

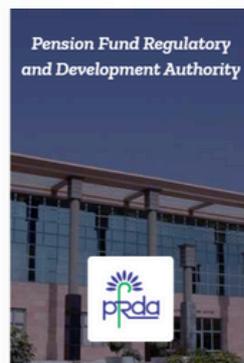


REGSTREET
— Law Advisors —

JANUARY 2026

REGPOST

REGSTREET LAW ADVISORS' MONTHLY NEWSLETTER



HIGHLIGHTS

Mr. Sumit Agrawal, Founder & Managing Partner at Regstreet Law Advisors and former SEBI Officer, has been appointed as a Member of the Committee for Strategic Asset Allocation and Risk Governance (SAARG) constituted by the Pension Fund Regulatory and Development Authority (PFRDA) under the Ministry of Finance. The SAARG Committee has been tasked with reviewing and modernising the National Pension System investment framework. Chaired by Shri Narayan Ramachandran, former CEO of Morgan Stanley India, the Committee comprises several eminent market and regulatory professionals. Mr. Agrawal's appointment showcases his expertise in securities law and regulatory governance and reflects Regstreet's continued engagement with policy formulation and institutional reform in India's financial sector.

Congratulations!

Mr. Sumit Agrawal *Appointed to*
PFRDA SAARG Committee

Committee for Strategic Asset Allocation & Risk Governance
Under Ministry of Finance, Government of India

SAARG Committee Members:

- **Shri Narayan Ramachandran** Former Country Head & CEO of Morgan Stanley India (Chairperson)
- **Shri Ananth Narayan** Former SEBI Whole Time Member
- **Ms. Devina Mehra** Founder & CMD First Global
- **Shri Prashant Jain** CIO at 3P Investment Managers & Former CIO at HDFC Metilal Joist Ltd.
- **Shri Raamdeo Agrawal** Co-founder, Motilal Oswal & Chairman of Motilal Oswal Financial Services Ltd
- **Shri Sankaran Naren** CIO at ICICI Prudential AMC Ltd.
- **Shri Kalpen Parekh** MD & CEO of DSP Mutual Fund
- **Shri Rajeev Thakkar** CIO at PPFAS Asset Management Pvt. Ltd.

Sumit Agrawal
Founder, Regstreet Law Advisors
Former SEBI Officer

- Modernizing NPS Investments
- Enhancing Risk Governance
- Boosting Retirement Wealth Creation

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HIGHLIGHTS

Reuters quoted Mr. Sumit Agrawal regarding SEBI's recent show-cause notice to Bank of America for alleged violations of insider trading norms. The regulator has flagged a failure to maintain effective "Chinese walls" during the Aditya Birla Sun Life AMC share sale, citing premature coordination between the deal team and other banking arms while in possession of Unpublished Price Sensitive Information. Commenting on the development, Mr. Agrawal commented that the case appears to be less about classic insider trading and more about a significant failure of internal controls, which can still attract serious regulatory consequences.



SEBI alleges breach of Insider Trading



"This case looks less like classic insider trading and more like an internal-controls failure, which can attract serious regulatory action"

Mr. Sumit Agrawal
Managing Partner
Regstreet Law Advisors

Quoted in Reuters authored by Jayshree P Upadhyay
"India regulator alleges Bank of America breached insider trading rules in 2024 deal"

HIGHLIGHTS

The Hindu BusinessLine quoted Mr. Sumit Agrawal regarding the critical judicial hurdles facing the long-awaited National Stock Exchange of India IPO. With SEBI granting in-principle approval to settle the co-location and dark fibre disputes, the article notes that the final clearance now rests with the Hon'ble Supreme Court of India. Commenting on the development, Mr. Agrawal highlighted that the process is not merely internal to SEBI but necessitates judicial engagement on pending litigation, emphasizing that the IPO's timing will ultimately depend on the Supreme Court's direction rather than public timelines.

MARKETS

NSE IPO hinges on Supreme Court approval of co-location case settlement

SEBI's in-principle nod clears regulatory path, but court disposal needed before NOC

By Akshata Gorde

Updated - January 19, 2026 at 09:21 PM.



Next steps for NSE IPO

Once the Supreme Court closes the matter, NSE can refile its draft red herring prospectus (DRHP). The exchange will then be required to undergo SEBI's disclosure review under the ICDR framework, obtain in-principle listing approval, likely from BSE, and proceed to book-building and listing.

“Other than the issuing which are under process at SEBI such as pending settlement of certain issues, the process is not merely internal to SEBI. It necessarily involves judicial engagement on pending litigation, and the timing and scope of the IPO will ultimately depend on how and when the Supreme Court addresses SEBI's application and the broader issues involved. Until then, the matter remains legally open despite public statements on timelines.” said Sumit Agrawal, Senior Partner, Regstreet Law Advisors & former SEBI Officer.

HIGHLIGHTS

The Hindu BusinessLine quoted Mr. Sumit Agrawal in its article titled “SEBI clears the path for NSE IPO”, noting that NSE can now move ahead with updating and re-filing its offer documents, completing SEBI’s review process and progressing towards listing in the coming months, with merchant bankers, lawyers and accountants addressing SEBI’s observations and finalising pricing, allocations and disclosures.

SEBI clears the path for NSE IPO

BIDDING TIME. After regulator’s no-objection, exchange is likely to take eight months to launch public issue

Akshata Gorde
Mumbai

The Securities and Exchange Board of India (SEBI) has issued a no objection certificate (NOC) for the National Stock Exchange’s proposed initial public offering (IPO), clearing a key regulatory hurdle that had held up the country’s largest bourse from tapping public markets for nearly a decade.

“We are delighted to receive SEBI approval for our IPO, a significant milestone in our growth journey. With SEBI’s approval, we embark on a new chapter of value creation for all our stakeholders. This approval also reinforces confidence in NSE being an integral part of the Indian economy and a beacon of Indian capital markets,” said NSE Chairperson Srinivas Injeti.

With the NOC now in



ON MEGA SCREEN. Settlement move on co-location cases and surge in unlisted shares signal listing momentum

hand, the exchange is expected to take eight to nine months to launch the offering, which is likely to be structured as an Offer for Sale (OFS) and no fresh capital raised for the company.

ONGOING CASES

The regulatory clearance comes even as SEBI continues to process NSE’s settlement application linked to the long-running co-location and dark fibre cases. NSE had

approached the regulator in June 2025, seeking to close the proceedings under the consent mechanism and offered close to ₹1,400 crore to settle the matter. The exchange has already made provisions of ₹1,297 crore in its books, in addition to a ₹100 crore deposit earlier made following a SAT order.

“The regulator, through its market regulation department, has conveyed its no-objection for NSE to proceed

with IPO-related filings,” said a SEBI official aware of the matter.

The internal SEBI departments had broadly agreed to the settlement framework, prompting the regulator to issue the NOC without waiting for formal approval from the High Power Advisory Committee (HPAC). The proposal is expected to move to the HPAC and thereafter, to SEBI’s whole-time members for final clearance, following which it may seek withdrawal of related cases pending before the Supreme Court.

NSE M-CAP SURGES

The anticipation of the regulatory breakthrough has renewed activity in NSE’s unlisted shares, with prices jumping 10-15 per cent over the past few months and some private market platforms quoting around ₹2,050 per share, taking its

market capitalisation to around ₹5 lakh crore.

“NSE can now move toward updating and re-filing its offer documents, completing SEBI’s review process, and proceeding to a listing over the coming months. The exchange can officially be represented by merchant bankers, lawyers and accountants in respect of addressing SEBI’s observations, finalise pricing, share allocation and regulatory disclosures in the updated draft prospectus,” said Sumit Agrawal, Senior Partner, Regstreet Law Advisors and former SEBI officer.

Ashish Chauhan, MD and CEO, NSE, had earlier indicated that once the written NOC is received, the exchange would immediately begin work on the offer documents. NSE had first filed for an IPO in 2016, but withdrew it as the regulatory probe gathered pace.

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Orders / Judgments

1. Adjudication Order in the matter of Accretion Pharmaceuticals Limited - AO - 07.01.2026

SEBI imposed a monetary penalty of INR 1 Lakh each on Accretion Pharmaceuticals Limited (issuer company) and its book-running lead manager, Jawa Capital Services Private Limited, for violations of the SEBI (ICDR) Regulations, 2018 and the SEBI (Merchant Bankers) Regulations, 1992, arising out of pre-IPO public communications.

The case stemmed from an investor meet held on May 13, 2025, one day before the IPO opening, where the promoter-CFO of Accretion Pharmaceuticals publicly disclosed specific forward-looking revenue projections for FY 2025-26 to FY 2027-28 (including projected turnover of INR 75-80 crore for FY26 and INR 115-120 crore by FY28), despite such projections not being disclosed in the DRHP or RHP.

SEBI rejected the issuer's defence that the projections were merely responses to an investor query, protected by a "safe harbour" slide, or already embedded indirectly in working capital disclosures. The Adjudicating Officer held that an investor meet constitutes "public communication", and that any information not contained in the offer documents cannot be selectively disclosed, particularly on the eve of the issue. A notable finding was that such selective disclosure placed investors attending the meet on an unequal footing vis-à-vis the broader investing public. Importantly, SEBI also faulted the BRLM for being a "mute witness", holding that Jawa Capital failed to exercise due diligence by not issuing an immediate clarification or cautioning investors to rely solely on the offer documents, despite being present during the disclosure.

[**Read more**](#)

2. Tanzania Bottling Company S. A v. SEBI & Others - 09.01.2026 - SAT

The Hon'ble Securities Appellate Tribunal (SAT) allowed the appeal filed by Tanzania Bottling Company S.A. (TBC), setting aside SEBI's communication dated July 02, 2025, which had dismissed TBC's complaint on the SCORES platform concerning alleged non-disclosure by Varun Beverages Limited (VBL) under Regulation 30 of the SEBI (LODR) Regulations, 2015. The appeal arose from VBL's failure to make a clear and conspicuous disclosure regarding the termination of a Share Purchase Agreement (SPA) entered into with TBC for acquisition of SBC Tanzania Limited, despite having earlier disclosed the execution of the SPA as a material event.

The dispute stemmed from VBL's disclosure dated March 31, 2025, which merely stated that certain conditions precedent remained unfulfilled as the long stop date approached, without explicitly disclosing that the SPA had stood terminated. TBC contended that such disclosure was misleading and resulted in regulatory consequences abroad, including enforcement action by the Tanzania Revenue Authority and payment of USD 4.26 million towards capital gains tax. Although VBL subsequently admitted the termination of the SPA in Note 9 to the unaudited financial results disclosed on April 30, 2025, TBC argued that this amounted to inadequate and camouflaged disclosure, falling short of the requirements of Regulation 30. SEBI and VBL maintained that the disclosures made were sufficient compliance with the LODR framework.

Allowing the appeal, the Hon'ble Tribunal held that Regulation 30 mandates disclosure of material events in a clear, prominent and unambiguous manner, and that while the execution of the SPA had been conspicuously

disclosed earlier, its termination was relegated to fine print in its termination was relegated to fine print in the notes to financial results, which could not be treated as proper disclosure. The Tribunal observed that such diluted disclosure defeats the object of investor protection, as share price discovery is significantly influenced by transparent communication of material developments. Holding SEBI's inaction and VBL's stand to be untenable, the Tribunal directed SEBI and NSE to re-examine the matter of mandatory disclosure under the LODR Regulations and pass appropriate orders within four weeks.

3. Adjudication Order in the matter of Gretex Corporate Services Limited – SEBI AO – 13.01.2026

SEBI imposed penalty of INR 15 Lakh on Gretex Corporate Services Limited, a SEBI-registered merchant banker, for lapses in due diligence of certain IPO mandates.

SEBI alleged that Gretex failed to discharge its statutory duty under Regulation 245(3) of the ICDR Regulations, 2018 and Regulation 13 read with Schedule III of the Merchant Bankers Regulations, particularly by relying largely on issuer undertakings instead of conducting independent verification of critical disclosures such as fund requirements, background of promoters and directors, audit committee eligibility, prior IPO history, vendor quotations and key customers.

Further, SEBI said that due diligence not only requires “reasonableness” and that SEBI/stock exchange vetting does not dilute the merchant banker’s responsibility.

The Adjudicating Officer held that regulatory scrutiny does not absolve a merchant banker of its independent obligations, and that the prior withdrawal of an IPO is a material event that must be examined independently, irrespective of whether it was previously publicly disclosed.

The order is significant for reaffirming that merchant bankers are not passive intermediaries, and that deficiencies in IPO diligence, will attract strict monetary consequences even in the absence of proven investor harm. However, the corrective actions and the venial breaches are to be considered as mitigating factors for imposition of penalty.

{Disclosure: Regstreet Law Advisors represented Gretex Group.}

Read more

4. Rajneesh Kumar & Others v. SEBI – 14.01.2026 – SAT

SAT partly allowed multiple appeals challenging a common order dated May 22, 2024 passed by a Whole Time Member of SEBI in connection with an alleged “pump and dump” scheme in the scrip of Superior Finlease Limited. While the Tribunal upheld SEBI’s core findings that the appellants had engaged in fraudulent and unfair trade practices in violation of the SEBI (PFUTP) Regulations, it modified the quantum of penalties and disgorgement imposed on certain noticees, taking into account their respective roles, degree of involvement, and mitigating circumstances.

The case arose from SEBI's investigation into stock recommendations circulated through Telegram channels on September 14, 2021, which led to a sharp spike in the price and trading volume of Superior Finlease Limited, followed by a steep crash. SEBI concluded that Rajneesh Kumar, a director of the company, had masterminded the scheme by funding and coordinating connected entities to artificially inflate the scrip during the "pump phase" and offload shares to unsuspecting investors during the "dump phase." SEBI imposed market bans, directed disgorgement of unlawful gains aggregating to INR 3.89 crore, and levied penalties up to INR 5 crore on various noticees, including intermediaries who facilitated dissemination of recommendations through social media.

Upholding SEBI's findings on manipulation, the Tribunal held that the evidence clearly established a coordinated scheme involving funding trails and communication between the parties, inter se trading, and dissemination of misleading buy recommendations to lure retail investors. The Tribunal rejected arguments that mere non-trading by certain appellants absolved them of liability, observing that market manipulation can be executed through orchestration and facilitation. However, applying the principles under Section 15J of the SEBI Act, the Tribunal recalibrated penalties and disgorgement amounts based on proportionality, parity, and actual receipt of unlawful gains. While penalties on key intermediaries were reduced, disgorgement directions and market debarments were largely sustained, reinforcing that social media-driven stock manipulation warrants strict regulatory action.

5. Sukhraj Kaur Rajbans v. SEBI - 16.01.2026 - SAT

In a rare split verdict, SAT has revisited the scope of discretion under Section 15HA of the SEBI Act, 1992, and whether mitigating factors under Section 15J can soften the rigour of a prescribed minimum penalty.

Majority view (by technical members - Dr. Dheeraj Bhatnagar & Ms. Meera Swarup)

The majority held that penalties prescribed under Section 15HA of the SEBI Act can be reduced below the statutory minimum of INR 5 lakh by applying the mitigating factors under Section 15J. According to the majority, Section 15J is a beneficial provision that mandates consideration of mitigating circumstances, such as absence of disproportionate gain, lack of investor loss, non-repetitive conduct, and other case-specific factors, and nothing in Section 15HA overrides Section 15J, especially since Section 15HA does not contain a non-obstante clause. The majority rejected the argument that post-2014 amendments mandating a minimum penalty automatically bar reduction, holding that the statute must be read harmoniously.

Minority view (by Presiding Officer Justice P.S. Dinesh Kumar)

The Presiding Officer firmly held that the minimum penalty of INR 5 lakh under Section 15HA is mandatory and cannot be reduced, regardless of mitigating factors. Relying heavily on Supreme Court precedent in Bhavesh Pabari, he concluded that Section 15J applies only to Section 15A(a) and does not dilute the statutory minimum penalties prescribed under other provisions such as Section 15HA. He also emphasised that SAT, being a creature of statute, has no jurisdiction to effectively rewrite statutory penalty provisions or substitute penalties with lesser amounts or warnings.

Decision

Based on the majority view, the SAT held that the penalties imposed under Section 15HA of the SEBI Act can be reduced below the statutory minimum by applying the mitigating factors under Section 15J. Consequently, the penalties imposed on Sukhraj Kaur Rajbans and Rashmi Mishra were set aside on grounds of violation of natural justice, while the appeal of Anish Hemani (HUF) was dismissed on merits for engaging in non-genuine reversal trades in illiquid stock options, and SEBI was directed to consider launching another settlement scheme to resolve the large number of pending illiquid stock option cases.

6. The Bombay Dyeing and Manufacturing Company, Limited & Another v. SEBI - 16.01.2026

Hon'ble Securities Appellate Tribunal, by a majority decision, allowed a batch of appeals filed by Bombay Dyeing and Manufacturing Company Limited (BDMCL), its directors, key managerial personnel, and group entities, setting aside SEBI's orders dated October 21, 2022 (passed by the Whole Time Member) and October 31, 2022 (passed by the Adjudicating Officer). The impugned orders had alleged a fraudulent scheme involving artificial inflation of profits through Memoranda of Understanding (MoUs) entered into with SCAL Services Limited (SCAL), an unlisted group company, and had imposed penalties, market debarment, and other directions under the SEBI Act and the PFUTP Regulations.

The dispute arose from SEBI's allegation that BDMCL, despite holding only a 19% stake in SCAL, exercised significant influence and used MoUs relating to real estate projects to recognise revenue and profits on a "percentage completion method," thereby inflating its financial results between FY 2011-12 and FY 2017-18 and misleading investors. SEBI further alleged that the MoUs were sham arrangements designed to manipulate financial statements and that the promoters, directors, independent directors, and CFOs were complicit in the alleged fraud. The appellants contended that SCAL was neither a subsidiary nor an associate company under Section 2(76) of the Companies Act, 2013, that the MoUs were legitimate commercial arrangements, that there was no "dealing in securities" to attract the PFUTP Regulations, and that SEBI's action suffered from inordinate and unexplained delay of nearly nine years.

Majority view (By Technical Members - Dr. Dheeraj Bhatnagar & Ms. Meera Swarup)

The majority answered both framed issues in favour of Bombay Dyeing, holding that no fraudulent scheme was established under the PFUTP Regulations. On the first issue i.e., whether the real estate MoUs with group entity SCAL were sham or non-genuine, the majority found that the projects were real, the MoUs were legally executed, consideration was accounted for, and the flats were ultimately sold to third-party buyers. Mere intra-group arrangements or accounting treatment, without evidence of fictitious assets, circular fund flows, or artificial market impact, were held insufficient to infer fraud. On the second issue i.e., whether revenue recognition through SCAL misled investors, the majority concluded that SEBI failed to demonstrate inducement to trade, price manipulation, or investor harm, which are core ingredients of fraud under PFUTP. Consequently, the majority set aside SEBI's findings of fraud, directed that the penalties imposed be refunded, and quashed all consequential directions.

Minority view (by Presiding Officer Justice P.S. Dinesh Kumar)

The Presiding Officer dissented, holding that the conduct did amount to a fraudulent scheme, even if it did not involve classic price manipulation. According to the minority, the repeated execution of MoUs with a group entity, front-loading of revenue, reversals, and timing of disclosures collectively constituted a deceptive device to project inflated financial performance, thereby misleading investors. The minority took a substance-over-form approach, holding that eventual sale of flats to third parties does not cure the initial deception practiced through structured intra-group transactions. On this basis, the Presiding Officer upheld SEBI's conclusion of fraud and directed payment of INR 50 lakh penalty on the company and an additional INR 10 lakh on the concerned individual, rejecting the plea for complete exoneration.

7. Order in the matter of front running by Ashish S Parekh and Connected Entities – SEBI AO - 16.01.2026

SEBI issued the Final Order against Ashish S Parekh and several connected entities, including dealers and family members, regarding front-running activities. The regulator initiated an investigation following a preliminary examination report from the NSE which suspected that Ashish S Parekh, a dealer at Mangal Keshav Financial Services, was front-running the trades of a Big Client, identified as Mr. Paresh N Bhagat, the Chairman of MKFS. Findings revealed that the Noticees collectively earned unlawful gains of approximately INR 1.07 crore between April 1, 2021, and December 31, 2021, by executing trades ahead of the Big Client's substantial orders.

The investigation highlighted that Ashish S Parekh and Rajesh Joshi, acting as dealers, were privy to non-public information regarding the Big Client's impending orders and communicated this to connected 'Information Carriers'. These carriers then facilitated the placement of front-running orders through various accounts (Front Runners) using 'Buy-Buy-Sell' and 'Sell-Sell-Buy' patterns to capitalize on price movements caused by the Big Client's trades. SEBI concluded that this collusive scheme to defraud the Big Client and market integrity violated provisions of the SEBI Act, 1992, and the PFUTP Regulations, 2003.

Therefore, SEBI restrained Ashish S Parekh and the connected entities from buying, selling, or dealing in the securities market for a period of 5 years. The order confirmed the disgorgement of INR 1,07,61,609, noting that the entities had already deposited INR 1.25 crore into an escrow account pursuant to an earlier interim order, which would be utilized to satisfy this liability. Furthermore, specific Noticees (Ashish S Parekh, Nagendra S Dubey, and Chirag Atul Pithadia) were restrained from associating with any SEBI-registered intermediary or listed company for a period of 4 years.

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8. Adjudication Order in the matter of trading activities of an entity in the scrip of Torrent Power Limited – AO - 16.01.2026

SEBI issued an Adjudication Order against Niraj Dhanraj Chhajer and Deepti Chhajer regarding their trading activities in the scrip of Torrent Power Limited (TPL). During investigation, SEBI found that the above referred noticees collectively earned a profit of approximately INR 14.20 lakh by trading in shares and call options during January and February 2023, while in possession of Unpublished Price Sensitive Information (UPSI) regarding a significant rise in the company's quarterly profits.

The order is particularly instructive in its treatment of the medical emergency defence. Although the Noticee explained that the post-announcement sell trades were driven by an unforeseen medical exigency and supported this with contemporaneous material, SEBI treats the explanation as legally immaterial once trading during the UPSI window is established. This shows SEBI's firm view that insider trading is an offence determined by status and timing, not motive or subsequent necessity. Therefore, SEBI imposed a monetary penalty of INR 50 Lakh on noticees, holding them jointly and severally liable for the violations.

Read more

9. Avadhut Sathe Trading Academy Pvt. Ltd. and Ors. & Others v. SEBI - 22.01.2026- SAT

SAT partly allowed the appeal filed by Avadhut Sathe Trading Academy Private Limited and its promoters against SEBI's ex parte interim order cum show cause notice dated December 4, 2025, which alleged unregistered investment advisory and research analyst activities in violation of the SEBI (Investment Advisers) Regulations, 2013 and SEBI (Research Analysts) Regulations, 2014. SEBI had restrained the appellants from accessing the securities market, frozen bank accounts, prohibited the use of live market data, and directed the deposit of INR 546.16 crore, being the alleged unlawful gains from eight programmes conducted between 2020 and 2025.

While upholding SEBI's prima facie findings at the interim stage, the Tribunal modified the impounding directions, holding that the requirement to deposit the entire amount was disproportionate at this stage.

Without expressing any final opinion on merits, the Tribunal held that SEBI had established a prima facie case, particularly noting the continued use of testimonials even after the issuance of an administrative warning, the use of live market data during training programmes, and the dissemination of stock-specific recommendations through paid platforms. However, taking into account that approximately INR 166 crore had already been paid towards taxes and statutory dues and that fixed assets worth nearly INR 100 crore existed, the Tribunal held that the impounding direction required modification in the interests of proportionality and fairness.

Accordingly, the Tribunal directed the appellants to deposit INR 100 crore, restrained them from alienating fixed assets without SEBI's permission, required filing of a detailed affidavit disclosing all assets along with valuation certificates, and directed submission of replies to the show cause notice within four weeks, while clarifying that SEBI shall pass the final order independently and uninfluenced by any observations made in the interim order. Pending applications were disposed of with no order as to costs.

10. Order in the matter of M/s Wealthkart Insurance Broking Private Limited - 22.01.2026 - IRDAI

IRDAI passed the order following scrutiny of the broker's certificate of registration renewal application, during which multiple regulatory violations were identified. The Authority found that Wealthkart Insurance Broking Pvt. Ltd. effected substantial changes in its shareholding on more than one occasion without obtaining prior approval, failed to file mandatory periodical returns throughout the validity of its registration, and did not maintain the minimum prescribed net worth, in violation of the IRDAI (Insurance Brokers) Regulations, 2018.

IRDAI observed that the broker altered its shareholding by over 67% in September 2023 and again effected changes in August 2025 despite the issuance of a show cause notice, without seeking prior approval as required under Regulation 25(2) read with Schedule II, Form T. The broker's defence that these were internal reallocations among existing promoters was rejected, with the Authority holding that prior approval is mandatory irrespective of whether transfers are internal or external. The Authority further noted prolonged non-compliance with Regulation 39(2) due to complete non-filing of quarterly, half-yearly, and annual returns from December 2021 to December 2024, as well as repeated breaches of Regulation 22(1) owing to the broker's net worth remaining below the minimum threshold of INR 50 lakh for extended periods.

Concluding that the broker had repeatedly disregarded fundamental regulatory requirements governing ownership transparency, reporting obligations, and financial soundness, IRDAI imposed a penalty of INR 1 crore under Section 102(b) of the Insurance Act, 1938 for the shareholding violations, while issuing warnings for the remaining lapses.

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11. S.K Tandon & Anr. v. SEBI & Anr. - 23.01.2026 - Delhi High Court

The Hon'ble Delhi High Court decided cross Company Appeals arising from a judgment which had issued directions against a court-appointed Special Committee and CRB Group entities in relation to the winding up of the Arihant Mangal Scheme of CRB Mutual Fund. The appeals challenged findings of impropriety against the Special Committee, restraint on payments to CRB-linked entities, and directions for forensic audit and transfer of control to SEBI.

The Court held that the learned Single Judge was justified in exercising continuing supervisory jurisdiction over the winding-up process. It was observed that the Special Committee, constituted as a trustee-like body, occupied a fiduciary position and was duty-bound to act solely in the interest of genuine unitholders.

The Court noted that the interim order dated January 25, 1999 expressly barred disbursements to CRB Group entities, and this embargo was never lifted. The doctrine of merger was held inapplicable, as the 1999 order continued to operate independently and was not absorbed into the order dated May 29, 2013.

The Court further held that the Special Committee erred in making substantial disbursements to CRB Bhansali-linked entities without seeking clarification from the Court, despite evident ambiguity and the liberty expressly granted to seek directions. In view of prolonged delay, lack of transparency, and allegations of large-scale improper payments, the directions for a forensic audit under Sections 11 and 11B of the SEBI Act, transfer of winding-up functions to a Special Cell of SEBI, restraint on further payments to CRB-linked entities, and transfer of unclaimed amounts to the Investor Protection and Education Fund were upheld. Consequently, the appeals were dismissed, affirming SEBI's supervisory role and reiterating that investor protection overrides all other considerations.

12. Alpesh VasANJI Furiya v. SEBI – 29.01.2026 – SAT

SAT dismissed the appeal filed by Alpesh VasANJI Furiya and his connected entities against SEBI's final order dated 11 June 2024, which had found them guilty of market manipulation in collusion with CNBC Awaaz anchor Pradeep Pandya. SEBI had imposed monetary penalties, directed disgorgement of unlawful gains, and restrained the appellants from accessing the securities market for five years.

The case arose from SEBI's investigation into a high correlation between stock recommendations made by Pandya on the television show "Pandya Ka Funda" and the buy-today-sell-tomorrow (BTST) and intraday trades executed by Furiya and his related entities during the period November 2019 to January 2021. SEBI alleged that Pandya shared advance information about upcoming recommendations with Furiya, enabling him to take positions prior to the broadcast and square them off immediately after the recommendation, thereby earning unlawful profits. SAT examined in detail six representative scrips (including Fairchem, Jindal Poly Films, Godfrey Phillips, SPARC, NCL Industries and InterGlobe Aviation).

It placed significant reliance on contemporaneous WhatsApp chats, call data records, and precise trade timings, which showed repeated instances of Furiya prompting Pandya to release recommendations and executing sell trades within seconds or minutes of the on-air advice. The Tribunal rejected the appellants' defence that trades were based solely on independent technical analysis or market momentum, noting that the pattern of conduct, timing, and communications clearly demonstrated collusion and prior knowledge. SAT reiterated that violations under the PFUTP Regulations are to be assessed on the standard of preponderance of probabilities and do not require proof of consideration passing between the parties.

It upheld SEBI's methodology for calculating disgorgement on a joint and several basis and rejected arguments seeking set-off of income tax paid on the gains. The Tribunal further held that the period of market debarment and the quantum of penalty were proportionate to the gravity of the misconduct, particularly given the misuse of a widely viewed television platform, and accordingly affirmed SEBI's order in full.

13. Pradeep Baijnath Pandya v. SEBI – 29.01.2026 – SAT

The Hon'ble Securities Appellate Tribunal dismissed the appeal filed by Pradeep Baijnath Pandya, a television anchor formerly associated with CNBC Awaaz, and upheld SEBI's order dated 11 June 2024 imposing a penalty of INR 1 crore and debaring him from accessing the securities market for five years.

Unlike the connected appeals concerning Alpesh Furiya and his entities, SAT's analysis in Pandya's case focused primarily on the role, obligations, and conduct of a media professional who enjoyed a position of influence over retail investors. The Tribunal examined whether Pandya, as the host of "Pandya Ka Funda", had misused his role by sharing advance information relating to stock recommendations and by coordinating the timing of such recommendations with a market participant. SAT rejected Pandya's defence that his recommendations were purely independent, research-driven, and based on publicly available inputs or CNBC's internal research pool.

It held that even if the underlying research inputs were not confidential, the final decision as to which scrip would be recommended, when it would be aired, and with what emphasis constituted sensitive, non-public information until broadcast. Pandya, as the anchor, was undeniably privy to this information ahead of the public.

The Tribunal placed significant weight on Pandya's WhatsApp communications with Furiya, which went beyond routine journalistic interaction. Messages showing confirmations, timing cues, emojis signalling approval, and responses to repeated prompts to "give" or "start" recommendations demonstrated Pandya's active participation in the sequencing of recommendations.

SAT held that such conduct breached the expected standard of fairness, neutrality, and independence applicable to a market-facing media professional. Importantly, SAT clarified that liability under the PFUTP Regulations does not require proof of monetary consideration or profit-sharing. Abuse of position and facilitation of a fraudulent scheme is sufficient.

*Readers may also like to read the [SEBI Final Order dated July 28, 2025](#), in the context of TV Analyst on Zee Business Channel. Disclosure: Regstreet Law Advisors had represented TV Analyst Mr. Himanshu Gupta who was exonerated by SEBI in his specific facts. **Read in detail.***

Regulatory Updates

IBBI

1. Launch of revised forms for the liquidation process – 05.01.2026

IBBI has launched a revised framework of electronic forms for monitoring the liquidation process, pursuant to amendments to the IBBI (Liquidation Process) Regulations, 2016 notified on January 02, 2026. The revised forms have been comprehensively redesigned to reduce compliance burden by eliminating duplication, rationalising data requirements, and enabling auto-population of information already available on the IBBI portal, while ensuring timely and accurate regulatory reporting. The new framework comprises four forms, LIQ-1 (commencement to public announcement), LIQ-2 (quarterly progress reporting), LIQ-3 (from last progress report to dissolution or closure application), and LIQ-4 (post-dissolution or closure), each with specified timelines for filing.

The revised forms, except LIQ-2, have been made available from January 01, 2026, with the existing forms discontinued from that date. To facilitate smooth transition, IBBI has provided a penalty-free window for delayed filings during the initial quarter from January to March 2026 and has also enabled a form-modification utility to allow corrections to submitted forms.

[Read more](#)

IFSCA

2. Modifications and clarifications to AML, CFT and KYC (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 – 02.01.2026

The IFSCA circular dated January 2, 2026 introduces targeted but important modifications to the existing AML-CFT-KYC Guidelines, 2022, primarily to improve regulatory clarity while tightening risk controls in sensitive areas. One key change is the explicit expansion of applicability and scope of the Guidelines to all regulated entities licensed or authorised by IFSCA, coupled with a formal power for the Authority to grant exemptions to specific entities or activities. In parallel, the circular formally recognises KYC Registration Agencies (KRAs) under the IFSCA framework, aligning IFSCA practices more closely with the domestic Indian financial system and enabling more standardised KYC processes.

From a risk-management and customer-due-diligence perspective, the circular introduces three notable substantive changes. First, it mandates that customer risk categorisation and the reasons for such categorisation must remain confidential and cannot be disclosed to customers, expressly to prevent “tipping off”. Second, it strengthens checks against round-tripping, requiring regulated entities to ascertain the source of funds and apply enhanced due diligence where the beneficial owner of an offshore entity is an Indian national, irrespective of the assigned risk category. Third, it provides much-needed clarity on periodic KYC updation timelines for resident Indian customers with existing group relationships, once every 2 years (high risk), 8 years (medium risk), and 10 years (low risk), while requiring the stricter standard to apply where group-level and entity-level risk assessments differ.

[Read more](#)

IFSCA has issued a circular specifying the procedure and documentation requirements for filing scheme applications by Fund Management Entities authorised to provide Third-Party Fund Management Services under the IFSCA (Fund Management) Regulations, 2025. The circular clarifies that such applications shall be filed in accordance with the format and documentation prescribed under the “Ease of Doing Business – Filing of Schemes or Funds” circular dated April 05, 2024, along with additional disclosures relating to the third-party fund manager, including its legal and regulatory status, ultimate beneficial ownership, governance and key managerial personnel, assets under management, investment track record, and conflict-of-interest and remuneration policies. Registered FMEs are also required to furnish a declaration confirming compliance with the applicable eligibility and operational requirements under the FM Regulations and to submit documentary evidence of the third-party fund management arrangement. All scheme applications are required to be filed through the IFSCA Single Window IT System. The circular has been issued under Sections 12 and 13 of the IFSCA Act, 2019 and comes into force with immediate effect.

Read more

3. Procedure and clarifications on filing of scheme applications under Third-Party Fund Management arrangements – 16.01.2026

IFSCA has issued a circular specifying the procedure and documentation requirements for filing scheme applications by Fund Management Entities authorised to provide Third-Party Fund Management Services under the IFSCA (Fund Management) Regulations, 2025. The circular clarifies that such applications shall be filed in accordance with the format and documentation prescribed under the “Ease of Doing Business – Filing of Schemes or Funds” circular dated April 05, 2024, along with additional disclosures relating to the third-party fund manager,

including its legal and regulatory status, ultimate beneficial ownership, governance and key managerial personnel, assets under management, investment track record, and conflict-of-interest and remuneration policies. Registered FMEs are also required to furnish a declaration confirming compliance with the applicable eligibility and operational requirements under the FM Regulations and to submit documentary evidence of the third-party fund management arrangement. All scheme applications are required to be filed through the IFSCA Single Window IT System. The circular has been issued under Sections 12 and 13 of the IFSCA Act, 2019 and comes into force with immediate effect.

Read more.

4. IFSCA proposes comprehensive framework for regulation of Algorithmic Trading in IFSCs – 21.01.2026

The IFSCA through its consultation paper dated January 21, 2026, has proposed granular guidelines to regulate algorithmic trading on stock exchanges in IFSCs, focusing on prior exchange-level approval of trading algorithms, mandatory disclosure and tagging of all algo-generated orders, and clearly defined accountability at the broker and client level.

The paper proposes for minimum order-level and client-level risk controls (including price, quantity, order value, cumulative open order value, and automated execution checks), compulsory kill-switch and runaway prevention mechanisms, and annual system audits by certified auditors, subject to rotation norms. The proposals also mandate enhanced reporting to IFSCA and aim to mitigate risks of volatility, manipulation, and system failures while supporting orderly growth of algorithmic trading in IFSC markets.

5. RBI notifies FEM (Export and Import of Goods and Services) Regulations, 2026 – 13.01.2026

The Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, notified by the RBI on January 13, 2026, replaces the 2015 export regulations and, for the first time, creates a single consolidated framework covering both exports and imports of goods and services (including software), effective October 01, 2026.

A key structural change is the standardisation of declaration and reporting requirements through the Export Declaration Form (EDF) for both goods and services, with clear timelines i.e., goods to be declared at the time of export and services within 30 days from the end of the month of invoicing, with flexibility for consolidated monthly filings and AD-bank-approved extensions.

The 2026 regulations introduce three notable changes with direct operational impact. First, the time period for realisation and repatriation of export proceeds is now clearly harmonised at 15 months for goods and services (extended to 18 months where invoiced/settled in INR), replacing multiple fragmented timelines under earlier RBI directions. Second, AD banks are expressly empowered to allow set-off of export receivables against import payables, third-party receipts/payments, and reduction or non-realisation of export value, again with a INR 10 lakh threshold for declaration-based approvals, bringing long-standing market practices into the regulations themselves. Third, the framework tightens discipline around advance payments and non-materialised imports, requiring guarantees or standby letters of credit for repeat defaults, and restricts advance remittances for sensitive items like gold and silver.

[Read More](#)

6. RBI tightens customer grievance redressal by introducing Internal Ombudsman Directions, 2026

The Reserve Bank of India (Commercial Banks – Internal Ombudsman) Directions, 2026, issued on January 14, 2026, significantly strengthen the internal grievance redress mechanism of commercial banks by mandating an independent, apex-level review before any customer complaint is rejected or only partially resolved.

The Directions apply to commercial banks with 10 or more banking outlets in India and require each such bank to appoint at least one Internal Ombudsman (IO)- independent of the bank, with senior regulatory or banking experience, a fixed tenure of 3 to 5 years, and functional reporting to the Customer Service Committee of the Board. Deputy Internal Ombudsmen may also be appointed depending on complaint volume, and banks must ensure the IO position is never vacant.

The 2026 Directions expressly repeal and replace the Master Direction – RBI (Internal Ombudsman for Regulated Entities) Directions, 2023, insofar as they applied to commercial banks. While the 2023 framework introduced the internal ombudsman concept across regulated entities, the 2026 Directions sharpen the regime for banks by prescribing clearer eligibility, tenure and independence norms, time-bound auto-escalation, Board-level oversight, and enhanced reporting to RBI.

The 2026 Directions introduce mandatory auto-escalation of all partially resolved or wholly rejected complaints to the IO through a fully automated complaint management system, typically within 20 days of receipt, ensuring a meaningful review window. The IO must issue a reasoned decision, can recommend compensation (including for harassment or mental agony) in line with RBI's Integrated Ombudsman Scheme, and must conduct root-cause analysis of complaint trends to drive systemic fixes.

[Read more](#)

SEBI

7. SEBI introduces new Stock Broker regulations - 08.01.2026

SEBI has repealed the 1992 Stock Broker Regulations and replaced them with a modernised regime that better fits digital market realities, including clearer obligations on registration, governance and compliance. One of the most consequential changes is on change in control and material notifications. Brokers must now route change-in-control applications through recognised exchanges rather than directly to SEBI, and must disclose any material changes (e.g., directors, net worth decline, fit-and-proper status) to SEBI via the exchange.

The new regulations under Regulation 6(2) (j) mandate that every broker must have at least one 'designated director' resident in India for a minimum of 182 days per year.

Compliance obligations have also been bolstered. Now, brokers have to maintain detailed records (e.g., sauda books, client ledgers) for longer retention periods, and can maintain these in electronic form. The regulations also explicitly permit brokers, with SEBI's permission, to undertake related regulated activities under other financial sector regulators (like RBI or IRDAI), providing a legal basis for broader business models.

Finally, the new regulations align investors' interests with industry conduct e.g., brokers must resolve investor grievances within 21 calendar days, maintain minimum net worth as prescribed, and are subject to a formalised code of conduct.

[Read more](#)

8. Review of framework to address technical glitches in stock brokers' electronic trading systems - 09.01.2026

SEBI has revised the framework governing technical glitches in stock brokers' electronic trading systems, originally issued on November 25, 2022, following stakeholder representations and analysis of glitch-related data.

The revised framework introduced vide Circular dated January 09, 2026 reflects a balance investor protection with operational practicality for market intermediaries. Some of the key changes introduced in 2026, and why they are meaningful, are outlined below:

(i) Rationalized applicability based on client size: The framework now applies only to stock brokers with more than 10,000 registered clients, excluding closed accounts.

Now, smaller brokers with limited systemic impact are no longer subject to disproportionate compliance obligations, allowing regulatory focus to remain on entities posing higher market risk.

(ii) Clear exclusions from the definition of “technical glitch”: The revised framework explicitly excludes issues such as cloud service provider outages, exchange-side disruptions, back-office systems not impacting trading, payment gateway failures, and decision-support tools. Under the earlier framework, no such exclusions existed, resulting in mandatory reporting of all technical issues irrespective of their materiality or trading impact. The revised definition therefore, introduces much-needed clarity and proportionality, ensuring that reporting obligations are aligned with issues that have a meaningful impact on trading operations.

(iii) Streamlined and realistic requirements: The reporting timeline for technical glitches has been extended from one hour to two hours, trading holidays are factored into reporting deadlines, and submissions are consolidated onto a common reporting platform. This enables brokers to prioritise issue resolution over procedural compliance.

(iv) Proportionate financial discentive structure: Technology requirements relating to capacity planning, software testing, disaster recovery, and financial disincentives have been rationalised based on broker size, technology dependence, and the severity and frequency of glitches. The framework incentivises genuine system resilience rather than compliance-driven infrastructure spending.

[Read more](#)

9. Simplification of requirements for grant of accreditation to investors - 09.01.2026

SEBI has simplified the regulatory requirements for grant of accreditation to investors based on industry feedback, with a view to improving ease of doing business. Under the revised framework, investment managers of Alternative Investment Funds have been permitted to raise commitments from prospective accredited investors pending receipt of the formal accreditation certificate, based on the investment manager’s assessment of the investor’s eligibility. SEBI has also removed the requirement to provide a detailed break-up of net worth and made it optional for the certifying chartered accountant to specify the actual net worth in the net worth certificate.

For context, under the SEBI (AIF) Regulations, 2012, an “accredited investor” means a person who has been granted a certificate of accreditation by a SEBI-recognised accreditation agency and meets specified financial thresholds. In the case of an individual, HUF, family trust or sole proprietorship, this includes persons with

(i) annual income of at least INR 2 crore, or
(ii) net worth of at least INR 7.5 crore, of which not less than INR 3.75 crore is in financial assets,

or

(iii) annual income of at least INR 1 crore and net worth of at least INR 5 crore, of which not less than INR 2.5 crore is in financial assets. For body corporates and non-family trusts, the minimum net-worth threshold is INR 50 crore, while in the case of a partnership firm, each partner must independently meet the eligibility criteria.

Certain entities including the Central and State Governments, government-backed funds and agencies, qualified institutional buyers, Category I FPIs, sovereign wealth funds and multilateral agencies are deemed accredited investors and are not required to obtain an accreditation certificate.

Read more

10. SEBI introduces new Mutual Fund regulations - 16.01.2026

SEBI has completely overhauled the decades-old mutual fund regime with a fresh regulatory framework effective April 01, 2026. A major change is the introduction of a restructured expense cost framework, where the old Total Expense Ratio is broken down into four distinct components i.e., Base Expense Ratio (BER), brokerage, regulatory levies and statutory levies, creating greater transparency in what investors actually pay versus what goes to taxes and trading costs.

In line with this new cost architecture, SEBI has also reduced caps on key expense components. For example, index funds and ETFs now have a BER cap of 0.90% (down from 1%), and brokerage limits on cash market trades have been tightened to around 6 bps from higher previous levels.

Beyond costs, the new regulations also introduce structure for new product formats, such as allowing Specialized Investment Funds under mutual funds with specified eligibility and disclosure requirements, which expands the toolkit available to managers and investors.

The 2026 regulations also improve disclosure and governance standards by simplifying language, rationalising compliance reporting (e.g., fewer trustee meetings, streamlined portfolio disclosures), and strengthening transparency obligations in offer documents, making it clearer how fees are charged and how schemes operate.

Read more

11. Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and FVCIs - 16.01.2026

SEBI, by its circular dated January 16, 2026, has introduced modifications to the SWAGAT-FI (framework to further simplify the onboarding and compliance requirements for Foreign Venture Capital Investors (FVCIs). The circular aligns with the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2025, and allows SWAGAT-FI eligible entities to apply for FVCI registration simultaneously with their FPI registration, without submitting separate forms or documents, provided the same custodian and Designated Depository Participant (DDP) are appointed. Existing FVCIs that qualify as SWAGAT-FI may also convert to the SWAGAT-FI framework through an application to their DDP.

Read more

12. Introduction of Closing Auction Session (CAS) in the equity cash segment and modifications to the Pre-Open Auction Session - 16.01.2026

Under the earlier framework, the closing price of stocks in the equity cash segment was determined using the Volume Weighted Average Price (VWAP) of trades executed during the last thirty minutes of the Continuous Trading Session (CTS).

This meant that the closing price was not discovered at a single point in time but was instead an average of multiple trades over a relatively long window, making it susceptible to volatility and potential influence near market close. This VWAP-based methodology continues to apply to all equity cash stocks that do not fall within the scope of the new mechanism.

SEBI has now introduced a Closing Auction Session (CAS) as a structural change to this system, applicable only to the equity cash segment as of now and rolled out in a phased manner. In the initial phase, CAS will apply only to equity cash stocks on which derivative contracts are available, while other stocks will continue under the VWAP-based closing price mechanism. CAS replaces the averaging approach with an auction-based price discovery process, where all buy and sell orders are pooled during a dedicated session at the end of the trading day to determine a single closing price at which the maximum executable volume is achieved.

The introduction of CAS is intended to ensure a fairer, more transparent and globally aligned closing price, particularly because the closing price serves as a critical reference for derivatives settlement, index computation and mutual fund NAV determination.

[Read more](#)

13. Consultation paper on identification of 'Significant Indices' under SEBI (Index Providers) Regulations, 2024 - 19.01.2026

SEBI has issued a consultation paper proposing the framework for identification of "Significant Indices" under the SEBI (Index Providers) Regulations, 2024, with the objective of enhancing transparency and regulatory oversight over indices with systemic relevance.

Under the proposal, an index (including index of indices) would be classified as a Significant Index if it is tracked or benchmarked by domestic mutual fund schemes with cumulative assets under management exceeding INR 20,000 crore, computed based on the daily average AUM of the preceding six months.

SEBI has also proposed the methodology for AUM attribution in cases where schemes track multiple indices and for indices of indices, and has published a draft list of Significant Indices based on the January–June 2025 period. Index providers administering such Significant Indices would be required to seek registration with SEBI within six months, except where the indices are regulated by the Reserve Bank of India as benchmarks. Public comments on the draft circular have been invited until February 10, 2026.

[Read more](#)

International Updates

1. UK (FCA) eases rules for companies to raise funds – 19.01.2026

On January 19, 2026, new rules came into force in the United Kingdom aimed at making it easier and less costly for companies to raise capital and admit securities to UK public markets. The reforms implement the Public Offers and Admissions to Trading Regulations 2024 (POATRs) along with the framework for the Public Offer Platform (POP) Regime. The firms are permitted to use the FCA's authorisation gateway to apply for approval as Public Offer Platform (POP) operators. Non-authorized entities seeking to carry out POP activities must apply for authorisation, while already authorised firms are required to seek a variation of permission.

The FCA has also encouraged applicants to use its Pre-Application Support Service (PASS) to facilitate the process. The FCA stated that the reforms are intended not only to reduce fundraising costs for companies but also to promote wider participation by retail and smaller investors, and to enhance the international competitiveness of UK capital markets. The rules introduce the new Prospectus Rules: Admissions to Trading on a Regulated Market (PRM) sourcebook, alongside amendments to the Market Abuse Regulation (MAR) sourcebook and consequential changes to the UK Listing Rules (UKLRs).

The new regime applies to issuers listed on UK regulated markets and primary multilateral trading facilities (MTFs), prospective issuers, companies making public offers, investment banks and advisers, investors, market operators, and firms intending to act as POP operators such as crowdfunding and corporate finance entities.

[Read more](#)

2. U.S. Supreme Court to Revisit SEC Disgorgement Powers

On 9 January 2026, the Supreme Court of the United States agreed to hear *Sripetch v. SEC*, a case that will determine the limits of the U.S. Securities and Exchange Commission's power to seek disgorgement. The appeal arises from a long-running SEC enforcement action involving alleged microcap pump-and-dump schemes conducted between 2013 and 2017. By 2025, the SEC had obtained final judgments against all individual defendants, imposing permanent injunctions, officer-and-director and penny-stock bars, and substantial monetary relief. Notably, Ongkaruck Sripetch challenged only the disgorgement order of approximately USD 2.25 million (plus interest), bringing the legal issue squarely before the Court.

Disgorgement has been a core SEC remedy, requiring violators to surrender "ill-gotten gains," often even where investor losses are difficult to quantify. However, the Supreme Court has progressively narrowed this tool.

In *Kokesh v. SEC*, disgorgement was characterised as penal for limitation purposes, while *Liu v. SEC* confined it to net profits returned to victims.

The forthcoming decision will resolve this split and could significantly reshape SEC enforcement strategy and settlement leverage, with broader implications for how securities regulators worldwide distinguish remedial relief from punitive sanction.

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3. Regulatory Governance Under Scrutiny: Political Concentration at the US SEC and Structural Vacancies at SEBI

On 30 January 2026, the U.S. Securities and Exchange Commission announced the appointment of a new leadership team at the Public Company Accounting Oversight Board (PCAOB). Demetrios (Jim) Logothetis has been named Chairman, with Mark Calabria, Kyle Hauptman, and Steven Laughton appointed as Board members. George Botic will continue as a Board member and serve as Acting Chairman until Mr. Logothetis is sworn in.

Established under the Sarbanes-Oxley Act, the PCAOB oversees audits of public companies and broker-dealers through firm registration, standard-setting, inspections, and enforcement, subject to SEC oversight. SEC Chairman Paul S. Atkins stated that the new Board would refocus the PCAOB on its core statutory mission of investor protection and high-quality, independent audit reporting, emphasising efficient and responsible oversight. The SEC also acknowledged the service of the outgoing Acting Chairman and departing Board members.

Michelle Leder, founder of Footnoted.com, cautions that the U.S. Securities and Exchange Commission is entering “dangerous territory” as it moves into a rare phase of single-party control. With no Democratic or independent counterweight, concerns have been raised that the Commission’s increasingly deregulatory posture under Chair Paul S. Atkins will face limited internal challenge.

Read more

Regstreet Comment:

While the US SEC is presently facing scrutiny over all its Commissioners belonging to a single political party, its Indian counterpart, SEBI, continues to function without its full sanctioned Board strength. India does not have the nomination from a political party but a tenure based Board composition requirement. Section 4 of the SEBI Act, 1992 envisages a 9-member Board comprising a Chairman, two Central Government nominees, one RBI nominee, and five other members, of whom at least three are required to be Whole-Time Members. Although SEBI has, in the past, operated with four Whole-Time Members, one such position continues to remain vacant even after the recent, and notably delayed, appointment of Mr. Sandip Pradhan.

This assumes significance in light of the proposed Securities Market Code Bill, introduced in the Lok Sabha, which contemplates an expanded 15-member Board, including a minimum of five Whole-Time Members.

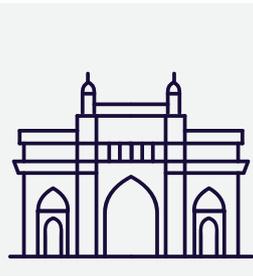
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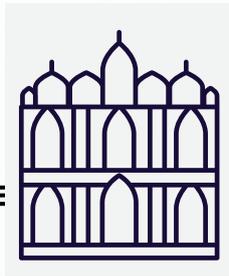
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