

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

**Edition No. 316 Week 07 – February 12, 2024, to February 18, 2024**

**1**

**Companies Act 2013 during the week**

**Notifications - 1; Rules -0; Circulars - 0; Orders-0; Important Notices -1**

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1.	12.02.2024	Important Notices	Linking of NSWS with MCA portal	Ministry of Corporate Affairs incorporation related services can also be accessed through the National Single Window System (NSWS) by going through the following link: <a href="https://www.nsws.gov.in">https://www.nsws.gov.in</a>
2.	14.02.2024	Gazette Notification	Companies (Registration Offices and Fees) Amendment Rules, 2024	The Central Registration Centre (CRC), Centralised processing for Accelerated Corporate Exit (C-PACE) & CPC will ensure speedy processing of applications & forms filed for incorporation, closure and for meeting regulatory requirements so that the Companies are incorporated, closed, can alter and raise capital and are able to complete their various compliances under the Corporate laws with ease.

S. No	NEWS ON MCA
	NIL

2

**SEBI during the week**

**Circulars-0 Report -0; Notification – 0; Regulation-0; Others -1**

S. No	Date of Issue	Rules/Circulars/ Notification/ Order	Contents thereof	Gist thereof
1.	13.02.2024	Press Release	<b>SEBI cautions public against dealing with unregistered entities</b>	SEBI has observed a rising trend of unscrupulous entities and online platforms that falsely claim to be registered with SEBI as intermediaries. These entities often entice the general public by showcasing fake certificates purportedly issued by SEBI and promising or implying assured, high returns on investments. SEBI cautions investors against placing their money with any entity based on such claims. Investors are urged to conduct due diligence and verify the registration status of any entity claiming to be a SEBI registered intermediary. It is imperative for investors to understand that investments offering high returns usually involve high risk including fraud risk and there can be no guarantees of assured returns

				in the securities market.
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S.No	NEWS ON SEBI
	NIL

3

**RBI during the week**  
**Notifications - 0; Master Directions –0; Circulars -0; Press Release-1**

S.No	Date of Issue	Rules/Circulars/ Notifications/ Order / Press release	Subject	Gist thereof
1.	15.02.2024	Press Release	<b>Payment Intermediary by Card Network – Restraining of Unauthorized Payment System</b>	It has come to the notice of RBI, that a Card Network had an arrangement that enables businesses to make card payments through certain intermediaries, to entities that do not accept card payments. Under this arrangement, the intermediary accepts

			<p>card payments from corporates for their commercial payments and then remits the funds via IMPS/RTGS/NEFT to non-card accepting recipients.</p> <p>On closer scrutiny, it was observed that this arrangement qualified as a payment system. Under the provisions of Payment and Settlement Systems (PSS) Act, 2007, such payment system requires authorization under Section 4 of PSS Act, which has not been obtained in the instant case. The activity was, therefore, without legal sanction.</p> <p>The arrangement has also raised following concerns:</p> <ol style="list-style-type: none"><li>1. The intermediary in the above arrangement pooled large amount of funds into an account which is not a designated account under PSS Act.</li><li>2. Transactions processed under this arrangement did not comply with the originator and beneficiary information requirements, as stipulated under Master Direction on KYC issued by the Reserve Bank.</li></ol> <p>The Card Network has been advised to keep all such arrangements under abeyance, till further orders. It is clarified that the Reserve Bank has not placed any restriction with respect to normal usage of business credit cards.</p>
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<b>S.No</b>	<b>NEWS ON RBI</b>
	<b>NIL</b>

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**IBC during the week**  
**Press Release – 2; Master Direction – 0; Notification – 1; Circulars – 3; Order -0; Others - 0**

S. No	Date	Rules/Circulars/ Notifications/Order /Press Release	Contents thereof	Gist thereof
1.	12.02.2024	Circular	<b>Sharing of the Report prepared by the Resolution Professional under section 99 of the Insolvency and Bankruptcy Code, 2016 to both debtor and creditor</b>	<p>The resolution professional (RP) in an insolvency resolution process of a debtor under Chapter III of Part III of the Insolvency and Bankruptcy Code, 2016 (Code) examines the application and submits a report to the Adjudicating Authority recommending for approval or rejection of the application. RP has to share a copy of this report to the debtor or the creditor, as the case may be.</p> <p>It has been observed that in certain cases, the RPs have not shared a copy of the report with both debtor and creditor, leading to a lack of equal information access</p>

				among them. Therefore, it is hereby advised that the RP shall provide a copy of the report to both debtor and creditor in all cases. This will ensure that the debtor and the creditor are well-informed about the evaluation and recommendations made by the RP, thereby promoting transparency and informed decision-making.
2.	13.02.2024	Circular	<b>Reporting / Sharing of information in the Voluntary Liquidation process of a Financial service provider</b>	<p>The Code provides for the voluntary liquidation process of corporate persons which excludes financial service provider (FSP).</p> <p>Section 227 of IBC read with rules allows FSPs who have been notified by the Central Government, after consulting financial regulators, to undergo a voluntary liquidation process after obtaining prior permission of the appropriate regulator. However, it has been noted that some FSPs have commenced the voluntary liquidation process without notification and / or prior permission of the appropriate financial regulator.</p> <p>Accordingly, it is hereby directed that the liquidator shall ensure that, if the corporate person falls under the category of financial service provider, it shall declare that:</p> <p>(i) the category of Financial Service Providers has been notified by the Central Government under section 227 of the Code, and</p> <p>(ii) the corporate person has obtained prior permission from the appropriate regulator.</p>

				Further, the liquidator shall submit a copy of Form H and the final report filed before the Adjudicating Authority.
3.	13.02.2024	Circular	<b>Deposit and withdrawal of unclaimed dividends and / or undistributed proceeds in accordance with regulation 39 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.</b>	The IBBI Regulations provides a framework for the management of unclaimed deposits and undistributed proceeds during the voluntary liquidation process, where liquidators are mandated to deposit unclaimed / undistributed amounts into the Corporate Voluntary Liquidation Account and inform IBBI / The Board in Form-G containing the details regarding the stakeholders entitled to such deposited amount. To facilitate the request received from such a stakeholder, who claims to be entitled for withdrawal of such deposit before the dissolution of the corporate person, the liquidator shall apply to The Board in the form as prescribed, for the release of the amount for onward distribution to the stakeholders.
4.	13.02.2024	Press Release	<b>Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016</b>	The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2024 ('Amendment Regulations') which will take its effect from 12 <sup>th</sup> February 2024. To strengthen the regulatory framework of the liquidation process, certain key amendments have been made aimed at facilitating a smoother process for liquidation, ensuring accountability, and bolstering the confidence of stakeholders in the liquidation process.
5.	14.02.2024	Press Release	<b>Expert Committee constituted by IBBI submits</b>	The Expert Committee, constituted by the Insolvency and Bankruptcy Board of India (IBBI), to examine the scope of use of mediation in respect of processes

			<p><b>its Report on Framework for Use of Mediation under the Insolvency and Bankruptcy Code, 2016</b></p>	<p>under the Insolvency and Bankruptcy Code, 2016 (Code/ IBC) submitted its Report on 31<sup>st</sup> January 2024.</p> <p>The Expert Committee in its Report has made recommendations on the likely framework for the introduction of mediation as a complementary mechanism for resolution of disputes around the processes under the Code. The mediation framework under the Code, as recommended by the Committee, would best operate as a self-contained blueprint within the Code, with independent infrastructure to ensure that the objectives of the Code are met without compromising or diluting the basic structure of the Code in terms of timelines, public rights, etc. In consonance with the Mediation Act, 2023, the Committee has recommended a voluntary mediation framework under the Code.</p>
6.	15.02.2024	Notification	<p><b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024</b></p>	<p>The Insolvency and Bankruptcy Board of India makes regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024 which shall come into force with effect from 15<sup>th</sup> February 2024.</p> <p>The following regulations were inserted, namely: -</p> <ol style="list-style-type: none"> <li>1. Operating separate bank account for each real estate project</li> <li>2. Approval of committee for insolvency resolution process costs.</li> </ol>



S.No	NEWS ON IBC
	NIL

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**Others during the week**

**ICAI – 1; DGFT – 0; NCLT – 0; ICSI – 1; OTHERS -1;**

S. No	Date	Rules/Circulars/ Notifications/Order /Press Release	Contents thereof	Gist thereof
1.	12.02.2024	Announcement	<b>Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition)</b>	The ICSI, on 12 <sup>th</sup> February 2024, released the Revised edition of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
2.	12.02.2024	Gazette Notification	<b>Publication of Notification regarding Amendment in SEZ Rules, 2006</b>	The Department of Commerce & Industry has issued a Notification amending the SEZ Rules. Accordingly, with reference to Terms and

				<p>Conditions for Grant of Permission to Operate Including Availing Exemptions, Drawbacks and Concessions, a gem and jewelry Unit may also source on outright purchase basis or loan basis, gold or silver or platinum through the Nominated Agencies and where such sourcing is on loan basis, the same shall be subjected to the conditions applicable to such transactions under the provisions of the Foreign Trade Policy in force. Here, after the word “Agencies” the words “or free of charge from foreign buyer and Export thereof to the same foreign buyer” is inserted.</p>
<b>3.</b>	<b>13.02.2024</b>	<b>Announcement</b>	<b>Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).</b>	<p>The Revised SS-1 and SS-2 shall be effective from 1st April, 2024. Revisions in Secretarial Standards (SS-1 &amp; SS-2) have been made considering the following:</p> <ol style="list-style-type: none"> <li>1. Companies (Amendment) Act, 2015 and amendments to the Rules notified by MCA.</li> <li>2. Exemption Notification(s) issued by MCA dated 5th June 2015</li> <li>3. Relaxation is aimed to further ease of doing business.</li> <li>4. Feedback received from members on practical difficulties that emerged during the first-time implementation of Secretarial Standards</li> <li>5. To remove the interpretation issues</li> </ol>

				6. Issues/suggestions received from different stakeholders
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<b>S NO</b>	<b>GENERAL NEWS</b>
	<b>NIL</b>

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**Update on Regulated Sector- 1**

<b>S.No</b>	<b>Sector</b>	<b>Update</b>
1.	<b>Pension Fund Regulatory and Development Authority (Pension Fund) (Amendment) Regulations, 2023</b>	The Pension Fund Regulatory and Development Authority (PFRDA) has released a new set of amendments to the PFRDA (Trustee Bank) Regulations, 2015. These amendments, known as the Pension Fund Regulatory and Development Authority (Trustee Bank) (Amendment) Regulations, 2023, signify a pivotal shift in the regulatory framework overseeing trustee banks in India.



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