate such investments. Further, AD Category-I banks are required to ensure compliance with the provisions of FEMA, applicable SEBI regulations and prescribed reporting requirements. The circular also clarifies that investments exceeding the prescribed FPI thresholds may be reclassified as Foreign Direct Investment (FDI) in accordance with the extant regulatory framework.

For more information, **click here**

Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Second Amendment Directions, 2026 - 15 June 2026

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Second Amendment Directions, 2026, introducing a revised regulatory framework governing the undertaking of agency business and distribution of third-party financial products by Non-Banking Financial Companies (NBFCs).

The amended Directions permit NBFCs to distribute only regulated financial products and services offered by entities regulated by the Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), Overseas Regulatory Authorities including International Financial Services Centres Authority (IFSCA).

The Directions also rationalise the existing framework by dispensing with the requirement of prior approval from the RBI for the distribution of insurance, mutual fund and pension products, subject to compliance with the applicable sectoral regulations and the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

The amended Directions shall come into force with effect from 1 January 2027.

For more information, **click here**

Reserve Bank of India (RBI) (Commercial Banks-Prudential Norms on Capital Adequacy) Ninth Amendment Directions 2026-16 June 2026

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Ninth Amendment Directions, 2026, introducing amendments to the capital adequacy framework applicable to commercial banks.

The amendment inserts a new Paragraph 34A to provide preferential regulatory treatment for exposures covered under the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0. Under the revised framework, exposures guaranteed under ECLGS 5.0 will attract a zero per cent risk weight to the extent of 75% of the guaranteed amount i.e. to the extent of guaranteed portion wherein the settlement amount is expected to be received within 30 days from the invocation of the guarantee. The remaining exposure shall continue to be subject to the applicable prudential risk-weighting norms.

The amendment shall come into force with immediate effect.

For more information, **click here**

Reserve Bank of India (Housing Finance Companies) Second Amendment Directions, 2026- 15 June 2026

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Housing Finance Companies) Second Amendment Directions, 2026, to align the regulatory framework applicable to Housing Finance Companies (HFCs) with the comprehensive provisions on advertising, marketing and sale of financial products and services prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

The amendment removes the existing provisions relating to advertising, marketing and sales and the code of conduct for Direct Selling Agents (DSAs) and Direct Marketing Agents (DMAs) contained in the RBI (Housing Finance Companies) Directions, 2025. In their place, HFCs are required to comply with the unified framework prescribed under Chapter IIIA of the RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

The amended Directions shall come into force with effect from 1 January 2027.

For more information, **click here**

RBI issues Final directions on Trade Receivables Discounting System (TReDS)- 23 June 2026

The Reserve Bank of India (RBI) has issued the Reserve Bank of India (Trade Receivables Discounting System) Directions, 2026, after considering stakeholder comments received on the draft directions issued in April 2026. The Directions establish a comprehensive and harmonised regulatory framework governing the Trade Receivables Discounting System (TReDS).

The key changes include the introduction of a uniform regulatory regime for TReDS, removal of the requirement for TReDS operators to undertake due diligence of MSME sellers at the time of onboarding, and revision of the minimum capital requirements applicable to TReDS operators. The Directions also consolidate the extant instructions governing TReDS into a single regulatory framework.

The Directions have come into force with immediate effect, except where otherwise specified.

For more information, **click here**

Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2026-25 June 2026

The Reserve Bank of India (RBI) has issued the Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2026, after considering stakeholder comments received on the draft directions issued in February 2026. The Master Direction establishes a comprehensive regulatory framework governing credit derivative transactions in India.

The Master Direction prescribes the framework for eligible participants, permissible credit derivative instruments, risk management, prudential and operational requirements, and reporting and disclosure obligations. The Directions apply to credit derivative transactions undertaken in both the **over-the-counter (OTC) market and on recognised stock exchanges in India**.

The Master Direction has come into force with immediate effect.

For more information, **click here**

Consultation Paper - IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) (1st Amendment) Regulations, 2026- 15 June 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a Consultation Paper proposing the Insurance Regulatory and Development Authority of India (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) (1st Amendment) Regulations, 2026, to align the existing regulatory framework with the amendments introduced by the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025.

The proposed amendments seek to facilitate ease of doing business, encourage capital infusion, rationalise regulatory and compliance requirements, and strengthen policyholder protection while supporting the development of a transparent and globally aligned insurance sector.

Key proposals include revised eligibility criteria for Indian and foreign promoters, enhanced safeguards relating to foreign investment, recognition of Special Purpose Vehicles incorporated in FATF-compliant jurisdictions, clarification of share transfer approval thresholds, and a framework for amalgamation of insurers with non-insurance entities, subject to safeguards for policyholders. The draft also proposes a reduction in processing fees, formalisation of registration procedures, introduction of naming norms for insurers, and various clarificatory amendments to the existing regulations.

IRDAI has invited public comments on the Consultation Paper until 6 July 2026.

For more information, **click here**

Consultation Paper-IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2026- 19 June 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a Consultation Paper proposing amendments to the regulations governing insurance intermediaries to align the existing regulatory framework with the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025 and the consequential amendments to the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2025. The proposed amendments cover the regulatory framework applicable to Corporate Agents, Insurance Brokers, Insurance Marketing Firms, Insurance Web Aggregators and Common Public Service Centres (CPSCs).

The proposed amendments seek to enhance ease of doing business, simplify regulatory processes, reduce compliance costs and strengthen business conduct requirements while ensuring continued protection of policyholder interests. Key proposals include replacement of the term "Intermediary" with "Insurance Intermediary", introduction of an annual fee framework in place of registration renewals, transition provisions for existing intermediaries, revised penalty provisions, enhanced disclosure requirements, changes to the foreign investment framework, removal of registration requirements for Specified Persons of Corporate Agents, and measures to improve accountability and transparency in insurance distribution.

IRDAI has invited public comments on the Consultation Paper until 10 July 2026.

For more information, **click here**

Exposure Draft on IRDAI (Insurance Surveyors and Loss Assessors) (Third Amendment) Regulations, 2026- 19 June 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued an Exposure Draft proposing amendments to the Insurance Surveyors and Loss Assessors Regulations, 2015 to align the regulatory framework with the Sabka Bima, Sabki Raksha (Amendment of Insurance Laws) Act, 2025. The proposed amendments seek to simplify the registration framework, enhance operational efficiency and facilitate ease of doing business.

Key proposals include:

- Grant of new registration
- Annual fee in place of licence renewal.
- Transition provisions for existing licence holders.
- Revised registration certificates and fee structure.
- Suspension or cancellation of registration upon non-payment of annual fee,
- Simplified compliance requirements, including removal of prior IRDAI approval for training and seminars conducted by the Indian Institute of Insurance Surveyors and Loss Assessors (IIISLA).

IRDAI has invited public comments on the Exposure Draft until 10 July 2026.

For more information, **click here**

Consultation Paper - Exposure Draft on proposed amendments to the IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024 – 19 June 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a Consultation Paper proposing amendments to the IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024, to align the existing regulatory framework with the amendments introduced by the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025.

The proposed amendments seek to align the regulatory framework governing Foreign Reinsurer Branches (FRBs) and Lloyd's India with the revised provisions of the Insurance Act, 1938, while facilitating ease of doing business, strengthening regulatory oversight and supporting the orderly development of the reinsurance market in India.

IRDAI has invited public comments on the Consultation Paper until 10 July 2026.

For more information, **click here**

Consultation Paper on IRDAI (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations 2026- 19 June 2026

The Insurance Regulatory and Development Authority of India (IRDAI) has issued an Exposure Draft proposing the IRDAI (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations, 2026, to revise the regulatory framework governing the actuarial, finance and investment functions of insurers.

The proposed amendments, inter alia, relate to the appointment of actuaries, preparation of actuarial reports and valuation balance sheets, repo transactions, investments in promoter-owned or controlled entities, Government Securities Lending (GSL) transactions, and investments in private limited companies. The amendments seek to strengthen the investment and actuarial framework while providing greater operational clarity and flexibility to insurers.

IRDAI has invited comments from insurers, promoters, investors, professional bodies, policyholders and other stakeholders on the Exposure Draft until 10 July 2026.

For more information, **click here**

Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026- 12 June 2026

The Ministry of Finance has amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 to broaden the category of eligible overseas investors, align ownership and beneficial ownership concepts with anti-money laundering regulations, and strengthen safeguards for investments involving countries sharing land borders with India.

Under the amendment, references to Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) in Schedule III have been replaced with the term ***"individual persons resident outside India"***. As a result, investment facilities previously available only to NRIs and OCIs under Schedule III are now available to all individual person resident outside India, subject to the prescribed conditions.

Such investors may purchase or sell equity instruments of listed Indian companies on a repatriation basis through recognised stock exchanges in India, subject to applicable limits and conditions. The amendment further provides that prior Government approval shall be required where such investment results in transfer of ownership or control to entities or citizens of countries sharing a land border with India, or where the beneficial owner of the investment is situated in or is a citizen of such countries.

The amendment also clarifies that where an investor's holding reaches or exceeds 10% of the paid-up equity capital of a listed Indian company and is not reduced below the threshold within the prescribed period, such investment may be reclassified as Foreign Direct Investment (FDI) and become subject to the applicable FDI framework and sectoral conditions.

The amendments came into effect from the date of their publication in the Official Gazette i.e 12 June 2026.

For more information, **click here**

International Financial Services Centres Authority (Managing General Agents) Regulations, 2026- 15 June 2026

The International Financial Services Centres Authority (IFSCA) has notified the International Financial Services Centres Authority (Managing General Agents) Regulations, 2026, establishing a comprehensive regulatory framework for the registration, governance and operations of Managing General Agents (MGAs) in the International Financial Services Centre (IFSC).

The Regulations prescribe the eligibility criteria, registration requirements, governance standards, permissible activities and responsibilities of MGAs engaged by insurers and reinsurers in the IFSC. They also lay down requirements relating to outsourcing arrangements, risk management, disclosures and regulatory oversight with the objective of promoting a robust and transparent insurance distribution ecosystem while safeguarding policyholder interests.

The Regulations have come into force on 15 June 2026.

For more information, **click here**

International | Accounting News

International Sustainability Standards Board (ISSB) Exposure Draft Proposing Amendments to three Sustainability Accounting Standards Board (SASB) Standards: Agricultural Products, Meat, Poultry & Dairy and Electric Utilities & Power Generators- 10 June 2026

The Sustainability Reporting Standards Board (SRSB) of the Institute of Chartered Accountants of India (ICAI) has invited comments from Indian stakeholders on an Exposure Draft issued by the International Sustainability Standards Board (ISSB) of the IFRS Foundation.

The Exposure Draft proposes targeted amendments to the following SASB Standards:
1. Agricultural Products
2. Meat, Poultry & Dairy
3. Electric Utilities & Power Generators

The ISSB has invited public comments on the Exposure Draft until **24 July 2026**. To facilitate consolidation of stakeholder feedback for inclusion in ICAI's response to the ISSB, the SRSB has requested Indian stakeholders to submit their comments by **25 June 2026**.

For more information, click here

IASB issues amendments clarifying the fair value option in IAS 28- 26 June 2026

The International Accounting Standards Board (IASB) has issued **Amendments to IAS 28 *Investments in Associates and Joint Ventures*** to clarify the eligibility criteria for applying the **fair value through profit or loss (FVTPL)** accounting option instead of the **equity method of accounting** for investments in associates and joint ventures.

The amendments clarify that an entity whose **main business activity** is investing in the particular types of assets described in **paragraph 49(a) of IFRS 18 *Presentation and Disclosure in Financial Statements*** qualifies as a **'similar entity'** for the purposes of paragraphs 18–19 of IAS 28 and, accordingly, is eligible to elect the fair value option.
Specifically, the amendments clarify that the fair value option is available to entities whose principal business activity is investing in:
- associates, joint ventures and unconsolidated subsidiaries;
- cash and cash equivalents; and
- other assets that generate returns individually and largely independently of the entity's other resources.

The amendments are intended to eliminate diversity in practice regarding the application of the fair value option by clarifying the meaning of **'similar entities'** in IAS 28. The IASB concluded that these targeted amendments provide greater consistency in application without changing the underlying accounting principles in IAS 28.

The amendments are effective for annual reporting periods beginning on or after **1 January 2027**, with early application permitted in line with the transition requirements of IFRS 18.

For more information, click here