



# REGULATORY UPDATES

SEBI (Stock Brokers) Regulations, 2026  
What's Changed, What's New and What it means for  
Stock Brokers?



**BACKGROUND**

SEBI in its 212<sup>th</sup> Board Meeting held on 17 December, 2025 approved the replacement of the SEBI (Stock Brokers) Regulations, **1992** with the SEBI (Stock Brokers) Regulations, **2026**.

Subsequently, SEBI notified the new regulations on 7 January, 2026, thereby repealing the earlier framework.

The revised regulations are aimed at rationalising the regulatory framework governing stock brokers with a focus on stronger governance, increased digitisation, greater regulatory clarity, and alignment with current market practices.

**KEY REGULATORY CHANGES: -**

**1. A Comparative Overview**

Regulatory Aspect	SEBI (Stock Brokers) Regulations, 1992	SEBI (Stock Brokers) Regulations, 2026	Impact
<b>Definition of “Change in Control”</b>	The definition of control (in case of listed shares) was derived from the <b>SEBI Act, 1992</b>	The definition of control (in case of listed shares) has been aligned with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ( <b>SAST</b> )	Aligning the definition with SAST provides <b>clarity</b> on what constitutes control and ensures <b>uniform interpretation</b> across SEBI regulations.

Regulatory Aspect	SEBI (Stock Brokers) Regulations, 1992	SEBI (Stock Brokers) Regulations, 2026	Impact
<b>Enhanced Eligibility Criteria for Registration</b>	Applicants were required to have prior experience in securities trading, <b>without any minimum experience threshold.</b>	Applicants must possess a <b>minimum of two years' experience</b> in trading or dealing in securities.	This change <b>raises the entry threshold</b> and strengthens the overall quality and professionalism of market intermediaries.
<b>Record Maintenance and Compliance</b>	Record keeping requirements were largely <b>paper-centric</b>	Records, books of accounts, and documents may be maintained in <b>electronic form</b>	This change aligns compliance requirements with <b>digitised operational practices</b>
<b>Extended Record Preservation Period</b>	Minimum record preservation period was <b>5 years</b>	Minimum record preservation period <b>increased to 8 years</b>	Brokers will now need <b>robust archival systems</b> to manage longer preservation requirements

## 2. Permission to Undertake Other Regulated Financial Activities

The new framework explicitly **allows** brokers, with SEBI approval, to undertake **other regulated financial activities** under frameworks **of other financial regulators** such as RBI, IRDAI, PFRDA, IFSCA, MCA, and IBBI and other authorities as may be specified by SEBI, subject to applicable conditions.



**Impact:**

This provides an opportunity for **business expansion** while remaining within the regulatory framework.

**3. Mandatory Resident Designated Director**

Every Broker is now required to have at least one designated director who is *resident in India for a minimum of 182 days in a financial year*. Existing stock brokers have been granted **six months** from the date of notification to comply.

**Impact:**

This provision enhances **governance standards** and ensures regulatory accessibility and accountability within broking entities.

**4. Activities Prohibited for Stock Brokers**

The new regulations clearly prohibit stock brokers from:

- Engaging in schemes offering indicative, guaranteed, fixed, or periodic returns;
- Operating unauthorised collective investment schemes or portfolio management services;
- Engaging as principal or employee in any business other than that of securities or commodity derivatives subject to certain exceptions, permissions, and transitional arrangements as may be prescribed under Rule 8 of SCRR Rules, 1957;
- Accepting cash from clients, either directly or through cash deposits.



## CONCLUSION

The SEBI (Stock Brokers) Regulations, 2026 consolidate and modernise the regulatory framework applicable to stock brokers. While the revised provisions increase governance and compliance requirements, it also provide clarity, operational flexibility, and regulatory consistency.

*Stock brokers should review their existing policies, governance structures, and operational processes to ensure timely compliance with the new regulatory requirements.*

*For more details, please refer SEBI Press Release dated 17 December, 2025 and Notification dated 7 January, 2026:*

[https://www.sebi.gov.in/media-and-notifications/press-releases/dec-2025/sebi-board-meeting\\_98433.html](https://www.sebi.gov.in/media-and-notifications/press-releases/dec-2025/sebi-board-meeting_98433.html)

[https://www.sebi.gov.in/legal/regulations/jan-2026/securities-and-exchange-board-of-india-stock-brokers-regulations-2026\\_98974.html](https://www.sebi.gov.in/legal/regulations/jan-2026/securities-and-exchange-board-of-india-stock-brokers-regulations-2026_98974.html)

**DISCLAIMER:** - *The summary information herein is based on press release issued by SEBI dated 17 December, 2025 and Notification dated 7 January, 2026. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.*

## CONTACT US

### NOIDA OFFICE

#### **DPNC GLOBAL LLP**



Windsor Grand, 15<sup>th</sup> Floor,  
Plot No. 1C, Sector-126,  
Noida-201303, Uttar Pradesh



+91.120.6456990



[dpnc@dpncglobal.com](mailto:dpnc@dpncglobal.com)



<https://dpncglobal.com/>

### GURGAON OFFICE

#### **DPNC GLOBAL LLP**

120, Vipul Business Park,  
Sector-48, Sohna Road,  
Gurugram, Haryana-122018

### FOLLOW US ON

