

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Edition No. 289 Week 33 – August 07 2023 to August 13 2023

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Companies Act 2013 during the week

Rules -0; Circulars - 0; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
Nil				

S. No	NEWS ON MCA
NIL	

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SEBI during the week

Circulars– 3; NSE Circular – 0; Master Circular – 1; Notification – 2; Others – 1

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	08-08-2023	Circular	Facility to remedy erroneous transfers in Demat accounts	SEBI has facilitated a mechanism providing exemption from one-time password to address the challenges faced by the depositories in reversal of erroneous transfers in demat accounts. In this regard, an internal & joint committee shall be formed by the depositories for examining and verifying the intra-depository and inter-depository erroneous transfers respectively and Depositories shall act based on the decision of the Committee. This circular issued for protecting investors' interests and ensuring the orderly functioning of the securities market.
2	09-08-2023	Circular	Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days	<ul style="list-style-type: none"> ➤ SEBI has reduced the timeline for listing of shares in public issues from the existing T+6 days to T+3 days. Revised timelines shall be disclosed in the offer document of Public issue. ➤ The reduction in the listing timeline is intended to make the public issue process more efficient and investor friendly.

				<p>➤ The new listing timeline will be applicable on voluntary basis for public issues opening on or after 01st September 2023 and mandatorily for public issues opening on or after 01st December 2023.</p>
3	09-08-2023	Notification	SEBI (Settlement Proceedings) (Second Amendment) Regulations, 2023	<p>SEBI has amended the Settlement Proceedings Regulations, 2018 to empower the Panel of Whole Time Members (PWT) to dispose of specified proceedings, whether ongoing or proposed, based on approved settlement terms.</p> <p>Specified proceedings are those that are initiated or proposed to be initiated by SEBI under the following laws:</p> <ol style="list-style-type: none"> 1. Securities and Exchange Board of India Act, 1992 2. Securities Contracts (Regulation) Act, 1956 3. Depositories Act, 1996 <p>The amendment to the Settlement Proceedings Regulations, 2018 is a positive step towards streamlining the settlement process and reducing the time and cost involved in resolving regulatory cases. It will also help to ensure that specified proceedings are resolved in a fair and equitable manner.</p> <p>The amendment shall be deemed to have come into force from January 17, 2023</p>
4	10-08-2023	Consultation Paper	Consultation paper on review of framework for borrowings by Large Corporates	<p>SEBI has issued a consultation paper on the review of the framework for borrowings by large corporates. The consultation paper seeks feedback on the existing framework and proposes several changes, such as:</p> <ol style="list-style-type: none"> 1. Introducing a debt servicing coverage ratio (DSCR) requirement for large corporates.

				<p>2. Limiting the amount of debt that large corporates can raise from non-convertible debentures (NCDs).</p> <p>3. Requiring large corporates to disclose more information about their borrowings.</p> <p>The consultation paper is open for public feedback until August 31, 2023.</p>
5	10-08-2023	Notification	<p>Securities and Exchange Board of India (Foreign Portfolio Investors) (Second Amendment) Regulations, 2023</p>	<p>The Securities and Exchange Board of India (SEBI) has amended the SEBI (Foreign Portfolio Investors) Regulations, 2019 (FPI Regulations) with effect from 10th August, 2023. The amendments aim to bring transparency in the ownership structure of a foreign portfolio investor (FPI).</p> <p>The key changes introduced by the amendments are as follows:</p> <ol style="list-style-type: none"> 1. FPIs, that fulfils the criteria specified SEBI from time to time, will be required to disclose information or documents in relation to the persons with any ownership, economic interest or control, in the foreign portfolio investor.
6	11-08-2023	Circular	<p>Simplification of KYC process and rationalisation of Risk Management Framework at KYC (Know Your Client) Registration Agencies (KRAs)</p>	<p>SEBI has simplified the KYC process for clients opening new accounts with intermediaries in the securities market. Under the new process, clients will be allowed to open an account as soon as their KYC is completed, without having to wait for it to be verified by the KRA.</p> <p>The intermediaries can fetch the validated records of clients from the KRA database once they completed KYC Process.</p> <p>Further, SEBI has also rationalised the risk management framework at KRAs. This includes reducing the number of risk factors that KRAs need to consider when assessing a client's risk profile.</p>

7	11-08-2023	Master Circular	Master Circular for Online Resolution of Disputes in the Indian Securities Market	SEBI has issued a Master Circular for Online Dispute Resolution highlighting the establishment of a common Online Dispute Resolution Portal (ODR Portal) that facilitates online conciliation and arbitration for resolving disputes arising in the Indian securities market. The framework encompasses various stakeholders, including Recognized Stock Exchanges, Clearing Corporations, Depositories, Stockbrokers, Depository Participants, Listed Companies and SEBI Registered Intermediaries.
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S.No	NEWS ON SEBI
1	<p><u>SEBI's SCORES online platform disposes of 2886 complaints in July:</u></p> <p>The Securities and Exchange Board of India (SEBI)'s online grievance redressal platform SCORES disposed of 2,886 complaints against companies and market intermediaries in July 2023. This is an increase of 17% from the 2,457 complaints disposed of in June 2023. The average resolution time for a complaint was 34 days. As of July 2023, there were 8 complaints pending for more than three months. These complaints were related to investment adviser and venture capital funds.</p>
2	<p><u>SEBI report: Number of appeals filed on SAT rose to record 1,192 in FY23:</u></p> <p>The Securities and Exchange Board of India (SEBI) reported that a record number of 1,192 appeals were filed in the Securities Appellate Tribunal (SAT) in the financial year 2022-23 (FY23). This is an increase of 53% from the 780 appeals filed in FY2022. The increase in the number of appeals filed on SAT is likely due</p>

	to a number of factors namely, SEBI's increased regulatory activity, the increasing complexity of market regulations, the lack of clarity in some regulations, etc.
3	<p><u>SEBI sets reform agenda for FY24; proposes digital assurance, voting norms</u></p> <p>SEBI has laid out its reform agenda for the ongoing financial year, proposing measures around digital assurance of financial statements, making e-voting more accessible, limiting risks in derivatives, a new pricing discovery mechanism for delisting, and greater disclosures for unlisted companies under a conglomerate. Further the focus was laid on the serious governance lapses in listed companies, mostly in connection with Related-Party Transactions. In this regard, SEBI has proposed to facilitate voting through various channels such as websites and apps of the broker to encourage and provide ease of access to retail investors to participate in voting on motions moved by listed companies.</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	

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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
1	<p><u>Restoration Application in NCLT portal:</u></p> <p>It is to be noted that the filing of the 'Restoration Application(s)' must be filed under the category of 'Restoration Application' only. NCLT has brought to notice that any application found under wrong case type in e-filing module will be returned with defect(s).</p>

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Others during the week
ICAI – 0; DGFT – 0; NCLT – 0; Others – 1

S. No	Date	Rules/Circular/ Notification/ Order/Press Release	Contents thereof	Gist thereof
1	11-08-2023	Notification	The Digital Personal Data Protection Act, 2023	<p>Government of India issued gazette notification for the Digital Personal Data Protection Act, 2023 (DPDP Act) after it receiving the assent of the President on 11th August 2023.</p> <p>The DPDP Act aims to protect the privacy of individuals by regulating the collection, processing, and use of their personal data.</p> <p>The DPDP Act applies to all organizations that collect or process personal data of individuals in India, regardless of whether they are in India or not.</p> <p>The DPDP Act establishes the Data Protection Authority of India (DPA), which is responsible for enforcing the provisions of the Act.</p> <p>The DPDP Act provides for penalties for violations of the Act, including imprisonment and fines.</p>

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Update on Regulated Sector

S.No	Sector	Update
1	Civil and Criminal Legislations	<p>The Government of India has introduced Three Bills to Replace Indian Penal Code, Criminal Procedure Code and Indian Evidence Act.</p> <p>On August 11, the Government of India introduced three Bills in the Lok Sabha to repeal and replace the legislation – the Indian Penal Code (IPC), the Code of Criminal Procedure (CrPC) and the Indian Evidence Act (IEA).</p> <p>A. Bharatiya Nyaya Sanhita, 2023: The Bill has been introduced to repeal and replace the existing IPC to streamline the provisions related to offences and penalties. The features and objects of the Bill are as follows:</p> <ol style="list-style-type: none"> a. It is proposed to provide first time community service as one of the punishments for petty offences. b. The offences against women and children, murder and offences against the State have been given precedence. c. The various offences have been made gender neutral. d. To deal effectively with the problem of organized crimes and terrorist activities, new offences of terrorist acts and organized crime have been added in the Bill with deterrent punishments. e. A new offence on acts of secession, armed rebellion, subversive activities, separatist activities or endangering sovereignty or unity and integrity of India has also been added.

f. The fines and punishment for various offences have also been suitably enhanced.

B. Bharatiya Nagarik Suraksha Sanhita, 2023: The Bill has been introduced to repeal and replace the existing CrPC. The features and objects of the Bill are as follows:

- a. It provides for the use of technology and forensic sciences in the investigation of crime and furnishing and lodging of information, service of summons, etc., through electronic communication.
- b. Specific timelines have been prescribed for time bound investigation, trial and pronouncement of judgements.
- c. Citizen centric approach have been adopted for supply of copy of first information report to the victim and to inform them about the progress of investigation, including by digital means.
- d. In cases where the punishment is seven years or more, the victim shall be given an opportunity of being heard before withdrawal of the case by the Government.
- e. Summary trial has been made mandatory for petty and less serious cases.
- f. The accused persons may be examined through electronic means, like video conferencing. The magisterial system has also been streamlined.

C. Bharatiya Sakshya Bill, 2023: The Bill has been introduced to repeal and replace the existing IEA to consolidate and provide general rules and principles of evidence for a fair trial. The significant features and objects of the Bill are as follows:

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| | | <ul style="list-style-type: none">a. The Bill provides that 'evidence' includes information given electronically; thus, the Bill allows the witnesses, accused, experts and victims to appear through electronic means.b. The Bill provides for the admissibility of electronic or digital records as evidence and that such electronic and digital records have the same legal effect, validity, and enforceability as paper-records.c. The Bill seeks to expand the scope of secondary evidence to include copies made from original documents through mechanical processes, copies made from or compared with the original document, counterparts of documents as against the parties who did not execute them and oral accounts of the contents of a document given by some person who has himself seen it and giving matching hash # value of original record will be admissible as proof of evidence in the form of secondary evidence.d. The Bill further seeks to put limits on the facts which are admissible and its certification as such in the courts. The Bill introduces more precise and uniform rules of practice for courts in dealing with facts and circumstances of the case by means of evidence. |
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