

MARCH 2026

NEWSLETTER

REGULATORY

- RBI
- SEBI
- MCA



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RBI

1. Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026

Notification No. FEMA 6(R)(5)/2026-RB

Dated: 23rd February, 2026

Vide this notification RBI has amended Foreign Exchange Management (Export and Import of Currency) Regulations, 2015.

The amendment **introduces a new Annex – Currency Declaration Form (CDF)** to be furnished by passengers bringing foreign exchange into India.

CDF is required where:

- the aggregate value of the foreign exchange at any one time **exceed USD 10,000** (or its equivalent) and/or
- the aggregate value of foreign currency notes at any one time **exceed USD 5,000** (or its equivalent).

Passengers are advised to -

- i. Produce this form to a bank or money changer at the time of conversion of foreign exchange into Indian rupees or reconversion of rupees into foreign exchange.
- ii. In case they do not wish to encash all the foreign exchange declared, to retain this form for production to the Customs at the time of their departure from India to enable them to take with them the unutilised balance.

[Notification](#)

2. Reporting under Foreign Exchange Management Act, 1999 – Returns pertaining to External Commercial Borrowing (ECB)

RBI/2025-26/253 A.P. (DIR Series) Circular No. 25

Dated: 30th March, 2026

Effective Date: April 01, 2026

Vide this notification RBI has introduced amendments concerning the reporting of **External Commercial Borrowings (ECB)** under the Foreign Exchange Management Act, 1999.

The key highlights of the notification are summarised below:

1. Reclassification of ECB Forms

Form ECB 1 and Revised Form ECB 1 shall be treated as returns not capturing flows.

2. LSF Computation for ECB-2

Each delayed submission of Form ECB 2 under a Loan Registration Number (LRN) shall be considered a separate instance for calculating the fixed component of the Late Submission Fee (LSF).

3. Submission Timeline

The designated AD Category I bank shall submit the return received from the eligible borrower, along with due certification, to the RBI within seven calendar days from the date of receipt.

4. Mode of LSF Payment

The LSF, wherever applicable, shall be paid to the concerned Regional Office of the Reserve Bank via NEFT or RTGS, after receipt of the acknowledgment email from RBI.

5. Monitoring Responsibility

In cases of delayed submission, the designated AD Category I bank shall **monitor the payment of applicable LSF** by their customers/constituents.

[Notification](#)

1. Regulatory Reporting by AIFs

HO/19/28/(1)2026-AFD-SEC3/I/6176/2026

Dated 4th March, 2026**Existing Reporting Framework**

Under Regulation 28 of the SEBI (Alternative Investment Funds) Regulations, 2012 read with the SEBI Master Circular dated May 07, 2024:

- AIFs are required to submit **Quarterly Activity Reports**
- Reports are to be submitted within **15 calendar days from the end of each quarter**
- Reporting formats are hosted on the website of **Indian Venture and Alternate Capital Association (IVCA)**

In order to enhance ease of doing business, rationalise reporting requirements, and align the reporting framework with the evolving AIF regulatory landscape, SEBI vide this circular has revised the **regulatory reporting framework for Alternative Investment Funds (AIFs)** including a revised structure for submission of activity reports through the SEBI Intermediary Portal (SI Portal) as under:

Particulars	Annual Activity Report (New)	Revised Quarterly Reporting
Reporting	AIFs are now required to submit a Comprehensive Annual Activity Report	A Limited Quarterly Activity Report is also required to be submitted
Timeline	Within 30 calendar days from the end of March of each financial year	Within 15 calendar days from the end of each quarter
Mode	Submission through SEBI Intermediary Portal (SI Portal)	Submission through SEBI Intermediary Portal (SI Portal)
Due date for submission of First Report for FY (March 2026) / Quarter (June 2026)	31 May 2026	15 July 2026 <i>No quarterly report required for the quarter ending March 2026, as it will be covered under the Annual Activity Report</i>

This circular shall supersede the provisions under Clause 15.1 of Chapter 15 – “Reporting by AIFs” of the Master Circular for Alternative Investment Funds (AIFs) dated May 07, 2024.

[Circular](#)

2. Introduction of Voluntary Lock-in / Debit freeze facility to Mutual Fund folios

HO/24/12/12(5)2026-IMD-SEC-1/I/6373/2026

Dated 6th March, 2026

Effective Date: April 30, 2026

SEBI vide this circular has introduced a **voluntary lock-in / debit freeze facility** for mutual fund folios to ensure investor protection.

The circular is issued to enhance the **digital security of mutual fund investments** by enabling investors to restrict debit transactions from their folios until explicitly unlocked.

The key highlights of the circular are summarised below:

- Investors can **voluntarily freeze (lock) their mutual fund folios**, preventing any debit transactions.
- Once activated, no redemption, transfer, or switch of units is permitted until the folio is unlocked.
- Applicable to both demat and non-demat (SOA) folios.
- Facility will be optional and investor-controlled, allowing activation/deactivation as needed
- Facility shall initially be made available through the **MF Central platform**, an interoperable RTA platform.

Eligibility Criteria: The debit freeze facility shall be enabled only for KYC complied (Registered / Validated) investors having valid Email ID and Mobile number (both mandatory).

Association of Mutual Funds in India (AMFI) is required to prescribe the detailed operational framework, including permitted and non-permitted financial transactions during the lock-in period.

[Circular](#)

3. Ease of Doing Business – Relaxation in certification requirement for Persons Associated with Research Services (PARS) – Sales and other non-core services

HO/38/12/(5)2026-MIRSD-POD/I/6703/2026

Dated 11th March, 2026

SEBI vide circular has introduced a relaxation in certification requirements for **Persons Associated with Research Services (PARS)**, particularly those engaged in sales and other non-core activities.

Under the existing regulatory framework for research analysts, individuals classified as PARS were required to obtain **mandatory certifications** from National Institute of Securities Market (NISM) by passing the “NISM Series-XV: Research Analyst Certification Examination, irrespective of whether they were involved in core research functions or ancillary roles. This led to **compliance burden and operational inefficiencies**, particularly for personnel engaged purely in **support, sales, or client servicing functions** without any role in investment research.

The key highlights of the circular are summarised below:

- PARS, who perform sales and other non-core services, shall obtain certification from NISM by passing the “NISM Series-XXV-A: Persons Associated with Research Services (Sales and Other Non-Core Services) Certification Examination.
- PARS, other than those who perform sales and other non-core services, shall continue to obtain certification from NISM by passing the “NISM Series-XV: Research Analyst Certification Examination”.
- PARS who have already obtained NISM Series-XV certification, as on the date of this circular, shall not be required to undertake NISM Series-XXV-A certification at this stage. Such PARS shall obtain NISM Series-XXV-A certification only after expiry of the validity of their NISM Series-XV certification.

[Circular](#)

4. Master Circular for Mutual Funds

HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026

Dated 20th March, 2026

SEBI has been issuing various circulars/direction for Mutual Fund Industry from time to time. In order to enable users to have access to all the applicable circulars at one place, the provisions of the circulars issued till March 20, 2026 are incorporated in this Master Circular.

With the issuance of this Master Circular, all directions/instructions contained in the circulars listed out in the Appendix (S. No. 1 to 34) to this Master Circular shall stand rescinded to the extent they relate to Mutual Funds industry.

Notwithstanding such rescission,

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars shall be deemed to have been done or taken under the corresponding provisions of this Master Circular.
- b. any application made to Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of this Master Circular.
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder shall remain unaffected as if the rescinded circulars have never been rescinded.

[Master Circular](#)

5. Ease of doing business measures - Relaxations in certain reporting requirements for certain Stock Brokers and doing away with the requirement of reporting of demat account

HO/38/11/(1)2026-MIRSD-POD/I/7656/2026

Dated 23rd March, 2026

Effective Date: April 17, 2026

SEBI vide this circular has introduced relaxations in certain reporting requirements for stock brokers and streamlined obligations relating to demat and bank account reporting.

The circular amends specific provisions of the Master Circular for Stock Brokers dated June 17, 2025, with the objective of enhancing regulatory efficiency and promoting ease of doing business.

Under the earlier framework, stock brokers were required to submit **multiple periodic reports**, including **details of demat accounts**, to stock exchanges. However, much of this information is **already captured and maintained by depositories** and is accessible to regulators through system-driven mechanisms. This resulted in **duplication of reporting, increased compliance costs, and operational inefficiencies**.

In view of the above, following key changes as summarised below are introduced in the circular:

Reference (Master Circular dated June 17, 2025)	Before Amendment	After Amendment
Para 15.3.4 – Tagging of Demat Accounts	All demat accounts maintained by stock brokers were required to be appropriately tagged , without any specific exemption	Para 15.3.4.5 inserted – Exemption provided to stock brokers who are also primary dealers for demat accounts used exclusively for non-stock broking activities
Para 15.4 – Reporting of Bank & Demat Accounts	Stock brokers were required to report details of both bank and demat accounts (existing and new) to stock exchanges	Para 15.4 amended – Requirement to report demat accounts removed ; reporting now restricted to bank accounts only
Para 15.4.1 – Reporting of Bank Accounts	All bank accounts of stock brokers were required to be reported to stock exchanges	Para 15.4.1.1 inserted/modified – Stock brokers which are also banks or primary dealers shall report only those bank accounts used for stock broking activities
Para 15.4.2	Provided for reporting of demat accounts by stock brokers to stock exchanges	Para 15.4.2 deleted – Consequent to removal of demat account reporting requirement
Para 15.4.3 – Role of Exchanges/Depositories	Monitoring relied primarily on data submitted by stock brokers , including demat account details	Para 15.4.3.6 inserted/modified – Depositories to directly share demat account data with stock exchanges; periodicity/mechanism to be jointly determined

Accordingly, paras 15.3 and 15.4 of the Master Circular stand amended to the extent specified in this circular. All other provisions remain unchanged.

[Circular](#)

1. Companies (Accounting Standards) Amendment Rules, 2026

Notification No. G.S.R. 169 (E)

Dated 10th March, 2026

Vide this notification, MCA has amended **Accounting Standard (AS) 22 – Accounting for Taxes on Income**. The amendment introduces special provisions for handling **Pillar Two global minimum tax rules**, simplifying their accounting treatment.

Pillar Two Tax Model

Pillar Two is a global tax framework introduced by the OECD (Organization for Economic Co-operation and Development) to ensure that large multinational companies pay a minimum level of tax (generally 15%) on their profits in each jurisdiction. Where the tax paid in a country is below the prescribed minimum rate, an additional tax (“Top-up Tax”) is levied to bring the effective tax rate up to the minimum level.

Amendment in AS 22

Companies should **not** recognize or account for Deferred Tax related to Pillar Two taxes, however companies are required to disclose the following:

- a. They have applied the exemption in AS 22 for Pillar two Taxes.
- b. Current Tax expense related to Pillar 2 needs to be shown separately
- c. Basic information about how Pillar two model can impact the Company for the understanding of users of financial statements.

For Small and Medium Companies (SMEs/MSMEs), Disclosure a & b are required, Disclosure c is not mandatory.

Effective Date

The amendment is effective from the date of notification (10 March 2026) for

- Applying exemption (no deferred tax)
- Disclosure (a)

Disclosure requirements (b) and (c) are applicable for financial years beginning on or after 1 April 2025.

[Notification](#)

1. The Foreign Contribution (Regulation) Amendment Bill, 2026

Bill No. 97 of 2026
As introduced in Lok Sabha on 25th March, 2026

The Ministry of Home Affairs presented the **Foreign Contribution (Regulation) Amendment Bill, 2026** in the Lok Sabha on 25th March 2026. The bill proposes significant reforms to strengthen oversight, transparency, and management of foreign contributions in India.

Following are the key changes introduced in the Bill:

1. Insertion of Definition

Definition of “*Key Functionary*” has been introduced under Section 2(ja). Previously, liability and compliance obligations were limited to Directors and Office bearers. Now the definition of key functionary is inserted which includes Director of a company, Partner in a firm, Trustee of a trust, Karta of HUF, Governing body members of societies/associations, **any person exercising control or management (even if not formally designated)**.

2. Update in Companies Act Reference

Reference to Section 25 of the Companies Act, 1956 has been substituted with Section 8 of Companies Act, 2013.

3. Substitution of Criminal Procedure Law

Reference to Code of Criminal Procedure, 1973 has been replaced with *Bharatiya Nagarik Suraksha Sanhita, 2023*.

4. Substitution of Penal Law

Reference to Indian Penal Code has been replaced with *Bharatiya Nyaya Sanhita, 2023*.

5. Amendment to Section 13 – Suspension of Certificate

In Section 13, a new clause has been inserted to provide that:

Every person whose certificate has been suspended shall not alienate, encumber, or otherwise deal with any asset created out of Foreign Contribution, **except with prior approval of the Central Government**.

6. Insertion of Section 14B – Cessation of FCRA Registration Certificate

A new provision has been introduced for cessation of certificate.

A certificate shall be deemed to have ceased upon expiry if:

- a. Application for renewal has not been made under Section 16(2);
 - b. Application for renewal has been refused by the Central Government under the second proviso to Section 16(3);
- or
- c. Certificate is not renewed before its expiry.

Further, no person whose certificate has ceased shall receive or utilise foreign contribution unless the certificate is renewed.

7. Omission of Section 15

Section 15, relating to management of foreign contribution of persons whose certificate has been cancelled or surrendered, has been omitted.

8. Insertion of Chapter IIIA – Vesting of Foreign Contribution and Assets in Designated Authority.**A. Introduction of Designated Authority**

A **Designated Authority** is proposed to be introduced to take control of foreign contributions and assets in specified situations such as **cancellation, surrender, or cessation** of registration.

B. Provisional Vesting of Assets

Foreign contributions and assets created out of such contributions shall vest provisionally with the Designated Authority.

This **includes assets even if partially funded** through non-foreign sources with provision for reclaiming identifiable non-foreign portions upon approval.

C. **Management and Control Powers**

The Designated Authority is empowered to **take possession, manage, supervise, and safeguard assets**. It may also **manage the activities of the entity** in public interest.

D. **Return of Assets on Restoration**

In cases where registration is renewed, restored, or freshly granted, the unutilised foreign contribution and assets may be returned, subject to prescribed conditions.

E. **Permanent Vesting in Case of Non-Compliance**

If the entity fails to restore registration within the prescribed timeline, the assets and funds shall vest permanently with the Designated Authority.

F. **Disposal and Utilisation of Assets**

The Authority may:

- Transfer assets to Government bodies, or
- Dispose of assets and credit proceeds to the Consolidated Fund of India

The original entity and its key functionaries are restricted from deriving any benefit.

G. **Special Provision for Religious Assets**

Assets in the nature of **places of worship** shall be managed in a manner that preserves their religious character.

H. **Treatment of Defunct Entities**

In case an entity becomes defunct or ceases to exist, all foreign contributions and related assets shall vest permanently with the Designated Authority.

[FCRA Amendment Bill, 2026](#)

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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