AUGUST 2026

NEWSLETTER

REGULATORY

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RBI
No relevant circular / notifications issued during the month.

SEBI

1. Introduction of Closing Auction Session (CAS) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session

HO/47/11/11(3)2025-MRD-POD2/I/2765/2026
Dated: 16th January, 2026

SEBI, vide circular dated **16 January 2026**, introduced a **Closing Auction Session (CAS) in the equity cash segment**, effective from **3 August 2026**, for equity shares having derivative contracts, to determine their official closing price through an **auction-based price discovery mechanism**. Under the CAS, orders are collected and matched at a **single equilibrium price**, with random closure of the order-entry period to reduce the scope for price manipulation. A **post-CAS trading session** is also provided at the discovered closing price, along with certain modifications to the existing pre-open auction session.

Key Timings & Mechanics:

- **CAS Window:** Continuous trading for eligible F&O stocks ends at **3:15 PM**, followed by CAS from **3:15 PM to 3:35 PM**.
- **Price Discovery:** Closing price is determined through a **single-price auction**, replacing the earlier VWAP methodology.
- **F&O Trading:** Derivative trading hours extend up to **3:40 PM**.
- **Objective:** The mechanism aims to promote **fair price discovery** and **reduce the scope for last-minute price manipulation.**
- **Scope:** In Phase 1, CAS applies only to **F&O-eligible scrips**; other securities continue under the existing closing-price methodology.

Circular

2. Extension of timeline for enrolment with PaRRVA as specified in SEBI Circular No. HO/38/14/(4)2026-MIRSD-POD/I/10557/2026 dated April 29, 2026

HO/38/14/(11)2026-MIRSD-POD1/ I/18038/2026
Dated: 3rd August, 2026

SEBI vide circular dated **October 30, 2025** had specified that Investment Advisers ("IAs") and Research Analysts ("RAs") intending to communicate certified past performance data to clients/prospective clients were required to enrol with **Past Risk and Return Verification Agency (PaRRVA) within three months of its operationalisation**.

Further, SEBI vide circular dated **April 29, 2026**, specified that IAs/RAs intending to communicate certified past performance data were required to enrol with **PaRRVA by August 3, 2026**, considering its operationalisation from **May 4, 2026**.

Vide this Circular, SEBI has decided to extend **the timeline for enrolment with the PaRRVA** to **03rd September, 2026**, with the objective of facilitating smooth and seamless implementation of the framework.

Circular

3. Modification in the regulatory framework for Online Bond Platform Providers (OBPPs) including measures for promoting ease of doing business

HO/17/11/(2)2026-DDHS-POD1/I/18769/2026
Dated: 14th August, 2026

SEBI had introduced the regulatory framework for **Online Bond Platform Providers ("OBPPs")** in November 2022 under Regulation 51A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The framework was subsequently streamlined to regulate the registration, permissible products/services and operational requirements of OBPPs.

Based on stakeholder feedback and an internal review, SEBI vide this circular has now introduced certain modifications to promote **ease of doing business**.

Following are the key changes:

- ✓ **IFSCA-regulated products:** OBPPs may now offer products, securities or services regulated by the **International Financial Services Centres Authority (IFSCA)**. Such offerings are required to comply with applicable FEMA requirements and be appropriately identified as international/overseas instruments.
- ✓ **Section 54EC/Section 85 bonds:** OBPPs may offer bonds issued under **Section 54EC of the Income-tax Act, 1961** or **Section 85 of the Income-tax Act, 2025**, subject to prescribed disclosures relating to eligibility, lock-in period, investment limits, tax benefits, transferability and other relevant features.
- ✓ **Compliance Officer:** The requirement relating to appointment of a Compliance Officer has been revised and aligned with the framework applicable to stock brokers under the **SEBI (Stock Brokers) Regulations, 2026**, including the prescribed **NISM-Series-III-A certification** requirement.

Circular

4. Acceptance of digitally signed Power of Attorney from FPIs

HO/19/34/14(8)2026-AFD-POD2/ I/19251/2026
Dated: 20th August, 2026

SEBI vide Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024, as amended from time to time, prescribed the KYC requirements for Foreign Portfolio Investors ("FPIs"), including the supporting documents required as proof of address.

Earlier, Para 9(B)(iv) of Part B of the FPI Master Circular required the Power of Attorney given by an FPI to its Custodian, specifying the address, to be **duly notarised and/or apostilled or consularised**.

As part of its continued efforts to digitalise and streamline FPI onboarding, SEBI, vide this circular has now **permitted the acceptance of digitally signed Power of Attorney (PoA) executed by Foreign Portfolio Investors (FPIs)** in favour of Custodians, in accordance with the provisions of the Information Technology Act, 2000.

Accordingly, Para 9(B)(iv) of Part B of the FPI Master Circular has been modified and the requirement for notarisation, apostillisation or consularisation of the PoA has been dispensed with, thereby simplifying the FPI onboarding process and reducing the time involved.

Circular

5. Alignment of SEBI's Cyber Incident Reporting Portal with FIRE Format

HO/(449)2026-ITD-5_DIV1/I/19448/2026
Dated: 24th August, 2026

Vide this Circular, SEBI has **aligned its Cyber Incident Reporting Portal with the Format for Incident Reporting Exchange (FIRE) Framework** developed by the Financial Stability Board (FSB), with the objective of streamlining and standardising cyber incident reporting by Regulated Entities (REs).

The alignment will facilitate **structured reporting of cyber incidents through common information fields, standardised definitions and consistent classification**, and enable reporting in stages from initial reporting to intermediate updates and final closure.

REs are required to report cyber incidents through the **SEBI Cyber Incident Reporting Portal** within the prescribed timelines under the Cybersecurity and Cyber Resilience Framework (CSCRF). The portal can be accessed at **https://siportal.sebi.gov.in**.

Circular

6. Extension of timeline for implementation of provisions of SEBI Circular dated June 15, 2026 on norms for base price, price bands, call auction in pre-open session and Close-out procedure for Exchange Traded Funds (ETFs)

HO/49/11/11(123)2026-CFD-RAC-DIL2/I/8760/2026

Dated: 28th August, 2026

SEBI vide circular dated June 15, 2026 had provided for various norms related to base price, price bands, call auction in pre-open session and Close-out procedure for Exchange Traded Funds (ETFs). The provisions of the circular were to come into effect from 1st September 2026.

Based on the feedback received from Stock Exchanges and in order to ensure smooth implementation of the provisions of the aforementioned circular, SEBI, vide this circular, has decided to extend the timeline for implementation of the said circular till 7th September 2026.

Circular

MCA

The Companies (Indian Accounting Standards) Amendment Rules, 2026

Notification No. G.S.R. 725(E)
Dated 12th August 2026

Vide this notification, the MCA has amended the Companies (Indian Accounting Standards) Rules, 2015.

The key amendments introduced through this notification are summarised below:

1. **New rules for green/renewable power contracts (Ind AS 107 & 109) Companies that buy electricity from renewable sources (solar/wind, where output depends on weather) now have specific accounting guidance:**

   - Such contracts can qualify for hedge accounting even though the exact quantity of power varies.
   - New disclosure requirements — companies must explain, in one note, how these contracts affect future cash flows and financial performance (expected purchases, unused power sold, etc.).

2. **New guidance on loans linked to sustainability targets (Ind AS 109)**

Where a loan's interest rate changes based on the borrower achieving a carbon-emission reduction target, clearer rules are now given on how to test whether such a loan still qualifies as a simple "principal + interest" instrument (needed for amortised cost accounting). Illustrative examples have been added.

3. **Digital payment settlement relief (Ind AS 109)**

A company may now treat a financial liability as settled before the actual settlement date, if payment is made through an electronic payment system and certain conditions are met (payment instruction irrevocable, cash inaccessible to the company, negligible settlement risk).

4. **Enhanced disclosures for equity investments (Ind AS 107)**

Companies must now disclose fair value information for each class of investment separately, along with gains/losses on investments sold versus those still held.

5. **Minor clarifications** ***(Annual Improvements to Ind AS (2024) notified through the Companies (Indian Accounting Standards) Amendment Rules, 2026, dated 12 August 2026)*** **across:**

   - Ind AS 101 – transitional hedge accounting relief.
   - Ind AS 107 – disclosure on derecognition gains/losses.
   - Ind AS 109 – lease liability derecognition reference; trade receivables measurement.
   - Ind AS 110 – clarifies that a "de facto agent" need not have a formal contract.
   - Ind AS 7 – removes an outdated reference to the equity method (not used in standalone financials under Ind AS 27); cash flow reporting for associates/JVs/subsidiaries at cost is limited to actual flows like dividends and advances.

This amendment mainly introduces accounting and disclosure rules for renewable energy purchase contracts and carbon-linked loans, allows earlier derecognition of liabilities settled via digital payments, and carries forward several minor clarificatory changes (Annual Improvements 2024) across Ind AS 101, 107, 109, 110 and 7 — effective for financial years starting 1 April 2026 onwards.

Notification

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month.
Instead, it is only a listing of some of the circulars/notifications that we considered important.

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