

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Edition No. 284 Week 28 – July 03 2023 to July 08 2023

1

Companies Act 2013 during the week

Rules -0; Circulars - 0; Notifications-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
1	<p><u>Beta Version of Master Data Services in V-3:</u> Stakeholders are informed that Beta Version of Master Data Services in V-3 (for Testing purposes Only; not to be used for any statutory and legal purpose) shall be launched on 09/07/2023. Existing V-2 Master Data Services shall remain available for the stakeholders</p>

2

SEBI during the week

Circulars– 4; NSE Circular – 1; Master Circular – 3; Notification – 2

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	03-07-2023	Notification	SEBI (Ombudsman) (Repeal) Regulations, 2023	<p>The amended Regulations shall be called the Securities and Exchange Board of India (Ombudsman) (Repeal) Regulations, 2023 and shall come into force on the date of their publication in the Official Gazette.</p> <p>From the commencement of these Regulations, the Securities and Exchange Board of India (Ombudsman) Regulations, 2003 shall stand repealed.</p> <p>But it shall not affect:</p> <ul style="list-style-type: none"> • any previous operation, any right,; • privilege, obligation or liability acquired or accrued or incurred;

				<ul style="list-style-type: none"> • any penalty or punishment incurred in respect of any contravention or offence committed under the said regulations; • any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty or punishment as aforesaid
2	03-07-2023	Master Circular	Master Circular for Credit Rating Agencies	This Master Circular is a compilation of the existing circulars as on July 03, 2023, with consequent changes. In order to enable the industry and other users to have access to all the applicable circulars/directions at one place, Master Circular for CRAs has been prepared.
3	04-07-2023	Circular	Appointment of Director nominated by the Debenture Trustee on boards of issuers	<p>The SEBI circular emphasizes the requirement for issuers that are companies under the Companies Act, 2013, to appoint a nominee director nominated by the debenture trustee(s). Considering the challenges faced by issuers governed by different statutes, such as those requiring prior approval from the President of India or lacking provisions for nominee directors in their principal documents.</p> <p>And based on the representation from the Debenture Trustees, the issuers coming under certain categories can submit an undertaking to the debenture trustees instead of nominating a director .</p>

				Debenture trustees are tasked with ensuring compliance and monitoring issuer adherence to the circular.
4	04-07-2023	Notification	SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023	<p>SEBI vide its SEBI ((Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 has inserted the definition of <i>Dispute Resolution</i> in the following regulations:</p> <ol style="list-style-type: none"> 1. SEBI (Merchant Bankers) Regulations, 1992 2. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 3. SEBI (Debenture Trustees) Regulations, 1993 4. SEBI (Mutual Funds) Regulations, 1996 5. SEBI (Custodian) Regulations, 1996 6. SEBI (Credit Rating Agencies) Regulations, 1999 7. SEBI (Collective Investment Schemes) Regulations, 1999 8. SEBI (Know Your Client Registration Agency) Regulations, 2011 9. SEBI (Investment Advisers) Regulations, 2013 10. SEBI (Research Analysts) Regulations, 2014 11. SEBI (Infrastructure Investment Trusts) Regulations, 2014 12. SEBI (Real Estate Investment Trusts) Regulations, 2014

				<p>13. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</p> <p>14. SEBI (Foreign Portfolio Investors) Regulations, 2019</p> <p>15. SEBI (Portfolio Managers) Regulations, 2020</p> <p>16. SEBI (Vault Managers) Regulations, 2021</p> <p>Further SEBI ((Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 has substituted the definition of <i>Dispute Resolution</i> in the SEBI (Alternative Investment Funds) Regulations, 2012.</p>
5	05-07-2023	Circular	Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT and InvIT, respectively	<p>SEBI has limited the pricing of the unit by amending the provisions which now state that the institutional placement will be made at a price not less than the average of the weekly high and low closing prices of the units of the same class quoted on the stock exchange during the two weeks preceding the relevant date.</p> <p>Further, a discount of not more than 5% on the price can be offered by the REIT and InvIT.</p>
6	05-07-2023	NSE Circular	Corrigendum on Master Circular for Listed Companies	<p>This is with reference to the Corrigendum on Master Circular for Listed Companies which is comprised of 2 parts. This Master Circular is a compilation of relevant and updated circulars/ guidelines issued by the Exchange as on May 31, 2023.</p>

				This circular shall be applicable with immediate effect. Further, this Master circular supersedes earlier Exchange master circular (ref no: NSE/CML/2023/50 dated June 30, 2023)
7	06-07-2023	Master Circular	Master Circular on Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)	To enable the stakeholders to have access to all the applicable circulars at one place, the provisions of the circulars issued till July 06, 2023, are incorporated in this Master Circular for Infrastructure Investment Trusts and Real Estate Investment Trusts, respectively.
8	06-07-2023	Master Circular	Master Circular for Debenture Trustees	For effective regulation of the corporate bond market and to enable the Debenture Trustees and other market stakeholders to get access to all the applicable circulars at one place, this Master Circular has been prepared. Debenture Trustees are directed to comply with the conditions laid down in this Master Circular and it is reiterated that Debenture Trustees shall have necessary systems and infrastructure in place for implementation of this circular.
9	07-07-2023	Circular	Roles and responsibilities of Trustees and board of directors of Asset Management Companies (AMCs) of Mutual Funds	SEBI has developed certain core responsibilities for trustees of mutual funds and boards of directors of AMC's. This is pursuant to an amendment made to the SEBI (Mutual Funds) Regulations, where the board decided to specify some core responsibilities for mutual fund trustees. Trustees are entities that hold the property of the mutual fund in

				<p>trust for the benefit of the unitholders and to ensure that the AMCs appointed by them act in the best interests of the unitholders. The core responsibilities of a mutual fund trustee would include:</p> <ul style="list-style-type: none"> • Ensuring the fairness of the fees and expenses charged by the AMCs. • Putting in sufficient mechanisms to prevent mis selling • Ensuring that there is no undue influence in the operations by sponsors, associates, or other stakeholders of the AMC. • Ensuring that there is no undue or unfair advantage given to any associate entities. • Addressing conflicts of interest between shareholders, stakeholders, associates of the associates of the AMC, and unitholders. • Ensuring an adequate system to prevent market misconduct by employees and connected entities of the AMC.
10	07-07-2023	Circular	Regulatory Framework for Sponsors of a Mutual Fund	SEBI has laid down new rules for private equity funds sponsoring mutual fund houses and self-sponsored AMCs.

				<p>Any entity that owns 40 per cent or more stake in a mutual fund is considered a sponsor, applicants for sponsorship must have at least five years of experience as a fund manager, with experience in investing and managing at least Rs. 5,000 Cr in the financial sector. Further, the MF sponsored by a PE fund cannot participate as an anchor investor in public issues of investee companies where the sponsor has a 10 % or more investment or a board representation. And eligibility of a private equity fund as a sponsor will be based on its conduct in its home jurisdiction.</p> <p>Furthermore, SEBI has allowed AMCs to become self-sponsored, provided they have been in the financial services business for at least five years, have a positive net worth, and meet specific profit criteria.</p> <p>This is to enhance the penetration of the mutual fund industry and facilitate new types of sponsors, encouraging capital flow, innovation, competition, consolidation, and easier exits for the existing sponsors.</p>
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S.No	NEWS ON SEBI
1	<p><u>SEBI looking to mandate Foreign Portfolio Investors (FPIs) to use Request For Quote (RFQ) platform for 10% of secondary transactions:</u></p> <p>SEBI proposed mandating FPIs to undertake at least 10% of their secondary market trades in corporate bonds by value on the RFQ platform on the stock exchanges. The proposal is aimed at increasing the liquidity on the RFQ platform and enhancing the transparency and disclosures pertaining to investments in corporate bonds, which in turn will encourage investment by FPIs in the corporate bond segment.</p>
2	<p><u>SEBI's SCORES platform disposes of 3,079 complaints in June:</u></p> <p>A total of 3,079 complaints against companies and market intermediaries have been disposed of through SEBI's SCORES platform in June.</p>
3	<p><u>SEBI issues consultation paper on cybersecurity, resilience frameworks for regulated entities</u></p> <p>SEBI came out with consultation paper on boosting the cybersecurity framework for entities regulated by it. The Consultation paper on 'Consolidated Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities' looks at providing a common structure for multiple approaches to cyber security to prevent any cyber-risks/incidents.</p>

3

RBI during the week

Notifications - 0; Master Directions –0 ;Master Circulars –0

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

S.No	NEWS ON RBI
1	<p><u>Appointment of Executive Director in RBI:</u></p> <p>Mr. Vasudevan is appointed as executive director in Reserve Bank of India and he will look after Department of Currency Management, Corporate Strategy and Budget Department (Areas other than that of Budget & Funds) and Enforcement Department. His appointment is effective from July 03, 2023.</p>
2	<p><u>RBI panel makes recommendations for Internationalization of rupee:</u></p> <p>The Inter-Departmental Group (IDG) constituted by the Reserve Bank of India to examine issues related to the internationalization of the Indian rupee and has come up with a report, where it made various short-term and long-term recommendations enabling rupee as an additional settlement currency in existing multilateral mechanisms; integrating Indian payment systems with other countries for cross-border transactions.</p>

4

IBC during the week
Notification -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	

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Others during the week
NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -0;

S. No	Date	Rules/Circular/ Notification/Order/ Press Release	Contents thereof	Gist thereof
1	30-06-2023	Public Notice	Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorization holders	The last date to apply under the Amnesty Scheme has been extended till 31.12.2023 and last date for payment of Customs Duty plus interest has been extended till 31.03.2024.

S NO	GENERAL NEWS
	NIL

6

Update on Regulated Sector

S.No	Sector	Update
1	Notification in Ministry of Environment, Forest and Climate Change	<p><u>Green Credit Program Implementation Rules 2023:</u></p> <p>To promote environment-friendly initiatives and incentivize positive environmental actions, India’s federal Ministry of Environment, Forests, and Climate Change (MoEFCC) has introduced the draft Green Credit Program Implementation Rules 2023. This innovative program offers stakeholders, including individuals, farmer-producer organizations (FPOs), industries, and local bodies, a unique opportunity to earn green credits for undertaking specific activities that contribute to a positive impact on the environment.</p> <p>The Indian government is developing green credits to mobilize a large-scale movement around environmentally responsible behavior and actualize the vision of “Mission LiFE (Lifestyle for Environment)” through pro-planet individuals and organizations to attain India’s goal of net zero GHG-emission by 2070.</p> <p>The Green Credit Program introduces the concept of green credits, which represent units of incentives provided for specific activities that have a positive impact on the environment. Unlike the domestic carbon market, which focuses solely on CO2 emission reductions, the green credit system incentivizes sustainable actions related to various activities</p>



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