

**WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC**

Week 25 - June 13 2022 to June 19 2022

**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	<b>Centre looking to strengthen NFRA's financial and operational autonomy</b> : The Centre is looking into measures that may be needed to strengthen the National Financial Reporting Authority's financial and operational autonomy, Rajesh Verma, Secretary, Ministry of Corporate Affairs (MCA) has said. For this purpose, MCA will be guided by the recommendations made by the Company Law Committee.

2

**SEBI during the week**

**Act -0; Report -0; Circulars-1; Press Release-0; Notification -0; Regulation- 0**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	15/06/2022	Circular	<p><b>Nomination for Mutual Fund Unit Holders</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/jun-2022/nomination-for-mutual-fund-unit-holders_59743.html">https://www.sebi.gov.in/legal/circulars/jun-2022/nomination-for-mutual-fund-unit-holders_59743.html</a></p>	<p>Investors subscribing to mutual fund units on or after August 01, 2022, shall have the choice of providing nomination in the format specified in fourth schedule of SEBI (Mutual Funds) Regulations, 1996 or opting out of nomination through a signed Declaration form as provided in Annexure - A to this circular of the link provided.</p> <p>AMC shall provide an option to the unit holders to submit either the nomination form or the declaration form for opting out of nomination in physical or online as per the choice of the unit holders.</p>

S. No	NEWS ON SEBI
1	<p><b>Informal Guidance Sought by Ace Lansdowne Investments Services LLP</b></p> <p>GIST: The Manager of Ace Lansdowne Investments Services LLP manages an off shore fund which will be domiciled in Ireland.</p> <p>Q1: Whether the applicant which is already acting as the investment manager of the SEBI registered Alternative Investment Fund can provide investment management services to the offshore fund?</p> <p>Q2: Whether the applicant is required to obtain registration as a portfolio Manager, in order to provide investment management services to the offshore fund as its activities are regulated under SEBI</p> <p>Q3: Whether the investment Manager of an AIF is exempted from obtaining registration under SEBI, to provide investment management services to the offshore fund as its activities are regulated under SEBI</p> <p>Q4: Whether Investment Manager of AIF would be considered as a regulated entity in terms of SEBI?</p> <p>Answer:</p> <p>Investment managers of an AIF (Alternative Investment Fund) can provide investment management services to the offshore fund (i.e an eligible investment fund as defined under section 9A (3) of the IT Act) only by getting registered as portfolio managers. An Investment Manager of an AIF is not exempted from obtaining registration under SEBI. As regards Q4 above, the Manager of an AIF is considered as a regulated Entity in terms of SEBI (AIF) regulations.</p>
2	<p><b>Capital Small Finance Bank pays Rs 5.8 lakh to settle case with SEBI</b></p> <p>Capital Small Finance Bank has settled with SEBI a case pertaining to alleged violations of regulatory norms during allotment of its equity shares after paying Rs 5.8 lakh towards settlement charges. The order came after the bank proposed to settle the alleged violations through a settlement order.</p> <p>Capital Small Finance Bank had made allotment of its equity shares to 402 persons on 14 occasions in tranches from May 2004 to March 2005.</p> <p>The allotment was allegedly in violation of the Companies Act, and SEBI's DIP (Disclosure and Investor Protection) Guidelines, the order mentioned.</p>

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**RBI during the week**

**Notifications -2; Master Directions –0; Master Circulars –0; Press Release -2;**

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	13/06/2022	Press Release	Report of the Regulations Review Authority(RRR2.0) <a href="https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53858">https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53858</a>	<ul style="list-style-type: none"> <li>• Regulations Review Authority (RRA 2.0) was set-up by the Reserve Bank of India (RBI) vide press release dated April 15, 2021, with the objective of reducing the compliance burden on Regulated Entities (REs) by streamlining the regulatory instructions and rationalizing reporting requirements.</li> <li>• The RRA 2.0 has since submitted its report containing final set of recommendations.</li> <li>• The report contains recommendations on ease of compliance and reduction in regulatory burden, streamlining of reporting mechanism and dissemination and ease of accessibility of regulatory instructions.</li> </ul>

				<ul style="list-style-type: none"> <li>RRA has recommended withdrawal of 714 circulars in the four tranches of interim recommendations on November 16, 2021, February 18, 2022, May 2, 2022 and May 13, 2022. Also, on February 18, 2022, RRA had recommended discontinuation / merger / conversion to online filing of 65 regulatory returns and creation of a new “Regulatory Reporting” link on the RBI website to consolidate information relating to regulatory reporting and submission of returns by REs at a single place.</li> </ul>
2	14/06/2022	Notification	<b>Bank finance to Government owned entities India</b> <a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12339&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12339&amp;Mode=0</a>	Banks/ FIs have also been found to have violated Reserve Bank of India’s instructions which inter alia require that in case of projects undertaken by government owned entities, term loans should be sanctioned only for corporate bodies; due diligence should be carried out on viability and bankability of the projects to ensure that revenue stream from the project is sufficient to take care of the debt servicing obligations; and that the repayment/ servicing of debt is not from

				<p>budgetary resources.</p> <p>Banks are advised to carry out a review and place before their Boards, a comprehensive report on the status of compliance with the instructions within three months from the date of this circular.</p>
3	16/06/2022	Notification	<p><b>Processing of e-mandates for recurring transactions</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12341&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12341&amp;Mode=0</a></p>	<p>The e-mandate framework prescribed an Additional Factor of Authentication (AFA), inter alia, while processing the first transaction in case of e-mandates / standing instructions on cards, prepaid payment instruments and Unified Payments Interface. For subsequent transactions with transaction values up to `5,000/- (AFA limit), prescription of AFA was waived. On a review of implementation of the e-mandate framework and the protection available to customers, it has been decided to increase the aforesaid AFA limit from `5,000/- to `15,000/- per transaction.</p>
4	16/06/2022	Press Release	<p><b>Reserve Bank of India lifts the business restrictions imposed on Mastercard Asia / Pacific Pte. Ltd.</b></p> <p><a href="https://www.rbi.org.in/Scripts/BS_PressRelease">https://www.rbi.org.in/Scripts/BS_PressRelease</a></p>	<p>Reserve Bank of India (RBI) had, by order dated July 14, 2021, imposed restrictions on Mastercard Asia / Pacific Pte. Ltd. from on-boarding new domestic customers (debit, credit or prepaid) onto</p>

			<a href="Display.aspx?prid=53877">Display.aspx?prid=53877</a>	<p>its card network from July 22, 2021 for non-compliance with the RBI circular dated April 06, 2018 on Storage of Payment System Data. In view of the satisfactory compliance demonstrated by Mastercard Asia / Pacific Pte. Ltd. with the RBI circular dated April 06, 2018 on Storage of Payment System Data, the restrictions imposed, vide order dated July 14, 2021, on on-boarding of new domestic customers have been lifted with immediate effect</p>
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S. No	NEWS ON RBI
1	<p>The Central Government has nominated Shri Anand Gopal Mahindra, Shri Venu Srinivasan, Shri Pankaj Ramanbhai Patel and Dr Ravindra H. Dholakia as part-time non-official Directors on the Central Board of Reserve Bank of India, for a period of four years with effect from June 14, 2022 or until further orders, whichever is earlier.</p>

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### IBC during the week

**Notifications -3; Master Directions –0; Master Circulars –0; Circular –0;**

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	14/06/2022	Notification	<b>Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2022</b> <a href="https://www.ibbi.gov.in/uploads/legalframework/6247821df2e2415602c57c2e1ea406b0.pdf">https://www.ibbi.gov.in/uploads/legalframework/6247821df2e2415602c57c2e1ea406b0.pdf</a>	<p>The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2022”.</p> <p>The amendments inter-alia provides that:</p> <ul style="list-style-type: none"> <li>• In the principal regulations, for the word “clients”, wherever it occurs, the word “stakeholders” shall be substituted.</li> <li>• Under Chapter III, new chapters namely; Chapter III-A (Investigation during Disposal of Complaint or Grievance) and Chapter III-B (Interim Order on Material Available on Record) has been inserted.</li> </ul>



2	14/06/2022	Notification	<p><b>Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2022</b></p> <p><a href="https://www.ibbi.gov.in/uploads/legalframework/757420e96c77f5796f9cd936bba213a4.pdf">https://www.ibbi.gov.in/uploads/legalframework/757420e96c77f5796f9cd936bba213a4.pdf</a></p>	<p>The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2022”.</p> <p>The amendments inter-alia provides that:</p> <ul style="list-style-type: none"> <li>• “Record of default” means the status of authentication of default issued in Form D of the Schedule.”</li> <li>• In the regulation 20 of the principal regulations, a sub-regulation is inserted stating, before filing an application to initiate CIRP, the creditor shall file the information of default, with the information utility and the information utility shall process the information for the purpose of issuing record of default in accordance with regulation 21.</li> <li>• In the principal regulations, in the Schedule, Form D* (Record of Default) is inserted.</li> </ul>
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3	14/06/2022	Notification	<p><b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022</b></p> <p><a href="https://www.ibbi.gov.in/uploads/legalframework/4ab776f8d603aded095baf85e1c22c86.pdf">https://www.ibbi.gov.in/uploads/legalframework/4ab776f8d603aded095baf85e1c22c86.pdf</a></p>	<p>IBBI vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022”. The amendments inter-alia provides that:</p> <ul style="list-style-type: none"> <li>• The operational creditor shall, along with application under section 9, furnish copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable:</li> <li>• Provided that provisions of this regulation shall not apply to those operational creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax.</li> <li>• The financial creditor or operational creditor shall, while filing application under section 7 or 9, as the case may be, also furnish details of his/ its <ul style="list-style-type: none"> <li>(a) Permanent Account Number</li> <li>(b) Email-ID</li> </ul> </li> </ul>
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S. No	NEWS ON IBC
1.	<p><b>REPORT OF THE INSOLVENCY LAW COMMITTEE:</b> This Report details the deliberations and recommendations of the Committee in assessing the implementation of the Code. The recommendations address the issues highlighted by the public and stakeholders concerning the CIRP and liquidation processes and avoidance actions and improper trading. The recommendations in this Report review the existing practice and implementation of the Code, having due regard to any related domestic legislation and international insolvency frameworks, and suggest whether there is need for amendment to the provisions of the Code and to its relevant subordinate legislation</p> <p><a href="https://www.ibbi.gov.in/uploads/resources/f841a45902d901ef311fe6d76127d094.pdf">https://www.ibbi.gov.in/uploads/resources/f841a45902d901ef311fe6d76127d094.pdf</a></p>

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**Others during the week**

**NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -1;**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	13/06/2022	Press Release	<p>Centre directs E-commerce food business operators to submit proposal on improving consumer grievance redressal mechanism within 15 days</p> <p><a href="https://www.pib.gov.in/PressReleasePage.aspx?PRID=1833570">https://www.pib.gov.in/PressReleasePage.aspx?PRID=1833570</a></p>	<p>The Department of Consumer Affairs has directed major e-commerce food business operators (FBOs) to furnish the current framework as well as a proposal on improving the consumer grievance redressal mechanism within 15 days. The direction was given during a meeting chaired by Secretary, Department of Consumer Affairs, Shri Rohit Kumar Singh with major e-commerce food business operators, to discuss pertinent issues which affect consumers in this sector.</p>

S. No	GENERAL NEWS
1.	NIL



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