

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

**Week 02- January 04 2021 to January 10 2021**

**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	The Ministry of Corporate Affairs (MCA) has proposed a <a href="#">pre-packaged insolvency process</a> under the Insolvency and Bankruptcy Code (IBC) to resolve the unaddressed Covid-related stress resulting from the suspension of certain sections of the code. The draft regulations seek to hasten the resolution process with the bulk of the discussions between debtors and creditors taking place out of court with court approval needed only for the agreed arrangement.

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### SEBI during the week

**Act -0; Rules -0; Regulations-3; General Orders – 0; Guidelines- 0**

**Master Circulars-0; Circulars –1; Press Release –0; Others -0;**

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
3	08.01.2021	Regulation	<a href="#">Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2021</a>	<p><b>Gist of amendment is given below</b></p> <p>(i) Promoter’s minimum contribution requirement is not applicable to companies which are frequently traded for 3 years and</p> <ul style="list-style-type: none"> <li>• Redressed 95% investor complaints</li> <li>• Complied with LODR requirements for a period of 3 years.</li> </ul> <p>(ii) The equity shares issued on a preferential basis pursuant to any resolution of stressed assets shall be locked-in for a period of one year from the trading approval. This lock-in provision shall not be applicable to the specified securities to the extent to achieve 10% public shareholding.</p>
5	08.01.2021	Regulation	<a href="#">Securities and Exchange Board of India (Listing Obligations and</a>	SEBI vide this amendment included the following as a material event, which need to be disclosed without any application of the guidelines for materiality

			<p><a href="#"><u>Disclosure Requirements (Amendment) Regulations, 2021.</u></a></p>	<ul style="list-style-type: none"> <li>• Features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including few data as detailed in the provisions .</li> <li>• Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;</li> <li>• Quarterly disclosure of the status of achieving the MPS;</li> <li>• The details as to the delisting plans, if any approved in the resolution plan</li> </ul>
6	08.01.2021	Regulation  Circular	<p><a href="#"><u>Amendment to Regulation 20(6) of SEBI (AIF) Regulations, 2012</u></a></p> <p><a href="#"><u>Circular on Amendment to Regulation 20(6) of SEBI (AIF) Regulations, 2012</u></a></p>	<p>In October 2020, SEBI made amendments to AIF regulations and made the manager and Investment committee responsible for the investment decisions of the AIF and they shall be shall jointly and severally ensure that the investments are in compliance with AIF regulations, PPM etc.,</p> <p>As per the present amendment, aforesaid provisions shall not apply to an AIF in which each investor (other than the Manager, Sponsor etc.), has committed to invest not less than Rs. 70 Cr (or equivalent) and has furnished a waiver to AIF in respect of compliance with the said requirements.</p> <p>SEBI vide a separate circular issue the waiver letter format.</p>

<b>NEWS ON SEBI</b>	
1	SEBI proposed a new framework for ownership of market infrastructure institutions to facilitate new entrants to set up stock exchanges and depositories. In a discussion paper, the regulator has suggested a liberalised framework in the landscape of MIIs (Market Infrastructure Institutions) by allowing higher shareholding at the inception stage and prescribing a dilution in the ownership over a period of time.

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**RBI during the week**

**Notifications -1; Master Directions –0; Master Circulars –0; Circular -0;**

**Press Release –0**

S. No	Date of Issue	Notifications/Master Directions/Master Circulars	Subject & Link	Gist thereof
1	05-01-21	Notification	<a href="#">Introduction of Legal Entity Identifier for Large Value Transactions in Centralised Payment Systems</a>	<p>RBI decided to introduce the LEI system for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) using Reserve Bank-run Centralised Payment Systems viz. Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).</p> <p>The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide. It was conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis.</p>

<b>S. No</b>	<b>NEWS ON RBI</b>
<b>1</b>	The Reserve Bank of India (RBI) has asked banks to ensure that the internal audit function has sufficient authority, stature, independence and resources within the bank to enable internal auditors to carry out their assignments with objectivity. It also emphasised that this function cannot be outsourced. These directives are aimed at strengthening governance arrangements in banks under the Risk-Based Internal Audit (RBIA) Framework. The central bank said the Head of Internal Audit (HIA) should be a senior executive of the bank with the ability to exercise independent judgement.
<b>NIL</b>	

4

**IBC during the week**

**Notifications -0; Master Directions –0; Master Circulars –0; Circular –1;**

**Press Release –0; Others – 0**

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	04.01.2021	Circular	<a href="#">Retention of records relating to Corporate Insolvency Resolution Process</a>	<p>CIRP regulations require IP to preserve a physical as well as an electronic copy of the records relating to CIRP. Vide this circular IBBI directed IPs to preserve -</p> <p>(a) Electronic copy all records (physical and electronic) for a minimum period 8 years and</p> <p>(b) physical copy of physical records for minimum period of 3 years from the date of completion of the CIRP or the conclusion of any proceeding relating to the CIRP, before the Board, the Adjudicating Authority (AA), Appellate Authority or any Court, whichever is later.</p> <p>The circular lists the records the copies which need to be preserved by IP.</p> <p>IPs shall preserve the records at a secure place and ensure that unauthorised persons do not have access to the same</p>

S. No	NEWS ON IBC
1	

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**Others during the week**

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

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

S. No	GENERAL NEWS
1	The Bar Council of India has said that it will file an application in the Supreme Court seeking modification of the order which allowed fresh law graduates to become judicial officers. It said that the BCI and the State Bar Councils are "strongly in favour" of a 3 year minimum experience at the bar.





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