

# JHS

# 2026

# FEBRUARY NEWSLETTER



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# RBI & FEMA



## 1. Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026

**(Notification Date: 09<sup>th</sup> February, 2026)**

The Reserve Bank of India has amended the Master Direction on Lending to MSME Sector to enhance access to collateral-free credit for Micro and Small Enterprises (MSEs). Under the revised Paragraph 4.1, banks are mandated not to accept collateral security for loans up to ₹20 lakh extended to MSE units. This collateral-free mandate also applies to all units financed under the Prime Minister Employment Generation Programme (PMEGP). Further, banks may, based on the borrower's good track record and financial position and in accordance with their internal policies, extend collateral-free loans up to ₹25 lakh. Banks are permitted to avail coverage under the Credit Guarantee Scheme wherever applicable. The amendment also clarifies that voluntary pledging of gold or silver as collateral by borrowers for loans within the collateral-free limit will not be treated as a violation of the mandate. Additionally, Paragraph 6.5 of the existing Directions has been deleted. These amendments will apply to all MSE loans sanctioned or renewed on or after April 1, 2026.

**Impact:** The amendment strengthens credit access for small businesses by expanding the scope of collateral-free lending and reducing entry barriers to formal finance. It also provides banks with policy flexibility while maintaining risk mitigation through internal assessment and credit guarantee mechanisms.

**[Click here: RBI/2025-26/206](#)**

## 2. Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026

*(Notifications Dated: 09<sup>th</sup> February, 2026)*

The Reserve Bank of India has issued the First Amendment to the FEMA (Borrowing and Lending) Regulations, 2018, significantly revising the External Commercial Borrowing (ECB) framework and tightening end-use norms. A new Regulation 3A restricts utilisation of borrowed funds for activities such as chit funds, nidhi companies, real estate business (with limited exceptions), farmhouses, specified agricultural activities, trading in TDRs, speculative securities transactions, repayment of NPAs, and prohibited on-lending, while permitting strategic corporate actions like mergers and insolvency resolutions.

The amended Schedule I consolidates the ECB framework by streamlining eligibility, recognised lenders, borrowing limits (higher of USD 1 billion or 300% of net worth), maturity norms, cost ceilings, security provisions, refinancing, equity conversion, reporting requirements, and treatment of untraceable borrowers. Existing ECBs with an LRN will continue under earlier norms, except for reporting, which must comply with the revised framework.

**Impact:** The amendment strengthens regulatory clarity, tightens end-use monitoring, and curbs speculative or non-productive utilisation of foreign borrowings. Borrowers and AD banks must reassess compliance, reporting processes, and borrowing structures under the revised ECB framework.

**[Click here: FEMA 3\(R\)\(5\)/2026-RB](#)**

### **3. Strengthening of Grievance Redress Mechanism in Banks: All Scheduled Commercial Banks (excluding Regional Rural Banks) (Notification Date: 11<sup>th</sup> February, 2026)**

The Reserve Bank of India has withdrawn its earlier circular dated January 27, 2021, on strengthening grievance redress mechanisms in banks. The withdrawal follows a regulatory review, noting that complaint-related disclosures are now covered under the Master Direction on Financial Statements (November 28, 2025). Additionally, customer protection has been further strengthened through higher compensation limits under the Reserve Bank–Integrated Ombudsman Scheme, 2026, and through the Reserve Bank of India (Internal Ombudsman) Directions, 2026, which empower Internal Ombudsmen to recommend compensation. Since grievance redress systems are also assessed through supervisory processes, the RBI has decided to rationalise and avoid duplication by repealing the 2021 circular. However, banks are still required to maintain effective and continuously improving grievance redress mechanisms in line with existing regulatory and Board-approved policies. The withdrawal takes effect immediately.

**Impact:** The move simplifies regulatory instructions by removing duplication while keeping grievance redress obligations intact under updated frameworks. Banks must continue strengthening internal complaint handling systems under enhanced supervisory and Ombudsman oversight.

**[Click here: RBI/2025-26/207](#)**

## 4. RBI – Harmonisation of Prudential and Disclosure Frameworks Across Regulated Entities

***(Notification Dated: 13<sup>th</sup> February, 2026)***

- Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) – Second Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Amendment Directions, 2026
- Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) – Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks - Concentration Risk Management) Amendment Directions, 2026
- Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
- Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026
- Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026
- Reserve Bank of India (Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026

## 4. RBI – Harmonisation of Prudential and Disclosure Frameworks Across Regulated Entities

*(Notifications Dated: 13<sup>th</sup> February, 2026)*

The Reserve Bank of India issued a series of amendment directions across multiple categories of regulated entities, including Small Finance Banks (SFBs), Commercial Banks, Non-Banking Financial Companies (NBFCs), and Rural Co-operative Banks. The amendments cover key regulatory frameworks such as Financial Statements – Presentation and Disclosures, Prudential Norms on Capital Adequacy, Concentration Risk Management, Credit Facilities, Income Recognition Asset Classification & Provisioning (IRACP), and Undertaking of Financial Services.

These directions primarily aim to ensure regulatory consistency, harmonisation of prudential norms, updated capital and risk management standards, and alignment with recent supervisory and disclosure frameworks. The amendments are part of RBI's broader consolidation and standardisation exercise to remove regulatory inconsistencies and strengthen system-wide risk governance.

**Impact:** These coordinated amendments strengthen prudential discipline, improve capital and risk alignment across entities, and enhance comparability of financial reporting standards. Regulated entities will need to review internal policies, capital computation models, risk limits, provisioning norms, and disclosure formats to ensure compliance.

**[Click here: 13th Feb Notifications](#)**

## 5. Unique Transaction Identifier (UTI) for OTC Derivative Transactions

*(Notification Date: 18<sup>th</sup> February, 2026)*

The Reserve Bank of India has mandated the use of a Unique Transaction Identifier (UTI) for all OTC derivative transactions reported to the CCIL Trade Repository. The UTI, aligned with global CPMI-IOSCO standards, will help regulators track transactions and gain a consolidated view of the OTC derivatives market. It will apply to rupee and foreign currency derivatives, government securities forwards, credit derivatives, and other specified OTC products.

Each UTI must include the LEI of the generating entity and remain valid throughout the transaction's lifecycle. A prescribed waterfall mechanism determines who generates the UTI, failing which CCIL-TR will assign it. While contract amendments do not require a new UTI, lifecycle events such as novation will. The framework comes into effect from January 1, 2027.

**Impact:** This move enhances transparency, traceability, and global alignment in India's OTC derivatives market. Market participants must upgrade reporting systems and coordination processes to ensure timely UTI generation and submission.

**[Click here: RBI/2025-26/222](#)**

## 6. RBI (Non-Banking Financial Companies – Miscellaneous) Amendment Directions, 2026

*(Notification Date: 26<sup>th</sup> February, 2026)*

The Reserve Bank of India has amended the NBFC – Miscellaneous Directions, 2025 to enable the National Urban Co-operative Finance and Development Corporation Limited (NUCFDC), the Umbrella Organisation for Urban Co-operative Banks (UCBs), to raise equity through private placement from more than 200 persons in a financial year. This relaxation has been provided to help NUCFDC quickly grant membership to over 1,400 UCBs and strengthen the sector.

Under the new provisions, NUCFDC may issue equity shares on a private placement basis exclusively to UCBs and the National Co-operative Development Corporation (NCDC), subject to strict conditions. These include having a Board-approved resource planning policy, ensuring regulatory compliance by subscriber UCBs, prohibiting loans against its own shares, using funds only for its approved mandate, and submitting quarterly reporting to RBI. The relaxation will remain valid until March 31, 2029, unless modified earlier.

**Impact:** The amendment enables faster capital mobilisation for NUCFDC, supporting stronger financial and operational backing for Urban Co-operative Banks. It accelerates consolidation and stability efforts in the UCB sector while retaining regulatory oversight.

**[Click here: RBI/DoR/2025-26/224](#)**

# IBBI



## 1. IBBI (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2026

*(Notification Date: 25<sup>th</sup> February, 2026)*

IBBI has amended the Insolvency Resolution Process for Corporate Persons Regulations, 2016 to tighten fair value / liquidation value determination and strengthen information memorandum disclosures. “Fair value” is redefined to include realizable value of all assets (including intangibles) along-with underlying synergies. The resolution professional must appoint two sets of registered valuers (one per asset class in each set) with a coordinating valuer, ensure valuers explain methodology to the committee, and require physical verification of inventory and fixed assets; if estimates differ by 25% or more, a third set may be appointed and the two closest estimates are averaged. The information memorandum now must include details of receivables, joint development agreements, assets under attachment, and for real estate, details of allottees not filing claims, with the resolution plan required to provide for their treatment.

**Impact:** This will make valuations more structured and defensible, reducing disputes and large valuation gaps and also will improve transparency and real estate allottee protection by ensuring missing allottee claims are captured and addressed.

**[Click here: F. No. IBBI/2025-26/GN/REG135](#)**

## 2. IBBI (Liquidation Process) (Second Amendment) Regulations, 2026

*(Notification Date: 25<sup>th</sup> February, 2026)*

The updated Liquidation Process Regulations establish a comprehensive framework for the orderly winding up of corporate debtors, emphasizing efficiency and stakeholder oversight. A central feature is the role of the Stakeholders' Consultation Committee (SCC), which must now be consulted on critical decisions such as "Early Dissolution" and the appointment of professionals. The regulations provide a detailed definition of Liquidation Costs, prioritizing liquidator fees, business preservation expenses, and limited interest on interim finance within the payment waterfall. To further streamline the process, the 2026 framework mandates strict timelines for Compromises or Arrangements, requiring proposals to be filed within 30 days of the liquidation order, and introduces a simplified "Self-Declaration" mechanism for updating claims previously submitted during the insolvency phase.

**Impact:** The framework significantly boosts operational speed by providing clear exit routes for non-viable entities and enforcing tighter deadlines on compromises. These measures, alongside structured penalties for delayed reporting, ensure higher professional accountability and protect the corporate debtor's remaining value from being consumed by administrative delays.

**[Click here: F. No. IBBI/2025-26/GN/REG136](#)**

### 3. IBBI (Voluntary Liquidation Process) (Amendment) Regulations, 2026

*(Notification Date: 25<sup>th</sup> February, 2026)*

These amendment regulations become effective immediately upon their publication in the Official Gazette. The amendments modify Regulation 3 of the IBBI (Voluntary Liquidation Process) Regulations, 2017. The key change mandates that registered valuers must prepare valuation reports and maintain all related documentation strictly in accordance with the format prescribed by the Board through its circulars.

**Impact:** This standardizes the valuation process in voluntary liquidation proceedings by mandating a uniform format for valuation reports and documentation. It enhances transparency, ensures consistency across all registered valuers, and simplifies regulatory compliance and audit processes.

**[Click here: F. No. IBBI/2025-26/GN/REG137](#)**

## 4. IBBI (Pre-Packaged Insolvency Resolution Process) (Amendment) Regulations, 2026 (Notification Date: 25<sup>th</sup> February, 2026)

IBBI has amended the PPIRP Regulations, 2021 to tighten and standardise the valuation framework in pre-pack cases. It clarifies “fair value” as the estimated realisable value on the insolvency commencement date, computed by considering all assets (including intangibles) and underlying synergies. The amendment also introduces a more structured valuation mechanism: two sets of registered valuers are to be appointed, with one valuer per asset class in each set, and a coordinating valuer in each set to compute the corporate debtor’s fair value. Valuers must physically verify inventory and fixed assets, explain their methodology to the committee upfront, and maintain valuation documentation in a standard format to be notified by IBBI. The fair value will be the average of the two coordinating valuers’ estimates, while liquidation value will be the average of liquidation value estimates per asset class.

**Impact:** Brings stronger discipline and transparency to PPIRP valuations, reducing valuation disputes and subjectivity.

Improves decision-making for creditors through asset-class level verification and standardised valuation documentation.

**[Click here: F. No. IBBI/2025-26/GN/REG138](#)**

## 5. IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026 (Notification Date: 25<sup>th</sup> February, 2026)

IBBI has amended the Bankruptcy Process for Personal Guarantors to Corporate Debtors Regulations, 2019 to standardise valuation requirements in personal guarantor bankruptcy cases. The amendment replaces “internationally accepted valuation standards” with “valuation standards as notified by the Board through circular”, meaning valuations must follow IBBI-notified standards. It also mandates that the registered valuer must prepare the valuation report and maintain supporting documentation in a prescribed format notified by IBBI through circular.

**Impact:** This will bring uniformity and stronger regulatory control over valuations in personal guarantor bankruptcy proceedings and also improve transparency and audit trail by requiring standard formats and documentation for valuation reports.

**[Click here: F. No. IBBI/2025-26/GN/REG139](#)**

# IRDAI



भारतीय बीमा विनियामक  
और विकास प्राधिकरण

Insurance Regulatory  
and Development  
Authority of India

## **1. Guidelines on Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India (Notification Date: 11<sup>th</sup> February, 2026)**

IRDAI has issued revised guidelines governing the opening, operation, extension, and closure of Liaison Offices (LOs) in India by overseas insurers, superseding earlier instructions. A Liaison Office (LO) is a representative office set up in India by a foreign company to act as a communication and coordination channel between its head office abroad and entities in India that can only act as a communication channel and conduct market research, without undertaking any commercial or solicitation activities. To open an LO, the overseas insurer must have a profitable track record of the last three years and a minimum net worth of USD 65 million (relaxable in specific cases). Approval is granted initially for three years (extendable), subject to strict compliance conditions, annual reporting, and submission of an Annual Activity Certificate. The guidelines also prescribe detailed procedures for closure, including public notice, regulatory clearances, and confirmation that all liabilities are settled.

**Impact:** The revised framework strengthens regulatory oversight and transparency for overseas insurers operating Liaison Offices in India. It ensures that LOs remain non-commercial in nature while improving compliance, reporting, and orderly exit mechanisms.

**[Click here: IRDAI/F&I/GDL/MISC/27/02/2026](#)**

## 2. IRDAI - Clarifications on Investment in Alternative Investment Funds (AIFs)

*(Notification Date: 12<sup>th</sup> February, 2026)*

IRDAI has issued clarifications allowing insurers to invest in AIFs that have overseas exposure, provided strict safeguards are followed. Insurers can now use “Excusal Rights” to ensure that their funds are not invested outside India, in compliance with Section 27E of the Insurance Act, 1938. The circular mandates formal declarations, specific clauses in fund documents, segregation of insurer funds, auditor certifications, and enhanced reporting to ensure zero overseas exposure of insurer capital. It also revises the rule on exposure limits by requiring insurers to consider both direct and indirect (through Fund of Funds) exposure to a single AIF within prescribed limits.

**Impact:** The clarification broadens investment avenues for insurers while ensuring policyholder funds remain invested only in India. It strengthens compliance through a robust certification and monitoring framework.

**[Click here: IRDAI/F&I/CIR/INV/28/2/2026](#)**

# MCA



# 1. Companies Compliance Facilitation Scheme, 2026

**(Circular Date: 24<sup>th</sup> February, 2026)**

MCA has introduced Companies Compliance Facilitation Scheme-2026 (CCFS) to give companies a one-time window to regularise delayed filings of Annual Return and Financial Statements on MCA-21 by paying normal fees + only 10% of the applicable additional (late) fees. Under the scheme, companies can either

(a) complete pending annual filings at reduced additional fees, or  
(b) if inactive, apply for Dormant status (MSC-1) by paying half of the normal fee, or

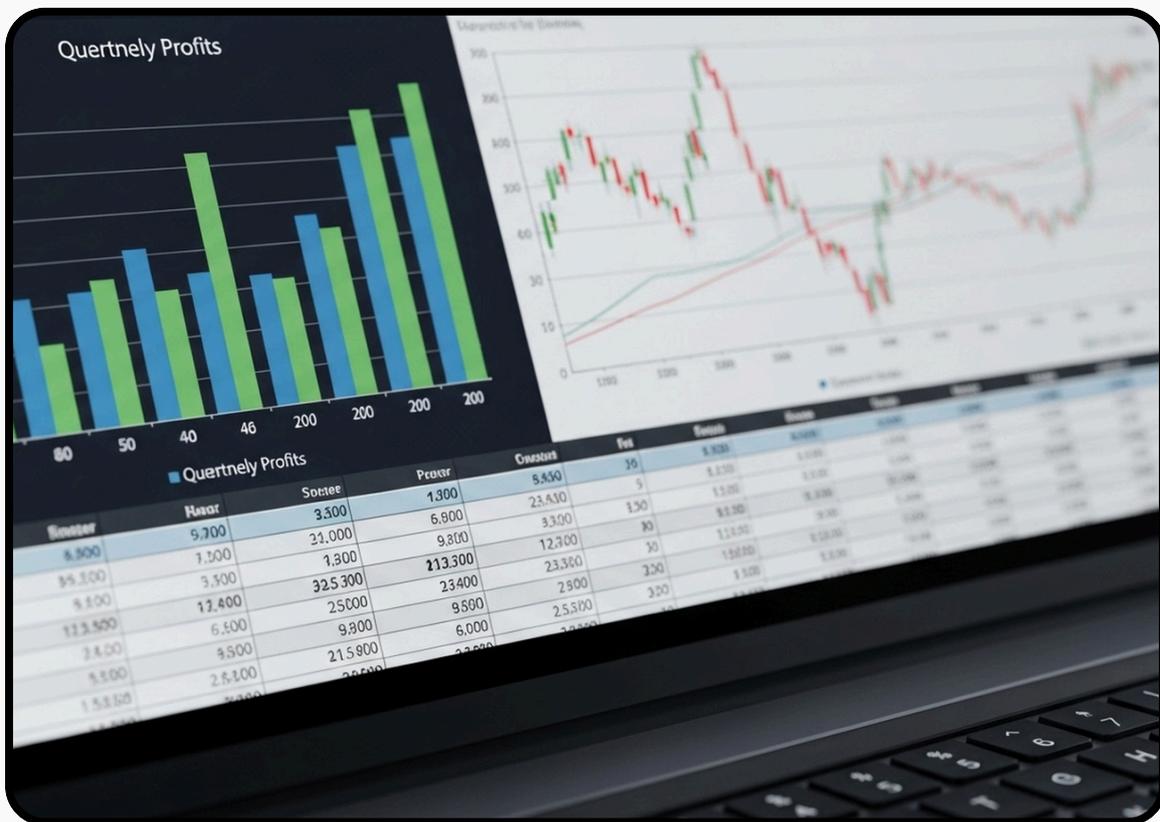
(c) opt for strike-off (STK-2) by paying 25% of the filing fees.

The scheme runs from 15 April 2026 to 15 July 2026, and is not available to certain categories such as companies already under strike-off action / already applied for strike-off or dormancy before the scheme, dissolved companies, and vanishing companies.

**Impact:** Companies get a cost-effective chance to clear compliance backlogs or formally shift to dormant/closure status. After the window closes, RoCs are expected to proceed against defaulting companies that did not use the scheme.

**[Click here: General Circular No. 01/2026](#)**

# SEBI



## 1. Revision of Order-to-Trade Ratio (OTR) Framework

**(Circular Date: 4<sup>th</sup> February, 2026)**

SEBI has revised the Order-to-Trade Ratio (OTR) framework by refining how OTR is computed and how penalties are triggered for high order placement. Under the update, certain equity options orders placed within a defined range around the Last Traded Price (LTP)/premium will be excluded for OTR calculation purposes, and algorithmic orders placed by Designated Market Makers specifically for market-making will also be kept outside the OTR computation. The revised framework will be effective from April 6, 2026.

**Impact:** It targets excessive order placement while protecting genuine liquidity provision and reduces compliance friction for market makers and improves market quality.

**[Click here: HO/47/11/16\(2\)2025-MRD-POD2/I/4113/2026](#)**

## 2. Creation/Invocation of Pledge through Depository System

**(Circular Date: 5<sup>th</sup> February, 2026)**

SEBI has strengthened the pledge framework to ensure compliance with the Indian Contract Act (Sections 176/177), including the pledgee's obligation to give reasonable notice before sale of pledged securities. Depositories must introduce a standardised pledge request form, capture undertakings from pledger/pledgee, and send notifications to both parties when a pledge is invoked and the pledgee is recorded as beneficial owner. Implementation is required by April 6, 2026.

**Impact:** It enhances investor protection and due process in pledge invocation and enforcement and also the Standardisation reduces disputes and improves auditability of pledge actions.

**[Click here: HO/47/14/12\(1\)2026-MRD-POD2/I/4229/2026](#)**

### 3. Reporting of Value (NAV) of AIF Units to Depositories (Circular Date: 6<sup>th</sup> February, 2026)

SEBI has mandated that Alternative Investment Funds (AIFs), through their Registrars and Transfer Agents (RTAs), must report and upload the latest Net Asset Value (NAV) for each ISIN of AIF units on the depository system. This disclosure must be done by May 1, 2026, or within 30 days from the date of valuation, whichever is later, so that investors can view updated valuations in a more standardised manner. SEBI has also clearly placed accountability on the AIF Manager, who will be responsible for ensuring that NAV uploads are timely, accurate, and complete. To support implementation, depositories (NSDL/CDSL) are required to create the necessary systems and operational process to accept, store, and display NAV information, along with a prescribed disclaimer to ensure users understand the nature and limitations of the data being displayed. Further, SEBI has reinforced governance and oversight by requiring Trustees/Sponsors to ensure that this compliance is properly tracked and reflected in the fund's Compliance Test Report (CTR).

**Impact:** It Improves transparency for AIF investors by making NAV visible through depository infrastructure also pushes better operational discipline on AIFs for timely valuations and reporting.

**[Click here: HO/19/34/11\(8\)2025-AFD-POD1/I/4335/2026](#)**

## 4. Obligations on CRAs for Ratings under Other Financial Sector Regulators

*(Circular Date: 10<sup>th</sup> February, 2026)*

SEBI has prescribed additional obligations for credit rating agencies when they rate instruments that fall under other financial sector regulators. Key requirements include separate grievance email IDs and segregated disclosures, safeguards to ensure SEBI's minimum net worth requirements are not diluted, clear disclosures that SEBI investor protection/grievance mechanisms won't apply for such activities, disclosures in rating reports/press releases, and written client acknowledgements. Some provisions apply after 60 days, while specific items (like separate email IDs and certain intimations) apply after 12 months.

**Impact:** This reduces investor confusion by clearly separating SEBI-regulated ratings from non-SEBI regulatory activities and also strengthens governance, disclosures, and grievance handling in CRA multi-regulator work.

**[Click here: SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026](#)**

## 5. Capacity Planning & Real-Time Performance Monitoring for Commodity Derivatives MIIs

*(Circular Date: 11<sup>th</sup> February, 2026)*

SEBI has extended and tailored the capacity planning and real-time performance monitoring framework to commodity derivatives segments of stock exchanges and clearing corporations. It requires Market Infrastructure Institutions (MIIs) to adopt a board-approved policy, maintain installed capacity at least 2x projected peak load, and take immediate action if utilisation exceeds 75%. MIIs must submit the approved policy to SEBI within three months, and the framework becomes effective three months from the circular date, superseding the earlier clause for commodity derivatives.

**Impact:** This Improves system resilience and reduces outage risk during high-volume commodity trading and forces stronger IT governance and proactive capacity upgrades in MIIs.

**[Click here: HO/47/13/14\(1\)2026-MRD-TPD1/I/4755/2026](#)**

## 6. Categorization and Rationalization of Mutual Fund Schemes

*(Circular Date: 26<sup>th</sup> February, 2026)*

SEBI has issued a revised framework for categorising and rationalising mutual fund schemes by superseding the earlier scheme-categorisation clause in the Master Circular. The circular lays down updated scheme buckets (Equity, Debt, Hybrid, Life Cycle Funds, and Other Schemes like FoFs/ETFs), standardises scheme characteristics and “true-to-label” naming, and introduces stronger controls to reduce look-alike products. Key changes include portfolio overlap limits for sectoral/thematic schemes, mandatory monthly disclosure of category-wise overlap on AMC websites, and discontinuation of the “Solution Oriented Schemes” category with existing schemes required to stop fresh subscriptions and merge with similar schemes after SEBI approval. Existing schemes must align with the new framework within six months.

**Impact:** This makes mutual fund categories clearer and reduces investor confusion by limiting duplication and enforcing uniform naming and disclosures.

**[Click here: HO/24/13/15\(2\)2026-IMD-RAC4/I/5764/2026](#)**

## 7. Ease of Doing Investment: Disclosure of Registered Name & Registration Number on Social Media

*(Circular Date: 26<sup>th</sup> February, 2026)*

SEBI has directed all SEBI-regulated entities and their agents to prominently disclose their SEBI registered name and registration number on the home page of their social media handles and at the beginning of every securities market-related post/video uploaded on social media platforms (including closed groups). Entities with multiple SEBI registrations must provide a weblink on the handle's home page listing all registrations, and in each post they must disclose the registration relevant to that specific activity; similar disclosure rules apply to agents, who must also show the principal entity's details. These requirements will apply to content uploaded on or after May 1, 2026.

**Impact:** This improves investor protection by making it easier to identify genuine SEBI-regulated content versus unregistered or misleading social media advice.

**[Click here: HO/ \(79\)2026-MIRSD-PODMMC](#)**

## 8. Revised Norms for appointment of an independent third-party reviewer/certifier for Green Debt Securities)

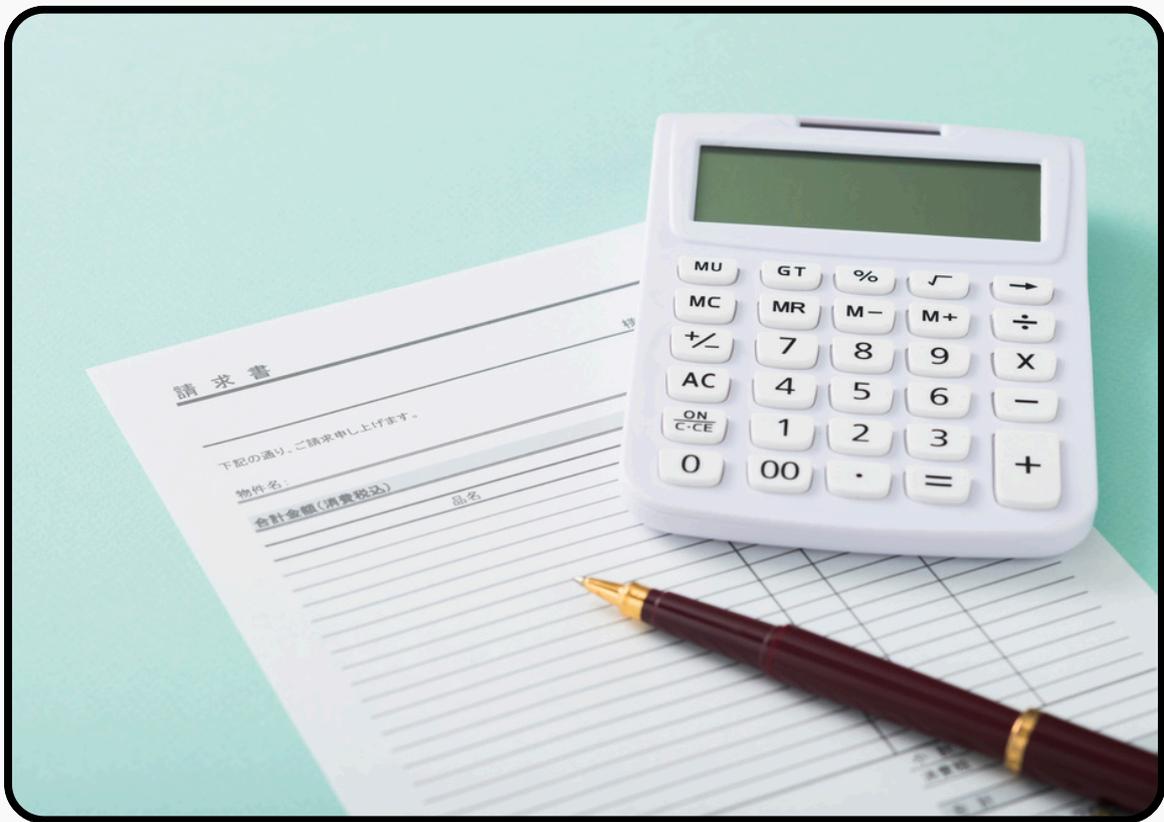
***(Circular Date: 27<sup>th</sup> February, 2026)***

SEBI has updated the framework for appointing an independent third-party reviewer/certifier for green debt securities to align it with the broader ESG debt securities framework. The earlier requirement in the NCS Master Circular has been replaced with a clearer set of conditions: the reviewer must be independent, conflict-free in remuneration, and have ESG expertise; the scope of review must be stated in the offer document, and the review can take forms such as a second party opinion, verification, certification, or scoring/rating. These changes apply immediately

**Impact:** Strengthens credibility of green bond issuances by standardising external review quality and disclosure.

**[Click here: HO/17/11/24\(1\)2026-DDHS-POD1/1/5967/2026](#)**

# GST



## 1. Facility for Withdrawal from Rule 14A

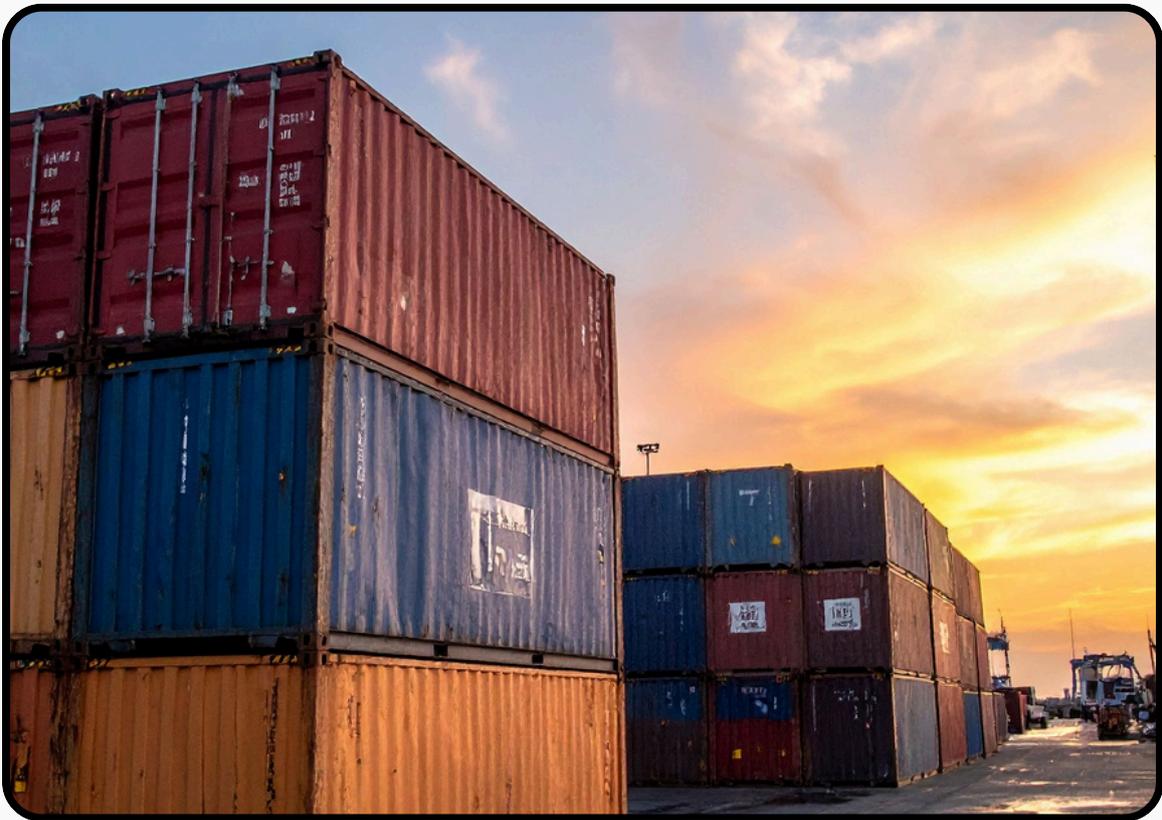
**(Notification Date: 21<sup>ST</sup> February, 2026)**

GSTN has introduced an online facility on the GST portal for eligible taxpayers registered under Rule 14A to opt out by filing Form GST REG-32. The application can be filed only after the taxpayer has filed the required returns (minimum 3 months' returns if filed before 1 April 2026, or at least 1 tax period if filed on/after that date, along with all pending returns). The process requires Aadhaar authentication of the Primary Authorised Signatory and at least one Promoter/Partner (as applicable), and the application must be completed within prescribed timelines; while REG-32 is pending, certain amendment/cancellation requests cannot be filed. Once the opt-out is approved (REG-33), the taxpayer will have to start reporting specified high-value B2B output tax liability details from the succeeding month.

**Impact:** This makes opting out of Rule 14A simpler and fully online, but only for taxpayers who are return-compliant and Aadhaar-authenticated and introduces temporary filing restrictions during processing and adds post-approval reporting requirements for certain high-value supplies.

**[Click here: GSTN Advisory no. 645](#)**

# DGFT



## 1. Extension of filing Annual RoDTEP Returns

**(Notification Date: 6<sup>th</sup> February, 2026)**

DGFT has extended the due date for filing Annual RoDTEP (Remission of Duties and Taxes on Exported Products) Returns (ARR) for FY 2023–24 up to 31 March 2026, subject to payment of a composition fee of ₹15,000. The notice also clarifies that if ARR is not filed by the extended date, action may be taken under para 4.94 of the Handbook of Procedures (HBP), 2023, including denial of RoDTEP benefits and scroll-out of scrips.

**Impact:** This gives exporters additional time to remain compliant and protect their RoDTEP benefits, with a fixed composition fee.

**[Click here: Public notice 46. 2025-26](#)**

## 2. Rationalisation of RoDTEP Rates

**(Notification Date: 23<sup>rd</sup> February, 2026)**

DGFT has notified a major change under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme: with immediate effect, the applicable RoDTEP rates for all HS lines in Appendix 4R and Appendix 4RE will be restricted to 50% of the existing notified rates, and where applicable, 50% of the notified value caps.

**Impact:** This will be directly impacting incentive payouts and export pricing for the exporters as they will receive half the RoDTEP benefit compared to earlier rates

**[Click here: Notification No. 60/2025-26](#)**



## EXPERT CORNER

~Sahil Shah  
{Partner}

### CKYC REGISTRY 2.0 GOES LIVE WITH DIGILOCKER

#### What Is CKYC 2.0?

The government upgraded the Central KYC Records Registry (CKYCRR) and linked it directly with DigiLocker, which is the government's digital document wallet. Think of it like a universal digital ID card; instead of showing your documents at every new bank or insurer, all financial institutions can now verify your identity instantly with your permission. Your documents get authenticated directly from government databases, so no physical copies are needed.

#### What's New?

The system now uses AI to detect duplicate entries and connects directly with Aadhaar, PAN, and Sarathi databases for instant verification. Your data can only be accessed with your OTP consent, keeping things secure. Banks can also find your KYC record using just your registered mobile number.

#### Why It Matters?

With over 1.08 billion records already on the platform, this upgrade means faster onboarding, zero paperwork, and no more redundant document submission across financial institutions.

#### Current Status

CKYC 2.0 is now live as of February-end 2026 making KYC truly paperless and real-time. [Click here](#)

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# JHS CONSULTING - SERVICE PORTFOLIO

## CORE SERVICE VERTICALS

RISK ADVISORY & ASSURANCE	CONSULTING & CORPORATE FINANCE
Risk Advisory & Management Assurance	Corporate Finance Advisory
Internal Control over Financial Reporting (ICFR)	M&A – Buy-side & Sell-side Advisory
Concurrent / Continuous Monitoring Reviews	Business & Project Structuring (SPV, PPP)
Forensic & Special Purpose Reviews	Fund Raising – Equity & Debt
IT & Cyber Security Reviews	IPO Readiness & Capital Market Advisory
Governance & Enterprise Risk Management	Business Valuation & Due Diligence
Revenue Assurance & Loss Prevention	Credit Rating Advisory
Process Intelligence & SOP Development	Treasury & Working Capital Management
Inventory & Operations Reviews	MIS, Dashboards & Financial Modelling

# JHS CONSULTING - SERVICE PORTFOLIO

## CORE SERVICE VERTICALS

TAXATION	OUTSOURCING & SPECIALISED SERVICES
Corporate & Individual Tax Advisory	Virtual CFO Services
Direct Tax Compliance & Advisory	Business Setup & Entity Incorporation
Indirect Tax (GST & Customs)	Legal & Regulatory Compliance Support
International Tax & Treaty Analysis	ESG & Sustainability Advisory
Transfer Pricing (Domestic & International)	Sustainability Reporting & ESG Assurance
Tax Due Diligence & Structuring	Compliance, Learning & Innovation Solutions
Cross-Border Structuring	Corporate Governance & Secretarial Support
Tax Litigation & Dispute Resolution	ERP Implementation & Process Automation
Tax Strategy, Budgeting & Forecasting	Policy Frameworks & Corporate Training