

The background of the entire page is a photograph of a long, multi-span bridge crossing a wide body of water. The bridge has several concrete pillars supporting its deck. In the distance, two tall, slender pylons are visible, suggesting a cable-stayed section of the bridge. The sky is a gradient of colors from a warm orange and red at the horizon to a pale blue at the top. The water in the foreground shows some white foam from waves breaking against rocks.

THE AIKYAM EDGE

Market & Regulation Brief

MARCH 2026 BULLETIN

Regulatory Reporting by AIFs

Relevant to: All Alternative Investment Funds (AIFs) & Indian Venture and Alternate Capital Association (IVCA)

The Securities and Exchange Board of India (SEBI) revised the regulatory reporting framework for Alternative Investment Funds (AIFs) to improve efficiency and reduce compliance burden. Earlier, AIFs were required to submit detailed activity reports quarterly within 15 days of each quarter's end. Under the revised system, AIFs must now submit a Comprehensive Annual Activity Report within 30 days after the end of March each financial year through the SEBI Intermediary Portal. Additionally, a limited Quarterly Activity Report will still be submitted within 15 days of the quarter end, except for the March quarter. The first Annual Activity Report will be for FY ending March 2026 (due by May 31, 2026). These changes aim to enhance ease of doing business and streamline reporting requirements for AIFs.

Effective Date: Immediate effect

SEBI Circular No.: [HO/19/28/\(1\)2026-AFD-SEC3/1/6176/2026](#)

Guidelines for Custodians (except which is a Bank or a subsidiary / associate / joint venture of a Bank)

Relevant to: All Registered Custodians

The Securities and Exchange Board of India issued a circular on 4 March 2026 providing revised guidelines for custodians following amendments to the SEBI (Custodian) Regulations, 1996. The circular allows custodians to undertake other financial services, but non-bank custodians must maintain separate Strategic Business Units (SBUs) and accounts to avoid conflicts of interest. It clarifies that only non-core activities may be outsourced, while

core custody and compliance functions must remain in-house. The guidelines also strengthen governance, risk management, and data protection, requiring board committees, risk policies, scalable IT infrastructure, business continuity and disaster recovery systems, and a framework for orderly wind-down of operations.

Effective date: March 24, 2026

SEBI Circular No.: [HO/19/\(1\)2025-AFD-FPICELL/1/5928/2026](#)

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

Relevant to: All Mutual Funds (MFs)/ All Asset Management Companies (AMCs)/ All Trustee Companies of Mutual Funds Registrar and Transfer Agents of Mutual Funds (RTAs)/Association of Mutual Funds in India (AMFI)

The Securities and Exchange Board of India issued a circular on 6 March 2026 introducing a voluntary lock-in / debit freeze facility for Mutual Fund folios to enhance the digital security of investors' units. Under this facility, investors can voluntarily debit freeze their folios so that no units can be debited until the folio is unlocked. The facility will initially be provided through the MF Central platform by RTAs and will be available only to KYC-compliant investors with a valid email ID and mobile number. Association of Mutual Funds in India will prescribe the detailed procedures for locking and unlocking folios and specify the financial and non-financial transactions allowed during the lock-in period. AMCs and RTAs must disclose the process and its impact on transactions on their websites and in the Statement of Additional Information (SAI).

Effective Date: April 30, 2026

SEBI Circular No.: [HO/24/12/12\(5\)2026-IMD-SEC-1/1/6373/2026](#)

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

Relevant to: All registered Research Analysts & Research Analyst Administration and Supervisory Body (RAASB)

The Securities and Exchange Board of India issued a circular on **11 March 2026** to ease compliance for **Persons Associated with Research Services (PARS)** working in sales and other non-core roles. These individuals, such as sales staff and relationship managers who interact with clients but are not directly involved in research, are now allowed to obtain a **lighter certification** by passing the **NISM Series-XXV-A: PARS (Sales and Other Non-Core Services) Certification Examination** instead of the more advanced **NISM Series-XV: Research Analyst Certification Examination**. However, PARS involved in research activities must continue to clear the Series-XV exam. Those who already hold the Series-XV certification are not required to take the new exam until their certification expires.

Effective Date: Immediate effect

SEBI Circular No.: [HO/38/12/\(5\)2026-MIRSD-POD/1/6703/2026](#)

Borrowing by Mutual Funds

Relevant to: All Mutual Funds, All Asset Management Companies (AMCs), All Trustee Companies/ Board of Trustees of Mutual Funds & Association of Mutual Funds in India (AMFI)

The Securities and Exchange Board of India issued a circular on **13 March 2026** regarding **borrowing by mutual funds** under the SEBI (Mutual Funds) Regulations, 2026. Mutual funds are permitted to borrow funds. **Intraday borrowings are exempt from the 20% limit** to address temporary timing mismatches between inflows and outflows of funds. Such borrowings must follow conditions approved by the AMC and trustees and can be used only against **guaranteed receivables due on the same day**. Additionally, borrowing by equity-

oriented index funds and ETFs is permitted for participation in the closing auction session of stock exchanges, and any cost of intraday borrowing must be borne by the AMC.

Effective Date: April 01, 2026

SEBI Circular No.: [HO/\(92\)2026-IMD-POD-2/1/6961/2026](#)

Review of Coverage of Settlement Guarantee Fund for Commodity Derivatives Segment

Relevant to: All Recognised Clearing Corporations having Commodity Derivatives Segment

The Securities and Exchange Board of India issued a circular on **16 March 2026** revising the coverage norms of the **Settlement Guarantee Fund (SGF)** for the commodity derivatives segment to enhance ease of doing business. The revised framework requires clearing corporations to calculate **credit exposure based on the simultaneous default of at least 3 clearing members (instead of earlier norms involving 2 members and additional exposure criteria)** under stress testing scenarios. Additionally, SEBI has introduced flexibility by allowing **case-by-case exemptions or relaxations** in SGF requirements based on market conditions and adequacy of risk management frameworks. These changes aim to streamline risk management while ensuring investor protection and market stability.

Effective Date: Immediate effect

SEBI Circular No.: [HO/47/16/14\(1\)2026-MRD-POD1/1/7115/2026](#)

Master Circular for Mutual Funds

Relevant to: All Mutual Funds ('MFs'), Asset Management Companies ('AMCs'), Trustee Companies of Mutual Funds, Registrar to an Issue and Share Transfer Agents ('RTAs'), Association of Mutual Funds in India (AMFI), All Recognized Stock Exchanges & Clearing Corporations, All Stock Brokers, All Depositories & All Custodians

The Securities and Exchange Board of India issued the **Master Circular for Mutual Funds (March 20, 2026)** to consolidate all regulatory guidelines applicable to mutual funds in India. It aligns with the SEBI (Mutual Funds) Regulations, 2026 and will be effective from **April 1, 2026**. The circular compiles earlier SEBI circulars, rescinds outdated ones, and provides a single reference for compliance. It covers key areas such as scheme offer documents (Scheme Information Document, Statement of Additional Information, Key Information Memorandum), governance, disclosures, risk management, valuation, and investor protection. The objective is to **enhance transparency, ensure regulatory clarity, and protect investors in the mutual fund industry**. Entities like AMCs, trustees, RTAs, stock exchanges, custodians, and brokers must comply with its provisions.

Effective date: April 01, 2026

SEBI Circular No.: [HO/24/13/11\(1\)2026-IMD-POD-1/1/7602/2026](#)

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

Relevant to: All recognized Stock Exchanges & All Depositories

The Securities and Exchange Board of India issued a circular on **23 March 2026** to promote **ease of doing business** for stock brokers by relaxing certain reporting requirements. Brokers who are also **banks or primary dealers** are now required to report only those **bank accounts used for stock-broking activities** to stock exchanges. The requirement to report **demat accounts exclusively for banking activities by brokers which are also banks** has been **exempted**, though demat accounts must still follow proper **naming and tagging norms**. Stock exchanges and depositories must ensure compliance and may impose **penalties for violations**. The amendments modify **Paras 15.3 and 15.4** of the **Master Circular for Stock Brokers (June 17, 2025)** and will come into force from **17 April 2026**.

Effective date: April 17, 2026

SEBI Circular no.: [HO/38/11/\(1\)2026-MIRSD-POD/1/7656/2026](#)

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