



UNDERSTANDING THE REVISED SEBI CSCRF EFFECTIVE APRIL 30, 2025

The Securities and Exchange Board of India (SEBI) introduced the **Cybersecurity and Cyber Resilience Framework (CSCRF) on August 20, 2024**, to enhance cybersecurity across the Indian securities market. The framework adopts a graded approach, categorizing SEBI Regulated Entities (REs) into five categories based on their operational scale, client base, trading volume, and assets under management (AUM). These categories are:

- **Market Infrastructure Institutions (MIIs)**
- **Qualified REs (QREs)**
- **Mid-size REs**
- **Small-size REs**
- **Self-certification REs**

On **April 30, 2025**, SEBI issued a revised circular to refine the categorization criteria for certain REs, making adjustments to thresholds and classifications. This simplification ensures cybersecurity requirements are tailored to the size and complexity of each entity.

Key Points About the CSCRF Categorization

- **Applicability:** The CSCRF applies to 19 categories of SEBI-regulated entities.
- **Categorization Timeline:** An entity's category is determined at the **start of the financial year**, based on the previous year's data, and remains fixed for that financial year.
- **Multiple Registrations:** If an RE is registered in multiple categories, the **highest applicable category's provisions** must be followed.

Categories of SEBI-Regulated Entities and Their Classification

The table below summarizes the classification criteria for **19 categories of SEBI Regulated Entities**, based on the original framework (August 20, 2024) and the updated circular (April 30, 2025):

A. Changes

Particulars	Market Infrastructure Institutions (MIIs)	Qualified REs (QREs)	Mid-size REs	Small-size REs	Self-certification REs	Remarks (Changes in April 30, 2025 Circular)
Alternative Investment Funds (AIFs)	Not applicable	Not applicable	Corpus > = Rs. 10,000 Cr	Corpus > Rs. 3,000 and < 10,000 Cr	Corpus ≤ Rs. 3,000 Cr	Changed from scheme-level thresholds to manager-level corpus. Exemption for <100 clients from mandatory M-SOC.
Depository Participants (DPs)	Not applicable	Institutional DPs	Non-institutional DPs	DPs with <1 lakh clients	DPs with <100 clients	Classification aligned with the Stock Broker criteria for DPs registered as brokers. Exemption for <100 clients from SOC/M-SOC.
Investment Advisors (IAs)	Not applicable	Based on highest category if registered in other capacities	Not applicable	Not applicable	Exempt if standalone	Exemption for standalone IAs. Reporting authority changed from BASL to BSE Ltd.
Research Analysts (RAs)	Not applicable	Based on highest category if registered in other capacities	Not applicable	Not applicable	Exempt if standalone	Exemption for standalone RAs. Reporting authority changed from SEBI to BSE Ltd.
KYC Registration Agencies (KRAs)	Not applicable	Applicable	Not applicable	Not applicable	Not applicable	Reclassified from MIIs to QREs.
Merchant Bankers (MBs)	Not applicable	Not applicable	Engaged in issue management	Other MBs not engaged in issue management	Not applicable	Simplified: Removed QRE category linked to systemic importance.
Portfolio Managers	Not applicable	AUM > Rs. 3,000 Cr	Not applicable	Not applicable	AUM ≤ Rs. 3,000 Cr	Simplified: Only "Self-certification REs" and "Qualified REs" categories remain. Exemption for <100 clients from M-SOC.

Registrar to an Issue and Share Transfer Agents (RTAs)	Not applicable	Not applicable	Servicing ≥ 1 crore and < 2 crore folios	Servicing $\geq 10,000$ and < 1 Cr folios		Exemption for RTAs with < 100 clients from SOC/M-SOC.
Stock Brokers through Exchanges	Not applicable	> 10 lakh clients OR Trading Volume $> \text{Rs. } 10$ lakh Cr	> 1 lakh and ≤ 10 lakh clients OR Trading Volume > 1 lakh and ≤ 10 lakh Cr	> 10000 and ≤ 1 lakh clients OR Trading Volume > 10000 and ≤ 1 lakh Cr	> 1000 and ≤ 10000 clients OR Trading Volume > 1000 and ≤ 10000 Cr	Simplified: Both client count and trading volume now determine categorization. Stock Brokers with less than 1,000 crores clientele trading volume (in a year) and less than 1,000 total registered clients are exempted from CSCRF.
Venture Capital Funds (VCFs)	Not applicable	-	Corpus $\geq 10,000$ crores	Corpus > 3000 crores and $< \text{Rs. } 10,000$ crores corpus	Corpus $\leq \text{Rs. } 3000$ crores	Changed from scheme-level thresholds to manager-level corpus. Exemption for < 100 clients from mandatory M-SOC.

B. No changes

Particulars	Market Infrastructure Institutions (MIIs)	Qualified REs (QREs)	Mid-size REs	Small-size REs	Self-certification REs	Remarks (Changes in April 30, 2025 Circular)
Clearing Corporations	Applicable (classified as MIIs)	Not applicable	Not applicable	Not applicable	Not applicable	No changes specified.
Collective Investment Schemes (CIS)	Not applicable	Not applicable	Not applicable	Not applicable	Applicable	No changes specified.
Credit Rating Agencies (CRAs)	Not applicable	Not applicable	Not applicable	Not applicable	Applicable	No changes specified.
Custodians	Not applicable	AUC $\geq \text{Rs. } 10,000$ Cr	AUC $\text{Rs. } 1,000 - 10,000$ Cr	AUC $< \text{Rs. } 1,000$ Cr	Not applicable	No changes specified.
Debenture Trustees (DTs)	Not applicable	Not applicable	Not applicable	Not applicable	DTs with new issuers in the last 3 years	No changes specified.

Depositories	Applicable (classified as MIIIs)	Not applicable	Not applicable	Not applicable	Not applicable	No changes specified.
Designated Depository Participants (DDPs)	Not applicable	Highest category among DPs and Custodians	Not applicable	Not applicable	Not applicable	No changes specified.
Mutual Funds (MFs) / AMCs	Not applicable	AUM \geq Rs. 1,00,000 Cr	AUM Rs.10,000–1,00,000 Cr	AUM < Rs. 10,000 Cr	Not applicable	No changes specified.
Stock Exchanges	Applicable (classified as MIIIs)	Not applicable	Not applicable	Not applicable	Not applicable	No changes specified.

Notable Updates in the April 30, 2025 Circular

Key Highlights in the Remarks Column

1. Exemptions for Small Entities:

- RTAs and DPs with **less than 100 clients**, are now exempt from mandatory SOC/M-SOC requirements. Stock Brokers with less than 1,000 crores clientele trading volume (in a year) and less than 1,000 total registered clients are exempted from CSCRF.

2. Simplification of Merchant Banker Categories:

- The **Qualified RE** category for Merchant Bankers linked to systemic importance (e.g., SIFIs) has been removed.

3. KRAs Reclassified:

- KRAs have been moved from **MIIs** to **Qualified REs**, reducing their compliance burden.

4. Portfolio Managers and AIFs Thresholds Updated:

- Thresholds for **Portfolio Managers** and **AIFs** have been significantly raised, and categorization is now at the **manager level** for AIFs.

5. IAs and RAs Exempted if Standalone:

- Investment Advisors (IAs)** and **Research Analysts (RAs)** not registered in other capacities are now exempt from CSCRF compliance.

Compliance Deadlines

- Revised compliance deadline:** June 30, 2025, for entities covered under the March 28, 2025 circular.
- Cyber Audits:** To follow the August 20, 2024 framework starting FY 2025-26.

Conclusion

The April 30, 2025 circular refines SEBI's CSCRF categorization to align cybersecurity requirements with the operational scale and risk profile of REs. These updates simplify compliance for smaller entities while maintaining stringent requirements for larger and more critical entities. By understanding your category and aligning with the revised thresholds, SEBI-regulated entities can ensure smooth implementation of the CSCRF and strengthen their cybersecurity posture.