

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 23– 01st June to 07th June 2020

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

2

SEBI during the week

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

Master Circulars-0; Circulars – 2; Press Release –0; Others -0;

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1.	04/06/2020	SEBI/HO/IMD/DF6/CIR/P/2020/92	Relaxation in compliance with requirements pertaining to AIFs and VCFs	Alternate Investment Funds (AIF) and Venture Capital Funds(VCF) are provided relaxation wherein AIFs and VCFs may submit the regulatory filings for the months ending March, April, May and June 2020, as applicable, on or before August 07, 2020.

S. No	NEWS ON SEBI
1.	<p><u>Sebi extends power of attorney norms implementation date to August 1</u></p> <p>Markets regulator Sebi has extended to August 1, 2020 the date for implementing norms pertaining to power of attorney given by clients to trading members or clearing members. The regulator had in February 2020 specified guidelines with regard to margin obligations to be given by way of pledge and re-pledge in the depository system. The provisions of the circular were to come into effect from June 1, 2020.</p>

3

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
NIL				

S. No	NEWS ON RBI

4

IBC during the week

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

Press Release –0; Others – 1

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	01/06/2020	Notification	Suspension of enrolments for Valuation Examinations	Valuation Examinations continue to remain suspended until further notice
2	03/06/2020	Information Brochure	<u>Information brochure</u> on Insolvency Resolution Process and Bankruptcy Process for Personal Guarantors to Corporate Debtors	Insolvency and Bankruptcy Code , 2016 provides a time bound reorganization and insolvency resolution for not just companies , but also individuals , Limited Liability Partnerships , partnership and proprietorship firms as well. Part III of the code makes provisions for insolvency resolution ad bankruptcy of individuals and partnerships firms.

				<p>Government had earlier notified certain Rules for the effective commencement of provisions relating to insolvency and bankruptcy processes for Personal Guarantors [PG] and Corporate Debtors[CD].</p> <p>This Information Brochure act as a ready reckoner for understanding procedure for insolvency resolution and bankruptcy process for PGs to the CDs.</p> <p>It covers every step from the filing of application for Insolvency Resolution Process of Personal Guarantor till the Discharge of Order.</p> <p>This Brochure also brings in procedure of Bankruptcy Process of Personal Guarantor from the Application to Release of Bankruptcy trustee after completion of bankruptcy process.</p>
3	04/06/2020	Notification	<p>Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2020</p>	<p>Under IBC, an Insolvency Professional (IP)act in various capacities like an Interim Resolution Professional (IRP) in a corporate insolvency resolution process (CIRP), a liquidator in an insolvency process, and as a Bankruptcy Trustee in a bankruptcy process. For simplifying the procedure of appointment of IP by Adjudicating Authority (AA), Board has been making available Panels of IP's to AA for appointment as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustee. Guidelines include following points:</p>

				<ol style="list-style-type: none"> 1. Panel to have Zone wise list of IP's based on Registered Office of Ip 2. Instead of two six monthly panels, first panel to have validity of 4 months and 25 days and upon its expiry a new Panel having validity of 7 months and 5 days will replace it. 3. Eligibility of an IP to be in Panel is also covered in the gudelines 4. Board shall invite Expression of interest from IP's 5. IP's with Lowest volume on ongoing processes to be considered at the top of the panel and IP's with highest ongoing processes to be considered last. 6. Guideline also covers obligation of IP's in the Panel 7. AA may require the Board to recommend an IP from or outside the Panel and in such cases, the Board shall accordingly recommend an IP 8. IP who declines to act as IRP, Liquidator, RP or BT, as the case may be, on being appointed by the AA, shall not be included in the Panel for the next five years, without prejudice to any other action that may be taken by the Board. <p>This Guideline if effective from 1st July 2020.</p>
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5	05/06/2020	Notification	The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020	<p>Taking into cognizance the impact of pandemic over business, financial markets and economy, IBC is amended to include a new section after Section 10 namely Section 10 A.</p> <p>New section suspends the application for initiation of Corporate Insolvency resolution process, for a default arising on or after 25th March, 2020 for a period of six months, which can be further extended up to a maximum of 1 year through further notifications.</p> <p>It further clarifies that this provision will not apply to any default committed before 25th March 2020.</p> <p>Amendment further amends Section 66 to restrict application of RP against CD for fraudulent trading during CIRP process which stands suspended under Section 10 A.</p>
S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE			
1.	<p><u>GSTN enables new registration functionality for insolvency resolution professionals</u></p> <p>The Goods and Services Tax Network (GSTN) on Sunday said it has enabled new registration functionality on the GST portal for erstwhile registered entities who are now corporate debtors under the provisions of the Insolvency and Bankruptcy Code (IBC). This facility will benefit the companies that are undergoing the corporate insolvency resolution process and whose management affairs are being undertaken by interim resolution professionals (IRPs) or resolution professionals (RPs). To use this functionality, the appointed IRP/RP should choose the reason to obtain new registration in the drop-down menu as "corporate debtor undergoing the corporate insolvency resolution process by IRP/RP" while applying for registration on the GST portal, GSTN said in a statement.</p>			

5

Others during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	01/06/2020	Circular	Extension of time for submission of compliance certificate for the quarter ended March 2020	In consideration of prevailing situation, NSE extends the due date to submit Quarterly Compliance Certificate for the quarter ended March 2020, has been further extended till June 30, 2020

S. No	GENERAL NEWS
1.	<p><u>Taiwan may be treated as a separate entity for FDI</u></p> <p>The Government is sorting out the lack of clarity in an April 13 notification that banned Chinese firms from making investments through the automatic route. As India considers Taiwan a part of China, as do an overwhelming majority of countries in the world, the government is considering whether its investments will undergo governmental scrutiny before being permitted.</p>
MSME NEWS	
1.	<p>Cabinet approves Rs 20,000 cr relief for MSMEs, hikes MSP for farmers The Micro, Small and Medium Enterprises (MSMEs) and farm sectors received major boosts on Monday as the Union Cabinet approved relief packages announced earlier by Finance Minister Nirmala Sitharaman along with a few new reliefs.</p>
2.	<p>MSME definition widened further to include firms with up to Rs 250 cr turnover The Union cabinet has approved further changes to the definition of micro, small and medium enterprises, a Rs 20,000-crore fund to provide equity support to stressed entities in the sector, and equity infusion of Rs 50,000 crore into MSMEs through a fund of funds</p>
3	<p><u>Govt mulling making large firms disclose MSME dues: Nitin Gadkari</u></p> <p>The government is mulling to make it mandatory for large companies to disclose their dues to the micro, small and medium enterprises to ensure that timely payments get made, Union Minister Nitin Gadkari said on Thursday. The MSME minister conceded that despite various interventions, including promising micro, small and medium firms that payments by the central government and its undertakings will be made within 45 days of delivery of goods or service, a satisfactory solution to the problem has been elusive.</p>



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