

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

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Synergia Legal is bringing to you a fortnightly compilation of digestible summaries of key legal developments and case laws impacting the business, commercial and economic landscape in India:

CORPORATE LAWS

1. **The Ministry of Corporate Affairs (MCA) has issued an office memorandum inviting public comments on establishment of Indian Multi-Disciplinary Partnership (MDP) firms by the Government of India (September 17, 2025):**

The Ministry of Corporate Affairs (MCA) has issued an invitation for public comments on the proposed establishment of Indian Multi-Disciplinary Partnership (MDP) firms, aimed at creating globally competitive professional services entities capable of offering integrated audit, consulting, legal and allied services under a single platform. The accompanying background note identifies several impediments to the growth of Indian firms, including fragmented licensing and regulatory frameworks, restrictions on cross-professional partnerships and branding, procurement norms that favour foreign firms, and the limited global presence and scale of domestic players. To address these challenges, the MCA has constituted an Inter-Ministerial Group and circulated a questionnaire seeking stakeholder inputs on areas such as regulatory reforms, structural safeguards, dispute resolution mechanisms, and adoption of international best practices. Comments are invited from stakeholders by September 30, 2025 through the MCA e-Consultation module or by email.

(The office memorandum inviting public comments on establishment of Indian Multi-Disciplinary Partnership (MDP) firms by the Government of India issued by the MCA is accessible [here](#).)

SECURITIES LAWS

2. **The Securities and Exchange Board of India (SEBI) issued a consultation paper on Review of Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems (September 22, 2025):**

The SEBI has issued a Consultation Paper on the review of the framework to address technical glitches in stock brokers' electronic trading systems, with the objective of strengthening market resilience and investor protection. The paper notes that disruptions in trading

platforms not only impact investors but also undermine confidence in market integrity, and therefore proposes a more robust framework covering areas such as preventive system controls, minimum technology and capacity standards, mandatory incident reporting and escalation mechanisms, as well as accountability through penalties or remedial measures in case of failures. The SEBI has invited public comments on these proposals to ensure that the revised framework incorporates practical safeguards, reduces market disruption, and enhances the overall reliability of electronic trading systems.

(The consultation paper on Review of Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems issued by the SEBI is accessible [here](#).)

3. The SEBI issued a circular notifying the Framework on Social Stock Exchange (September 19, 2025):

The SEBI has issued a revised framework for the Social Stock Exchange (SSE) with the objective of deepening participation, strengthening oversight, and enhancing credibility in social finance. The circular lowers the minimum application size for Zero Coupon Zero Principal (ZCZP) instruments from ₹10,000 to ₹1,000, thereby making such securities more accessible to retail investors and widening the funding base for social enterprises. It also prescribes stricter eligibility requirements for not-for-profit organizations (NPOs) registering on the SSE, including ensuring validity of their registration certificate for at least 12 months and recognition under specific legal forms such as charitable trusts, registered societies, or Section 8 companies. Further, the framework mandates stronger disclosure and compliance obligations, requiring NPOs and social enterprises to furnish annual reports on governance, financials, donor contributions, and programme outcomes, along with independently assessed Annual Impact Reports to demonstrate measurable social impact. Collectively, these measures are designed to improve transparency, instill greater investor confidence, and facilitate inclusive capital mobilization for entities working in the social sector.

(The Framework on Social Stock Exchanges issued by the SEBI is accessible [here](#).)

BANKING/ FINTECH LAWS

4. The Reserve Bank of India (RBI) issues the Reserve Bank of India (Regulation of Payment Aggregators) Directions, 2025 (September 15, 2025):

The RBI issued the Reserve Bank of India (Regulation of Payment Aggregators) Directions, 2025, establishing a comprehensive regulatory framework for payment aggregators (PAs). These new directions consolidate earlier guidelines and introduce formal regulation for a wider scope of entities, now classifying PAs into three categories: online (PA-O), physical

point-of-sale (PA-P), and cross-border (PA-CB). Significantly, physical PAs — previously unregulated — must now seek RBI authorization, similar to their online counterparts. Non-bank PAs are required to meet stringent capital norms, with a minimum net worth of ₹15 crore at the time of application and ₹25 crore within three years. The Directions also introduce enhanced obligations for merchant onboarding, KYC, cybersecurity, escrow account operations, and transaction monitoring.

The framework tightens rules on fund flows, mandating strict segregation of customer funds in escrow accounts and placing clear restrictions on co-mingling and settlement timelines. Cross-border PAs are now subject to specific controls, such as a ₹25 lakh cap on outward transactions and separation of inward/outward flows. Existing physical PAs must apply for authorization by December 31, 2025, or cease operations by February 28, 2026. These Directions aim to strengthen customer protection, promote regulatory clarity, and support the orderly development of the digital payments ecosystem in India, and are effective immediately unless specified otherwise.

(The Reserve Bank of India (Regulation of Payment Aggregators) Directions, 2025 issued by the RBI is accessible [here](#).)

5. **The RBI issued frequently asked questions (FAQs) on Inter-operable Regulatory Sandbox (IoRS) (September 17, 2025):**

The RBI's FAQ document on the Inter-operable Regulatory Sandbox (IoRS) provides a comprehensive overview of this cross-sectoral innovation framework established by the Financial Sector Regulators' Forum. The IoRS enables entities to test financial products and services that fall under the regulatory purview of more than one financial sector regulator — such as RBI, SEBI, IRDAI, or PFRDA — through a unified process. The document outlines the objectives of the IoRS, which include promoting responsible innovation, enhancing financial inclusion, and fostering collaboration among regulators while reducing time and cost for innovators.

The FAQs detail key aspects of the IoRS, including eligibility criteria (open to domestic and foreign entities), application procedures (accepted on a rolling basis with no fee), and the roles of the Principal Regulator (PR) and Associate Regulator(s) (ARs). It explains the evaluation and selection process, the parameters for testing, the rights and obligations of participants, and the exit procedures post-testing. Additionally, the document emphasizes that participation in the IoRS does not imply automatic approval of the product or service and that full compliance with relevant regulations will be required after the sandbox period concludes.

(The FAQs on Inter-operable Regulatory Sandbox issued by the RBI is accessible [here](#).)

OTHERS

6. The Ministry of Civil Aviation issues the Civil Drone (Promotion and Regulation) Bill, 2025 (September 16, 2025):

The Draft Civil Drone (Promotion and Regulation) Bill, 2025 proposes a comprehensive legal framework for unmanned aircraft systems (UAS) in India, with the aims of promoting innovation and ensuring safety, security, and accountability. It would replace the Drone Rules of 2021 and introduce mandatory registration via a Unique Identification Number (UIN) for all civil drones, require type-certification by the Directorate General of Civil Aviation (DGCA) for manufacturing and sale, and enforce remote pilot certification. The bill also mandates third-party liability insurance, prescribes safety and anti-tampering features, and establishes a tiered airspace zoning regime (Green, Yellow, Red) with corresponding approval protocols.

Under this draft legislation, violations—especially in restricted or sensitive zones—would attract stringent penalties, including imprisonment of up to three years, fines up to ₹1 lakh, or both, and such offences may be cognisable and non-compoundable. The DGCA, authorised officers, or police would have powers to seize drones, relevant records, or devices connected to violations. The bill also provides for compensation (₹2.5 lakh in fatal cases, ₹1 lakh for grievous injuries) to be awarded via Motor Accident Claims Tribunals. The Act explicitly excludes drones used by the armed forces and those weighing over 500 kg (which would be governed under the Bharatiya Vayuyan Adhiniyam, 2024).

(The Civil Drone (Promotion and Regulation) Bill, 2025 issued by the Ministry of Civil Aviation is accessible [here](#).)

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