MONTHLY NEWSLETTER SERIES
NOVEMBER, 2026 | VOL. XLII

VAISH ASSOCIATES ADVOCATES

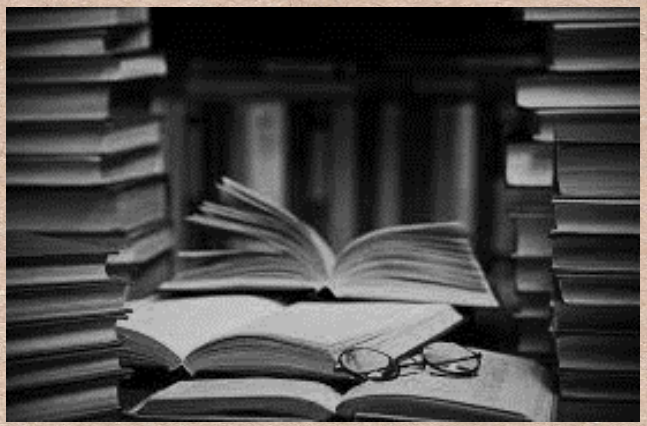
LEGALAXY

WWW.VAISHLAW.COM



LEGAL MAXIM

Ad valorem: "according to the value of something"



VAISH ASSOCIATES ADVOCATES ESTD. 1971

INDEX

SEBI UPDATES

SEBI amends AIF Regulations to revise accredited investor eligibility and dispute resolution framework

SEBI amends ISIN framework for debt securities issued on private placement basis

Extension of timeline with respect to compliance of digital accessibility circulars

RBI & IFSC UPDATES

IFSCA mandates cyber security and cyber resilience certifications for designated officers and other specified employees of regulated entities in IFSC

LABOUR UPDATES

Delhi issued SOP for rectification of errors in contractor licence applications

OTHER UPDATES

Key provisions of the MSME Development (Amendment) Act, 2026 notified

SEZ Rules amended to ease operational requirements for IFSC funds and aircraft/ ship leasing units

MEITY clarifies consent requirements for persons with disabilities and audit obligations of SDFs under the DPDP Act

SEBI UPDATES

SEBI AMENDS AIF REGULATIONS TO REVISE ACCREDITED INVESTOR ELIGIBILITY AND DISPUTE RESOLUTION FRAMEWORK

Securities and Exchange Board of India ("**SEBI**"), *vide* its notification dated October 9, 2026, has notified the SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2026 ("**AIF Amendment Regulations**"), thereby amending the SEBI (Alternative Investment Funds) Regulations, 2012 ("**AIF Regulations**").

The key amendments are as follows:

(a) Revised eligibility criteria for Accredited Investors:

(i) Accreditation by SEBI-regulated entities: An investor may now be accredited either by an accreditation agency or by a specified SEBI registered/ regulated entity, as per eligibility conditions and in the manner specified by SEBI from time to time.

(ii) Securities market exposure as an alternative criterion: Securities market exposure, as specified by SEBI, now qualifies in addition to the existing net worth criteria. The thresholds are INR 5 crores for individuals, Hindu undivided families, family trusts and sole proprietorships, and INR 20 crores for limited liability partnerships ("**LLPs**"), body corporates and trusts, which may alternatively meet the existing net worth threshold of INR 50 crores.

(iii) Separate criteria for LLPs and body corporates: An LLP qualifies if it has a net worth of at least INR 50 crores or securities market exposure of at least INR 20 crores, or if each partner independently meets the accreditation criteria. A separate sub-clause now applies to body corporates other than LLPs, with the same INR 50 crores net worth or INR 20 crores securities market exposure threshold.

(iv) Revised proviso: Category I foreign portfolio investors and sovereign wealth funds have been omitted from the proviso to the definition of 'Accredited Investor', while 'Persons Resident Outside India' as defined under the Foreign Exchange Management Act, 1999, have been included alongside multilateral agencies.

(b) Substituted dispute resolution framework:

(i) Mandatory dispute resolution: All claims, differences or disputes between investors and the Alternative Investment Fund ("**AIF**") or its investment manager arising out of or in relation to their activities in the securities market shall be submitted to a dispute resolution mechanism comprising mediation, conciliation and/or arbitration, in accordance with the procedure specified by SEBI.

(ii) Costs not to be met from AIF property: Any loss, damage or expenses incurred by the investment manager or its officers in such disputes, including expenses of resolving investor claims, shall not be met out of the property of the AIF.

To read the AIF Amendment Regulations click here

SEBI AMENDS ISIN FRAMEWORK FOR DEBT SECURITIES ISSUED ON PRIVATE PLACEMENT BASIS

SEBI, *vide* its circular dated October 7, 2026, has increased the maximum number of International Securities Identification Numbers ("**ISINs**") maturing in a financial year for debt securities issued on a private placement basis pursuant to representations received from market participants seeking a review of the existing ISIN framework. Such revisions have been introduced by replacing paragraphs 1.1, 1.2 and 1.3 of Chapter VIII of SEBI's Master Circular on Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 ("**NCS Master Circular**") which sets out the specifications relating to ISINs for debt securities issued on a private placement basis.

Under the revised framework, a maximum of 17 ISINs maturing in any financial year shall be permitted for an issuer of debt securities, as detailed in the circular. In addition, further 6 ISINs shall be available for the issuance of capital gains tax debt securities by authorised issuers under Section 54EC of the Income-tax Act, 1961 on a private placement basis.

Where an issuer issues only structured/ market linked debt securities, Floating Rate Bonds (FRBs), Zero Coupon Bonds (ZCBs) and Debt Capital instruments (Tier II bonds), the maximum number of ISINs permitted to mature in a financial year shall be 12.

ISINs of Government of India serviced/ Extra Budgetary Resources (EBR) bonds and of ESG Debt Securities issued under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 are excluded when calculating the applicable ISIN limits for an issuer.

All other provisions of Chapter VIII of the NCS Master Circular shall remain unchanged.

To read the circular click here

EXTENSION OF TIMELINE WITH RESPECT TO COMPLIANCE OF DIGITAL ACCESSIBILITY CIRCULARS

SEBI, *vide* its circular dated October 30, 2026, has extended the timelines for compliance with the requirements prescribed under its circulars on implementation of the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder by SEBI Regulated Entities ("**SEBI REs**"). Such requirements, *inter alia*, require SEBI REs to undertake measures to make their digital platforms and services accessible to persons with disabilities, including through accessibility audits and remediation of identified gaps. The extension has been granted pursuant to representations

received from SEBI REs seeking additional time for implementation of the prescribed digital accessibility requirements.

Accordingly, the timeline for appointment of an IAAP-certified auditor, conduct of accessibility audits of digital platforms, and remediation of findings identified during such audits has been extended to January 31, 2027.

All other provisions of the relevant digital accessibility circulars shall remain unchanged.

To read the circular click here

RBI & IFSC UPDATES

IFSCA MANDATES CYBER SECURITY AND CYBER RESILIENCE CERTIFICATIONS FOR DESIGNATED OFFICERS AND OTHER SPECIFIED EMPLOYEES OF REGULATED ENTITIES IN IFSC

International Financial Services Centres Authority ("**IFSCA**"), *vide* its circular dated October 27, 2026 ("**IFSCA Circular**"), has mandated cyber security certifications for specified personnel of Regulated Entities ("**REs**") in the International Financial Services Centres ("**IFSCs**"). The IFSCA Circular builds on the Guidelines on Cyber Security and Cyber Resilience for REs in IFSCs (*circular dated March 10, 2025, as amended vide circular dated March 10, 2026*) and the Guidelines on Cyber Security and Cyber Resilience for Market Infrastructure Institutions ("**MIIs**") in IFSC (*circular dated April 20, 2026*). These Guidelines require REs to ensure adequate cyber security knowledge at the board and senior management level and to conduct regular cyber security training for employees and the MIIs to ensure that all personnel have the requisite level of cyber security and information security awareness, supported by appropriate training. With a view to establishing a common knowledge benchmark across the IFSC ecosystem, the National Institute of Securities Markets ("**NISM**"), in collaboration with IFSCA, has developed the following certification courses:

(a) 'NISM-IFSCA-02A: Certification Course on Cyber Security and Cyber Resilience in the GIFT IFSC (Basic)' ("**Basic Certification**"), the examination for which goes live on November 18, 2026; and
(b) 'NISM-IFSCA-02B: Certification Course on Cyber Security and Cyber Resilience in the GIFT IFSC (Advanced)' ("**Advanced Certification**"), the examination for which goes live on December 30, 2026.

The key requirements under the IFSCA Circular are as follows:

(a) the Designated Officer of the RE (*and, in the case of MIIs, the Chief Information Security Officer*) shall mandatorily obtain both the Basic Certification and the Advanced Certification;
(b) the Compliance Officer of the RE, and the employees responsible for IT operations or information security or having privileged access to critical systems of the RE, shall mandatorily obtain the Basic Certification, and are encouraged to obtain the Advanced Certification;
(c) all other employees of the RE are encouraged to obtain both certifications;
(d) the persons for whom certification is mandatory shall obtain the respective certification within 6 months from the date on which the respective examination goes live, or within 6 months from the date of their appointment to the role, whichever is later, and shall hold a valid certification at all times while discharging their responsibilities in such role; and
(e) REs shall maintain records of the certifications obtained by such persons and make them available to IFSCA as and when sought.
(f) REs are also required to adopt a structured, continuous and role-appropriate approach to cyber security training and awareness for their governing boards, senior management and employees, commensurate with the nature, scale and complexity of their operations.

To read the IFSCA Circular click here

LABOUR UPDATES

DELHI ISSUED SOP FOR RECTIFICATION OF ERRORS IN CONTRACTOR LICENCE APPLICATIONS

Department of Labour, Government of the National Capital Territory of Delhi, *vide* its circular dated October 7, 2026, issued an official Standard Operating Procedure ("**SOP**") prescribing a uniform and time-bound mechanism for correction or rectification of inadvertent errors in applications for renewal or amendment of contractor licences under the Contract Labour (Regulation and Abolition) Act, 1970, submitted through the e-District portal.

Key highlights of the SOP are as follows:

(a) Scope of rectification: The mechanism permits correction of inadvertent clerical, typographical or data-entry errors, subject to supporting documentary evidence.

(b) Limitations: The rectification process cannot be used to introduce a new contract, change the identity of the contractor or principal employer, alter the nature of the contract, or make any other unauthorised substantive changes.

(c) Verification and approval: The concerned district in-charges, namely Joint Labour Commissioners and Deputy Labour Commissioners, are required to scrutinise and verify the original application, proposed corrections and supporting documents before forwarding the matter to the competent authority for approval.

(d) Time-bound process: The SOP prescribes timelines for scrutiny, approval, authorisation by the IT branch and implementation of the approved corrections.

To view the circular click here

OTHER UPDATES

KEY PROVISIONS OF THE MSME DEVELOPMENT (AMENDMENT) ACT, 2026 NOTIFIED

Ministry of Micro, Small and Medium Enterprises ("**MSMEs**"), *vide* its notification dated October 12, 2026, has appointed the dates on which the provisions of the MSME Development (Amendment) Act, 2026 ("**MSME Amendment Act**") shall come into force. The MSME Amendment Act amends the MSME Development Act, 2006 ("**MSME Act**"). Sections 2 through 7, Section 11 and Sections 13 through 17 of the MSME Act have come into force on October 15, 2026, while Section 12 of the MSME Act shall come into force on December 15, 2026.

The key amendments are as follows:

(a) Registration: Section 8 of the MSME Act has been substituted to require the Central Government to notify a national digital platform for free and voluntary MSME registration. State Governments may notify State platforms and extend State scheme benefits to MSMEs registered on the national platform.

(b) Mandatory settlement of invoices through Trade Receivables Discounting System ("**TReDS**"): A newly inserted Section 15A of the MSME Act requires every Central Public Sector Enterprise to route the settlement of invoices for procurement from MSMEs through an RBI-authorised TReDS platform. The Central Government and State Governments may extend this obligation to other notified entities.

(c) Additional Facilitation Councils: Section 20 of the MSME Act has been substituted to require State Governments to establish an adequate number of Micro and Small Enterprises Facilitation Councils ("**MSEFCs**") in addition to existing ones. These Councils shall meet regularly for timely resolution of references and may be provided with adequate infrastructure and resources.

(d) Revised timelines: The amended provisions require mediation proceedings to be completed within 90 days from the date fixed for first appearance and arbitral awards to be made within 90 days from completion of pleadings. The MSME Amendment Act also enables the Central Government to establish an online mechanism for conduct of mediation and arbitration proceedings through electronic means.

(e) Jurisdiction and online mechanism: Jurisdiction lies with the MSEFC or mediation service provider where the supplier's registered official address is located, irrespective of the buyer's location in India. The Central Government may establish an online mediation and arbitration mechanism using audio-video and other electronic means.

(f) Enforcement of settlements and awards: Mediated settlements and arbitral awards may be recovered as arrears of land revenue through the competent authority where the buyer's assets are located and constitute enforceable debts under the Insolvency and Bankruptcy Code, 2016.

(g) Penalties and adjudication: Section 27 of the MSME Act has been substituted to introduce graduated penalties. Furnishing false information for registration under the MSME Act may attract a warning for the first contravention and monetary penalties for subsequent contraventions. Further, failure by a buyer to comply with the disclosure requirements under Section 22 is also subject to a graduated penalty regime, with enhanced penalties prescribed for repeated defaults. The MSME Amendment Act additionally provides for a periodic increase in the minimum penalty amounts.

To read the notification click here & to read the MSME Amendment Act click here

SEZ RULES AMENDED TO EASE OPERATIONAL REQUIREMENTS FOR IFSC FUNDS AND AIRCRAFT/ SHIP LEASING UNITS

Ministry of Commerce and Industry (Department of Commerce), *vide* its notification dated October 15, 2026, has notified the Special Economic Zones (Fourth Amendment) Rules, 2026 ("**SEZ Amendment Rules**"), amending the Special Economic Zones Rules, 2006 ("**SEZ Rules**") in relation to funds and certain units established in an IFSC.

The key amendments are as follows:

(a) Funds set up in an IFSC: For a fund set up in an IFSC, the provisional offer of space confirmed in writing by the developer to the Fund Management Entity ("**FME**") shall be considered the provisional offer of space for the fund. Similarly, the lease deed executed by the FME shall be considered the lease deed of the fund.

(b) Commencement of service activity: For a unit set up in an IFSC, the grant of the first recognition, registration, licence or authorisation by IFSCA, in its final form, shall be considered the commencement of service activity, and the date of commencement shall be the date of such grant. This date shall remain the same even if the recognition, registration, licence or authorisation later ceases to be valid.

(c) Renewal of Letter of Approval: For a unit set up in an IFSC, renewal of the Letter of Approval shall be decided on the recommendations of IFSCA, based on:
   (i) employment generated;
   (ii) instances of violation of applicable statutes relating to the functioning of the unit; and
   (iii) cases of default, if any, of statutory payments.

(d) Aircraft or ship leasing units: A unit in an IFSC authorised to undertake aircraft or ship leasing, or a person intending to set up such a unit, may, if permitted by IFSCA, be exempt from maintaining a separate office and utilise the office space and/or manpower of another unit authorised for aircraft or ship leasing or Trust and Company Service Provider ("**TCSP**") activity, as approved by IFSCA. Such sharing is permitted with a TCSP only where such TCSP is providing or intends to provide its services to the person availing the facility allowed under the SEZ Rules.

To read the SEZ Amendment Rules click here

MEITY CLARIFIES CONSENT REQUIREMENTS FOR PERSONS WITH DISABILITIES AND AUDIT OBLIGATIONS OF SDFs UNDER THE DPDP ACT

Ministry of Electronics and Information Technology ("**MeitY**"), *vide* the Digital Personal Data Protection (Removal of Difficulties) Order, 2026, dated October 5, 2026, has issued certain clarifications on the Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), to address textual and interpretational ambiguities in Sections 9 and 10 of the DPDP Act.

The key amendments include:

(a) Consent requirements for processing personal data of children and persons with disabilities: Section 9(1) of the DPDP Act previously required a Data Fiduciary to obtain verifiable consent from the parent of a child or the lawful guardian of a person with disability, as applicable, before processing their personal data. The order clarifies the intended parallel application of the provision to both categories. Accordingly, a Data Fiduciary is required to obtain verifiable consent from the parent of a child or the lawful guardian of a person with disability, as applicable, before processing their personal data.

(b) Audit obligations of Significant Data Fiduciaries: Section 10(2)(b) of the DPDP Act requires a Significant Data Fiduciary ("**SDF**") to appoint an independent data auditor to carry out a data audit. Separately, Section 10(2)(c)(ii) of the DPDP Act required an SDF to undertake a "periodic audit". The use of the general expression "audit", alongside the specific requirement for a data audit, created ambiguity regarding the scope of the 2 obligations. The order replaces the word "audit" in Section 10(2)(c)(ii) of the DPDP Act with "data audit". Consequently, the provision now expressly requires SDFs to undertake a periodic data audit, in addition to appointing an independent data auditor to carry out a data audit.

To read the order click here

Contributors:

Krishna Kishore
Partner

Yatin Narang
Partner

Pritika Shetty
Senior Associate

Navya Shukla
Senior Associate

Neel Mehta
Senior Associate

Prerna Mayea
Senior Associate

Keshav Kulshrestha
Associate

We hope you like our publication. We look forward to your suggestions. Please feel free to contact us at mumbai@vaishlaw.com.

VAISH ASSOCIATES ADVOCATES ESTD. 1971

Corporate, Tax and Business Advisory Law Firm

DELHI

1st, 9th, 11th Floor,
Mohan Dev Building, 13, Tolstoy Marg, New Delhi, 110001
(India)

+91 11 42492525
delhi@vaishlaw.com

MUMBAI

106, Peninsula Centre,
Dr. S.S. Rao Road, Parel,
Mumbai, 400012
(India)

+91 22 42134101
mumbai@vaishlaw.com

BENGALURU

Bhive Premium Ramanashree,
No. 2/1, Brunton Road, Off MG Road, Opposite Old Passport Office, Bengaluru, 560001 (India)

+91 80 40903588/89
bangalore@vaishlaw.com

DISCLAIMER: The material contained in this publication is solely for information and general guidance and not for advertising or soliciting. The information provided does not constitute professional advice that may be required before acting on any matter. While every care has been taken in the preparation of this publication to ensure its accuracy, Vaish Associates Advocates neither assumes responsibility for any errors, which despite all precautions, may be found herein nor accepts any liability, and disclaims all responsibility, for any kind of loss or damage arising on account of anyone acting / refraining to act by placing reliance upon the information contained in this publication.

Copyright © 2026 Vaish Associates Advocates