

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 08 – February 17 to February 24, 2020

1

Companies Act 2013 during the week

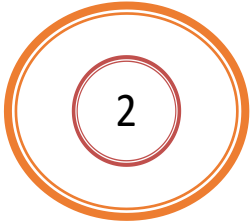
Rules -2 ; Circulars -1 ; Notifications – 0; Orders-0 ; Important Notices - 0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	19.02.2020	Rule	Companies (Registration Offices and Fees) Amendment Rules, 2020	<p>Form GNL -2 which is used for submission of documents with Registrar has been substituted by the amendment.</p> <p>Separate e-form DPT-3 for the purpose of 'Return of Deposits' and e-form SH-9 for 'Declaration of Solvency' are available and the same cannot be filed through this form.</p> <p>The Rule shall come into force on the date of their publication in the Official Gazette.</p>
2	22.02.2020	Rule	Companies (Incorporation)Amendment	New incorporation form (Form INC 32 – Spice +) is introduced which facilitates application for new name

			Rules,2020	<p>(earlier to be applied through RUN form). However, still for changing the name of an existing entity RUN has to be used.</p> <p>Form AGILE is replaced with new e-form AGILE – PRO, which additionally contains provision for applying Professional Tax Registration and for Opening of a Bank Account</p> <p>This Rule shall come into force with effect from the 23rd February,2020.</p>
3	17.02.2020	Circular	Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016).	<p>This Circular mandates the Insolvency professionals who are also called Interim Resolution Professional (IRP) or Resolution Professionals (RP) or Liquidators, appointed under Insolvency Bankruptcy Code 2016 to fill the forms in the Registry (MCA-21).</p> <p>IRP/RP/Liquidator has to first file NCLT order approving him as IRP/RP/Liquidator in Form INC-28. Only on approval of Form INC-28, IRP/RP/ Liquidator will be allowed to file any form on behalf of the company.</p> <p>Master data of the company shall, after the approval of INC-28, display that the said company is under CIRP or Liquidation and the IP name will also be reflected in the CEO column of the company. IP will be able to file all necessary documents for the purpose of compliance</p>

				<p>under Companies Act,2013.</p> <p>In case Company into CIRP or liquidation is stayed or set-aside by Tribunal or Appellate Tribunal, such order shall also be filed in Form INC-28, and the status of the company will be changed accordingly.</p>
--	--	--	--	--

S. No	NEWS ON MCA
1.	<p><u>MCA seeks comments on Competition Act, CCI to get more power</u></p> <p>The draft bill to amend the Competition Act, 2002 which was made public last year, has recommended some changes to the existing law including the option to prescribe new criteria for mergers and changes in the functioning of the Competition Commission of India (CCI).Public comments on the bill have been sought until March 6.</p>
3	<p><u>PNB Scam- Powers under Section 339 Companies Act can be invoked only against officers of company in which mismanagement is alleged:SC</u></p> <p>In the PNB- NiravModi scam, the Supreme Court has granted relief to UshaAnanthasubramaniam, former MD and CEO of Punjab National Bank, by setting aside the order passed by NCLT by which her assets were frozen.</p>



SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;
Master Circulars-0; Circulars – 0; Press Release –0; Others -0;**

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof

S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1.	<p><u>SEBI tightens norms for investment advisers to prevent mis-selling</u> The markets regulator barred investment advisers from simultaneously selling financial products and advisory services, and capped the fees they can charge their clients, in an attempt to curb mis-selling and protect investors.</p>
2	<p><u>SEBI moves to prevent mis-selling, conflict of interest</u> Securities and Exchange Board of India (Sebi) has barred the use of the description "Independent Financial Advisor" (IFA) or 'Wealth Advisor" or any other such names by distributors of securities unless they are registered as investment advisers with Sebi under the Investment Advisors Regulations, 2013</p>
3	<p>Decisions at SEBI Board Meeting – 17th February 2020</p> <ul style="list-style-type: none"> Deliberated the proposal of regulatory framework to facilitate and operationalize the Regulatory Sandbox ('sandbox') framework by inserting a common chapter in respective regulations of SEBI for granting limited certificate of registration to

the entity interested in applying for testing in the Regulatory Sandbox

- Approved making changes to the Investment Advisors Regulations, including for
 - Segregation of Advisory & Distribution Activities at client level
 - Enhanced eligibility criteria for registration as an Investment Adviser
 - Bringing clarity in payment of fees and introduction of upper limit on the fees charged to Investors
 - Execution of agreement between Advisor and Client
- Approved amending SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the SEBI (Real Estate Investment Trusts) Regulations, 2014
- Mutual funds
 - Approved amending the SEBI (Mutual Funds) Regulations, 1996 providing for non-bank custodians in addition to bank-custodian to offer custodian services for gold or gold related instruments of Gold ETFs
 - Decided that Sponsor or AMC shall invest in close ended schemes also
- Approved insertion of a suitable Explanation to Regulation 79 (Manner of creating pledge in Depository) under SEBI (Depositories and Participants) Regulations, 2018, that the word “pledge” shall include re-pledge of securities for margin and/ or settlement obligations of the client or such other purposes as specified by the Board from time to time



RBI during the week

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

Press Release –0 ;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof

S. No	NEWS ON RESERVE BANK OF INDIA
1	

4

IBC during the week

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

Press Release –0 ;

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	<u>IBBI proposes simultaneous CoC voting on two or more resolution plans</u> IBBI has proposed allowing Committee of Creditors (CoC) to vote simultaneously on two or more resolution plans for a company.
2	<u>Application for withdrawal is not a suit/proceeding/execution within S. 14 of IBC: Bombay HC</u> The Bombay High Court has held that an application made for withdrawal of an amount deposited with the court does not amount to a suit/proceeding/execution within Section 14 of IBC, and therefore, the party that deposited the amount cannot oppose such an application merely because it is undergoing moratorium.
3	<u>Insolvency regulator moots rule change to replace Authorised Representative</u> A class of creditors may soon be allowed to seek an alternate 'Authorised Representative' (AR) to represent their claims and deal with their grievances if they are not satisfied with the performance of their present AR.

4	MCA suggested the Committee constituted for recommending Rules & Regulatory framework for smooth implementation of Proposed Cross Border insolvency, <u>to study and analyze UNCITRAL Model Law for enterprise group insolvency and to make its recommendations in the context of IBC, 2016.</u>
---	--

S. No	GENERAL NEWS
1	<p><u>Deloitte stops non-audit services to clients in India</u> The Indian affiliate of Deloitte Haskins and Sells and its network firms in the country will no longer offer non-audit services to "public interest entities" they audit in India.</p>
2	<p><u>Firms can list GDRs in Gujarat's IFSC, MCA notifies rules</u> Indian companies can list their global depository receipts at the International Financial Services Centre in Gujarat, with the Ministry of Corporate Affairs amending the norms to tap overseas funds as well as to promote IFSC. The MCA has notified the companies (issue of Global Depository Receipts) Rules, 2014, permitting listing of Global Depository Receipts (GDRs) at Gujarat International Finance Tec-City (GIFT).</p>



Flat No.7, Door No.10 Madhans,
 South Canal Bank Road,
 Mandavelipakkam, Chennai 600028.
mail@akshayamcorporate.com
www.akshayamcorporate.com; Land Line:044-43533080

The Information Contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. The views expressed here are solely those of the author in his private capacity.