MONTHLY NEWSLETTER SERIES
SEPTEMBER, 2026 | VOL. XL

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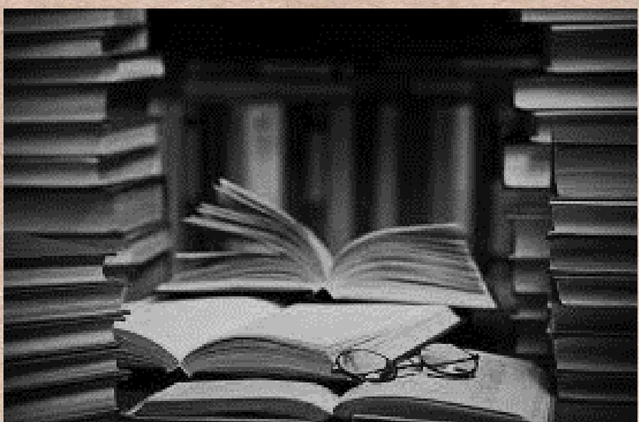
## LEGAL MAXIM

*Jus Naturale: "natural law"*



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# INDEX

## SEBI UPDATES

# SEBI ALIGNS CYBER INCIDENT REPORTING PORTAL WITH FIRE FORMAT

Securities and Exchange Board of India ("**SEBI**"), *vide* its circular dated August 24, 2026, has aligned its Cyber Incident Reporting Portal with the Financial Stability Board's format for Incident Reporting Exchange ("**FIRE**") framework. Recognising the increasing frequency and sophistication of cyber incidents and the resulting risks to the securities market ecosystem, SEBI has undertaken this initiative to strengthen cyber resilience through timely and structured incident reporting.

Under Annexure-O (*B: Guidelines on Handling Cybersecurity Incidents*) of SEBI's Cybersecurity and Cyber Resilience Framework ("**CSCRF**"), SEBI-regulated entities are required to report cybersecurity incidents through the prescribed channels, including an initial report within 6 hours of identification of the incident and reporting through the SEBI Incident Reporting Portal within 24 hours.

SEBI has aligned its Incident Reporting Portal with the FIRE framework. FIRE facilitates structured incident reporting through common information fields, standardized definitions, and consistent classification of incident attributes, thereby promoting harmonisation across sectors and jurisdictions.

The updated portal will facilitate stage-wise reporting of incidents, reflecting the entire incident lifecycle from initial reporting to intermediate updates and final closure, while recognising that certain information may not be available at the time of the initial report.

The circular applies to SEBI-regulated entities that are required to report cybersecurity incidents under the CSCRF.

*To read the circular click here*

## RBI & IFSC UPDATES

## IFSCA ISSUES DIRECTIONS TO REGULATED ENTITIES ON VALIDITY OF LETTER OF APPROVAL AND REGULATORY INSTRUMENTS

The International Financial Services Centres Authority ("**IFSCA**"), *vide* its circular dated August 10, 2026 ("**RE Circular**"), has issued directions to all Regulated Entities ("**REs**") in the International Financial Services Centre ("**IFSC**") to hold a valid and subsisting Letter of Approval ("**LoA**") issued under the Special Economic Zones Act, 2005 ("**SEZ Act**") and applicable registration, license, recognition, authorisation, permission, approval or any equivalent document (collectively, "**Regulatory Instruments**"). The RE Circular supersedes the earlier circular titled 'Direction for all Regulated Entities' dated April 3, 2025.

Holding a valid and subsisting LoA is a condition precedent to seek Regulatory Instruments from IFSCA and for undertaking any permissible activity in IFSC. An LoA remains valid for 1 year where the entity has not commenced business, or for 5 years where the entity has commenced business, and a renewal application must be filed with the IFSCA at least 2 months prior to expiry. A Regulatory Instrument may either be perpetual or valid only for a specified period.

IFSCA has observed that certain REs continues to operate without holding valid and subsisting LoAs and/or applicable Regulatory Instruments and has accordingly directed all REs to maintain their validity at all times and not undertake any business activities without the same.

Any breach of these directions shall constitute a violation of the IFSCA Act, 2019, the SEZ Act and the rules and regulations made thereunder, rendering the concerned RE liable for penal and enforcement action, including financial penalty, suspension or cancellation of its Regulatory Instrument(s), in accordance with applicable laws.

*To read the RE Circular click here*

## IFSCA SPECIFIES ADDITIONAL CERTIFICATION COURSES FOR EMPLOYEES OF FMEs AND CMIs IN IFSC

IFSCA, *vide* 2 of its circulars dated August 6, 2026 and August 10, 2026 respectively, has specified additional certification courses for Key Managerial Personnel ("**KMPs**") and other employees of Capital Market Intermediaries ("**CMIs**") under the IFSCA (Capital Market Intermediaries) Regulations, 2025 ("**CMI Regulations**") and for employees of Fund Management Entities ("**FMEs**") under the IFSCA (Fund Management) Regulations, 2025 ("**FM Regulations**") in the IFSC.

IFSCA had earlier, *vide* its circulars dated April 2, 2026 and April 1, 2026 respectively, specified:

(a) the certificate course titled *'Regulatory Framework for Capital Market Intermediaries in IFSC'* offered by the Institute of Company Secretaries of India ("**ICSI**") for the purpose of Regulation 9(5) of the CMI Regulations; and

(b) the certificate course titled *'Regulatory Framework for Fund Management in IFSC: AIFs and Retail Schemes'* offered by ICSI for the purpose of Regulation 7(6) of the FM Regulations.

In addition to the aforesaid courses, it has now been decided to specify the following additional certification courses offered by the Institute of Chartered Accountants of India ("**ICAI**"):

(a) the certificate course titled *'Regulatory Framework for Capital Markets Intermediaries and Listing Requirements of IFSCA'* offered by ICAI, specified under Regulation 9(5) of the CMI Regulations for KMPs and other employees of CMIs; and

(b) the certificate course titled *'Regulatory Framework for Fund Management in IFSC'* offered by ICAI, specified under Regulation 7(6) of the FM Regulations for employees of FMEs.

Accordingly, for the purpose of compliance with the respective provisions of the CMI Regulations and the FM Regulations, successful completion of either the ICSI course or the newly specified ICAI course shall be deemed sufficient. All other provisions of the circulars dated April 2, 2026 and April 1, 2026 respectively shall remain unchanged.

*To read the circular for CMIs click here & to read the circular for FMEs click here*

## IFSCA MANDATES WEBSITE AND DISCLOSURE REQUIREMENTS FOR FMEs

IFSCA, *vide* its circular dated August 26, 2026, has directed all FMEs registered under the FM Regulations to maintain a website or webpage to promoting transparency, facilitating dissemination of relevant information and enhance ease of access to information for investors, prospective investors and other stakeholders. The circular shall come into force from December 1, 2026.

The key highlights of the circular are as follows:

(a) Category-wise requirements: An authorised FME and a registered FME (*non-retail*) shall maintain either an independent official website or a dedicated webpage hosted on the website of its parent entity, holding company or group entity. A registered FME (*retail*) shall maintain an independent official website dedicated to its fund management activities in the IFSC. In both cases, the website or webpage shall:

(i) be publicly accessible without registration, subscription or login for the specified information;
(ii) prominently identify the FME by its registered name and registration number, and display its IFSC activities distinctly from those of its parent, holding or group entity; and

(iii) where hosted on a parent, holding or group entity's website, be accessible through a conspicuously identifiable link on that entity's home page;

(b) Mandatory disclosures for all FMEs: The website or webpage shall prominently display:

(i) brief profile, including its name, registration category, registration number, registered office address in the IFSC, correspondence address, telephone number and email address;
(ii) details of the schemes or funds managed from the IFSC and any other permissible activity under the FM Regulations;
(iii) name and registration number of each scheme or fund managed on behalf of any person or investment manager not based in the IFSC;
(iv) name and contact particulars of the custodian, trustee, fund administrator and statutory auditor for IFSC operations and name, designation and contact details of the principal officer, compliance officer and other KMP responsible for IFSC operations;
(v) investor grievance redressal mechanism, contact details of the grievance redressal officer, escalation matrix, redressal timelines and quarterly-updated status of investor complaints;
(vi) statutory, regulatory and other disclosures as required under the FM Regulations and IFSCA circulars, guidelines or directions;
(vii) details of any material regulatory or enforcement action against the FME or its KMP in relation to the its IFSC operations during the preceding 3 years and current status thereof;
(viii) a disclaimer that IFSCA registration does not imply approval or endorsement of the FME, any scheme, or its financial soundness or performance; and
(ix) such other information as may be specified by IFSCA from time to time.

(c) Additional disclosures: In addition to the above, a registered FME (*retail*) managing a retail scheme shall prominently disclose on its official website all information listed down in the circular and such other disclosures as may be specified by IFSCA for retail schemes.

(d) Standards for information display: Disclosures must adhere to strict technical and operational display criteria to maintain reliability and uniform investor accessibility.

(e) Intimation requirements: Every existing FME shall intimate to IFSCA the URL of its website or webpage on or before December 1, 2026, and intimate any subsequent change in such URL in the subsequent quarterly report filings. FMEs registered on or after the circular's effective date shall comply before commencing fund management activities and intimate the URL within 30 days of the grant of registration.

*To read the circular click here*

## CORPORATE UPDATES

# MINISTRY OF CORPORATE AFFAIRS AMENDS IND AS FRAMEWORK

Ministry of Corporate Affairs, *vide* its notification dated August 12, 2026, has notified the Companies (Indian Accounting Standards) Amendment Rules, 2026 ("**Ind AS Amendment Rules**"), further amending the Companies (India Accounting Standards) Rules, 2015. The Ind AS Amendment Rules introduce various changes to the Indian Accounting Standards ("**Ind AS**") framework, including in relation to financial instruments, nature-dependent electricity contracts, hedge accounting, financial disclosures and other accounting requirements.

The key amendments introduced by the Ind AS Amendment Rules include:

(a) Ind AS 101 - First-time Adoption of Ind AS: Introduction of amendments relating to hedge accounting and transition requirements, including changes applicable to annual reporting periods beginning on or after April 1, 2026.

(b) Ind AS 107 - Financial Instruments Disclosures: Introduction of additional disclosure requirements in respect of contracts referencing nature-dependent electricity, including disclosures concerning their impact on future cash flows, financial performance and contractual commitments.

(c) Ind AS 109 - Financial Instruments: Introduction of specific accounting and hedge accounting requirements for contracts referencing nature-dependent electricity, together with amendments relating to the classification and measurement of financial assets, electronic payment-based settlement of financial liabilities, contractual cash flows, non-recourse financial assets and contingent features linked to matters such as carbon emissions.

(d) Ind AS 110 - Consolidated Financial Statements: Introduction of amendments relating to the assessment of de facto agents and the determination of control over an investee.

(e) Ind AS 7 - Statement of Cash Flows: Introduction of amendments concerning the reporting of cash flows between an investor and its associate, joint venture or subsidiary where the investment is accounted for at cost.

The Ind AS Amendment Rules also incorporate the Annual Improvements to Ind AS (2024) and other consequential amendments. Several of the amendments, including those relating to nature-dependent electricity contracts and the classification and measurement of financial instruments, are applicable to annual reporting periods beginning on or after April 1, 2026, subject to the specific transition requirements prescribed under the relevant Ind AS.

*To read the Ind AS Amendment Rules click here*

# LABOUR UPDATES

## ESIC INTRODUCES NEW INSURED PERSON REGISTRATION FUNCTIONALITY IN ERP

Employees' State Insurance Corporation ("**ESIC**"), *vide* its circular dated August 4, 2026, has intimated that a new Insured Person ("**IP**") Registration functionality has been developed in the Enterprise Resource Planning ("**ERP**") system for registration of employees under the Employees' State Insurance ("**ESI**") Scheme. The module has been introduced to facilitate seamless registration, capture requisite details and generate insurance numbers, while enabling IPs to complete Aadhaar authentication through the ESIC Health Connect App.

As per the user manual issued by ESIC:

(a) Aadhaar-Based Registration: New IPs are required to be registered through Aadhaar-based registration, with Aadhaar validation permitted either at the time of registration or subsequently.

(b) Subsequent Aadhaar Validation: Where Aadhaar validation is not completed at registration, the same may subsequently be undertaken by the employer through a biometric device, by the branch manager through biometric authentication, or by the IP through face authentication using the ESIC Health Connect App.

(c) Timeline for Validation: Aadhaar validation of the IP is required to be completed within 30 days of registration to ensure uninterrupted access to eligible ESI benefits.

(d) Implementation and Facilitation: Regional Offices and Sub-Regional Offices are required to disseminate the user manual, conduct orientation/training sessions for field functionaries, and facilitate employers and IPs in implementing the revised registration process.

*To view the circular click here, to read the module for New IP Aadhaar Validation by Employer click here, to read the module for New IP Registration Process click here, to read the module for New IP Validation Process for Aadhaar Details Mismatch click here & to read the module for New IP Validation Process with ESIC Health Connect App click here*

## BONUS PAYMENT THRESHOLD NOTIFIED UNDER THE WAGE CODE

Ministry of Labour and Employment ("**MoLE**"), *vide* its notification dated August 25, 2026, has notified that every employee drawing wages not exceeding INR 21,000/- per month shall be entitled to payment of statutory bonus under the Code on Wages, 2019 ("**Wage Code**").

The notification shall be deemed to have come into force on November 21, 2025.

*To view the notification click here*

# WAGE CEILING FOR BONUS CALCULATION DETERMINED UNDER THE WAGE CODE

MoLE, *vide* its notification dated August 25, 2026, has determined the wage ceiling for calculating bonus payable under Section 26 of the Wage Code.

Accordingly, where an employee eligible for bonus draws wages exceeding INR 7,000/- per month, the bonus payable to such employee shall be calculated on wages of INR 7,000 per month or the minimum wage fixed by the Central Government, whichever is higher.

The notification shall be deemed to have come into force on November 21, 2025.

*To view the notification click here*

# WEST BENGAL PROPOSES REVISED PROFESSION TAX RATES

Government of West Bengal, *vide* its notification dated August 18, 2026, has proposed a new profession tax Schedule under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979, replacing the existing Schedule and revising the profession tax structure applicable to employees, professionals, traders and specified categories of persons.

The proposed profession tax rates for employees based on their monthly salary/wages are as follows:

(a) Nil for monthly salary/wages up to INR 20,000/-;

(b) INR 100/- per month for monthly salary/wages exceeding INR 20,000/- but not exceeding INR 30,000/-;

(c) INR 140/- per month for monthly salary/wages exceeding INR 30,000/- but not exceeding INR 50,000/-;

(d) INR 170/- per month for monthly salary/wages exceeding INR 50,000/- but not exceeding INR 1,00,000/-; and

(e) INR 208/- per month for monthly salary/wages exceeding INR 1,00,000/-.

The proposed Schedule also prescribes profession tax rates for specified categories of professionals, traders and other persons, and provides that persons falling within the categories specified in Part C shall be liable to pay profession tax of INR 2,500/- per annum irrespective of their annual gross income, annual gross turnover or annual gross receipts.

While Sl. No.1 of Part A, the whole of Part B and Part C are proposed to come into force from October 1, 2026, Sl. Nos. 2 and 3 of Part A are proposed to come into force from April 1, 2027.

*To view the notification click here*

## OTHER UPDATES

# DGFT INTRODUCES INVENTORY-BASED CROSS-BORDER E-COMMERCE EXPORT FRAMEWORK UNDER FOREIGN TRADE POLICY 2023

Ministry of Commerce and Industry, Directorate General of Foreign Trade ("**DGFT**"), *vide* its notification dated August 5, 2026, has amended the Foreign Trade Policy, 2023 ("**FTP 2023**") with immediate effect to introduce an inventory-based cross-border e-commerce export framework.

The framework aims to enable e-commerce exports under an inventory model, wherein the Exporter-on-Record ("**EOR**") maintains export inventory, undertakes export-related activities, exports goods and assists Seller-on-Record ("**SOR**") entities in accessing global markets.

The framework, *inter alia*, provides the following:

(a) An 'EOR' has been defined to mean an entity holding a valid Importer Exporter Code and GSTIN, registered with DGFT under the framework, which exports and sells goods purchased from one or more SOR entities to buyers located outside India.

(b) A 'SOR' means an entity registered under the applicable GST laws in India that supplies goods produced in India to an EOR against a confirmed export order for the purpose of export to buyers located outside India.

(c) 'Export Inventory' has been defined to mean goods purchased by an EOR from an SOR against a confirmed export order and earmarked exclusively for export.

(d) E-commerce entities, other than marketplace e-commerce entities as defined under the Consolidated Foreign Direct Investment (FDI) Policy, may undertake export-inventory operations under the framework through an EOR registered under the framework.

(e) Only goods of Indian origin shall be eligible under the framework. The SOR shall be responsible for ensuring and declaring the correct origin of goods in accordance with applicable laws and relevant rules of origin.

(f) Title in the goods shall be transferred from the SOR to the EOR only against a confirmed export order received by the EOR from a buyer located outside India. Creation of title or notional transfer of inventory without a confirmed export order is not permitted under the framework.

(g) The EOR shall make payment to the SOR promptly upon acceptance or deemed acceptance of goods, and in any event no later than 7 days from the date of such acceptance. Payment shall not be contingent upon or delayed on account of receipt of payment from the buyer outside India, return of goods by the buyer, or any other event outside the SOR's control. The

EOR shall be entitled to claim Export Rebates and Refunds (ERR) in accordance with FTP 2023 and relevant notifications.

(h) The EOR shall, to the extent practicable, utilise notified E-Commerce Export Hub infrastructure for operations under this framework, subject to the operational readiness and available capacity of such facilities.

*To read the notification click here*

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