

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 large, rectangular concrete piers. In the distance, a cable-stayed bridge with two tall towers is visible. The sky is a gradient of colors from a warm orange and red at the horizon to a cool blue at the top. The water in the foreground shows some white foam from waves breaking on rocks.

THE AIKYAM EDGE

Market & Regulation Brief

MAY 2026 BULLETIN

Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection

Relevant to: All SEBI Regulated Entities

SEBI has issued an advisory highlighting the cybersecurity risks arising from advanced AI-driven vulnerability detection tools such as Mythos, which can rapidly identify and potentially exploit system weaknesses, thereby increasing risks related to cyberattacks, data confidentiality, application integrity, and systemic impact across interconnected market participants. To address these concerns, SEBI has constituted the “cyber-suraksha.ai” task force comprising MIs, QRTAs, QREs, and other stakeholders to assess AI-related cyber risks, share threat intelligence, strengthen vulnerability management, and review third-party cybersecurity practices. The advisory directs regulated entities to immediately apply security patches, conduct regular VAPT and risk assessments (including AI-based threat scenarios), strengthen API security, enhance SOC monitoring and onboarding to M-SOC, implement system hardening and Zero Trust practices, maintain updated asset inventories and SBOMs, and develop long-term AI-driven cybersecurity and mitigation strategies in line with SEBI’s Cyber Security and Cyber Resilience Framework.

Effective Date: Immediate effect

SEBI Circular No.: [HO/13/19/12\(1\)2026-ITD-1_CIMGI/10873/2026](#)

‘Significant Indices’ under SEBI (Index Providers) Regulations, 2024

Relevant to: All Index Providers, All Stock Exchanges, All Mutual Funds, All Asset Management Companies, Association of Mutual Funds in India

SEBI has issued a circular under the SEBI (Index Providers) Regulations, 2024 to regulate ‘Significant Indices’ and strengthen transparency and governance in index administration. An index will qualify as a ‘Significant Index’ if the average cumulative mutual fund AUM tracking it exceeds ₹20,000 crore for the past six months. Key indices identified include Nifty 50, Nifty Bank, Nifty 500, BSE Sensex, BSE 100, and select CRISIL indices. Index Providers offering such indices must register with SEBI within six months, while entities conducting index activities departmentally must create a separate legal entity within two years. The circular also provides for investor grievance redressal for SEBI-registered Index Providers

Effective date: Immediate effect

SEBI Circular No.: [HO/47/17/12\(8\)2025-MRD-POD2](#)

Discontinuation of Investor Risk Reduction Access (IRRA) platform

Relevant to: All recognised Stock Exchanges

SEBI has decided to discontinue the Investor Risk Reduction Access (IRRA) platform as it has become structurally redundant due to significant improvements in brokers’ business continuity systems, cyber resilience frameworks, BCP-DR mechanisms, M-SOC implementation, and the availability of the Contingency Pool Trading facility provided by Stock Exchanges. SEBI noted that the IRRA platform, introduced in December 2022 and operational since October 2023, was not utilized by stock brokers, as existing contingency and technological frameworks already ensure seamless trading continuity during disruptions. The circular also advises Stock Exchanges to further strengthen the Contingency Pool Trading framework and supersedes the earlier SEBI circular dated December 30, 2022.

Effective Date: May 07, 2026

SEBI Circular No.: [HO/38/44/12\(3\)2025-MIRSD-TPD1/1/10705/2026](#)

Norms for sharing and usage of price data for educational purposes

Relevant to: All Recognized Stock Exchanges, All Recognized Clearing Corporations, All Depositories, All Registered Intermediaries & BSE Limited (Administration and Supervisory Body for Investment Advisers and Research Analysts- IAASB/RAASB)

SEBI has revised the norms for sharing and usage of market price data for educational purposes by prescribing a uniform 30-day time lag for both sharing and usage of such data, replacing the earlier timelines of 1 day and 3 months. The change has been introduced to balance concerns regarding misuse of recent market data while ensuring relevance for educational activities. Additionally, NISM has been granted special permission to access market price data with a 1-day lag exclusively for use in its simulation lab. MIs and market intermediaries are required to conduct due diligence, execute appropriate legal agreements, and maintain audit trails to prevent misuse of shared data.

Effective Date: The provisions of the circular shall be applicable with effect from July 01, 2026.

SEBI Circular No.: [HO/47/17/12\(11\)2025-MRD-POD3/1/11107/2026](#)

Master Circular on Surveillance of Securities Market

Relevant to: All Recognized Stock Exchanges, All Depositories, All Listed Companies, Intermediaries registered with Securities and Exchange Board of India, Fiduciaries as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

SEBI has issued a Master Circular on Surveillance of Securities Market consolidating

provisions related to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) and surveillance mechanisms. The circular highlights key measures including standardized reporting of Code of Conduct violations, mandatory remittance of penalties to SEBI's Investor Protection and Education Fund (IPEF), implementation of system-driven disclosures for promoters, directors, designated persons and their relatives, and the PAN-ISIN freeze framework to restrict trading during trading window closure periods. It also permits transactions such as OFS, Rights Entitlements, and subscription to Non-Convertible Securities during trading window closure under specified conditions. Additionally, the circular strengthens coordination among listed companies, stock exchanges, depositories, and compliance officers for monitoring insider trading activities and streamlines disclosure and surveillance processes to improve transparency, compliance, and market integrity.

Effective Date: May 15, 2026

SEBI Circular No.: [HO/43/15/12\(3\)2025-ISD-POD2/1/11734/2026](#)

Status of SPVs post conclusion or termination of Concession Agreement

Relevant to: All Infrastructure Investment Trusts ("InvITs"), All Parties to InvITs, All Depositories & All Recognized Stock Exchanges

SEBI has clarified the treatment of SPVs under InvITs after conclusion or termination of concession agreements, stating that such entities may continue to retain their SPV status subject to specified conditions. The Investment Manager must either exit the SPV through sale/liquidation/merger or acquire a new infrastructure project within one year from the later of concession termination, closure of pending litigations/assessments, or completion of the defect liability period. The circular also mandates enhanced disclosures at both InvIT and SPV levels, including details of assets, liabilities, contingent liabilities, outstanding debt, pending litigations, and the proposed exit strategy and timeline. Additionally, time taken

for obtaining statutory or regulatory approvals for exit will be excluded from the one-year timeline.

Effective Date: Immediate Effect

SEBI Circular No.: [SEBI/HO/DDHS/DDHS-PoD-2/1/11698/2026](#)

Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets

Relevant to: All Infrastructure Investment Trusts ("InvITs"), All Parties to InvITs, All Depositories & All Recognized Stock Exchanges

SEBI has clarified the permitted use of fresh borrowings by InvITs where net borrowings exceed 49% of asset value under the amended InvIT Regulations. Such borrowings can now be utilized for capital expenditure aimed at enhancing asset performance or capacity augmentation, major maintenance expenses for road projects, and refinancing of existing debt subject to conditions. For refinancing, only the principal portion of eligible debt can be refinanced, while accumulated interest, charges, or fees are excluded. The circular also defines major maintenance expenses for road projects as non-routine maintenance obligations under concession agreements

Effective date: Immediate Effect

SEBI Circular No.: [SEBI/HO/DDHS/DDHS-PoD-2/1/11700/2026](#)

Revision of Monthly Cumulative Report (MCR) Format

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)

SEBI has revised the Monthly Cumulative Report (MCR) format for Mutual Funds following the introduction of new scheme categories under the categorisation and

rationalisation framework. Accordingly, a modified MCR format (including MCR SIF format) will be applicable from June 2026 onwards, while all other reporting requirements under the existing Master Circular remain unchanged. The revision aims to align reporting with the updated mutual fund scheme classification framework.

Effective date: June 2026 onwards

SEBI Circular no.: [HO/24/11/24\(62\)2026-IMD-RAC4/1/11872/2026](#)

Household Savings through Indian Securities Market

SEBI, in consultation with RBI and MoSPI, has revised the methodology for calculating household savings through the securities market by using actual granular data instead of estimation-based calculations. The revised framework now includes secondary market investments, REITs, InvITs, AIFs, private placements, and NPISHs, providing a more comprehensive and accurate assessment of household financial savings. As per the revised methodology, household savings through the securities market increased to ₹6.91 lakh crore in FY 2024-25, leading to a 47 basis point increase in Gross Savings-to-GDP ratio to 34.94%, reflecting the growing shift of household savings from traditional physical assets to financial instruments.

SEBI Circular No.: [Research Papers/articles](#)

Ease of doing investments – Modified Norms for Nomination in Demat Accounts and Mutual Fund Folios

Relevant to: Asset Management Companies (AMCs) of Mutual Funds (MFs) and their Registrars to an issue and share Transfer Agents (RTAs), Recognized Depositories & Registered Depository Participants

SEBI has issued a circular dated 29 May 2026 modifying the nomination norms for demat accounts and mutual fund folios to enhance investor convenience and reduce unclaimed

assets. Under the revised framework, nomination will be mandatory for all new single-holder accounts/folios unless the investor formally opts out, while it remains optional for jointly held accounts. Investors can nominate up to three nominees, submit nominations online or offline, and make unlimited changes or cancellations. Only the nominee's name and relationship with the investor are mandatory details, while contact information, KYC details, and percentage allocation are optional. Witness signatures are no longer required for physically signed nomination forms, except in cases of thumb impressions. Depository Participants and Mutual Fund RTAs will be required to periodically remind investors who have not registered a nomination and display nomination-related prompts on digital platforms.

Effective date: These revised norms will apply to both new and existing accounts/folios and will come into effect from **1 September 2026**.

SEBI Circular No.: [SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2026/12676](#)

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