

Key Decisions of the SEBI Board Meeting dated June 19, 2026

BACKGROUND

The Securities and Exchange Board of India (**SEBI**), at its 214th Board Meeting held on June 19, 2026, approved a series of regulatory measures aimed at enhancing ease of doing business, strengthening investor protection and deepening India's securities markets. The approvals include reforms relating to buy-backs, alternative investment funds, transmission of securities, municipal debt securities, mutual funds and other regulatory frameworks.

KEY DECISIONS

- **Simplification and Standardization of Transmission of Securities:** SEBI has approved a comprehensive reform of the transmission framework to facilitate faster and more efficient transmission of securities to the legal heirs and claimants of deceased investors. The revised framework introduces Quick Transmission Processing (**QTP**) for small-value claims (i.e. up to ₹10 thousand for physical holdings and up to ₹30 thousand for dematerialized holdings). The revised framework further enhances the thresholds for simplified documentation and rationalizes documentation requirements to reduce procedural burden and improve operational efficiency.
- **Re-introduction of Open Market Buy-backs:** SEBI has approved the re-introduction documentation and market buy-backs through stock exchanges with effect from August 01, 2026. The revised framework, necessitated by changes in the taxation regime, treats such buy-backs as normal trading transactions and dispenses with the requirement of a separate trading window. It also introduces enhanced investor protection measures, including compliance with minimum public shareholding requirements, electronic dissemination of information, mandatory utilization of at least 40% of earmarked funds during the first half of the buy-back period, freezing of promoter holdings during the buy-back period, discretionary appointment of a Merchant Banker, and alignment of the interval between two buy-backs with the Companies Act, 2013.
- **Utilization of Intraday Borrowing by Mutual Funds:** SEBI has approved amendments to the SEBI (Mutual Funds) Regulations, 2026 permitting mutual funds to avail intraday borrowings to manage liquidity mismatches arising from settlement timings, forex settlements and MTM obligations. The facility, which is in addition to the existing borrowing permitted for meeting redemption payouts, is subject to safeguards requiring repayment by the end of the day, prohibiting its use as a source of leverage, and ensuring compliance with the prescribed regulatory limits where such borrowings are converted into overnight borrowings.
- **GARUDA mechanism for AIFs: SEBI has approved the Green-Channel:** AIF Rollout Upon Document Acknowledgement (**GARUDA**) mechanism to facilitate faster launch of AIF schemes. Under the new mechanism, the launch timeline for Non-Accredited Investor schemes has been reduced to 10 working days, while Accredited Investor only schemes and Angel Funds have been exempted from the requirement of filing the Private Placement Memorandum (**PPM**) through a Merchant Banker and may be launched immediately upon grant of SEBI registration or filing of the PPM with SEBI.

- **Transfer of Capacity Building Fund for the Social Stock Exchange:** SEBI has approved the transfer of the balance amount, administration and management of the Capacity Building Fund (CBF) from NABARD to the Social Stock Exchange–Capacity Building Foundation (SSE-CBF), a Section 8 company, to streamline capacity-building initiatives for the SSE ecosystem.
- **Amendments to the SDI Regulations:** SEBI has approved amendments to the SEBI (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008 to align the regulatory framework for listed securitization transactions with the RBI's securitization framework.
- **Municipal Debt Securities:** SEBI has approved amendments to the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 to further develop the municipal bond market. The amendments permit municipalities to raise funds for refinancing existing project debt, strengthen the framework for pooled financing by prescribing disclosures and operational requirements for pooled finance vehicles, and introduce measures to encourage retail participation. The framework also permits electronic modes for public issue advertisements and relaxes timelines for submission of financial results, while maintaining appropriate investor protection safeguards.
- **Themes for Assessment proposed by the External Experts Advisory Committee (EEAC):** SEBI has approved the theme “Assessment of the framework for SME Capital Raising in Securities Markets” for an evidence-based review during FY 2026–27. The review, proposed by the EEAC, is intended to assess the effectiveness of the existing regulatory framework and support data-driven regulatory reforms.
- **Code of Conduct for SEBI Members and Amendments to the ESR Regulations:** SEBI has approved a new Code of Conduct for Members of SEBI, 2026 and amendments to the SEBI (Employees' Service) Regulations, 2001 to implement the recommendations of the High-Level Committee on conflict of interest, disclosures and related matters. The new code and amendments to the aforesaid Regulations aim at strengthening governance, enhancing transparency and reinforcing ethical standards for SEBI Members and employees.



ELP Comments

The aforementioned SEBI's decisions reinforce its continued focus on easing regulatory compliance, enhancing market efficiency and promoting capital formation. Key measures such as the re-introduction of open market buy-backs through stock exchanges, the GARUDA mechanism for AIFs, and the alignment of securitization regulations with the RBI framework are expected to improve operational flexibility and accelerate capital deployment. The simplification of transmission norms for securities and the introduction of Quick Transmission Processing (QTP) will significantly reduce procedural hurdles for investors and legal heirs.

At the same time, SEBI has retained a strong investor protection focus through enhanced disclosure requirements, governance safeguards and reforms relating to conflicts of interest within the regulator itself. Overall, the package of reforms reflects a balanced approach towards ease of doing business, market development and regulatory accountability.

The SEBI Board Meeting Press Release can be found [here](#).

We hope you have found this information useful. For any queries/clarifications, please write to us at insights@elp-in.com or write to our authors:

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