Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
15th ANMI International Capital Market Convention 2026
Tech, Trade & Trust: Shaping the Future of India's Capital Markets
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MDs & CEOs of our MIIs, Mr. Krishnamurthy Suresh, National President, ANMI, Mr. Kamlesh Shroff, Alternate President, ANMI, Mr Hemant Kakkar, and other members of ANMI, distinguished guests, and friends. May I begin by wishing you all a very happy New Year.

I am delighted to be here at ANMI's 15th International Capital Market Convention. This gathering is a testament to our shared commitment to drive growth in our capital markets by harnessing technology, while keeping investor trust at the centre.

Over the last decade, India's capital markets have scaled rapidly across equities, derivatives - both equity and commodity - mutual funds, AIFs, REITs, InvITs, and corporate bonds. The number of unique investors has surged from 4.3 crore in FY20 to 13.7 crore today. The first nine months of this financial year have seen ₹1.7 trillion raised through 311 IPOs, with total equity mobilization already crossing ₹3.8 trillion.

This scale of participation raises our shared responsibility - we must protect trust, strengthen resilience, and ensure that growth remains sustainable.

Smart Regulation, Lower Friction

SEBI's recent stance has been consistent - to aim at "Optimum Regulation"- in consultation with stakeholders. We are building a smarter regulatory architecture - one that streamlines compliance and removes duplication, while safeguarding investor protection and market integrity.

Recently, we notified the SEBI (Stock Brokers) Regulations, 2026. The intent is clarity - simpler drafting, fewer interpretational gaps, and a framework that supports innovation without diluting safeguards. Key provisions now provide operational flexibility and remove avoidable compliance friction. For example, to support your growth, we have permitted diversification into activities overseen by other financial sector regulators, subject to prescribed safeguards.

The revised framework to address technical glitches at stock brokers' trading system has been issued yesterday. The new framework will ease compliance for small stock brokers as it is applicable only to stock brokers having sizable clientele base and technology dominance. Compliance burden has further been reduced as the framework will not apply to glitches taking place outside the brokers' trading architecture. Reporting of glitches has also been simplified, as it will be done through the common reporting platform.

The penalty framework for stock brokers has been rationalized across exchanges. A common violation will now attract a single, harmonized penalty instead of multiple penalties across exchanges. In Phase I, we reviewed the nature and quantum of penalties: 12 new penalties have been introduced and 40 have been removed. This improves consistency, reduces duplication, and lowers compliance burden.

The Samuhik Prativedan Manch is now live. It enables single-point compliance reporting - you submit reports at one exchange instead of multiple exchanges.

The governance framework of MIIs has been strengthened to ensure public interest always comes first. In parallel, we are rationalising the master circulars that govern these institutions to simplify compliance. The exercise for Stock Exchanges is underway, and public consultation for Clearing Corporations and Depositories will follow soon.

We will continue to optimise the regulatory framework to lower compliance friction, while keeping our markets competitive.

Technology that Strengthens Trust

Technology has reshaped Indian capital markets. Faster settlement, direct pay-outs, resilient MII systems, stronger surveillance, and robust grievance redressal have made our markets fully digital, dematerialised, and transparent.

As investor participation becomes more diverse, we will continue our focus on strengthening market integrity. A comprehensive framework for Cybersecurity and Cyber Resilience has been mandated for all regulated entities. MIIs will support smaller intermediaries by setting up a Market-Security Operations Centre.

A Working Group has just been constituted to draw up comprehensive 5-year and 10-year Technology Roadmap for the MIIs. The working group will guide the MIIs on adoption of emerging technologies, such as AI/ML, distributed ledger technology, cloud computing, SupTech and RegTech solutions, tokenisation, and quantum-safe systems. Our market infrastructure has to be in alignment with India's vision of being a digitally empowered developed economy.

Our oversight is now continuous and technology-led. We are no longer reliant on routine inspections. We now use rule-based alerts to proactively identify market manipulation patterns and to supervise our regulated entities. We have developed more than 300 "SupTech" alerts to monitor real-time compliance of stock brokers and depository participants.

We are actively making use of internally developed AI tools to protect investors and ensure market integrity. The **SEBI Sudarshan** system is being used to detect fraudsters on social media posing as registered advisors to mislead investors. We are developing an AI tool to analyze cyber audit reports and identify gaps before they become breaches.

While we encourage responsible use of AI, we have to keep in mind that AI can augment judgment - it cannot replace human accountability.

Protecting Investor Trust

Trust is the foundation of sustainable growth - built on transparency, fair rules, and consistent enforcement.

Protecting investors from cyber frauds and misleading advice of unregistered finfluencers will continue to be our major objective, in collaboration with MIIs and intermediaries. SEBI's investor awareness and outreach campaigns will continue to expand through a multi-lingual, multi-media and multi-agency strategy. An informed investor is the best defence against market misconduct.

The facilities of "Validated UPI handles" and the "SEBI Check" are our first line of defence against cyber fraud. I urge you to create awareness amongst your clients about its benefits and ease of use.

SEBI's investor survey has highlighted the need for investor access to credible information. The Past Risk and Return Verification Agency or PaRRVA will provide investors with verified performance data, nudging them towards credible intermediaries and away from "finfluencers". Stock brokers who provide algorithmic trading services can now refer to their performance after verification by this agency.

As stock brokers, you are one of the primary interfaces with retail investors – therefore, protecting client assets is non-negotiable. Sound risk management, strong internal controls, and robust cyber resilience are essential to retain trust. Acting in line with the Investor Charter must translate into fewer grievances and faster resolution.

As markets evolve, your role becomes even more important in building a resilient ecosystem. The role must evolve - from executing transactions to enabling informed decisions. By using data and real-time analytics, you have to empower investors to make responsible, evidence-backed choices.

Way Ahead

Our momentum continues. Here is what we are working on:

Investor onboarding

- **Simplifying KYC for retail clients:** Our survey shows that a simple on-boarding experience motivates first-time participation. We are looking to further reduce repeat documentation and streamlining re-KYC so KRAs retain only updated records. Public consultation on these proposals will follow shortly.

- **Facilitating NRIs:** Building on recent relaxations, we will consult stakeholders on a secure, end-to-end KYC framework for NRIs.

Ease of Doing Business

- **Penalty rationalisation (Phase II):** We are integrating newer obligations - including QSB requirements and cyber incident reporting - into a fair, effective framework. The aim is to discourage non-compliance while fostering ease of compliance.

- **Regulations for Depository Participants:** We are reviewing these regulations to simplify requirements and align them to evolving market needs.

- **Cyber-Frauds:** With emerging cyber risks such as hacking, spoofing, and unauthorized access, the industry must strengthen safeguards to protect client trading accounts and assets, and secure the trading environment for long-term participation.

Market development

- **Commodity markets:** Strengthening India's agri and non-agri commodity markets is high on SEBI's agenda. Working groups are already in place to recommend measures.

- **Cash equities and derivatives:** Deepening cash equities and improving derivatives market will remain a high priority. As always, our approach will be consultative and data-backed for any further measures.

- **Corporate bonds and muni-bonds:** We have taken concrete steps to deepen the corporate bond market, making it more accessible for issuers and investors. We are examining bond derivatives, as another initiative to deepen this market. Growth of Muni-bonds is being facilitated through regulatory reforms and outreach programmes.

The Securities Markets Code, 2025, has been introduced in the Parliament, which seeks to consolidate the provisions of three Acts into a single law. The proposed Code marks a transition toward a unified, principle-based framework for our capital markets. MIIs and regulated entities will now have an enhanced role in ensuring investor protection and market integrity. The smooth implementation of this Code, after it is enacted by Parliament, will require a shared commitment from the regulator and the entire market ecosystem.

Closing

Our market's growth has been remarkable, and we can take pride in what we have built. We must strive to make it sustainable.

This sustainability will be driven by the convergence of technology, trade, and trust - technology that strengthens resilience, trade that remains efficient, fair, and globally competitive, and trust anchored in transparency, accountability, and investor protection.

Let us all work together to build a capital-market ecosystem that is both resilient and inclusive.

Thank you. Jai Hind!