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RBI | FEMA

RBI Issues Amendment Directions on Matters to be Placed Before the Boards of the Banks:

RBI has issued the Reserve Bank of India (Governance) Amendment Directions, 2026, introducing a principle-based governance framework for commercial banks, small finance banks, payments banks and local area banks, effective 1 October 2026. The revised framework rationalises matters requiring Board consideration, enabling greater strategic focus on governance, risk oversight and decision-making while removing several procedural reporting requirements. Banks should review their Board governance processes, committee charters and internal reporting mechanisms to ensure timely compliance before the effective date.

Source:https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR6685F09CA1917F6451BBCA2A2F68B7BC356.PDF

RBI Issues Draft Guidance on Regulatory Expectations for Data Governance:

The RBI has released draft Regulatory Expectations on Data Governance for public consultation, proposing a significantly stronger governance regime for regulated entities. The framework emphasises Board accountability, data quality, metadata management, third-party data sharing controls, confidentiality obligations and restricted access on a "need-to-know" basis. management.

Financial institutions should assess existing data governance policies, outsourcing arrangements and vendor contracts, as the proposed framework reflects the RBI's increasing supervisory focus on data security, operational resilience and responsible data.

Source:https://rbidocs.rbi.org.in/rdocs/Content/PDFs/DATAGOVERNANCE150720269AC6EBBBC8A84C9D902EF886D9219AA9.PDF

Reporting of FCNR(B) Deposits, ECB and OFCB Mobilised under RBI's Swap Facility:

The RBI has imposed a monetary penalty of ₹63.60 lakh on Bank of Baroda for non-compliance with the RBI KYC Directions, 2016 and the Fair Practices Code for Lenders. The supervisory findings included delayed CKYCR reporting and charging interest beyond contractual rates in certain loan accounts. The action reinforces the RBI's continued emphasis on robust customer due diligence, timely regulatory

Regulated entities should review KYC compliance systems and lending controls to minimise supervisory risk.
Source:https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR60456EC44198036430B846D2615004D090C.PDF

India's ECB Revolution: How the Borrowing & Lending Amendment 2026 Rewires the Cross-Border Debt Playbook:

On 09 February 2026, the Reserve Bank of India notified the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, marking a major recalibration of India's External Commercial Borrowings regime. The amendment expands the category of eligible borrowers and recognised lenders, replaces the hard all-in-cost ceiling with a market-conditions standard, links borrowing capacity to net worth, and permits ECB-funded acquisition finance, together with specified real-estate and industrial park uses. The changes substantially widen access to offshore debt for Indian corporates, private credit funds, infrastructure sponsors and distressed borrowers.
Source:https://www.akandpartners.in/post/india-s-ecb-revolution-how-the-borrowing-lending-amendment-2026-rewires-the-cross-border-debt-pla

FCNR scheme: Withholding tax fear haunts US, Singapore NRIs:

Non-resident Indians in Singapore and the United States are increasingly concerned that withholding taxes may erode the economics of leveraged FCNR deposits marketed by Indian banks. In particular, borrowing through Indian banks' GIFT City branches may trigger Singapore withholding tax, while US-resident NRIs may face withholding on loan interest together with additional US tax and reporting obligations. Several banks are also adding withholding-tax clauses to loan documents, shifting the tax burden to borrowers.

Source:https://economictimes.indiatimes.com/nri/invest/fcnr-scheme-withholding-tax-fear-haunts-us-singapore-nris/articleshow/132523392.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

SECURITIES AND EXCHANGE BOARD OF INDIA

SEBI creates a seamless Investor Succession Framework: Integrated reforms in Nomination and Transmission of Securities:

SEBI has significantly modernised the succession framework for securities through its Nomination Circular dated February 28, 2025 and the Transmission Circular dated July 23, 2026. Together, these reforms establish a seamless, investor-centric framework that simplifies succession planning, accelerates transmission of securities, reduces dependence on court proceedings and provides listed companies with a uniform compliance process.

Key Reforms

For Shareholders

- Up to 10 nominees can now be registered for a single demat account or mutual fund folio, with flexible percentage-wise allocation among nominees.
- Online and offline facilities for nomination, modification, cancellation or opt-out of nomination.
- Quick Transmission Processing (QTP) introduced for low-value claims:
    - Physical securities – up to ₹10,000 per listed company.
    - Demat securities – up to ₹30,000 per beneficial owner.
    - Simplified documentation for transmission up to:
    - ₹10 lakh (physical securities).
    - ₹30 lakh (dematerialised securities).
- Mandatory Probate of Will dispensed with in eligible cases, substantially reducing reliance on succession proceedings.
- Single Affidavit-cum-No Objection Certificate replaces multiple affidavits and declarations.
- QR Code-enabled death certificates and simplified verification of overseas death certificates accepted.
- Nominee acts as a trustee for the legal heirs, preserving succession rights under applicable inheritance laws.

For Listed Companies and Market Intermediaries

- Uniform documentation and standardised transmission forms across the securities market.
- Mandatory acknowledgement of claims and upfront communication of deficiencies.
- Processing of complete transmission requests within 21 calendar days. .

Practical Impact

The 2025 and 2026 reforms collectively transform securities succession from a litigation-driven process into a simple, time-bound administrative mechanism. Shareholders should review and update their nominations to take advantage of the enhanced flexibility of up to 10 nominees and the simplified transmission framework. For listed companies, RTAs and depositories, the reforms introduce a harmonized compliance regime that reduces operational uncertainty and expedites transmission requests. Together, these reforms strengthen investor protection, minimize hardship for bereaved families and significantly improve the ease of doing investment in India's securities market. .

SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2026:

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2026, which shall come into force on the date of their publication in the Official Gazette. The amendment modifies Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to require that the listed entity comply with all procedural requirements with respect to transfer and transmission of securities as specified by SEBI from time to time. In Regulation 61(4), the reference to matters specified in Schedule VII has been replaced with a reference to matters specified by the Board from time to time, and Clause C of Schedule VII has been omitted.

Source:https://www.sebi.gov.in/legal/regulations/jul-2026/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2026_102872.html

SEBI Cautions Regulated Entities and Listed Companies Against Boss Scam Cyber Fraud:

SEBI has cautioned regulated entities and listed companies against a rising cyber fraud referred to as the Boss Scam or CEO and MD impersonation fraud. The advisory follows an alert from the Indian Cyber Crime Coordination Centre, which has observed fraudsters impersonating chief executives or other senior officials through email, WhatsApp, Microsoft Teams and other social media platforms, directing subordinates or finance personnel to urgently transfer funds to specified bank accounts. SEBI noted that in certain instances, fraudsters compromise a device and alter its saved contact details, saving their own number under the name of the CEO or Managing Director in order to deceive employees into executing fund transfers. Regulated entities and listed companies have been advised to independently verify any such instructions by directly calling the concerned senior official, and not to transfer funds solely on the basis of instructions received through social media or messaging platforms.cooperate in enforcing the Prevention of Money Laundering Act, 2002.

The MoU adopts the Egmont Group principles for information exchange and helps both bodies fight fraud in the securities market.

Source:https://www.sebi.gov.in/media-and-notifications/press-releases/jul-2026/caution-to-regulated-entities-and-listed-companies-boss-scam_102919.html

SEBI (Custodian) (Amendment) Regulations, 2026: Custodian Fees Moved from Annual to Monthly Basis:

SEBI has notified the Securities and Exchange Board of India (Custodian) (Amendment) Regulations, 2026, replacing the existing annual fee mechanism for custodians with a newer monthly fee payment system, effective from October 1, 2026. Under the amended regulations, custodians will be required to pay a monthly fee of Rs. 85,000 or 0.0000416 per cent of their assets under custody, whichever is higher, in place of the earlier annual fee of Rs. 10 lakh or 0.0005 per cent of assets under custody. Payment of the monthly fee must be made within fifteen days from the end of each month, and a transition mechanism has been provided for custodians already registered before the effective date.

Source:https://www.sebi.gov.in/legal/regulations/jul-2026/securities-and-exchange-board-of-india-custodian-amendment-regulations-2026_102682.html.

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INTELLECTUAL PROPERTY LAW

BMandatory e-KYC Enforced for All IP Attorneys:

The Office of the Controller General of Patents, Designs and Trade Marks has made electronic Know Your Customer verification mandatory for all Intellectual Property Attorneys practising before the Intellectual Property Office and for access to the online portals of the IP India website. All attorneys enrolled in the register maintained by the Office of the Controller General are required to complete Aadhaar based e-KYC verification within one month from the date of the Notice, through the prescribed form available on the official e-filing portal. Failure to complete the verification within the stipulated timeline will restrict access to the IP India online e-filing portals, which could affect the ability of practitioners to meet statutory deadlines and manage corporate IP portfolios. Stakeholders facing technical difficulties have been advised to contact the designated IT Support Team.

Source:https://ipindia.gov.in/storage/uploads/others/kQ8bhHaaOmixJlUjiw1kXMauZ3lMHFlHBtcfrE2h.pdf

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Delhi High Court Declines Interim Relief to Google in Hindware Trademark Dispute:

The Delhi High Court has declined to grant interim relief to Google in its appeal against the Single Judge's decision holding the company liable for trademark infringement in relation to the use of the registered trademark "HINDWARE" as a keyword on its Google Ads platform. While issuing notice in the appeal, the Division Bench refused to stay the operation of the impugned judgment, allowing the directions issued by the Single Judge to remain in force until the next date of hearing. The appeal arises from the judgment dated May 22, 2026, wherein the Single Judge held that Google's practice of auctioning and monetising the registered trademark, "HINDWARE" through its advertising platform constituted "use" of the trademark in the course of trade under the Trade Marks Act, 1999. The Court observed that Google played an active role in suggesting, selling and monetising trademarked keywords, and consequently restrained it from permitting advertisers to bid on the "HINDWARE" trademark and its variants as keywords, while also awarding damages of ₹30 lakh in favour of Hindware.

Source:https://www.businessstandard.com/companies/news/delhi-hc-declines-interim-relief-to-google-in-hindware-adwords-case-126071001047_1.html.

Delhi High Court Cancels Registration of "ZORA" Trademark Following ZARA's Objection

The Delhi High Court has set aside the registration of the trademark "ZORA" in Class 24, holding that it is deceptively similar to the registered mark "ZARA" and is likely to cause consumer confusion. Reversing the Registrar's decision, the Court observed that the visual and phonetic similarity between the two marks outweighed the difference of a single letter. It further held that a formal declaration as a well-known trademark is not a prerequisite for protection under Section 11(2) of the Trade Marks Act, 1999 where a mark has acquired substantial goodwill and reputation. Accordingly, the Court directed the removal of the "ZORA" trademark from the Register.

Source:https://www.barandbench.com/news/delhi-high-court-cancels-sadar-bazar-traders-registration-of-zora-trademark-after-zara-objects

CORPORATE LAW

FCRA Rules, 2026: Strengthening Governance, Transparency and Accountability in Foreign Contributions:

The Foreign Contribution (Regulation) Amendment Rules, 2026, notified on 22 June 2026, mark one of the most significant reforms under the FCRA since 2011. The amendments move the regulatory framework from a broad entity-based registration model to a purpose-driven, geography-specific and risk-based compliance regime. The reforms enhance governance, transparency, accountability and regulatory oversight while introducing greater responsibilities for organisations receiving foreign contributions and their management.

Major Reforms

- **Unified definition of 'Key Functionary':** A comprehensive definition now covers Directors, Partners, Trustees, kartas, Office bearers, Governing body members and any person exercising management or control, replacing multiple inconsistent expressions used under the earlier Rules. This standardises governance responsibilities across all legal structures.
- **Purpose-specific and State-specific registration:** FCRA registration is no longer generic. Every registration must now specify the approved purpose(s) and the States/UTs where activities will be undertaken. Existing registered entities must intimate these particulars to the Central Government through Form FC-6F within the prescribed timeline.
- **Modification of registration particulars:** Registered organisations can add or delete approved purposes or geographical areas only with prior approval of the Central Government through Form FC-6F supported by a governing body resolution.
- **Restrictions on foreign nationals:** Associations having foreign nationals (other than Persons of Indian Origin) as key functionaries will ordinarily not be eligible for registration or prior permission without specific approval of the Central Government.
- **Foreign contributions restricted to Indian activities:** Foreign contribution must be utilised exclusively for approved activities undertaken within India and strictly in accordance with the declared objectives.
- **Enhanced utilisation controls:** Release of second and subsequent instalments under prior permission now requires Form FC-3BB, Chartered Accountant certification, supporting utilisation documents, bank statements and field verification by the Government.
- **Objective test for 'reasonable activity'**: Renewal and continuation of registration are now linked to utilisation of at least ₹10 lakh of foreign contribution during the preceding two financial years, providing an objective compliance benchmark.
- **Expanded disclosure framework:** Annual returns and registration forms now require detailed activity reports, project-wise utilisation, social media disclosures, donor transparency (including ultimate donor disclosures for intermediary funding), publication disclosures and mandatory UDIN-based auditor certification.

Regulatory Impact

The 2026 Rules fundamentally transform FCRA compliance from a registration-centric regime to a continuous governance and disclosure framework. Organisations will need stronger governance structures, robust documentation, enhanced board oversight, improved project monitoring and comprehensive compliance systems. The expanded responsibilities of Key Functionaries, coupled with purpose-specific registrations and heightened disclosure obligations, significantly increase management accountability and regulatory scrutiny while promoting greater transparency in the utilisation of foreign contributions

Indian companies face growing Nature-related Disclosure Compliance expectations as UN SSE issues Model Guidance:

Indian companies, particularly those with overseas listings, cross-border operations or global institutional investors, should prepare for increasing compliance expectations relating to nature-related financial disclosures. United Nations Sustainable Stock Exchanges (UN SSE) Initiative, supported by the United Nations Development Programme (UNDP), has released the Model Guidance on Nature-related Financial Disclosures (Version 2025.A).

Based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), the Guidance provides a model framework for stock exchanges to develop jurisdiction-specific disclosure requirements and reflects the growing international convergence towards nature-related financial reporting. The Guidance encourages listed companies to identify, assess and disclose Dependencies, Impacts, Risks and Opportunities (DIROs) through the TNFD's LEAP approach by integrating biodiversity and ecosystem-related considerations into corporate governance, enterprise risk management and sustainability reporting. It reflects increasing expectations of global investors, stock exchanges and regulators for transparent reporting of nature-related financial risks.

Although the Guidance is voluntary, it is expected to influence the disclosure expectations of overseas stock exchanges, institutional investors and sustainability reporting frameworks. Indian companies should proactively strengthen their governance, risk management and disclosure processes to enhance compliance readiness, meet evolving international reporting expectations and maintain access to global capital markets.

Source: Model Guidance on Nature-related Financial Disclosures (Version 2025.A). (https://tnfd.global/wp-content/ uploads/ 2025/09/unsse-tnfd-model-guidance-nature-disclosure-2025a.pdf?v=17592 18783)

DISPUTE RESOLUTION

Supreme Court Sets Aside NCLT Order for Reliance on AI-Generated Hallucinated Precedents

The Supreme Court set aside the orders of the NCLT and NCLAT after finding that they were founded on non-existent AI-generated judicial precedents. Holding that reliance on fabricated legal authorities renders a decision unsustainable in law, the Court remanded the matter for fresh consideration. It clarified that artificial intelligence cannot substitute independent judicial research or reasoning and held that citing unverified AI-generated precedents amounts to professional misconduct. Observing that reliance on such material by a court or tribunal is equally unacceptable, the Court declared that a decision founded on fabricated precedents is no decision in the eyes of law and directed the Bar Council of India to frame guidelines on the use of artificial intelligence in legal practice..

Case: Pooja Ramesh Singh v. J&K Bank Ltd., Supreme Court of India, Civil Appeal No. 11950 of 2025, 2026 INSC 668 (decided July 2, 2026)

Delhi High Court Holds National Stock Exchange to be a Public Authority under the RTI Act:

The Hon'ble Delhi High Court has held that the National Stock Exchange of India Limited (NSE) is a "public authority" within the meaning of Section 2(h) of the Right to Information Act, 2005, and is consequently amenable to the provisions of the Act. Dismissing the NSE's appeal, the Division Bench affirmed the judgment of the Single Judge, holding that the Exchange is controlled by the appropriate Government and therefore satisfies the statutory definition of a public authority.

Placing reliance on the Supreme Court's decision in Thalappalam Service Cooperative Bank Ltd. v. State of Kerala [(2013) 16 SCC 82], the Court reiterated that a body would qualify as a public authority if it is owned, controlled or substantially financed by the appropriate Government. It observed that these conditions are to be read disjunctively and that satisfaction of any one of them is sufficient to attract Section 2(h) of the RTI Act.

The Court further observed that a body may qualify as a public authority under the RTI Act even if it does not constitute a "State" under Article 12 of the Constitution.

Case: National Stock Exchange of India Ltd. v. Central Information Commission and Ors., Delhi High Court, decided July 1, 2026

1.Supreme Court: Transfer of Tenancy Through Statutory Bank Merger Requires Landlord's Written Consent:

The Supreme Court held that the statutory amalgamation of a banking company under Section 45 of the Banking Regulation Act, 1949 does not override a lease condition requiring the landlord's written consent for assignment or transfer of tenancy. Upholding the eviction of Punjab National Bank under Section 14(1)(b) of the Delhi Rent Control Act, 1958, the Court held that the transfer of tenancy pursuant to the amalgamation amounted to parting with possession in breach of the lease. It rejected the contention that statutory vesting under the Banking Regulation Act excluded the application of rent control laws. The judgment clarifies that statutory banking mergers remain subject to contractual tenancy restrictions governing leased premises.

Case:British Motor Car Company (1939) Ltd. v. M/s Hindustan Commercial Bank Ltd. (since merged into Punjab National Bank) and Anr. Supreme Court of India, decided July 9, 2026

BCI Directs Immediate Enforcement of Social Media and Digital Ethics Guidelines Across Bar Councils and Law Schools:

The Bar Council of India (BCI), through Circular No. BCI/D/4659/2026 dated 17 July 2026, has directed all State Bar Councils and Centres of Legal Education to immediately implement guidelines on social media conduct, digital ethics, court decorum, confidentiality, professional responsibility and AI-generated content. The Circular requires awareness programmes, compliance measures and designated nodal officers to ensure effective implementation. The BCI has emphasised that these measures must be implemented fairly in accordance with the Advocates Act, 1961. The BCI Rules are applicable court rules and the principles of natural justice.

Sources:https://www.barcouncilofindia.org/info/forwarding-d4cwwl

Supreme Court: FERA Complaint Cognisance Invalid Without Prior Notice to Accused:

The Supreme Court has held that a Magistrate cannot validly take cognisance of a criminal complaint under the repealed Foreign Exchange Regulation Act, 1973 (FERA) unless the proposed accused has first been served with the mandatory "opportunity notice" prescribed under Section 61(2) of the Act. The Court observed that this notice is a statutory requirement intended to give the accused an opportunity before criminal proceedings are initiated. Consequently, if such notice is not served, the Magistrate's decision to take cognisance of the complaint is legally unsustainable, as it fails to comply with the mandatory procedure laid down under the Act.

Sources: https://www.livelaw.in/supreme-court/fera-complaint-cognisance-vitiated-if-there-was-no-notice-to-accused-supreme-court-542275

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SC Denies MV Act Compensation Absent Nexus Between Death and Car:

The Supreme Court has clarified that compensation under the Motor Vehicles Act, 1988, cannot be granted merely because a vehicle was involved in the sequence of events leading to a person's death. The Court held that claimants must establish a clear and direct connection between the use of the vehicle and the death for compensation to be awarded under the Act. It further observed that if a person is allegedly murdered inside a vehicle, compensation under the MV Act cannot be claimed unless the vehicle itself played a role in causing or contributing to the death. In its ruling, a Bench of Justices Sanjay Karol and Augustine George Masih emphasised that the existence of a vehicle alone is insufficient to attract liability under the Act; a causal link between the vehicle's use and the fatality is essential.

Source: https://www.barandbench.com/news/litigation/no-mv-act-compensation-unless-there-is-link-between-death-and-car-in-which-body-was-found-supreme-court

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Supreme Court Clarifies Application of Forum Non Conveniens and Exclusive Jurisdiction in Arbitration Agreements Providing Multiple Seats

The Supreme Court has held that the doctrine of forum non conveniens does not apply where parties have expressly agreed that the courts of a specified place shall have exclusive jurisdiction over disputes arising from an arbitration agreement. Upholding the Telangana High Court's appointment of an arbitrator under Section 11(6) of the Arbitration and Conciliation Act, 1996, the Court reiterated that party autonomy is paramount in interpreting arbitration clauses. It clarified that the doctrine is relevant only where multiple competent forums exist without an exclusive jurisdiction clause. The judgment reinforces the enforceability of exclusive jurisdiction clauses in arbitration agreements.

Case:Bhartia Infra Projects Limited v. M/s Vishwa Samudra Engineering Private Limited, Supreme Court of India, SLP (C) Nos. 19870-19871 of 2026

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