

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No. 288 Week 32– July 31 2023 to August 6 2023

1

Companies Act 2013 during the week

Circulars - 1; Orders - 0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	02-08-2023	Circular	Companies (Incorporation) second amendment, 2023	Form No. RD-1 was used by companies to file applications to the Regional Director (Central Government) for approval of compromises, arrangements, amalgamations, and conversions under the option “others” prior to this amendment. Pursuant to the amendment a provision in the Form RD-1 has been included under the head “purpose of application” wherein filing of ‘notice of approval of the scheme of merger in CAA-11’ has been provided separately. Furthermore, form RD-1 now seeks the details of the transferor company, wherever applicable.

S. No	NEWS ON MCA
1	<p><u>Refund form on MCA V3 portal:</u></p> <p>Ministry of Corporate Affairs (MCA) has launched 'Refund form' on V3 portal effective from 4th August 2023. Refund forms on V2 portal will continue for availing refund for forms filed in V2.</p>
2	<p><u>Beta Version of View Public Documents (VPD) service in V3 shall be launched on 16th August 2023:</u></p> <p>Stakeholders are informed that Beta Version of View Public Documents [VPD] service in V3 shall be launched on 16th August 2023 for V3 documents (only for Testing purposes between 7:00 pm to 10:00 pm daily). Existing V2 VPD Service shall remain available for the stakeholders.</p>

2

SEBI during the week

Master Circulars – 1; Circulars– 2; NSE Circular – 0; BSE Circular – 1; Press Release - 0

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	31-07-2023	Master Circular	Master Circular for Alternative Investment Funds (AIFs)	This Master Circular has been issued to provide a comprehensive overview of the regulatory framework for AIFs in India and it provides a single point of reference for AIFs and their investors. It includes all the operational circulars issued by SEBI up to March 31, 2023. It does not include circulars that provide temporary relaxations regarding certain compliance requirements for AIFs. In addition to the requirements specified in the Master Circular, AIFs will also need to comply with other requirements specified by SEBI for market intermediaries. It shall come into force with effect from the date of its issuance.
2	31-07-2023	Circular	Online Resolution of Disputes in the Indian Securities Market	The existing dispute resolution mechanism in the Indian Securities Market has been streamlined and the Stock Exchanges, together with the Depositories have established a common Online Dispute Resolution (ODR) Portal to provide conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. The Dispute Resolution Process through the ODR Portal will

				<p>start with the investor/client lodging a complaint directly with the concerned market participant. If the grievance is not resolved satisfactorily, the investor/client can escalate the issue through the SCORES Portal as per the guidelines. If the grievance remains unresolved, the dispute resolution process through the ODR Portal can be initiated. This circular is applicable to the specified intermediaries and regulated entities namely, AIFs, Depository Participants, Portfolio Managers, RTAs, etc.</p> <p>Further, SEBI has issued a corrigendum in response to feedback from market participants who felt that the 30-day deadline was too short. The amendment also clarifies that the online resolution mechanism is not mandatory, and parties can still opt for traditional dispute resolution mechanisms.</p> <p>Accordingly, the corrigendum has brought in the below mentioned changes:</p> <ol style="list-style-type: none"> 1. The deadline for filing online complaints has been extended from 30 days to 60 days. 2. The amendment came into effect on August 5, 2023.
3	02-08-2023	Circular	Audit of firm-level performance data of Portfolio Managers	SEBI has mandated portfolio managers to submit audit reports on firm-level performance data to SEBI within 60 days from the end of each financial year. The audit reports must be in accordance with the standardized Terms of Reference (ToR) specified by the Association of Portfolio Managers in India (APMI). The new

				<p>audit requirements are part of SEBI's efforts to strengthen the oversight of the portfolio management industry. The ToR specifies that the audit must cover all clients' portfolios managed by the portfolio manager, including both discretionary and non-discretionary portfolios. The auditor must also assess the accuracy and completeness of the performance data, as well as the compliance of the portfolio manager with SEBI's regulations. The purpose of the audit is to ensure that the performance data reported by portfolio managers is accurate and reliable and it also helps protect investors from potential fraud or misrepresentation.</p>
4	04-08-2023	BSE Circular	<p>Revised Guidelines for Bidding in Offer for Sale (OFS) Segment</p>	<p>The revised guidelines provide for several changes to the OFS bidding process, including: The introduction of a new bidding category for retail investors.</p> <ol style="list-style-type: none"> 1. The requirement for all bids to be backed by 100% cash upfront margin. 2. The extension of the OFS bidding period is extended to two days. 3. The introduction of a new system for determining the cut-off price. 4. The new bidding category for retail investors will allow retail investors to participate in OFSs without having to meet the minimum bid size requirement. 5. The requirement for all bids to be backed by 100% cash upfront margin is aimed at reducing the risk of default by bidders.

				<p>6. The extension of the OFS bidding period to two days will give investors more time to consider their bids</p> <p>7. The new system for determining the cut-off price will be based on the weighted average of the bids received</p> <p>The revised guidelines are effective from August 5, 2023.</p>
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S.No	NEWS ON SEBI
1	<p><u>Consultation Paper on collating and defining use cases of Financial Information Users in the Account Aggregator Framework in Securities Markets August 1, 2023:</u></p> <p>An Account Aggregator, a Non-Banking Finance Company (NBFC), helps an individual securely and digitally access and share information from one financial institution they have an account with, to any other regulated financial institution in the AA network. However, they merely transmit it from one financial institution to another based on a customer’s direction and consent. They do not have access to such data. Despite the safeguard measures taken by SEBI, consumers sometimes adopt unsafe practices of sharing confidential information, authorizing third parties to access their accounts. It is in this context that comments are sought in improving the safeguards within the AA framework especially to curb misuse of financial information in frauds, misappropriation, mis-selling or unsolicited cross-sell/upsell, etc. The public shall submit their comments in the format as given in the report. The comments shall be submitted on or before August 31, 2023.</p>

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RBI during the week

Notifications - 0; Master Directions –0 ;Master Circulars –0;Press Release:0

S.No	Date of Issue	Rules/Circular/ Notification/ Order/Press release	Subject	Gist thereof
NIL				

S.No	NEWS ON RBI
NIL	

4

IBC during the week
Press Release – 0; Master Direction – 0; Circulars – 0; Order -0

S.No	Date of Issue	Rules/Circular/ Notification / Order/Press release	Subject	Gist thereof
NIL				

S.No	NEWS ON IBC
NIL	

5

Others during the week
ICAI – 0; DGFT – 0; Finance Ministry – 0

S. No	Date	Rules/Circular/ Notification/Order/ Press Release	Contents thereof	Gist thereof
NIL				

S NO	GENERAL NEWS
NIL	

6

Update on Regulated Sector

S.No	Sector	Update
1	The Advocates (Amendment) Bill, 2023	<p>The government in consultation with the Bar Council of India has decided to repeal the Legal Practitioners Act, 1879 and amend the Advocates Act, 1961. The amendment aims to regulate the legal profession through a single Act, the Advocates Act, 1961. One such amendment aims to incorporate the provisions of the legal practitioners act, 1879; with respect to touts while further amending the same. ‘Tout’ is a person, who induces/instigates, on the basis of falsity, any party of a court’s case/complaint/matter to engage any particular lawyer for conduction of said case/complaint/matter in the court. Section 36 of the Legal Practitioners Act, 1879 allows every High Court, district judge, sessions judge, district magistrate, and revenue officer (not below the rank of a district collector) to frame publish lists of touts. These authorities are empowered to order subordinate courts to hold an inquiry into the conduct of persons alleged or suspected to be touts. Once such a person is proven to be a tout, his name will be included in the list of touts and every such person is given the opportunity of showing cause against his inclusion. Any person who acts as a tout while his name is included in the list of touts will be punished with imprisonment up to three months, a fine up to Rs 500, or both.</p>

		<p>The proposed amendment apart from the above, seeks to further extend the powers of the Court or judge to as well exclude any such person whose name is included in the list of touts from the premises of the Court, thus securing the sanctity of the legal profession.</p>
<p>2</p>	<p>Digital Personal Data Protection Bill 2023 introduced in Lok Sabha</p>	<p>Union Communications, Electronics, and Information Technology Minister Ashwini Vaishnaw introduced the Digital Personal Data Protection Bill, 2023, in the Lok Sabha. The bill aims to regulate the processing of digital personal data while ensuring individuals' right to protect their data and the need to process it for lawful purposes. The DPDP Bill defines personal data as "any information that relates to a natural person, which can be used to identify, contact, or locate the person or to identify any other natural person with whom the person is in direct or indirect contact." The Bill also defines sensitive personal data as personal data that reveals the racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, physical or mental health condition, sexual life, or biometric information of a natural person. Here are some of the key features of the DPDP Bill:</p> <ol style="list-style-type: none"> 1. It defines personal data and sensitive personal data. 2. It provides for a number of rights for individuals, including the right to know, the right to rectification, the right to object, the right to port, and the right to file a complaint. 3. It imposes a number of obligations on data fiduciaries, including the obligation to obtain consent, the obligation to use personal data only for the purposes for which it was collected, and the obligation to protect personal data from unauthorized access, use, disclosure, or destruction. 4. It establishes a DPA to oversee the implementation of the law.



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