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SEBI (Informal Guidance) Scheme, 2025 A Revised Framework for Regulatory Clarification

Regulatory interpretation plays a critical role in ensuring compliance under India's securities law framework. In this context, on 28 November 2025, the Securities and Exchange Board of India ("SEBI") issued Press Release No. 77/2025 announcing the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 (the "2025 Informal Guidance Scheme"), which comes into force on 01 December 2025 and replaces the long-standing SEBI (Informal Guidance) Scheme, 2003 (the "2003 Informal Guidance Scheme").

The 2025 Scheme seeks to provide a more structured and time-bound mechanism for eligible, SEBI regulated persons to seek interpretational clarity on the application of securities laws administered by SEBI.

1. Earlier Position: The 2003 Informal Guidance Scheme

The 2003 Informal Guidance Scheme was introduced to assist market participants in obtaining regulatory clarity and to promote orderly development of the securities market.

Under the 2003 Informal Guidance Scheme, eligible applicants included SEBI registered intermediaries, listed companies, companies proposing to list securities, mutual fund trustees or asset management companies, and acquirers or prospective acquirers under the takeover regulations.

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SEBI could issue **Interpretive Letters** or **No-Action Letters**, reflecting the views of the concerned department. Such guidance was expressly **non-binding**, did not constitute a formal order of SEBI, and was not appealable.

The scheme prescribed a **disposal timeline** of **60 days**, subject to SEBI's discretion, and permitted **confidentiality of the guidance for up to 90 days** upon request. Applicants were required to make full disclosure of material facts, identify relevant legal provisions, and pay an application fee of **Rs. 25,000**. SEBI retained the discretion to decline guidance on hypothetical or general queries, matters under investigation or litigation, or issues involving broader policy considerations.

2. The 2025 Informal Guidance Scheme: Precisely What Has Changed

The 2025 Informal Guidance Scheme represents a **measured restructuring** of the informal guidance mechanism. While both schemes retain the **twin forms of guidance—Interpretive Letters and No-Action Letters**, the 2025 Informal Guidance Scheme introduces several notable refinements:

- Expanded Eligibility** - The 2025 Informal Guidance Scheme considerably broadens the class of persons eligible to seek informal guidance to include not only SEBI registered intermediaries and listed issuers but also:
 - Managers or trustees of pooled investment vehicles** registered with SEBI (e.g., AIFs, REITs/InvITs);

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- **Market Infrastructure Institutions** such as stock exchanges, clearing corporations, and depositories.

b. Standardised, Centralised and Digital Process –

- Submission only in the prescribed format via email to a dedicated nodal coordination cell (e.g., iguidance@sebi.gov.in);
- Mandatory disclosure of all relevant facts and legal provisions;
- Electronic payment of the revised fee through SEBI's payment gateway.

c. Revised Fees –

The application fee has been revised to Rs. 50,000, replacing the earlier fee of Rs. 25,000, indicating both inflation and an expectation of more substantive, well-prepared filings.

d. Defined Grounds for Refusal and Disposal –

The 2025 Informal Guidance Scheme codifies in greater detail the circumstances under which SEBI may refuse or reject guidance retaining the prohibitions on hypothetical or generic queries, matters under enforcement or sub-judice, and where similar guidance already exists. It also empowers SEBI to reject an application if clarifications are not furnished within the stipulated 15 days.

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e. Confidentiality and Publication –

Informal guidance remains non-binding and fact specific. Applicants may seek confidentiality for up to **90 days** from the date of issuance. The Scheme allows for **redaction of commercially sensitive information** prior to public release –an enhancement aimed at addressing competitive concerns of applicants while preserving transparency.

3. Legislative Intent and Rationale

Although the 2025 Informal Guidance Scheme does not expressly state its legislative intent, the changes introduced indicate SEBI's objective to streamline and strengthen the informal guidance framework in line with the evolving complexity of the securities market. The introduction of defined timelines, a centralised electronic process, and revised eligibility criteria reflects an effort to bring greater procedural certainty and consistency to the guidance mechanism.

The expanded coverage of market infrastructure institutions and pooled investment vehicles, together with clearer confidentiality and publication norms, suggests a calibrated approach aimed at facilitating pre-enforcement regulatory clarity, while balancing transparency with protection of commercially sensitive information.

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Conclusion

The 2025 Informal Guidance Scheme strengthens the utility of informal guidance as a time-bound, structured compliance tool for regulated entities navigating interpretive uncertainties under securities laws.

From an industry standpoint, the most significant impact will be felt in **transaction structuring and regulatory planning**. Market participants particularly listed companies, private equity and alternative investment funds, market infrastructure institutions, and entities involved in complex acquisition or listing transactions. This assumes heightened relevance in an environment where securities law compliance increasingly intersects with novel instruments, hybrid structures, and evolving market practices.

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