



Advisory On Emerging Advanced Artificial Intelligence (AI) Tools For Vulnerability Detection

The Securities and Exchange Board of India (SEBI) has issued a circular dated May 5, 2026 on emerging advanced Artificial Intelligence tools to address the risk of exploitation of system vulnerabilities using AI driven tools. The circular is addressed to all key SEBI-regulated entities including AIFs, stock exchanges, clearing corporations, depositories, mutual funds, AMCs, credit rating agencies, merchant bankers, stock brokers, investment advisers, research analysts, portfolio managers, RTAs and other market intermediaries.

SEBI has noted that AI-driven vulnerability identification tools may introduce heightened cybersecurity risks for regulated entities by enabling rapid and large-scale identification and potential exploitation of existing vulnerabilities. Such tools may also create concerns around data confidentiality, application integrity and reliability of outputs.

SEBI has highlighted the need for a coordinated and market-wide approach to vulnerability management, information sharing, monitoring and assessment, given the interconnectedness and interdependency of participants in the securities market ecosystem.

For this purpose, SEBI has constituted a task force named cyber-suraksha.ai comprising representatives from Market Infrastructure Institutions, Qualified Registrars and Transfer Agents (QRTAs), Qualified Regulated Entities (QREs) and other relevant stakeholders.

The task force has been mandated to examine cybersecurity risks posed by AI-based models, devise uniform mitigation strategies, facilitate sharing of threat intelligence and best practices, report cyber incidents and vulnerabilities on priority, and review the cybersecurity posture of third-party application service providers. The task force has conducted its first meeting and has issued an advisory.

The circular requires regulated entities to treat AI-led vulnerability detection as an accelerated cyber risk vector. The advisory is to be read along with SEBI's existing Cybersecurity and Cyber Resilience Framework and subsequent updates issued by SEBI from time to time.

Kindly refer the following for the details – [SEBI | Advisory on Emerging Advanced Artificial Intelligence \(AI\) Tools for Vulnerability Detection](#)