

# SEBI Board Meeting

September 12, 2025



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# Brief on the Circular

## 1. 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”)

- ✓ Material RPTs will now be determined based on the annual consolidated turnover of the listed entity, as per the last audited financial statements.
  - Up to ₹20,000 Cr: 10% of turnover
  - ₹20,001–₹40,000 Cr: ₹2,000 Cr + 5% of turnover above ₹20,000 Cr
  - Above ₹40,000 Cr: ₹3,000 Cr + 2.5% of turnover above ₹40,000 Cr or ₹5,000 Cr, whichever is lower
- ✓ Transactions not exceeding 1% of annual consolidated turnover or ₹10 Cr (whichever is lower) will require only minimum information to be provided to the Audit Committee and shareholders, reducing compliance burden.
- ✓ The validity period of shareholder omnibus approvals for RPTs, earlier contained in SEBI's Master Circular, will now be explicitly incorporated under Regulation 23(4) of LODR for consistency.
- ✓ Exemption confirmed for retail purchases made by directors, KMPs, or their relatives from the listed entity or subsidiary, provided terms are uniformly applicable to employees and no business relationship is established.
- ✓ Regulation 23(5) amended to explicitly state that the term “holding company” refers to a “listed holding company” and shall be deemed to always have referred to the same.
- ✓ The amendments aim to remove ambiguities, streamline processes, and strike a balance between investor protection and operational flexibility for listed entities.
- ✓ Proposals were deliberated in ACLOD, followed by SEBI's public consultation (August 04, 2025), and final recommendations were incorporated based on feedback.

## 2. 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)

- ✓ Retail schemes in IFSCs with a resident Indian sponsor or manager are now allowed to register as FPIs, expanding the current framework which previously permitted only Alternative Investment Funds (AIFs) in IFSCs to do so.
- ✓ Sponsor contribution limits by resident Indian non-individuals in funds set up in IFSCs will now be capped at 10% of the fund corpus (or 10% of AUM in case of retail schemes), aligning SEBI's FPI Regulations, 2019 with IFSCA rules and reducing risk of non-compliance.
- ✓ Amendments to FPI Regulations, 2019 will allow overseas Mutual Funds or Unit Trusts (MFs/UTs) registering as FPIs to include Indian mutual funds as constituents, subject to conditions specified in SEBI's circular dated November 4, 2024.
- ✓ These steps are aimed at improving regulatory clarity, reducing compliance risk, and enabling smoother cross-border participation in Indian markets.

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

- ✓ SEBI created a separate category of AIF schemes for Accredited Investors with lighter compliance, tenure extension up to 5 years (vs. 2 years), no pari-passu requirement, and no cap on investor count (regular schemes capped at 1,000 non-AIs).
- ✓ Large Value Funds (LVFs) get all AI-only benefits plus exemptions from PPM standard template and audits, acknowledging their large-ticket, sophisticated investors.
- ✓ Existing eligible AIFs can reclassify into AI-only or LVF schemes and avail these regulatory benefits without disrupting operations.
- ✓ SEBI emphasized accreditation using objective, independently validated parameters as a more reliable measure of investor sophistication than minimum commitment thresholds.
- ✓ Minimum investment for LVFs cut from ₹70 crore to ₹25 crore to attract risk capital, with a phased glide path for smooth transition and broad stakeholder support.

## 4. Proposal to introduce the “Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI)” framework for FPIs and FVCIs

- ✓ SEBI has introduced the Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework to simplify investment access for objectively identified and verifiably low-risk foreign investors. The initiative aims to minimize repeated compliance requirements, standardize documentation, and enhance India's global competitiveness as an investor-friendly destination.
- ✓ SWAGAT-FIs will benefit from relaxations such as the option to register as FVCIs without additional documentation if already registered or applying as FPIs, exemption from the FVCI rule mandating at least 66% investment in eligible unlisted assets, and an extended 10-year block for registration validity, KYC review, and fee payment of USD 2,500 instead of the standard 3 years. They are also exempt from the 50% aggregate contribution cap for NRIs, OCIs, and Resident Indians in FPIs, and may use a single demat account for all securities, with systems ensuring proper tagging and identification.
- ✓ The framework covers government and government-related investors such as central banks, sovereign wealth funds (SWFs), multilateral organizations, and entities at least 75% owned by them, along with appropriately regulated public retail funds like mutual funds, insurance companies investing proprietary funds, and pension funds that are regulated in their home jurisdictions.
- ✓ Eligible FPIs may opt for SWAGAT-FI identification during initial registration, while existing FPIs can convert to SWAGAT-FI status if they meet the criteria. SEBI will publish jurisdiction-wise lists of eligible structures using a trust-but-verify approach, aligned with the exemptions under the Additional Disclosure Framework dated August 24, 2023.
- ✓ SWAGAT-FIs benefit from significant compliance relaxations including FVCI registration without extra documentation, exemption from the 66% mandatory investment in eligible unlisted assets, a 10-year validity for registration and KYC review with a USD 2,500 fee (vs. the current 3-year cycle), exemption from the 50% cap on aggregate contributions from NRIs/OCIs, and the ability to use a single demat account for all investments with proper tagging.
- ✓ The framework is designed to unify and streamline the registration process, simplify compliance, and reduce regulatory complexity, ultimately making India a more attractive and accessible market for trusted foreign investors and improving ease of doing business.
- ✓ A six-month period has been provided for the necessary system and process modifications before full implementation of the SWAGAT-FI framework.

## 5. 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 approved amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, allowing entities with listed non-convertible securities to send a letter containing a web-link for accessing the annual report to holders who have not registered their email ID, instead of sending a physical copy. Entities may also include a static QR code for easy access.
- ✓ This change will significantly reduce printing and dispatch costs, improve operational efficiency, and align disclosure requirements for entities with listed non-convertible securities with those for entities having listed specified securities.
- ✓ Board approved that timelines may be specified for entities having listed non-convertible securities, for sending the annual report to the holders of non-convertible securities, stock exchange and debenture trustee, as per provisions of Companies Act, 2013 or the provisions of the statute/ Act of Parliament under which such entity is constituted. Currently, under Section 136 of the Companies Act, 2013, notices and other documents must be sent at least 21 days before the Annual General Meeting (AGM).
- ✓ The proposal was placed for public comments and reviewed by the Corporate Bonds and Securitization Advisory Committee, which supported the move as a step towards enhancing ease of doing business for issuers of non-convertible securities.

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

- ✓ SEBI approved amendments to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, and SEBI (Real Estate Investment Trusts) Regulations, 2014, to expand the Strategic Investor category for public issues of InvITs and REITs, aimed at widening the investor base and attracting more capital.
- ✓ The Strategic Investor concept was originally introduced to allow select institutional investors to invest in an InvIT/REIT issue before the public offer, thereby boosting market confidence. However, several regulated institutional investors such as public financial institutions, insurance funds, and pension funds could not previously participate.
- ✓ **The Strategic Investor category now includes:**

The Strategic Investor category now includes all Qualified Institutional Buyers such as public financial institutions, provident funds, PFRDA-registered pension funds with a minimum corpus of ₹25 crore, Alternative Investment Funds, and state industrial development corporations, along with family trusts and SEBI-registered intermediaries with a net worth above ₹500 crore, and middle, upper, and top layer NBFCs registered with the Reserve Bank of India.
- ✓ The proposal, based on the August 1, 2025 consultation and SEBI committee recommendations, incorporates public feedback to simplify processes.



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