

SEBI (Custodian) (Amendment) Regulations, 2026 – Key Highlights

SEBI has amended the **SEBI (Custodian) Regulations, 1996** through the **SEBI (Custodian) (Amendment) Regulations, 2026** to revise the fee payment mechanism for custodians.

Key Changes

- The term “**annual**” has been replaced with “**monthly**” in **Regulation 9(d)** and **Regulation 26(i)**.
- Custodians are now required to pay **monthly fees** instead of annual fees.
- The **monthly fee must be paid within 15 days from the end of each month**.
- A newly registered custodian must also pay the **monthly fee for the month in which registration is granted**.

Impact

- Shifts regulatory fee payments from an annual to a monthly compliance cycle.
- Increases the frequency of fee remittances and compliance monitoring.
- Requires custodians to establish monthly processes to ensure timely payment of SEBI fees and avoid potential non-compliance.

One-Line Summary

SEBI has replaced the annual fee payment requirement for custodians with a monthly fee system, requiring payment within 15 days of each month-end, including for the month of initial registration.

The **SEBI (Custodian) (Amendment) Regulations, 2026** primarily change the **frequency of fee payment from annual to monthly** and prescribe that the monthly fee must be paid within **15 days from the end of each month**. The amendment notification itself does **not introduce a separate or specific late-payment penalty provision**.

However, if a custodian fails to pay the prescribed fee on time, SEBI may take regulatory action under the broader framework of the **SEBI Act, 1992** and the **SEBI (Custodian) Regulations, 1996**, which can include:

- Directions issued by SEBI for compliance.
- Monetary penalties for non-compliance with SEBI regulations, where applicable.
- Suspension or cancellation of registration in cases of persistent or serious regulatory defaults.
- Other enforcement actions deemed appropriate by SEBI.

Practical Takeaway

Since there is **no express late-fee or interest provision mentioned in the 2026 amendment**, custodians should treat the **15-day deadline as a strict compliance requirement** and ensure timely monthly remittance to avoid regulatory scrutiny or enforcement action.

In one line: The amendment does not specify a separate late-payment penalty, but delayed payment may expose a custodian to SEBI's general enforcement and compliance actions.