

CONSULTATION PAPER



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

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## CONSULTATION PAPER

DEPARTMENT OF DEBT AND HYBRID SECURITIES

**Consultation paper on amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008**

May 04, 2026

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### Timeline to Respond

Comments on the  
Consultation paper may be  
sent by May 25, 2026

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**1. OBJECTIVE:**

1.1. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposal to amend SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (hereinafter referred to as "SDI Regulations"), pertaining to the securitisation transactions originated by Regulated Entities (REs) of RBI in order to align the same with the revised directions issued by the RBI in September 2021 on Securitization of Standard Assets ('RBI SSA Directions').

**2. BACKGROUND**

2.1. The Securities and Exchange Board of India (SEBI), in its Board meeting held on December 18, 2024, approved certain amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (hereinafter referred to as the "SDI Regulations"), with a view to refresh and restate the regulatory framework governing securitisation. These amendments were undertaken in the backdrop of the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 (hereinafter referred to as "RBI SSA Directions") applicable to securitisation of standard assets.

2.2. The amendments approved by the SEBI Board were notified vide notification (F. No. SEBI/LAD-NRO/GN/2025/247) dated May 5, 2025.

2.3. Subsequently, SEBI has received feedback highlighting certain differences between the RBI SSA Directions and the SDI Regulations, particularly in relation to securitisation transactions originated by entities regulated by RBI.

2.4. The feedback received was placed for deliberations with Corporate Bonds Advisory Committee (CoBoSAC). Based on the recommendations of CoBoSAC, the following items are proposed to be amended in the SEBI SDI Regulations to align SEBI SDI Regulations with RBI SSA Directions in respect of RBI regulated entities:

2.4.1. Proposal I: Permitting Single Asset Securitisation

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2.4.2. Proposal II: Stipulating the requirement of periodic disclosure and the obligations of trustees on 'Servicer'

2.4.3. Proposal III: Constitution of Board of Trustee of SPDE

2.4.4. Proposal IV: Removal of restriction on the originator and SPDE belonging to the same group to enter into a securitization transaction.

2.4.5. Proposal V: Winding up of securitisation transactions

2.5. The detailed proposals for above items are contained in Paragraph 3 below.

**3. PROPOSALS FOR PUBLIC CONSULTATION**

**3.1. Proposal I: Permitting single Asset securitisation**

**3.1.1. Extant Provision:**

*"19A. The following conditions shall govern the securitisation resulting in issuance of a securitised debt instrument:*

*(a) No obligor shall have more than twenty five percent in asset pool at the time of issuance.*

.....

*(d) Originators shall have a track record of operations of three financial years which resulted in the creation of the type of debt or receivable such originator is seeking to securitise.*

*(e) Obligor shall have a track record of operations of three financial years which resulted in the creation of the type of debt or receivable that such originator is seeking to securitise:*

*Provided that the conditions of the track record, as specified in the clause (d) and (e) shall not be applicable to a securitised debt instrument where the originator is an entity regulated by the Reserve Bank of India:*

*Provided further that condition as specified in clause (a) may be relaxed by the Board as may be specified from time to time.*

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*Explanation: – (1) The term ‘homogeneous’ shall mean same or similar risk or return profile arising from the proposed underlying for a securitised debt instrument.*

*(2) The Board may specify homogeneity for different types of underlying debt or receivables, as may be required.”*

**3.1.2. Need for review:**

The aforesaid regulation aims to strengthen the framework governing the securitisation resulting in the issuance of SDIs by establishing stringent conditions. By ensuring that no single obligor has more than 25% in the asset pool at the time of issuance, the said regulation aims to prevent over-concentration of risk in the securitisation pool.

SEBI has received feedback that the aforesaid condition governing securitisation restricts listing of SDIs where the underlying comprises of a single asset, which is otherwise permitted under the RBI's extant regulatory framework. This impacts the development of the listed securitisation market, particularly for RBI-regulated entities that are already subject to prudential supervision by RBI.

**3.1.3. Proposal 1**

It is proposed to exempt RBI-regulated entities from the requirement specified under Regulation 19A(a) of the SDI Regulations, similar to the existing exemptions available under clauses (d) and (e) of Regulation 19A.

Accordingly, it is proposed to amend the proviso under Regulation 19A of the SDI Regulations as under (insertions in **bold**, deletions in ~~strikethrough~~):

*“Provided that the conditions ~~of the track record~~, as specified in the clause **(a)**, ~~(d)~~ and ~~(e)~~ shall not be applicable to a securitised debt*

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*instrument where the originator is an entity regulated by the Reserve Bank of India.”*

The above proposal would enable single asset securitisation by RBI-regulated entities to be listed.

**Consultation 1: Permitting single Asset securitisation**

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether exempting the RBI-regulated entities from the requirement under Regulation 19A(a) of SDI Regulations, thereby permitting single asset securitisation to be listed securitised is appropriate and adequate?

**3.2. Proposal II: Stipulating the requirement of periodic disclosure and the obligations of trustees on ‘Servicer’**

**3.2.1. Extant Provision:**

*“10A.(1) The originator shall provide the periodic reports to the trustee regarding the performance of the underlying asset pool, atleast on a quarterly basis.*

*(2) The originator shall provide a certificate from its auditor (s) regarding the disclosures of underlying asset pool assigned to the securitization trust, as made by the originator, on quarterly basis.”*

*“11(3) A trustee shall,-*

*.....*

*(h)call for periodic reports from the originator regarding the performance of the underlying asset pool, atleast on quarterly basis;*

*.....*

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*(j) obtain a certificate from the auditor(s) of originator regarding the [status of] disclosures of underlying asset pool assigned to the securitization trust, as made by the originator, on quarterly basis;*  
*(k) share such reports and auditors certificate as received from the originator or the auditor(s) of originator, with the credit rating agency which is rating the securitised debt instrument”*

**3.2.2. Need for Review:**

SEBI has received feedback that the above mentioned requirements under the SEBI’s extant regulatory framework would rest on the entity undertaking the role of the Servicer, which could potentially also be an entity other than the originator.

While the servicer is responsible for collection and monitoring of receivables, the originator continues to bear overall responsibility towards investors.

**3.2.3. Proposal 2:** It is proposed that the periodic disclosure obligations and related certifications may be imposed on the servicer, who may also be the originator, or may be a third party who obtains information from the originator, so as to ensure availability of accurate, timely and comprehensive information to investors.

Accordingly, it is proposed to amend the relevant proviso (insertions in **bold**, deletions in ~~strike through~~) under the SDI Regulations as under

*“10A.(1) The ~~originator~~ **servicer**, shall provide the periodic reports to the trustee regarding the performance of the underlying asset pool, atleast on a quarterly basis.*

*(2) The ~~originator~~ **servicer**, shall provide a certificate from its auditor (s) regarding the disclosures of underlying asset pool assigned to the securitization trust, as made by the originator, on quarterly basis.”*

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*“11(3) A trustee shall,-*

*.....*

*(h) call for periodic reports from the ~~originator~~ **servicer**, regarding the performance of the underlying asset pool, atleast on quarterly basis;*

*.....*

*(j) obtain a certificate from the auditor(s) of ~~originator~~ **servicer** regarding the [status of] disclosures of underlying asset pool assigned to the securitization trust, as made by the originator, on quarterly basis;”*

*(k) share such reports and auditors certificate as received from the ~~originator~~ **servicer** or the auditor(s) of ~~originator~~ **servicer**, with the credit rating agency which is rating the securitised debt instrument;*

**Consultation 2:**

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether the proposal to impose the requirements of furnishing the information on the servicer, who may or may not be the originator, is appropriate and adequate?

**3.3. Proposal III: Constitution of Board of Trustee of SPDE**

**3.3.1. Extant Provision:**

Regulation 9(9) of the SDI Regulations provides that trustees associated with the sponsor or originator shall not constitute more than one-half of the Board of Trustees of the SPDE.

*“9(9) Trustees who are nominees of the sponsor or the originator or who are associated in any manner with the sponsor or the originator or*

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*with a company in the same management as the sponsor or originator shall not constitute more than one half of the Board of Trustees of the special purpose distinct entity, as the case may be.”*

**3.3.2. Need for Review:**

SEBI has received feedback that the aforesaid regulation varies from the RBI’s extant regulatory framework, which stipulates *inter alia* that the originator should not have more than one representative on the Board of the SPDE who should be without veto power, since this may possibly dilute the principle of having arms’ length basis for transactions between the originator and the SPDE.

**3.3.3. Proposal 3:** In light of the above, it is proposed that where the originator is an RBI-regulated entity, the originator should not have more than one representative on the Board of the SPDE who should be without veto power

Accordingly, it is proposed to insert the following proviso under Regulation 9 (9) of the SDI Regulations:

“

***Provided that where the originator is an entity regulated by the Reserve Bank of India, the originator shall not have more than one representative on the board of the special purpose distinct entity who shall be without veto power”***

**Consultation 3: Constitution of Board of Trustee of SPDE**

Kindly provide your comments for the below item along with supporting rationale:

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Where the originator is an RBI-regulated entity, whether the proposal that the originator should not have more than one representative on the Board of the SPDE who should be without veto power is appropriate and adequate?

**3.4. Proposal IV: Removal of restriction on the originator and SPDE belonging to the same group to enter into a securitization transaction**

**3.4.1. Extant Provision:**

*“10(3)No special purpose distinct entity shall acquire any debt or receivables from any originator which is part of the same group or which is [under the same control] as the trustee”*

**3.4.2. Need for Review:**

SEBI has received feedback that the RBI SSA directions stipulate that the originator shall not exercise control, whether directly or indirectly over the SPDE and the trustees. However, there is no specific stipulation under the RBI’s extant regulatory framework which prohibits the originator and the SPDE belonging to the same group to enter into a securitisation transaction. Therefore, securitisation transactions undertaken between an originator and SPDE belonging to the same group may become ineligible for listing under the SDI Regulations, which may otherwise be permissible under the RBI SSA Directions.

Accordingly, it is proposed to add a proviso (insertions in **bold**) under the relevant SDI Regulations as under

*“10(3)No special purpose distinct entity shall acquire any debt or receivables from any originator which is part of the same group or which is [under the same control] as the trustee*

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***Provided that condition as specified in this clause shall not be applicable to the originator, which is an entity regulated by the Reserve Bank of India”***

3.4.3. **Proposal 4:** In view of the above, it is proposed to exempt RBI-regulated entities from the restriction specified under Regulation 10(3) of the SDI Regulations

**Consultation 4: Removal of restriction on the originator and SPDE belonging to the same group to enter into a securitization transaction**

Kindly provide your comments for the below item along with supporting rationale: Whether the proposal to exempt RBI-regulated entities from the restriction under Regulation 10(3) of the SDI Regulations viz., permitting securitisation transactions between an originator and an SPDE belonging to the same group is appropriate and adequate?

**3.5. Proposal V: Winding up of securitisation transactions**

3.5.1. **Extant Provision:**

**Extant Provision:**

*“45(2) While passing an order of suspension or cancellation of registration of a trustee, the Board may also direct winding up of schemes of the special purpose distinct entity within such period and in such manner as may be directed.*

*Explanation: For the purpose of this sub-regulation, “winding up of schemes” shall mean liquidation of the asset pool and repayment of the proceeds thereof to the investors in the scheme.”*

3.5.2. **Need for Review:**

SEBI has received feedback that the extant regulatory framework of RBI does not permit the unwinding of securitisation transactions, as such

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unwinding may potentially imply buy-back of the transferred assets by the originator, which is not permitted except for limited purposes under RBI regulations.

Accordingly, it is proposed that while passing an order of suspension or cancellation of registration of trustee, instead of directing the winding up of schemes of the special purpose distinct entity (SPDE), the Board may direct the appointment of a new trustee in place of the trustee whose registration is suspended or cancelled.

Further, it is proposed to remove the existing explanation under Regulation 45(2), as it may be inconsistent with the above clarification.

**3.5.3. Proposal 5**

In view of the above, it is proposed to amend Regulation 45(2) of the SDI Regulation as follows:

**“Cancellation or suspension of registration.**

*45(2) While passing an order of suspension or cancellation of registration of a trustee, the Board may also direct winding up of schemes of the special purpose distinct entity **the appointment of a new trustee in place of the trustee whose registration is suspended or cancelled**, within such period and in such manner as may be directed.”*

*Explanation: For the purpose of this sub-regulation, “winding up of schemes” shall mean liquidation of the asset pool and repayment of the proceeds thereof to the investors in the scheme.”*

**Consultation 5: Winding up of securitisation transactions**

Kindly provide your comments for the below item along with supporting rationale:

Whether the proposed modification to Regulation 45(2), specifying that the Board may direct appointment of a new trustee in place of the trustee whose registration

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is suspended or cancelled, instead of winding up of schemes of SPDE, is appropriate and adequate?

**Public Comments**

4. Considering the implications of the aforementioned matters on the market participants, public comments are invited on the above-detailed proposals. The comments/ suggestions should be submitted through the following mode latest by May 25, 2026:-

4.1. Preferably through Online web-based form

4.1.1. The comments may be submitted through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

4.1.2. The instructions to submit comments on the consultation paper are as under:

1. *Before initiating the process, please read the instructions given on top left of the web form as “Instructions”.*
2. *Select the consultation paper you want to comment upon from the dropdown under the tab – “Consultation Paper” after entering the requisite information in the form.*
3. *All fields in the form are mandatory;*
4. *Email Id and phone number cannot be used more than once for providing comments on a particular consultation paper.*
5. *If you represent any organization other than the types mentioned under dropdown in “Organization Type”, please select “Others” and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select “Others” and mention “Not Applicable” in the text box.*
6. *There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record*

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*your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*

- 7. If you want to provide your comments for the selected proposal, please select "Yes" from the dropdown under "**Do you want to comment on the proposal**" and use the text boxes provided for the same.*
- 8. After recording your response to the proposal, click on "Submit" button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.*
- 9. If you do not want to react on any proposal, please select that proposal from the dropdown and click on "**Skip this proposal**" and move to the next proposal.*
- 10. After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on "**Check your response before submitting**" just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.*
- 11. The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper*

4.1.3. In case of any technical issue in submitting your comment through web based public comments form, you may contact the following through email with a subject: *"Issue in submitting comments on "Consultation paper for amendments to the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008".*

- a) Mr. Rohit Dubey, GM ([rohitd@sebi.gov.in](mailto:rohitd@sebi.gov.in))
- b) Mr. Kartan Shivaraj, AGM ([kartans@sebi.gov.in](mailto:kartans@sebi.gov.in))

**Issued on:** May 04, 2026