



November 2025

This Newsletter provides a comprehensive overview of recent regulatory developments enacted by key financial sector authorities in India during the month of October 2025, reflecting a strategic advancement in regulatory oversight, market structure, and compliance frameworks.

The Securities and Exchange Board of India (“**SEBI**”) has announced substantial amendments to the SEBI (Issue of Capital and Disclosure Requirements (“**ICDR**”)) Regulations, 2018 (“**ICDR Regulations**”) revising anchor investor allocation norms to ensure balanced participation and risk distribution in public offerings. The revised norms, including tiered thresholds and investor reservations, are intended to enhance stability and transparency in primary markets. Additional regulatory measures include expanded activities for debenture trustees, harmonisation of trust deed requirements with the Companies Act, 2013, and streamlined the reporting obligations for Related Party Transactions (“**RPT**”). Key changes to the process of issuing and listing non-convertible securities further simplify market practices and enhance disclosure standards. It has expanded the permissible activities and rights of debenture trustees, and tightening timelines for information flow to debenture trustees under the Listing Obligations and Disclosure Requirements (“**LODR**”) framework.

The Reserve Bank of India (“**RBI**”) has instituted expanded investment opportunities for non-resident Special Rupee Vostro Account (“**SRVA**”) holders, authorising their participation in Corporate Debt Securities (“**CDS**”) and introducing robust protocols for demat account management, reporting, and compliance oversight. Further, the RBI has also issued directives to ease merchanting trade compliance and recognition of self-regulatory organisations, aiming to foster operational flexibility and effective industry self-governance.

Recent notification from the Ministry of Finance (“**MoF**”) introduces updated Banking Companies (Nomination) Rules, 2025, providing greater latitude for depositors in nominating beneficiaries and outlining mechanisms to ensure continuity and clarity in asset succession. RBI has amended the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015, permitting Indian exporters to open and maintain foreign currency accounts with overseas banks, including those in International Financial Services Centres (“**IFSCs**”), subject to specified conditions and timelines.

Additionally, RBI has released 2 (two) draft frameworks, the Capital Market Exposure Directions and a proposed overhaul of the External Commercial Borrowings (“**ECB**”) guidelines, signalling reforms to enable enhanced acquisition finance and to liberalise offshore borrowing and lending regimes in alignment with global market practices.

Amendments by the Insolvency and Bankruptcy Board of India (“**IBBI**”) mark a further evolution in the liquidation and insolvency resolution processes, with the omission of select provisions pertaining to ‘going concern’ sales, reflecting refined approaches to corporate restructuring and stakeholder consultation.

RBI updates

Measures to provide flexibility and ease compliance burden on exporters, importers and merchanting traders

RBI, *vide* [press release](#) dated October 1, 2025, has announced new measures to ease the compliance burden on exporters, importers, and merchanting traders. Accordingly, the following changes in the extant directions have been made:

1. in the case of Merchanting Trade Transactions (“**MTTs**”), the RBI has increased the time-period for the forex outlay from 4 (four) months to 6 (six) months. This change facilitates Indian merchants manage their MTTs efficiently, keeping in view the global trade related uncertainties; and
2. based on the feedback received, the RBI has revised the directions related to closure of shipping bills in the export data processing and monitoring system. Accordingly, the revised directions will now also include small-value import transactions that are reported in the import data processing and management system under the simplified process for reconciliation/closure of such transactions.

Investment in CDS by non-resident through SRVA

With the objective to expand the investment avenues for SRVA holders, RBI has released [circular](#) dated [October 3, 2025](#), permitting persons resident outside India holding SRVAs to invest their surplus rupee balances in CDS. Previously, such balances could only be invested in Central Government securities, including treasury bills. Under the new directive, SRVA holders are now allowed to invest their surplus rupee funds in non-convertible debentures, corporate bonds, and commercial papers issued by Indian companies. Such investments will count under the general route investment limits specified for foreign portfolio investors. For this purpose, the Authorised Dealer Category-I Banks (“**AD Banks**”) must:

1. open separate demat accounts for SRVA holders;
2. ensure adherence to investment limits; and
3. report transactions to SEBI registered depositories.

Recognition of Self-Regulatory Organisation for non-banking financial company

Pursuant to the invitation for applications issued on June 19, 2024, calling for entities to apply for Self-Regulatory Organisation (“**SRO**”)¹ status under the guidelines laid out in the ‘Omnibus framework for recognition of self-regulatory organisations for regulated entities of the RBI’, dated March 21, 2024, RBI, *vide* [circular](#) dated October 3, 2025, has decided to recognise the Finance Industry Development Council as a SRO for non-banking financial companies.

RBI amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018

RBI, *vide* [gazette notification](#) dated October 6, 2025, has issued the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025. Pursuant to such amendment, the AD Banks are allowed to lend in Indian Rupees to a person resident outside India being individuals and banks in Bhutan, Nepal, and Sri Lanka for cross-border trade transactions.

¹ Recognition of a SRO for non-banking financial companies in India brings stricter compliance, improved governance, and industry-wide ethical standards, ultimately fostering stability and growth in the sector.

Separately, RBI, has released [draft](#) amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, proposing deep structural reforms and revamp of the ECB framework. The reforms seek to simplify access to offshore debt by further broad basing eligibility for borrowers and lenders, liberalising end use restrictions, minimum average maturity and all-in-cost ceilings etc. Together, these changes signal a shift towards a more market-aligned and liberalised external borrowing regime.

For a detailed analysis on the draft amendments, please refer to the [JSA Prism of November 6, 2025](#).

Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Seventh Amendment) Regulations, 2025

RBI, *vide* [notification](#) dated October 6, 2025, has amended the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015. Pursuant to these amendments, Indian exporters are allowed to open and maintain foreign currency accounts with banks, outside India, including those located in IFSC for realisation of full export value and advance remittance received by the exporter towards export of goods or services. Funds in this account can be used to pay for imports into India or repatriated to India within 3 (three) months if the account is with a bank in an IFSC and by the next month for accounts in other jurisdictions, after adjusting for any forward commitments. These provisions are subject to compliance with the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015.

MoF updates

New banking nomination rules for banking and co-operative banks

MoF, *vide* [notification](#) dated October 27, 2025, issued the Banking Companies (Nomination) Rules, 2025. Effective from November 1, 2025, these rules replace the earlier 1985 nomination rules² for banking and co-operative banks. Some of the key provisions are as follows:

1. the amended rules permit depositors to nominate up to 4 (four) people for their bank accounts and lockers and specify the share or percentage of entitlement for each nominee;
2. for nomination for deposit accounts, depositors may opt for either simultaneous or successive nominations, as per their preference;
3. for nomination for articles in safe custody and safety lockers, only successive nominations are permitted; and
4. Individuals maintaining deposits, articles in safe custody, or lockers may specify up to 4 (four) nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession.

Verification and updating of client Know Your Customer information with the Central Know Your Customer Records Registry deemed valid for 'intermediaries' as defined under SEBI (KYC Registration Agency) Regulations, 2011

MoF, *vide* [notification](#) dated October 16, 2025, has notified that the provisions of sub-rule (1A), (1C) and (1D) of Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 ("PMLA Rules") which rules will be applicable to the class of reporting entities 'within the meaning of intermediary' as defined in Regulation 2(1)(f) of the SEBI (KYC Registration Agency) Regulations, 2011 with the following modifications:

1. the said reporting entities must have the option to upload Know Your Customer ("KYC") records on Central KYC Records Registry ("CKYCR") directly or through KYC Registration Agency ("KRA");

² The Banking Companies (Nomination) Rules, 1985 and the Co-operative Banks (Nomination) Rules, 1985

2. the additional or updated information in respect of the KYC records uploaded by any such reporting entity with the KRA and subsequently uploaded by the KRA on the CKYCRR will be deemed to be an upload by the reporting entity on the CKYCRR for the purposes of Rule 9(1D) of the PMLA Rules and notification of updates in respect of KYC records by the CKYCRR to the KRAs will be deemed as CKYCRR informing the reporting entity of the update of such KYC records; and
3. the said reporting entities may for the purposes of Rule 9(1C) of the PMLA Rules, retrieve the KYC records from CKYCRR directly or through KRA.

SEBI updates

Minimum information to be provided to the audit committee and shareholders for approval of RPT

SEBI, *vide* [circular](#) dated October 13, 2025, has eased the requirement of providing minimum information to the audit committee and shareholders for approval of an RPT. If an RPT, whether individually or together with previous transaction(s) during a financial year, does not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements or INR 10,00,00,000 (Indian Rupees ten crore), whichever is lower, the listed entity has to provide minimum information. Such information must be as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee for approval of Related Party Transactions” (affixed as Annexure 13-A of the circular). This requirement will not be applicable to transaction(s) which does not exceed INR 1,00,00,000 (Indian Rupees one crore). The same will be applicable on the notice being sent to the shareholders seeking approval for any RPT.

SEBI (Debenture Trustees) (Amendment) Regulations, 2025

SEBI, *vide* [notification](#) dated October 22, 2025, has amended the SEBI (Debenture Trustees) Regulations, 1993 (“**DT Regulations**”). The SEBI (Debenture Trustees) (Amendment) Regulations, 2025 significantly expand the activities debenture trustees can undertake and strengthen their rights and operational safeguards. Some of the key amendments are as follows:

1. a new Regulation 9C is inserted in the DT Regulations, which permits debenture trustees to undertake additional activities on an arms-length basis through separate business units. These activities include those under the purview of other financial sector regulators or other fee-based, non-fund-based activities related to the financial services sector that do not fall under any regulator’s purview. Further, trustees registered before this amendment have 6 (six) months to transfer existing activities to separate business unit(s). A debenture trustee must ensure that the net worth specified under the DT Regulations, must be ring-fenced from any adverse effects arising from these new permissible activities;
2. Regulation 14 of the DT Regulations is substituted, specifying that trust deeds must contain matters as per Section 71 of the Companies Act, 2013, and related rules, in a format and timeline specified by SEBI;
3. a new Regulation 15A of the DT Regulations is inserted granting debenture trustees explicit rights to aid their duties, including the ability to inspect the issuer’s books, trust property and records, call for relevant documents from issuers and intermediaries, and utilise the Recovery Expense Fund with debenture holders’ consent, in the manner as specified by SEBI.

SEBI (LODR) (Fourth Amendment) Regulations, 2025

SEBI, *vide* [notification](#) dated October 22, 2025, has amended the SEBI (LODR) Regulations, 2015, modifying Regulation 56 (*Documents and Intimation to Debenture Trustees*). Accordingly, listed entities must forward specific information to debenture trustees no later than 24 (twenty-four) hours of occurrence of an event or receipt of information as

specified in regulation 56 of the LODR Regulations, unless otherwise specified. This replaces the previous requirement of forwarding information 'promptly'.

SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2025

SEBI, *vide* [notification](#) dated October 22, 2025, has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These amendments aim to simplify and add flexibility to the process of issuing and listing non-convertible securities. Some of the key amendments are as follows:

1. issuers must now execute the trust deed according to a format and within the timelines specified by SEBI;
2. a proviso is inserted to Regulation 18 (1) of the principal regulations stating that the debenture trustee can accept deviations from the specified format, but the issuer must provide a summary of the deviations and rationale in the general information document/key information document or shelf prospectus; and
3. the previous requirement to structure the trust deed into 2 (two) parts (Part A (containing statutory/standard information pertaining to the debt issue) and Part B (containing details specific to the particular debt)) has been removed.

Key changes to the allocation norms for anchor investors introduced pursuant to the SEBI (ICDR) (Third Amendment) Regulations, 2025

SEBI, *vide* [notification](#) dated October 31, 2025, has introduced the SEBI (ICDR) (Third Amendment) Regulations, 2025. The key changes relating to the allocation norms for anchor investors in a book-built public issue are made under Schedule XIII, Part A, paragraph (10) of the SEBI (ICDR) Regulations, 2018. These are enumerated as below:

1. for issues with an allocation up to INR 250,00,00,000 (Indian Rupees two hundred fifty crore), a minimum of 2 (two) and a maximum of 15 (fifteen) anchor investors are permitted, with a mandatory minimum allotment of INR 5,00,00,000 crore (Indian Rupees five crore) per investor;
2. for issues with an allocations exceeding INR 250,00,00,000 (Indian Rupees two hundred fifty crore), a minimum of 5 (five) and a maximum of 15 (fifteen) investors are permitted for the first INR 250,00,00,000 (Indian Rupees two hundred fifty crore), plus an additional 15 (fifteen) investors for every subsequent INR 250,00,00,000 (Indian Rupees two hundred fifty crore) or part thereof, subject to a minimum allotment of INR 5,00,00,000 (Indian Rupees five crore) per investor; and
3. 40% of the anchor investor portion is now reserved, with 33.33% reserved for domestic mutual funds and 6.67% reserved for life insurance companies and pension funds. Any under-subscription in the life insurance/pension fund category may be allocated to domestic mutual funds.

The amendments will come into force on the 30th day from the date of their publication in the official gazette.

IBBI update

IBBI deletes provisions dealing with the liquidation and insolvency resolution processes, pertaining to 'going concern' sales

IBBI, *vide* notifications dated October 14, 2025, has issued the [IBBI \(Liquidation Process\) \(Second Amendment\) Regulations, 2025](#) ("Liquidation Process Amendment Regulations") and [IBBI \(Insolvency Resolution Process for Corporate Persons \("CIRP"\)\) \(Sixth Amendment\) Regulations, 2025](#). These amendments introduce significant changes to the treatment of 'sale as a going concern' under the insolvency and liquidation frameworks. The amendments under the Liquidation Process Amendment Regulations apply prospectively, only to cases where liquidation as a going concern has not yet started. The key amendments are as follows:

1. Regulation 31A(1)(f) of the IBBI (Liquidation Process) Regulations, 2016 (“**LP Regulations**”), which previously required the stakeholder consultation committee to advise the liquidator on reviewing the marketing strategy in case of a failed ‘going concern’ sale has been omitted;
2. Regulation 32A of the LP Regulations, which previously governed the sale of the corporate debtor or its business as a going concern, has been omitted;
3. Regulation 39C of the CIRP regulations dealing with assessment of sale as a going concern, is omitted;
4. Clause (b) in paragraph 15 of Form H which deals with the compliance certificate to be filed by the resolution professional is omitted.

JSA update

Overview of RBI’s draft directions governing acquisition finance by commercial banks

RBI, on October 24, 2025, has published the draft RBI (Commercial Banks – Capital Market Exposure) Directions, 2025 (“**CME Directions**”), inviting comments and feedback. The CME Directions mark a strategic shift in India’s regulatory landscape by enabling commercial banks to finance domestic acquisitions (beyond the infrastructure sector) for the first time. This move consolidates the framework for capital market exposures and introduces a prudential regime for acquisition finance, including eligibility norms, security, and exposure ceilings. For lenders, this opens up new avenues for financing strategic growth, mergers and acquisition activity, and broader participation in domestic dealmaking.

For a detailed analysis, please refer to the [JSA Prism of October 30, 2025](#).

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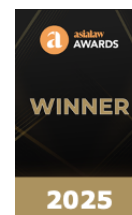
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