

WEEKLY UPDATE

FEMA REGULATIONS

GUIDELINES ON FOREIGN EXCHANGE GUARANTEES

- Foreign exchange guarantee is a contract between a guarantor and a beneficiary.
- FEMA requires the guarantor to be a resident in India and the beneficiary to be a non-resident.
- The guarantor must be a company or a partnership firm registered in India.
- The beneficiary must be a foreign company or a foreign individual.

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Update RBI

1. RBI has issued regulations under FEMA relating to guarantees in foreign exchange context. In plain terms, these regulations guide how guarantees involving cross-border parties should be handled and complied with. It matters for businesses and banks dealing in overseas contracts, guarantees, and obligations. The goal is clarity, compliance, and better monitoring of cross-border guarantee transactions.
Ref: RBI/2025-2026/192 dated 12th Jan 2026.
2. This circular is about the interest subvention (interest support) scheme for short-term agriculture loans taken through Kisan Credit Card (KCC). In simple terms, it explains/updates how eligible farmers can get loans at reduced effective interest cost, subject to conditions. Banks must implement the scheme as per the modified terms and operational instructions.
Ref: RBI/2025-2026/193 dated 13th Jan 2026.
3. RBI has issued instructions on export/import of goods and services from the foreign exchange compliance angle. This typically covers how payments/receipts should be handled, timelines, and documentation norms for trade transactions. For businesses, it's a compliance "do's and don'ts" list to avoid issues in remittances and realisation of export proceeds. These regulations will be effective w.e.f. 01st October 2026.
Ref: RBI/2025-2026/194 dated 16th Jan 2026.

Update SEBI

- SEBI has further eased and streamlined the process for Foreign Venture Capital Investors (FVCIs) under the new SWAGAT-FI framework, making onboarding quicker and more convenient. Now, an eligible foreign investor can apply for FVCI and FPI registrations together without submitting duplicate forms or documents, as long as the same custodian and DDP are used. Existing FVCIs can also shift to the SWAGAT-FI category with a simple request. Renewal timelines have been relaxed, with SWAGAT-FI entities now getting 10-year validity blocks instead of five. Additionally, KYC reviews for SWAGAT-FI FVCIs will now occur only once every 10 years, reducing repetitive compliance. These measures are aimed at creating a smoother, faster, and more investor-friendly entry route into India's markets.

Ref: Circular No. HO/19/34/14(5)2025-AFD-POD2/I/199/2025 dated 16th Jan 2026.

- SEBI has made the SWAGAT-FI framework even more seamless for trusted foreign investors such as global pension funds, insurance firms, sovereign investors, and regulated public retail funds. The circular simplifies who can register as a SWAGAT-FI FPI, allows eligible FPIs to convert easily, and enables a unified investment account for all their FPI and FVCI holdings. Renewal cycles and KYC reviews have been relaxed to a 10-year frequency, reducing repetitive paperwork. Resident Indians contributing to such funds can invest only through RBI's LRS route, and only in global funds with less than 50% India exposure. Overall, the changes aim to make India's markets more welcoming and easier to access for long-term, reputable global investors.

Ref: Circular No. HO/19/34/14(5)2025-AFD-POD2/I/2703/2026 dated 16th Jan 2026.

- SEBI has introduced a Closing Auction Session (CAS) to decide stock closing prices more transparently and in line with global standards. Instead of relying on the last 30 minutes of trading, the new auction-based mechanism gathers all buy-sell interest into one place, helping discover a fair closing price and improving execution for large and passive funds. CAS will run daily from 3:15 pm to 3:35 pm, initially for derivative-eligible stocks, with a clear rule-based process for order entry, matching, and price discovery. SEBI has also aligned the pre-open session with similar auction principles for consistency. These changes aim to make closing prices fairer, more stable, and more reflective of true market sentiment.

Ref: Circular No. HO/47/11/11(3)2025-MRD-POD2/I/2765/2026 dated 16th Jan 2026.



Physical Verification of Stock, Fixed Assets and tagging thereof through QR Code

Periodic Stock Audit | Perpetual Stock Audit | Asset Tagging | Asset Verification

Verification of Assets and Inventory

- Review of the Inventory / asset listing
- Planning of verification to ensure minimum stoppage in operations
- Use of latest technologies like QR Codes to ensure faster results
- Tagging the assets with the QR Codes
- Actual counting of Inventory / Assets - Manpower deployment
- Age-wise Analysis of Stocks
- Live Reporting to ensure accuracy
- Assistance to Statutory Auditors for count
- Final Report to management team / certification of stock
- Correct valuation of inventory
- Read report on opening balance of inventory to be uploaded in the ERP
- PAN INDIA presence



**Someone's absolute trust & faith , goodwill is real income &
our responsibility to ensure it is not only retained but enhanced**



“Trusted Partners in Strategy Offering Creative Tax,
Legal & Business Solutions - Concept to Completion.”



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